



Agenda Item: Resolution

Title: Resolution 2020-37 authorizing the City of Laramie to enact a reimbursement resolution and seek reimbursement from tax exempt lease proceeds

Recommended Council MOTION:

Move to Approve Resolution 2020-37 authorizing the City of Laramie, Wyoming to enact a Reimbursement Resolution to pay for equipment expenditures and seek reimbursement from proceeds of one or more tax exempt leases through the FY 2021 budget and authorize the Mayor and Clerk to sign.

Administrative or Policy Goal:

The Finance department must bid and contract with banking authorities for lease purchases, which can cause a timing delay or issue with departments bidding and taking delivery of equipment.

Background:

Large equipment is often funded by a lease purchase agreement. The Finance department cannot issue a lease purchase without appropriate timing of the equipment (once bid and contracted). In order to seek lease purchases from banking authorities, the City requests bids for the best available rates. The City must then contract with the banking agency for the lease terms and conditions and seek council approval for the lease purchase contract. This usually takes about a month due to timing of Council meetings. This resolution will allow the City to pay the vendor and relieve City Departments from the constraints of lease purchase timing issues. This resolution allows the City to seek reimbursement from lease proceeds after payment of the equipment with City funds.

We are recommending that you allow this proposal to be in place for the equipment schedule to be leased purchased for FY 2020-21. However, the Finance department will only utilize this process when necessary. The resolution requires an amount to allow to lease, and we are recommending \$750,000 for the year for all funds.

The items currently scheduled for lease purchase financing are listed below, but the City may elect to finance additional equipment if necessary:

- Unit 216 Dump Truck (General Fund)
- Unit 961 Mower (General Fund)
- Unit 303 AWD Van (Wastewater Fund)

Legal/Statutory Authority:

W.S. 15-1-702, IRS Code 103

BUDGET/FISCAL INFORMATION:**REVENUE**

Source	Amount	Type
Fees/Charges for Service		
Grants for Projects		
Loans on Project		
Other	\$750,000.00	Lease revenues pertaining to all funds
Total	\$750,000.00	

EXPENSE

Proposed Project Cost.

Project Cost		
Lease purchases	\$750,000.00	Lease Purchase Equip Expenditures - All Funds
Grants for Project		
Other/Outside Projects		
City's Amount		
Contingency	0%	\$0.00
Total Amount	\$0.00	Nets (cost of lease finance/ principal reimbursed)

Responsible Staff:

Malea Brown, Chief Operating Officer 721-5223
Jennifer Wade, Deputy AS Director 721-5224

Attachments: Reimbursement Resolution