



Legislation Text

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DATE: June 29, 2016

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Russ Truell, Assistant City Administrator

SUBJECT:

*Consideration of Resolution 2016-37, a Resolution to Amend Master Lease Agreement with U S Bank and Authorize the City Administrator to Execute Related Documents (07-12-16 WS)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the proposed leasing arrangement adopted in the Fiscal Year 2016-2017 budget.

Background

The Board of Mayor and Aldermen has adopted an operating budget for the fiscal year 2016-2017 which includes the leasing of certain vehicles and information technology products. The Finance Department staff, in conjunction with Public Financial Management personnel, issued a Request for Proposal from a number of banks and financial firms. It was determined that U S Bank provided the most responsive proposal.

A master lease agreement with U S Bank was previously adopted by the Board of Mayor and Aldermen in 2012 (Contract 2012-0123.) An amendment to the existing lease, Schedule of Property #3, is needed to execute new equipment purchases under the lease.

In addition to the new Property Schedule 3, certain other documents are required to amend the master lease agreement with U S Bank, subject to final review by the City Attorney and the City Administrator. The City Administrator will be required to execute the Schedule of Property and any other pertinent exhibits to the contract, as equipment and capital items are ordered and delivered throughout the budget year and until the acquisition fund is exhausted.

Financial Impact

Financing the equipment through a lease spreads the cost of new equipment over a three year period, allowing City Departments to move forward with purchases that would otherwise be delayed. The interest cost of the lease is 1.29% per year.

Recommendation

Staff recommends approving the Resolution allowing the City Administrator to execute the necessary documents to facilitate the new leasing arrangement.