

**RESOLUTION NO. 5918(14)**

**A Resolution of the Council of the City of Lompoc,  
County of Santa Barbara, State of California,  
Authorizing Internal Financing for the Purchase  
of InterAct's CAD/RMS/JMS Software System;  
to Approve Fund Advances, Supplemental Appropriations  
and Revenues Related to the Financing of the Purchase;  
and to Approve Budget Adjustments Relating  
to the Payment of the Financing of the Purchase**

**WHEREAS**, the City of Lompoc (City) is a city organized and existing under and pursuant to the Constitution and laws of the State of California (State); and

**WHEREAS**, the City desires to provide for lease-financing in the approximate amount of \$218,013 for the acquisition of a public safety Computer-Aided Dispatch, Records Management System, and Jail Management System (System); and

**WHEREAS**, the City Council authorized the acquisition of the System at its April 15, 2014, regular meeting utilizing resources of idle cash and investments available in the Insurance and Benefits Internal Service Fund, a Proprietary Fund of the City; and

**WHEREAS**, the Insurance and Benefits Internal Service Fund holds cash and investments with restricted use for long-term liabilities and investments of idle cash according to the City's Investment Policy; and

**WHEREAS**, the City's investment return is currently 0.23%, based on the most recent Local Agency Investment Fund published apportionment rate; and

**WHEREAS**, the City's recent external refinancing resulted in an interest rate of 1.32% on a five-year term instrument and corresponding current rates are relatively consistent with the competitive rates obtained with the external financing; and

**WHEREAS**, the System's provider, InterAct, included financing as part of their proposal package, with an interest rate of approximately 3.2% for a four-year term of financing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA,  
DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City's Insurance and Benefit Internal Service Fund has temporary idle cash and investments of \$218,013 available to lend to the City's General Fund and will do so under the following terms:

Loan Amount: \$218,013  
 Interest Rate: 1.32% per year  
 Payment Terms: Annual payments on July 1, for a term of four years  
 Funding Date: Invoice Date from InterAct – approx June 30, 2014  
 Initial Payment Date: July 1, 2015

**SECTION 2.** The repayment schedule of the internal financing is as follows:

<u>Payment Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
7/1/2014				\$ 218,012.95
7/1/2015	\$ 56,313.64	\$ 2,877.77	\$ 53,435.87	164,577.08
7/1/2016	56,313.64	2,172.42	54,141.22	110,435.86
7/1/2017	56,313.64	1,457.75	54,855.89	55,579.97
7/1/2018	56,313.64	733.67	55,579.97	(0.00)
Totals	<u>\$ 225,254.56</u>	<u>\$ 7,241.61</u>	<u>\$ 218,012.95</u>	

**SECTION 3.** New account and object codes are set up to account for the budgetary and actual transactions related to the funding and repayment of the financing:

Interest Expense – General Fund Public Safety financing 11150-58171  
 Principal Debt Service – General Fund Public Safety financing 11150-61171  
 Principal to BS – General Fund Public Safety financing 11150-61199  
 Lease Proceeds – From Insurance/Benefit ISF 40010-48171

**SECTION 4.** Funding of the financing lease proceeds in the following accounts with the amounts specified:

<u>Account No.</u>	<u>Account Name</u>	<u>Debit</u>	<u>Credit</u>
71-12010	Insurance Fund – Due From GF	\$218,013	
10-21071	General Fund – Due To Ins Fund		\$218,013

**SECTION 5.** Budget Adjustments necessary to provide for interest on this loan transaction for FYs 2013-15 include the following:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
<u>From:</u>		
11150-53359	Police – CAD/RMS Operations – Software License	\$2,878
<u>To:</u>		
11150-58171	Police – CAD/RMS Operations – Interest Expense	\$2,878

**SECTION 6.** Supplemental Appropriations and Supplemental Revenue adjustments necessary to provide for the payment of the InterAct System purchase are as follows:

Supplemental Revenues to recognize the lease proceeds in order to provide for the InterAct System acquisition during FYs 2013-15 are as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
<u>From:</u>		
40010-48171	Lease Proceeds – From Ins ISF	\$218,013
71-34099	Fund Balance – Insurance ISF	218,013

Supplemental Appropriations necessary to provide for the acquisition of the InterAct System during FYs 2013-15 are as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
<u>To:</u>		
11150-73188	Police – CAD/RMS Operations – Software Purchase	\$218,013
71991-61640	Prin – Lease Purchase Loan	218,013

**SECTION 7.** Year-end closing transactions necessary to present the financing between the governmental fund (General Fund) and the proprietary fund (Insurance Internal Services Fund) and to properly present the transaction on the City’s end-of-year financial statements for FY 2013-14 and FY 2014-15 are as follows:

<u>General Fund</u>	<u>Debit</u>	<u>Credit</u>
Dr 40010-48900 – Lease Proceeds to Principal	\$218,013	
Cr 10-21071 – Due to Insurance/Benefit Fund		\$218,013
Insurance/Benefit ISF		
Dr 71-12010 – Due from General Fund	\$218,013	
Cr 71991-61640 – Prin – Lease Purchase Loan		\$218,013

**SECTION 8.** The Purchasing and Materials Manager is authorized to issue a Purchase Order in the amount of \$218,012.95 to AT&T Capital Services (InterAct’s financing partner) for the purchase of the System.

**SECTION 9.** Budget Appropriations for future cycles (FYs 2015-17 and FYs 2017-19) will be considered as part of the overall budget preparation processes for each cycle during the January 2015 to June 2015, and January 2017 to June 2017 periods, respectively. It is anticipated the City will budget the remaining repayment of the loan during the next two budget cycles, based on the accounts and the repayment schedule identified in this resolution. The budget of the repayments will be from Program 11150, while the funding contribution for Program 11150 will be considered from all benefitting divisions including: Fire, Police, and enterprise funds that utilize Program 11150 services.

**SECTION 10.** Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 20, 2014, by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

\_\_\_\_\_  
John H. Linn, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Alvarez, City Clerk  
City of Lompoc