



ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michael J. More *MJM*

Agenda Item No. I-6

Reviewed By: City Manager *[Signature]*

City Attorney *[Signature]*

Finance *[Signature]*

Other (Specify) \_\_\_\_\_

**DATE:** August 19, 2009

**TO:** City Council

**FROM:** Michael More, Financial Services Manager  
Finance Department

**SUBJECT: Master Equipment Lease Purchase Agreement**

**RECOMMENDATION**

That the City Council:

1. Approve and authorize the City Manager to execute a Master Equipment Lease Purchase Agreement (A-7211) in substantially the form of the attached document (Attachment No. 1) in an amount not to exceed \$10 million, with such changes as deemed necessary or desirable by the City Manager, such approval to be evidenced by the execution and delivery thereof.
2. Approve and authorize the City Manager to execute any and all certificates and ancillary documents that may be necessary to consummate the execution of the Master Equipment Lease Purchase Agreement.
3. Approve special budget appropriations in the amount of \$7,480,600 from the Master Equipment Lease Purchase for the acquisition of capital equipment in Fiscal Year 2009-10, and \$629,000 for lease payments due during Fiscal Year 2009-10.

**DISCUSSION**

In conjunction with the adoption of the Fiscal Year 2008-09 budget, City Council approved the allocation of \$389,000 toward debt service payments for certain capital improvement projects. Included in these capital improvement projects were the acquisition of two fire apparatus for the Fire Department and a Computer Aided Dispatch/Records Management (CAD/RMS) system for the Police Department. The two fire apparatus were delivered and paid for during the month of February 2009, while the contract for the CAD/RMS system is expected to be awarded in about October 2009.

On February 10, 2009, City Council adopted Resolution No. 13,602 (the "Reimbursement Resolution") which authorized the reimbursement for capital expenditures for the CAD/RMS and fire apparatus

acquisitions from future proceeds of a lease purchase agreement.

In addition to the CAD/RMS system and the two fire apparatus which were the subject of the Reimbursement Resolution, staff is proposing the use of a lease purchase structure to meet ongoing capital replacement needs during Fiscal Year 2009-10 in order to finance the acquisition of the vehicles/equipment over the useful life of the assets. Vehicles and equipment to be acquired under the lease purchase in FY 09-10 are summarized on Attachment No. 4. Proposed FY 2009-10 acquisitions total \$7,480,600, including \$6,229,000 for the General Fund (of which \$5,911,000 is public safety-related) and \$1,569,600 is for enterprise and other funds. The FY 2009-10 lease payment of \$629,000 will be funded by \$514,000 from the General Fund and \$115,000 from other funds.

Staff requested bids from various lease providers and proposed awarding the lease agreement to Bank of America, which provided the lowest net interest cost to the City.

## **FINANCIAL IMPACT**

A total of \$7,480,600 in appropriations is being requested in various accounts under this Lease (refer to Attachment No. 1). The remaining available credit line under the Lease is \$2,519,400. Staff expects to recommend to City Council for approval to draw down the remaining balance of the Lease in Fiscal Year 2010-11 to cover needed capital equipment acquisitions as part of the mid-term budget. Payments on the Lease will be made semi-annually in arrears. A total lease payment of \$629,000 is due in Fiscal Year 2009-10 and is requested in accordance with the attached special budget appropriation. The General Fund share of the lease payments will be funded from amounts set aside for debt service and other capital requirements. The enterprise funds will acquire vehicles and equipment under the Lease contingent upon approval and adoption of their revised user rates.

MJM

- Attachment #1 - Form of Master Equipment Lease Purchase Agreement
- #2 - Special Budget Appropriation (capital equipment acquisition)
- #3 - Special Budget Appropriation (lease payments)
- #4 - List of lease assets

Attachment No. 1 has been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Friday.

**CITY OF OXNARD**  
**REQUEST FOR SPECIAL BUDGET APPROPRIATION**

To the City Manager:

September 1, 2009

Request is hereby made for an appropriation of total . . . . .

\$ 7,480,600

Reason for appropriation: Budget receipt of lease purchase proceeds and expenditures for CIP vehicle/equipment projects.

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Lease Purchase Funded 2009 CIP (313)	313-1001-712-7952 Proceeds from Borrowing	(6,229,600)
	313-2222-826-8606 (042201) Fire Apparatus	1,953,000
	313-2023-826-8606 (072101) CAD/RMS System	3,400,000
	313-5701-826-8606 General Services Department Vehicles	183,600
	313-3103-826-8606 Public Works Department (Streets) Vehicles	71,000
	313-5501-826-8606 Recreation Department Vehicles	64,000
	313-2001-826-8606 Police Department Vehicles	558,000
	<b>Net Estimated Change to Lease Purchase Funded 2009 CIP Fund Balance</b>	<u><u>0</u></u>
Water Operating (601)	601-6010-712-7952 Proceeds from Borrowing	(290,000)
	601-6010-891-8606 Water Division Vehicles/Equip	290,000
	<b>Net Estimated Change to Water Fund Balance</b>	<u><u>0</u></u>
Wastewater Collection Operating (611)	611-6101-712-7952 Proceeds from Borrowing	(420,000)
	611-6101-891-8606 Wastewater Division Vehicles/Equip	420,000
	<b>Net Estimated Change to Wastewater Collection Fund Balance</b>	<u><u>0</u></u>
Wastewater Treatment Operating (621)	621-6201-712-7952 Proceeds from Borrowing	(45,000)
	621-6201-891-8606 Wastewater Division Vehicles/Equip	45,000
	<b>Net Estimated Change to Wastewater Treatment Fund Balance</b>	<u><u>0</u></u>

# CITY OF OXNARD

## REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

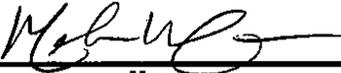
September 1, 2009

Request is hereby made for an appropriation of total . . . . .

\$ 7,480,600

Reason for appropriation: Budget receipt of lease purchase proceeds and expenditures for CIP vehicle/equipment projects.

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Environmental Resources Operating (631)	631-6307-712-7952 Proceeds from Borrowing	(336,000)
	631-6307-891-8606 Environmental Resources Vehicles/Equipt	336,000
	<b>Net Estimated Change to Environmental Resources Fund Balance</b>	<b>0</b>
Equipment Maintenance (741)	741-7501-712-7952 Proceeds from Borrowing	(160,000)
	741-7501-856-8533 Equipment Maintenance Capital Equipment	160,000
	<b>Net Estimated Change to Equipment Maintenance Fund Balance</b>	<b>0</b>

  
\_\_\_\_\_  
Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_

Disposition _____	Approved _____
Transfer by Journal Voucher _____	Rejected _____
	_____ City Manager

ATTACHMENT NO. 2  
PAGE 2 OF 2

**CITY OF OXNARD**  
**REQUEST FOR SPECIAL BUDGET APPROPRIATION**

To the City Manager:

September 1, 2009

Request is hereby made for an appropriation of total . . . . .

\$ 630,000

Reason for appropriation: Budget lease/purchase payment for FY 09-10 (1/2 year)

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
<b>General Fund</b> <b>(101)</b>	101-1001-801-8606 CAPITAL OUTLAY / MACHINERY AND EQUIP NEW	(108,158)
	101-1002-808-8734 Transfer to Debt Service Fund	108,158
	<b>Net Estimated Change to General Fund Balance</b>	<u>0</u>
<b>COFA Debt Service Fund</b> <b>(801)</b>	801-XXXX-711-7901 Transfer from General Fund	108,158
	801-XXXX-711-7901 Debt Service Set-Aside	405,842
	801-XXXX-895-8503 Principal Payment	(359,800)
	801-XXXX-895-8504 Interest Payment	(154,200)
	<b>Net Estimated Change to COFA Debt Service Fund Balance</b>	<u>0</u>
<b>Water Operating</b> <b>(601)</b>	601-6004-896-8503 Principal Payment	21,000
	601-6004-848-8504 Interest Payment	9,000
	<b>Net Estimated Change to Water Fund Balance</b>	<u>(30,000)</u>
<b>Wastewater Collection Operating</b> <b>(611)</b>	611-6104-848-8503 Principal Payment	24,640
	611-6104-848-8504 Interest Payment	10,560
	<b>Net Estimated Change to Wastewater Collection Fund Balance</b>	<u>(35,200)</u>
<b>Wastewater Treatment Operating</b> <b>(621)</b>	621-6206-848-8503 Principal Payment	2,660
	621-6206-848-8504 Interest Payment	1,140
	<b>Net Estimated Change to Wastewater Treatment Fund Balance</b>	<u>(3,800)</u>

ATTACHMENT NO. 3  
PAGE 1 OF 2

**CITY OF OXNARD**  
**REQUEST FOR SPECIAL BUDGET APPROPRIATION**

To the City Manager:

September 1, 2009

Request is hereby made for an appropriation of total . . . . .

\$ 630,000

Reason for appropriation: Budget lease/purchase payment for FY 09-10 (1/2 year)

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Environmental Resources Operating (631)	631-6305-896-8503 Principal Payment	20,300
	631-6305-896-8504 Interest Payment	8,700
	<b>Net Estimated Change to Environmental Resources Fund Balance</b>	<b><u>(29,000)</u></b>
Equipment Maintenance (741)	741-7501-895-8503 Principal Payment	12,600
	741-7501-895-8504 Interest Payment	5,400
	<b>Net Estimated Change to Equipment Maintenance Fund Balance</b>	<b><u>(18,000)</u></b>

  
 \_\_\_\_\_  
 Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER

  
 \_\_\_\_\_

Disposition	Approved _____
	Rejected _____
Transfer by Journal Voucher _____	City Manager _____

**City of Oxnard**  
**Lease Purchase Series 2009**  
**Assets to be acquired with Lease Purchase Proceeds**  
**Fiscal Year 2009-10**

Department/Division	Vehicle/Equipment Description	Acquisition Cost (est.)	Lease Amortization Period (Years)
Fire	Fire Engines (2)	\$ 1,000,000	10
Fire	Fire Engines (2)	\$ 953,000	10
General Services	Graffiti Van	\$ 52,800	5
General Services	Graffiti Van	\$ 52,800	5
General Services - Parks	Chipper Truck	\$ 78,000	5
Police	Sedan, Police (8)	\$ 376,000	4
Police	Motorcycles - Police (2)	\$ 50,000	5
Police	CSO - Pick up truck	\$ 19,000	5
Police	Truck, Animal Control	\$ 36,000	5
Police	Equipment for 8 police vehicles purchased in FY09	\$ 77,000	4
Police	CAD/RMS System	\$ 3,400,000	7
Recreation Services	Van, 15-Passenger	\$ 26,000	5
Recreation Services	Pickup, 3/4 Ton	\$ 23,000	5
Recreation Services (City Corps)	Sedan (NON-HYBRID)	\$ 15,000	5
Streets	Pickup, 1/2 Ton	\$ 17,000	5
Streets	Truck, 1 Ton Utility Bed	\$ 27,000	5
Streets	Truck, 1 Ton Utility Bed	\$ 27,000	5
<b>Subtotal - General Fund Vehicles/Equipment</b>		<b>\$ 6,229,600</b>	
Fleet Maintenance	Vehicle Floor Lifts	\$ 160,000	5
<b>Subtotal - Fleet Maintenance Fund Equipment</b>		<b>\$ 160,000</b>	
Environmental Resources	Commercial Rear Loader	\$ 140,000	7
Environmental Resources	Residential Flat Bed Delivery	\$ 40,000	7
Environmental Resources	Trailer (2)	\$ 120,000	7
Environmental Resources	Sedan (2)	\$ 36,000	5
<b>Subtotal - Environmental Resources Fund Vehicles/Equipment</b>		<b>\$ 336,000</b>	
Wastewater	Vactor Truck	\$ 310,000	7
Wastewater	3 axle Dump Truck	\$ 110,000	7
Wastewater	Forklift	\$ 45,000	7
<b>Subtotal - Wastewater Fund Vehicles/Equipment</b>		<b>\$ 465,000</b>	
Water	5-Ton Dump Truck	\$ 75,000	7
Water	1 Ton Pickup w/utility bed and rack	\$ 30,000	5
Water	2 Ton Pickup w/utility bed and rack	\$ 30,000	5
Water	Electric High Lift	\$ 80,000	5
Water	1/2 Ton Pickup ext cab with tonneau	\$ 25,000	5
Water	1/2 Ton Pickup ext cab with tonneau	\$ 25,000	5
Water	1/2 Ton Pickup ext cab with tonneau	\$ 25,000	5
<b>Subtotal - Water Fund Vehicles/Equipment</b>		<b>\$ 290,000</b>	
<b>GRAND TOTAL - ALL VEHICLES AND EQUIPMENT</b>		<b>\$ 7,480,600.00</b>	