

ORDINANCE NO. 060454

Authorizing the Director of Finance to proceed with the development of financing to acquire fleet equipment for various departments under a Master Lease Purchase Agreement with Koch Financial Corporation; executing any and all documents and agreements necessary for the financing; estimating and appropriating lease proceeds in the total amount of \$9,500,000.00; designating requisitioning authority; and declaring the intent of the City to reimburse itself from the lease purchase proceeds for certain expenditures.

WHEREAS, a complete review of the City's non-enterprise vehicle fleet has been conducted by the City's Fleet Administrator to determine the necessary replacements that must occur to bring the City's vehicle fleet up to standards to insure that City services are performed in the most efficient and effective manner possible; and

WHEREAS, previous ordinances have already addressed the backlog of equipment needs in the Parks and Recreation and Fire Departments; and

WHEREAS, this upgrade of equipment will effectively eliminate the funding backlog for equipment in the Departments of Public Works, Neighborhood and Community Services, Health, City Manager's Office, and General Services; and

WHEREAS, it is essential that the City be authorized to order the necessary equipment to insure the lowest possible price for the equipment and to insure delivery within a reasonable timeframe; and

WHEREAS, it was determined that the principal amount be financed with a tax-exempt lease purchase agreement; and

WHEREAS, the purchase of such fleet equipment ("Equipment") can be financed by a Master Lease Purchase Agreement; the payment of which will be made by from appropriations in the various departmental budgets as supported by the General Fund over a maximum period of nine-years; 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 for the purchase of departmental vehicles through a draw upon the Master Lease Purchase Agreement in the approximate amount of \$9,500,000.00 with Koch Financial Corporation.

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Section 2. That the Director of Finance is authorized to accept the proposal of Koch Financial Corporation for financing of the acquisition of the Equipment through a draw upon the Master Lease Purchase Agreement in an approximate principal amount not to exceed \$9,500,000.00.

Section 3. 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 financing.

Section 4. That the sum of \$422,000.00 is hereby reduced from the following account of the Equipment Lease Capital Acquisition Fund (No. 3230):

AL-3230-101900-E	Fleet Administration	\$ 422,000.00
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Section 5. 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.	\$9,500,000.00
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Section 6. That the sum of \$9,500,000 is hereby appropriated from the Unappropriated Fund Balance Fund No. 3230, the Equipment Lease Capital Acquisition Fund to the following account:

AL-3230-071901-E	Departmental Vehicle Upgrade	\$9,500,000.00
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Section 7. That the City Manager is hereby designated as requisitioning authority for Account No. AL-3230-071900.

Section 8. 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 9. That the City declares its intent to reimburse itself for certain expenditures made within 60 days prior to or on and after the date of this ordinance with respect to the Equipment with the proceeds of the lease purchase expected to be drawn upon the Master Lease Purchase Agreement. The maximum principal amount expected to be financed under the lease purchase is \$9,500,000.00.

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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