

ORDINANCE NO. 130341

Authorizing the Director of Finance to accept the proposal of Banc of America Public Capital Corporation ("BAPCC") for financing the acquisition of television communication equipment for government cable Channel 2 (the "Project") under a Master Equipment Lease/Purchase Agreement ("Lease") in an approximate principal amount not to exceed \$302,000.00; estimating and appropriating \$302,000.00 in lease proceeds; authorizing the execution of any and all documents and agreements necessary for the financing; designating requisitioning authorities; authorizing the Director of Finance to close project accounts upon project completion; declaring the intent of the City to reimburse itself from the lease purchase proceeds for certain expenditures; and recognizing an emergency.

WHEREAS, under the 1984 Cable Act, local franchising authorities may require that cable operators set aside channels for public, educational, or governmental use; and

WHEREAS, as a condition of operating a cable television business within the rights of way and other public spaces of the City, the City established KCCG 2 the Kansas City government access channel in 1994; and

WHEREAS, the City Council has charged the Office of Communications with, among its duties, the operation of the government access channel; and

WHEREAS, Kansas City's Channel 2 provides residents access to announcements or programs concerning emergencies affecting residents' health or safety; Council Committee and Legislative meetings; regularly-scheduled, recurring informational programs; one-time or special informational programs; public service announcements; programs produced by persons, agencies or groups that support Kansas City programs and are submitted by eligible City departments or entities; and "bulletin board" service giving printed information on City events and services when other programs are not being aired; and

WHEREAS, key components of Channel 2 have been in operation since initially installed in 1994; and

WHEREAS, it is increasingly difficult and in many cases impossible to find replacement parts to repair these components which are critical to maintaining Channel 2's presence on the air; and

WHEREAS, current Standard Definition broadcasting capabilities are largely being replaced by cable providers with High Definition broadcasting; and

WHEREAS, Channel 2 can only broadcast in Standard Definition; and

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WHEREAS, recent emergency events have highlighted the need for the ability to broadcast live from the Emergency Operations Center, allowing for critical incident briefings to be broadcast directly to Kansas City residents; and

WHEREAS, upgrading Channel 2 will allow for the City to better utilize opportunities soon available with the installation of Google Fiber at City Hall; and

WHEREAS, the ability of City Communication's staff to install new equipment themselves will save the City hundreds of thousands of dollars; and

WHEREAS, technology upgrades will allow City Communications to improve the quality and effectiveness of Channel 2 for City residents and decrease the amount of time spent repairing an outdated system; and

WHEREAS, the City Manager's Office will coordinate the procurement, testing and installation of the Project; and

WHEREAS, the cost of acquisition and implementation of the Project is expected to be financed under the Lease with BAPCC by one draw upon the Lease; and

WHEREAS, the payment of scheduled debt service payments on the draw made under the Lease is estimated to be paid from available City general municipal revenues over a successive five-year (5) period beginning in fiscal year 2014-15; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Finance is authorized to accept the proposal of BAPCC for financing the Project through one (1) draw upon the Lease in an approximate principal amount not to exceed \$302,000.00.

Section 2. That the Director of Finance is authorized to execute, deliver and file in the name of the City, the Lease and any and all documents and agreements necessary to complete such financing.

Section 3. That the revenue in the following account of Fund No. 3230, the Equipment Lease Capital Acquisition Fund, is hereby estimated in the following amount:

AL-3230-120000-583000	Reimbursement from Bank or Lease Co.	\$302,000.00
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Section 4. That the sum of \$302,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3230, the Equipment Lease Capital Acquisition Fund, to the following account:

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AL-3230-107001-B-10007001	Communications Equipment	\$300,700.00
AL-3230-129620-B	Cost of Issuance	<u>1,300.00</u>
	TOTAL	\$302,000.00

Section 5. That the City Manager is hereby designated as requisitioning authority for Account No. AL-3230-107001 and that the Director of Finance is hereby designated as requisitioning authority for Account No. AL-3230-129620.

Section 6. That the Director of Finance is hereby authorized to close the project account upon project completion and return the unspent portion of the appropriation to the Fund Balance from which it came.

Section 7. That the City hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this ordinance with respect to the Project with the proceeds of lease expected to be drawn from the Lease. The maximum principal amount expected to be financed under this lease is \$302,000.00. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

Section 8. That this ordinance is recognized as an emergency measure within the provisions of Section 503(a)(3)(C) of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

Approved as to form and legality:

Sarah Baxter
Assistant City Attorney