

## FACT SHEET

<u>TITLE</u>	<u>DATE</u>	<u>ORIGINATING DEPARTMENT</u>
A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF SHREVEPORT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM PROCEEDS OF LEASE-PURCHASE AGREEMENTS AND OTHERWISE PROVIDING WITH RESPECT THERETO	December 30, 2020	Finance
		<u>COUNCIL DISTRICT</u>
		All
		<u>SPONSOR</u>

**PURPOSE**

To declare the city's intention to use lease purchase proceeds to reimburse itself for capital expenditures for the following departments:

Public Works various equipment \$ 2,277,000  
Solid Waste packers and knuckleboom \$ 3,200,000  
Police Department vehicles \$ 4,500,000  
In a total amount not exceeding \$ 9,977,000

**BACKGROUND INFORMATION**

To declare the city's intention to use lease purchase proceeds to reimburse itself for capital expenditures for equipment in an amount not exceeding the amount outlined above. This action is required by Section 1.150-2 of the U.S. Treasury Regulations. The intention to reimburse must be declared prior to or within 60 days after the purchase of the equipment. This resolution permits the Finance Department to recommend a lease purchase agreement with a specific bank and at a specified interest rate and terms for adoption by the City Council. On December 8, 2020 with Ordinance 138 of 2020 and Ordinance 153 of 2020, the City Council approved the 2021 General Fund Budget to seek financing of various equipment and vehicles for Public Works, Solid Waste, and the Police Department.

**TIMETABLE**

Introduction: January 12, 2021  
Final Passage: January 12, 2021

**ATTACHMENT(S)**

None

**SPECIAL PROCEDURAL REQUIREMENTS**

None

**FINANCES**

\$ 9,977,000

**SOURCE OF FUNDS**

Certificate of Indebtedness

**ALTERNATIVES**

(1) Adopt the ordinance as submitted, or (2) Amend the ordinance, or (3) Reject the ordinance.

**RECOMMENDATION**

The adoption of this Resolution is recommended.

**FACT SHEET PREPARED BY:** Sherricka Fields Jones

**RESOLUTION NO. \_\_\_\_ OF 2021**

**A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF SHREVEPORT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM PROCEEDS OF LEASE-PURCHASE AGREEMENTS AND OTHERWISE PROVIDING WITH RESPECT THERETO**

**BY COUNCILMEMBER:**

**WHEREAS**, the City of Shreveport intends to acquire certain vehicles, equipment and other property as generally described below (hereinafter, the “Property”); and

**WHEREAS**, the City may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of a lease-purchase agreement (“Lease Purchase Proceeds”); and

**WHEREAS**, the City reasonably anticipates that it will make expenditures with respect to the Property in the principal amount not exceeding \$ **9,977,000** (“Principal Amount”) for which the City may or expects to enter into one or more Lease-Purchase Agreements; and

**WHEREAS**, Treasury Department and Internal Revenue Service Regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Shreveport (“Governing Body”) in due, legal and regular session convened that:

**Section 1.** The Governing Body finds and determines that the foregoing recitals are true and correct.

**Section 2.** This Resolution is adopted by the Governing Body of the City for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This Resolution does not bind the City to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

**Section 3.** The Governing Body of the City expects the City will pay certain capital expenditures in connection with the Property prior to the receipt of Lease Purchase Proceeds for the Property.

**Section 4.** The Governing Body of City hereby declares the City’s official intent to use Lease Purchase Proceeds to reimburse itself for Property expenditures.

**Section 5.** This resolution and declaration of official intent shall take effect in accordance with Section 4.23 of the City Charter.

BE IT FURTHER RESOLVED that if any provision of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this resolution which can be given effect without the invalid provisions, items or applications and to this end the provisions of this resolution are hereby declared severable.

BE IT FURTHER RESOLVED that all resolutions or parts thereof in conflict herewith are hereby repealed.

**APPROVED AS TO LEGAL FORM:**

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City Attorney's Office