

TAB 7

POINT PAPER

**FY08 CAPITAL LEASE
REIMBURSEMENT RESOLUTION
08-01
MASTER LEASE RESOLUTION
08-02**

Problem: Certain items have been ordered and some purchased that are in the FY08 budget to be leased. The purchase orders/payments for the entire purchase amount have been issued from the city and leasing (financing) need to be established.

Background: The city has a Master Lease agreement established in FY07 with the Florida League of Cities and Bank of America for the purchasing of equipment and vehicles. The agreement has been used to finance numerous vehicles and other equipment items. During the FY08 budget process, vehicles and in-car videos were budgeted to be financed through this program. These items and the associated costs are as follows:

Account #	Cost Center	Description	Quantity	Price	PO Number	Vendor
001 521 6900	Police Dept.	2008 Crown Victorias	2	\$ 45,822	78405	Duval Ford
001 513 6900	IT	In-Car Videos	4	31,925	78311	Coban Research
690 559 6900	CRA	In-Car Videos	8	<u>65,600</u>	78311	Coban Research
				\$ 143,347		

The vehicles were ordered in November, but have not been delivered to the city. The city ordered the videos in November and paid the invoice of \$97,525 on December 14, 2007. A reimbursement resolution (08-01) is required to be approved, demonstrating the full intention of the city to be reimbursed from the lease funds. Once the resolution and the lease are approved, the city will be reimbursed from the lease funds for the in-car videos and the invoice for the vehicles, when received, will be paid directly by the bank from the lease funds (escrow). Lease payments will then be made per the lease amortization schedule from the FY08 budget.

Resolution 08-02 is for the Master Lease Agreement and is the standard agreement for all our lease agreements. The interest rate for this financing has been obtained at 3.26% and quarterly payments will begin in April, 2008 and are included in the FY08 budget at an estimated amount.

Alternatives:

1. Approve resolution 08-01 and 08-02
2. Do nothing.

Recommendation:

Staff recommends alternative #1, approving the reimbursement resolution to allow the city to be reimbursed \$97,525 from the future lease agreement for the in-car videos (Resolution 08-01) and finance the equipment through the lease agreement (Resolution 08-02).

Budget Impact: None.

RESOLUTION NO. 08-01

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP; AUTHORIZING A LEASE OF EQUIPMENT THEREUNDER; AUTHORIZING THE EXECUTION OF SUCH OTHER DOCUMENTS AS MAY BE NECESSARY TO COMPLETE THE TRANSACTIONS CONTEMPLATED HEREBY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the City Commission of the City of Palmetto, Florida (the "City") as follows:

Section 1. Findings. It is hereby ascertained, determined and declared that:

(a) The City deems it necessary, desirable and in the best financial interest of the City and its inhabitants that it enter into a Master Equipment Lease/Purchase Agreement (the "Master Lease/Purchase Agreement") with Banc of America Public Capital Corp (the "Lessor"), to provide for the lease and purchase from time to time of equipment essential to the governmental, municipal or public purposes or functions of the City or to the services the City provides its inhabitants.

(b) The City has an immediate need for (2) 2008 Ford Crown Victorias, (12) Video/Computer Systems (the "Equipment") for the welfare of its citizens, and it is in the best financial interest of the City that the Equipment be leased pursuant to the Master Lease/Purchase Agreement.

(c) The City is authorized and empowered by the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act").

(d) The City is authorized and empowered by the Act to enter into transactions such as those contemplated by the Master Lease/Purchase Agreement and to fully perform its obligations thereunder in order to acquire the Equipment.

(e) The small size of the lease financing, current market conditions and other circumstances require that the Master Lease/Purchase Agreement and the leases of equipment thereunder be negotiated at private sale rather than offered by competitive bid.

Section 2. Authorization of Execution and Delivery of Master Lease/Purchase Agreement. The Master Lease/Purchase Agreement, substantially in the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be approved on behalf of the City by the Mayor, such approval to be evidenced conclusively by the Mayor's execution thereof, is hereby approved and authorized. The City hereby authorizes and directs the Mayor to execute the Master Lease/Purchase Agreement and deliver the same to the Lessor. All of

the provisions of the Master Lease/Purchase Agreement, when executed, dated and delivered by or on behalf of the City as authorized herein and by or on behalf of the Lessor, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 3. Authorization of Leases of the Equipment. The lease of the Equipment pursuant to the Master Lease/Purchase Agreement, as set forth on Schedule of Property No. 003 (together with the Rental Payment Schedules associated therewith, the "Schedules"), is hereby approved. The City hereby authorizes and directs the Mayor to execute each of the Schedules and deliver the same to the Lessor. All of the Schedules, when executed, dated and delivered by or on behalf of the City as authorized herein and by or on behalf of the Lessor, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 4. General Authority. The Mayor, the City Clerk and the officers, attorneys and other agents and employees of the City are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Master Lease/Purchase Agreement and the Schedules, and they are hereby authorized to execute and deliver all certificates and documents which shall reasonably be required by the Lessor to effectuate the transactions described herein, including without limitation the documents described in Exhibits B, C and E of the Master Lease/Purchase Agreement.

Section 5. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements and provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution, and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof.

Section 6. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED AND DULY ADOPTED, in regular session, by the City Commission of the City of Palmetto, with a quorum present and voting, this 22nd day of January, 2008.

ATTEST: JAMES R. FREEMAN
CITY CLERK

CITY OF PALMETTO, FLORIDA
BY AND THROUGH THE CITY
COMMISSION OF THE CITY OF
PALMETTO

By: _____
City Clerk

By: _____
Lawrence E. Bustle, Jr., Mayor



Bank of America Public Capital Corp.
GA3-003-04-01
2059 Northlake Parkway, 4th Floor
Tucker, GA 30084

Tel 770.270.8443
Fax 770.270.8565

January 14, 2008

City of Palmetto, FL

To Whom It May Concern:

Bank of America Public Capital Corp. ("Lessor") is pleased to submit the following bid to you pursuant to the Master Lease/Purchase Program established on behalf of the Florida League of Cities, Inc.

Lessee: City of Palmetto, FL

Amount Financed: \$ 143,347.00 (soft costs cannot exceed 20%)

Lease Term: Forty-eight (48) months

Equipment Description: Two New 2008 Ford Crown Victoria and 12 Video/Computer Systems

Interest Rate: 3.26% or 112% of the 4-year Treasury. This rate will be held for 30 days from the above date. Thereafter, the Interest Rate will be recalculated at the percent of the 4-year Treasury quoted under the Florida League of Cities Master Lease/Purchase Program for the month in which funding occurs, and the rate will be fixed at the time of funding. As of January 14, 2008, the 4-year Treasury was 2.91%.

Periodic P&I: Quarterly/Arrears: \$ 9,592.43 (sixteen payments with first due in April 2008)

Total P&I: Quarterly/Arrears: \$ 153,478.82

Servicing Fee: A servicing fee of 10 basis points (\$243) will be charged to Lessee for processing this transaction as part of the Florida League of Cities Master Lease Program with Lessor.

This transaction will be subject to the terms and conditions and documentation of the Florida League of Cities Master Lease/Purchase Program.

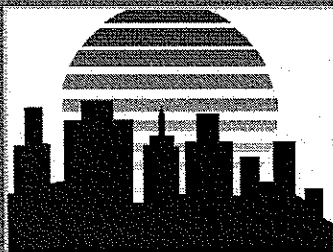
If you wish Lessor to proceed with this transaction, please submit the application provided, along with the specified financial information requested. We look forward to the opportunity to provide financing to you.

If you have any questions, please give me a call at (770) 270-8443.

Very truly yours,

BANC OF AMERICA PUBLIC CAPITAL CORP.

Kathy N. Bowden



Florida League of Cities, Inc. Master Lease Purchase Program

Application

Date: 1/8/2008

Lessee Information

Name: City of Palmetto

Street Address: 516 8th Ave. W.

City: Palmetto

State: Florida Zip: 34221

Federal ID: 59-6000403

Contact: James R. Freeman, City Clerk

Address: PO Box 1209, Palmetto, FL 34220

Phone: 941-723-4570

Fax: 941-723-4576

Email: jfreeman@palmettofl.org

Billing Address (If Different):

Name: City of Palmetto

Address: PO Box 1209

City: Palmetto

State: Florida Zip: 34220

Contact: Karen Simpson

Phone: (941) 723-4570

Fax: (941) 723-4576

Equipment Description (year, make, model):

2-2008 Ford Crown Victoria; 12 Video/Computer Systems

Please attach a separate sheet if more space is needed.

Amount

Equipment Cost: \$143,347

Amount Requested: \$143,347

Expected Funding Date: February 4, 2008

Financing Term: 48 months

Payment* (Monthly, Quarterly, Annually Semi-Annual) Quarterly

Payment in advance or arrears? Arrears

Fund Used to Pay for the Equipment: General Fund

* **Due the first day of the month**

**Please mail the completed application along
with all of the required documents to:**

Heather Fortier
Florida League of Cities, Inc.
301 South Bronough, Suite 301
Tallahassee, FL 32302

We have made an effort to make this process as efficient as possible. The following documents must be submitted with the Master Lease Purchase Application:

- ✓ **Three years of your most recent audited financial statements**
- ✓ **Most recent fiscal year's budget**
- ✓ **Insurance Certificate**

The application is simple and self-explanatory. As Administrator, the Florida League of Cities will accept the applications and submit them to the appropriate parties. We will coordinate and assist in follow-ups of any further information and questions, if required.

After the application has been approved, you will execute a Master Lease Purchase Agreement and attendant documents related to the agreement.