



Legislation Details (With Text)

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Type:	Resolution	Status:		Agenda Ready	
File created:	10/4/2017	In control:		City Council	
On agenda:	10/17/2017	Final action:			
Title:	A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A TAX-EXEMPT LEASE-PURCHASE FINANCING FOR THE ACQUISITION OF SNOWPLOWS AND OTHER HEAVY EQUIPMENT TO BE UNDERTAKEN BY THE CITY				

Sponsors:

Indexes:

Code sections:

Attachments: 1. Brighton 2017 Lease Reimbursement Resolution

Date	Ver.	Action By	Action	Result
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Department of Finance

Reference: Financing Heavy Equipment

To: Mayor Richard N. McLean and Members of City Council

Through: Philip Rodriguez, City Manager

Prepared By: Jean Starr, Finance Director

Date Prepared: October 4, 2017

PURPOSE

To update Mayor McLean and members of City Council on the RFP process for financing the acquisition of heavy equipment. To introduce the City Municipal Financial Advisor, Ehlers, Inc. To confirm presentation of a resolution regarding such financing at the October 17, 2017 City Council session.

BACKGROUND

The Fleet Division has made presentations to Council regarding the acquisition of needed fleet replacements. On May 2, 2017 a budget amendment was passed authorizing purchases of \$1.5 million for fleet replacement equipment.

This Summer Assistant Director Streets and Fleet Michael Woodruff, brought forward additional "best practices" regarding acquisition/leasing of the proposed dump trucks that were part of the \$1.5 million dollar appropriation. These practices allow the City of Brighton to secure new and replacement heavy equipment in a cost effective manner. Leasing will significantly stretch and maximize capital funds, allow for additional needed purchases to address the aging fleet and

allow greater flexibility in managing the fleet replacement program in the future.

In order to assist and evaluate a competitive bid for such financing and obtain legal counsel on the leasing contract, advice from a municipal financial advisor and legal counsel would be required. In summer 2016, we competitively bid and selected Kutak Rock as City bond counsel. Tom Peltz at Kutak will provide legal counsel on the leasing transaction.

In July 2016, the City had no active engagement with a municipal financial advisor. Our prior engagement with PFM, Inc had expired December 31, 2016 and the consultants working with the City had taken positions with other entities. Therefore, an RFP for “as needed” Financial Advisor services was posted, interviews conducted, and Ehlers, Inc. was selected on August 29, 2017.

Ehlers is a registered Municipal Advisor located in Denver, CO with main offices in Minnesota. Since 2014 the Denver office has advised on over \$1.5 billion bond transactions and on a variety of economic development projects for 33 clients.

To further evaluate the leasing transaction, finance posted an RFP for proposals from financial institutions to provide tax-exempt lease purchase financing for 6 Freightliner dump trucks with complete snow plow packages installed. The financing will be a tax-exempt obligation that is subject to annual appropriation. Responses were due back October 4, 2017.

At the October 10, 2017 study session staff will introduce Deb Hinsvark, Municipal Advisor who will update and answer Council questions regarding the proposed leasing transaction.

Staff requests approval of a resolution to allow the City to be reimbursed for purchase of the dump trucks, if the trucks are delivered prior to closing of the lease transaction.

STAFF RECOMMENDATION

Proceed with purchase of 6 dump trucks with snow plow packages utilizing tax-exempt financing, which has been competitively bid and evaluated by the City municipal financial advisor.

OPTIONS FOR COUNCIL CONSIDERATION

Approve, Amend, or Deny

ATTACHMENTS

Resolution