



## Legislation Text

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**File #:** 07-0182, **Version:** 1

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Recommendation to authorize City Manager to execute a lease-purchase agreement and related financing documents with Banc of America Public Capital Corporation for the financing of a new voting system from Hart InterCivic system in an amount not to exceed \$900,000, including state sales tax, payable over a five-year period, and increase appropriations in the General Fund (GP) and the City Clerk Department (CC) by \$900,000 to expend the proceeds. (Citywide)

On January 9, 2007, the City Council approved by Resolution Number 07-0018 (see attached) to execute an agreement with Hart InterCivic, Inc., for a new voting system including hardware, software and support services and for an election management system in an amount not to exceed \$900,000.

The Department of Financial Management conducted a bid process to secure the most favorable financing terms. Requests for bids were solicited from 20 finance corporations. Of the 20 vendors, one firm was from Long Beach and two firms were minority-owned business enterprises (MBEs). Two firms responded. After an evaluation of the proposals, Banc of America Public Capital Corporation offered the best terms with a rate of 3.93 percent for five years and is, therefore, recommended to provide the required financing.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on February 8, 2007 and Budget and Performance Management Bureau Manager David Wodynski on February 12, 2007.

City Council approval to execute the recommended lease-purchase agreement is requested on February 20, 2007, to maximize the most favorable interest rates as well as to procure the voting system before the May 1, 2007 special election.

The total amount to be financed under the Banc of America Public Capital Corporation agreement will not exceed \$900,000 and will be financed over a five-year period. The total debt service (principal and interest) for the agreement is approximately \$993,000. Of that amount approximately \$149,000 will be paid in FY 07. Future debt service payments of \$198,000 will be included in the FY 08 and future proposed budgets. Sufficient appropriations to make the FY 07 debt service payment exists in the General Fund (GP) and the City Clerk Department (CC); however, an appropriation increase of \$900,000 is required to expend proceeds from the lease-purchase agreement, which is included in the recommendation.

Approve recommendation.

MICHAEL A. KILLEBREW  
DIRECTOR OF FINANCIAL MANAGEMENT

LARRY HERRERA  
CITY CLERK

APPROVED:

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GERALD R. MILLER  
CITY MANAGER