



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

TO: Honorable Mayor and Members of City Council
FROM: John F. McDonough, City Manager

Agenda Item No.

16d

Ordinance/First Reading
 Ordinance/Second & Final Reading
 Resolution/First & Final Reading
 Information Only

AGENDA DATE REQUESTED: May 24, 2021

ORDINANCE/RESOLUTION CAPTION:

AUTHORIZING A LEASE/PURCHASE AGREEMENT, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,125,000 RELATING TO THE FINANCING OF EQUIPMENT FOR MUNICIPAL PURPOSES; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS INCLUDING THE LEASE AGREEMENT; AND OTHER MATTERS RELATING THERETO

SUMMARY BACKGROUND:

The city of Greenville has a multi-year replacement program for vehicles and equipment used by the Greenville Fire Department. Part of the plan includes the use of lease-purchase financing for large dollar items such as ladder trucks to spread the cost over multiple years and to ensure an orderly replacement program from a budgetary standpoint. The FY21 adopted budget included Lease/Purchase proceeds for the purchase of a Quintuple Combination Pumper, or "Quint" fire truck. The FY22 recommended budget includes sufficient capacity to pay the debt service related to this issue.

The vehicle has been ordered and is anticipated to be received in 12-15 months. The City will prepay for the vehicle in order to receive a discount of \$40,685.

This Resolution authorizes City staff to proceed with the execution and delivery of appropriate financing documents in order to reimburse City expenses incurred to date and to finance the equipment for a period not to exceed five years.

IMPACT IF DENIED:

If denied, the City will not be reimbursed for the purchase of the equipment. If approved, the General Fund fund balance level will conform to the year-end forecast.

FINANCIAL IMPACT:

Department service payments associated with this purchase have been included in the financial forecast, adopted FY21 budget, and recommended FY22 budget.

REQUIRED SIGNATURES

DocuSigned by:
 Department Director Stephen Kovalcik

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OMB Director Matt Edlund

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 City Attorney Michael Pitts

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City Manager John F. McDonough

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A RESOLUTION

AUTHORIZING A LEASE/PURCHASE AGREEMENT, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,125,000 RELATING TO THE FINANCING OF EQUIPMENT FOR MUNICIPAL PURPOSES; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS INCLUDING THE LEASE AGREEMENT; AND OTHER MATTERS RELATING THERETO

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, AS FOLLOWS:

Section 1. The City Council (the “*Council*”) of the City of Greenville, South Carolina (the “*City*”), as lessee, hereby finds and determines that:

- (a) the City is a body politic and corporate and a municipal corporation and, as such, possesses all powers granted to municipal corporations by the Constitution and general laws of the State of South Carolina; and
- (b) the City desires to enter into a lease/purchase agreement (the “*Lease*”) with a bank or financial institution for the purpose of financing the acquisition of a fire fighting vehicle and related equipment (collectively, the “*Equipment*”); and
- (c) the payments by the City under the Lease will be subject to annual appropriation by the Council.

Section 2. The Council hereby authorizes and ratifies the actions of the Director of the Office of Management and Budget including distributing a request for proposals to various financial institutions and/or negotiating with one or more financial institutions and determining the final principal amount and maturity date of the Lease. The Council hereby authorizes the Director of the Office of Management and Budget to accept the proposal from such financial institution to finance the Equipment that provides the best overall deal to the City, provided the aggregated principal amount does not exceed \$1,125,000, the interest rate does not exceed four percent per annum and the term is not longer than five years, without further action required of the Council.

Section 3. The Council hereby authorizes the Mayor, the City Manager, the Director of the Office of Management and Budget, the City Attorney and the City Clerk, acting jointly or individually, to execute and deliver the Lease and such other documents and instruments as necessary to effect the execution and delivery of the Lease.

Section 4. The Lease will be designated as a “qualified tax-exempt obligation” within the meaning of and for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended, provided the Lease is executed and delivered in calendar year 2021.

[Signature page follows]

Done in meeting duly assembled this ____ day of _____, 2021.

MAYOR

Attest:

CITY CLERK

