

RESOLUTION NO. 6299(20)

**A Resolution of the Council of the City of Lompoc
County of Santa Barbara, State of California,
Authorizing the Execution and Delivery of a Lease
With Option to Purchase Certain Equipment
and Provide Other Security for Financing, and Authorizing
Certain Actions in Connection Therewith**

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; and

WHEREAS, the City desires to provide for lease financing in the approximate amount of \$5,140,000 for the acquisition of replacement fleet vehicles for the use and benefit of City operations (Project); and

WHEREAS, the City has issued a Request for Proposals for financing of the Project; and

WHEREAS, the Biennial Budget Fiscal Years 2019-2021 provides for the lease financing of the Project to match the cost of the Project with the useful economic life of the vehicles; and

WHEREAS, on November 19, 2019, the City adopted Resolution No. 6291(19) permitting the City Manager to execute agreements for the financing with the successful proposer,

WHEREAS, due to the passage of time, increased rates as a result, and the withdrawal of a proposer, this Resolution supplements Resolution No. 6291(19) to allow the City to award the financing the Sterling National Bank;

WHEREAS, the City anticipates awarding the Project financing to Sterling National Bank as the successful proposer, however, this Resolution also authorizes execution of leases with other proposers if the City is unable to consummate the process with Sterling National Bank.

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

SECTION 1. Leases with Option to Purchase and other Financial Security. The City Manager, or designee, is hereby authorized to enter into Leases with Options to Purchase (Leases) with the successful proposer to finance the Project. The term Leases includes the Sterling Lease (as defined below), if applicable.

SECTION 2. Sterling Lease Documents. The City Manager is hereby authorized and directed to execute the Equipment Lease Purchase Agreement between Sterling National Bank, as lessor and the City of Lompoc, as lessee (the “Sterling Lease”), in the form presented at this meeting, with such changes as may be approved by the City Manager, the execution thereof by the City Manager being conclusive approval of such changes.

SECTION 3. Other Actions. The City Manager and Management Services Director are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates, including any third party custodian agreement which they may deem necessary or advisable in order to carry out, give effect to, and comply with the terms of this Resolution, the Sterling Lease and the Leases. Such actions are hereby ratified, confirmed and approved. The City Council hereby approves use of any out of State bank to hold deposits to accomplish the financing.

SECTION 4. Reimbursement of Prior Expenditures. The City declares its official intent to be reimbursed from the proceeds of the Leases approved hereby for an aggregate maximum principal amount of \$5,140,000 of expenditures occurring no earlier than 60 days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 5. Supplemental Appropriations. The City Council approves supplemental appropriations as follows:

<u>Fund category</u>	<u>FY 2020-21 Principal</u>	<u>FY 2020-21 Interest</u>
Solid Waste Utility.....	312,738.96	82,831.66
Wastewater Utility.....	141,785.49	41,310.35
Electric Utility.....	29,243.26	8,520.26
Total	<u>\$483,767.71</u>	<u>\$132,662.27</u>

SECTION 6. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member _____, seconded by Council Member _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on January 22, 2020, by the following vote:

- AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):

Resolution No. 6299(20)
Page 3 of 3

Jenelle Osborne, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc