

## RESOLUTION NO. 2012-408

Adopted by the Sacramento City Council

December 11, 2012

**AUTHORIZING THE CITY TREASURER OR HIS DESIGNEE TO REFINANCE CERTAIN LEASE-PURCHASE AGREEMENTS THE CITY ENTERED INTO WITH AFFILIATES OF THE BANK OF AMERICA AND TO APPROVE, EXECUTE, AND DELIVER RELATED DOCUMENTS; AND AUTHORIZING THE CITY MANAGER TO AMEND THE FIRE DEPARTMENT, GENERAL SERVICES DEPARTMENT, AND PUBLIC WORKS DEPARTMENT EXPENDITURE BUDGETS TO REFLECT SAVINGS ATTRIBUTABLE TO THE REDUCED DEBT-SERVICE PAYMENTS ASSOCIATED WITH THE REFINANCING.**

### BACKGROUND

- A. The City Treasurer has determined that six tax-exempt lease-purchase agreements used to finance the acquisition of equipment are eligible at this time to be refinanced. The current interest rates of the six agreements ranges from 3.69% to 4.09%, and each has between three and five years of debt-service payments remaining.
- B. To investigate whether refinancing would provide a net economic benefit to the City, the City Treasurer solicited informal interest-rate from the two members of the City's current pool of tax-exempt lease-financing providers: JP Morgan Chase Bank, N.A. ("**JP Morgan**") and Banc of America Public Capital Corp ("**BofA**"), the current lessor on the six lease-purchase agreements.
- C. JP Morgan submitted interest-rate quotes that range from 1.10% to 1.48% depending on the type of asset to be refinanced and the final maturity of the lease-purchase agreement. BofA did not submit quotes.
- D. After reviewing JP Morgan's interest-rate quotes as well as JP Morgan's proposed terms and conditions, the City Treasurer determined that JP Morgan is qualified and capable of refinancing the six outstanding lease-purchase agreements. The City Treasurer also determined that refinancing the six agreements will result in aggregate savings of about \$478,000 for the City's Fire Department, General Services Department, and Public Works Department over the terms of the refinanced agreements, which will not be extended.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Treasurer or his designee is hereby authorized to do the following on the City's behalf: (a) to refinance with JP Morgan the six lease-purchase agreements the City entered into with Banc of America Public Capital Corp or Banc of America Leasing & Capital that are designated as Lease Schedule Numbers 7 through 12; (b) to approve, execute, and deliver all documents required to refinance the six agreements, in an aggregate amount not to exceed \$6,995,402; and (c) to take all other actions that are reasonably necessary to accomplish the refinancing.
- Section 2. The City Manager or his designee is hereby authorized to amend the budgets of the City's Fire Department, General Services Department, and Public Works Department to reflect savings attributable to the reduced debt-service payments associated with the six lease-purchase agreements to be refinanced.

Adopted by the City of Sacramento City Council on December 11, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, Hansen, McCarty, Pannell, Schenirer, Warren, and Mayor Johnson.

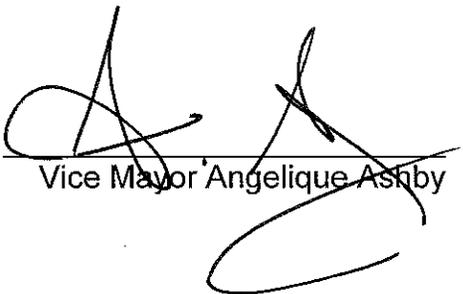
Noes: None.

Abstain: None.

Absent: None.

Attest:

  
Shirley Concolino, City Clerk

  
Vice Mayor Angelique Ashby