

ORDINANCE NO. 060780

Authorizing the Director of Finance to proceed with the development of financing for the Citywide PC Life Cycle Program under a Master Lease Purchase Agreement with Koch Financial Corporation; and to execute any and all documents and agreements necessary; authorizing the Director of Information Technology to use all available balances and encumbrances in the PC Life Cycle account of the Equipment Lease Capital Acquisition Fund; and declaring the intent of the City to reimburse itself from lease purchase proceeds for certain expenditures.

WHEREAS, Ordinance No. 990329 established the PC Life Cycle Program for Kansas City, Missouri; and

WHEREAS, Ordinance No. 031120 changed the refresh cycle from three years to four years, while also changing the program from a lease-based program to a financed-based program and further stated that the Departments of Finance and Information Technology have jointly determined that it is in the best interest of the City to use a master lease purchase agreement for financing the City's PC Life Cycle Program; and

WHEREAS, the City, through a competitive proposal process, selected Koch Financial Corporation ("Koch") for lease financing needs of the City and the Water and Sewer Utilities; and

WHEREAS, Ordinance No. 051192 authorized the Director of Finance to accept the proposal of Koch to provide funds for the acquisition of capital equipment; and

WHEREAS, this ordinance will allow continued implementation of the PC Life Cycle Program to a limit of \$1,100,000.00 in annual debt service payments insofar as funds are appropriated for this purpose; and

WHEREAS, funds for the monthly purchase of personal computers and associated equipment from World Wide Technology will be provided by draw(s) upon the City's Master Lease Purchase Agreement with Koch, the payment of which will be made by annual appropriations in the Information Technology Departments budget for a period equal to the terms of the leases; NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Finance is authorized to proceed with the development of a financing plan to provide funds for the Citywide PC Life Cycle Program ("Project") through a draw upon the Master Lease Purchase Agreement with Koch with one or more Schedules of Property thereto.

Section 2. That the Director of Finance is authorized to execute, deliver and file in the name of the City, the master lease purchase agreement and any and all documents and agreements necessary to complete such financings.

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Section 3. That the Director of Finance is authorized to accept the proposal of Koch for financing of the Project through one or more draws upon the master lease purchase agreement in an approximate principal amount not to exceed \$1,800,000.00.

Section 4. That the revenue in the following account of the Equipment Lease Capital Acquisition Fund is hereby estimated in the following amount:

AL-3230-120000-483000	Reimbursement Bank or Leasing Co.	\$1,800,000.00
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Section 5. That the sum of \$1,800,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund 3230, the Equipment Lease Capital Acquisition Fund to the following account:

AL-3230-183000-E	PC LifeCycle Program	\$1,800,000.00
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Section 6. That the Department of Information Technology will continue to implement the PC LifeCycle Program to a limit of \$1,100,000.00 in annual debt service payments, insofar as funds are appropriated for this purpose.

Section 7. That the Director of Information Technology is hereby authorized to use all remaining appropriation in Account No. AL-3230-183000-E.

Section 8. That the Director of Finance is hereby authorized to close project accounts upon project completion and return the unspent portion of the appropriation to the fund balance from which it came.

Section 9. That the City declares its 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 the lease purchase expected to be drawn upon the master lease purchase agreement with Koch. The maximum principal amount of lease proceeds expected to be drawn under the master lease purchase agreement is \$1,800,000.00. This constitutes a declaration of official intent under Treasury Regulation 1-150-2.

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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.

Debra R. Hinsvark
Director of Finance

Approved as to form and legality:

Heather A. Brown
Assistant City Attorney