

**RESOLUTION NO. 6628(23)**

**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 Projects and Provide  
Other Security for Financing, and Authorizing Certain Actions in  
Connection Therewith and Adopting the Supplemental  
Appropriations for Certain of Those Purchases**

**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 amount of \$9,369,526 for the Electric Street Lighting project, as defined in the 2023-2029 Capital Improvement Program Book as "Replace H and Ocean Streetlighting," and acquisition of replacement fleet vehicles for the use and benefit of City operations (Project), as specified in Table 1:

<b>FYs 2023-2025 Replacement Vehicles and Projects</b>					
<b>Division</b>	<b>Vehicle/Project Type</b>	<b>Quantity</b>	<b>Estimated cost</b>	<b>Current Appropriations</b>	<b>Additional Appropriations</b>
Solid Waste	Collections	10	4,609,526	5,000,000	0
Solid Waste	Roll Off	2	470,000	500,000	0
Solid Waste	Excavator	1	390,000	285,000	105,000
Solid Waste	Loader	1	415,000	360,000	55,000
Electric	Aerial Lift Trucks	2	750,000	700,000	50,000
Electric	Digger/Derrick	1	400,000	400,000	0
Electric	Bucket Truck	1	235,000	275,000	0
Electric	Street Lighting	1	2,100,000	2,127,597	0
<b>Total</b>			<b>9,369,526</b>	<b>9,647,597</b>	<b>\$210,000</b>

Table 1

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

**WHEREAS**, the Biennial Budget Fiscal Years 2023-25 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**, the City anticipates awarding the Project financing to Bank of America 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 Bank of America; and

**WHEREAS**, pursuant to Government Code 5852.1, the following information has been provided by the lessor Bank of America for each of the leases (7 year/ 10 year/ 15 year):

- a) The true interest cost of the Lease is 4.3423% /4.4819% /4.6148%, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Lease;
- b) The finance charge of the Lease is \$0, which means the sum of all fees and charges paid to third parties;
- c) The amount of proceeds received by the City/Lessee for the Lease less the finance charge of the Lease described in subparagraph (b) and any reserves or capitalized interest paid or funded with proceeds of the Lease is \$5,079,526.00 / \$1,315,000.00 / \$2,905,000.00;
- d) The total payment amount, which means the sum total of all payments the Lessee/City will make to pay Lease Payments plus the finance charge described in subparagraph (b) not paid with the proceeds of the Lease is \$5,945,092.02 / \$1,733,686.40 / \$4,057,632.60. The total payment amount is calculated to the final maturity of the Lease; and

**WHEREAS**, on November 21, 2023, the City Council adopted Resolution No. 6616(23) authorizing the execution and delivery of a lease with option to purchase certain equipment and projects and provide other security for financing, and authorizing certain actions in connection therewith, and adopting the supplemental appropriations for certain of those purchases; and

**WHEREAS**, the City Council now desires to make certain changes to Resolution No. 6616(23).

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

**SECTION 1.** Resolution No. 6616(23) is hereby rescinded in its entirety.

**SECTION 2.** 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, up to a maximum term of 15 years and a maximum financed amount of \$9,369,526.

**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, which they may deem necessary or advisable in order to carry out, give effect to, and comply with the terms of this resolution and the leases. Such actions are hereby ratified, confirmed and approved.

**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 \$9,369,526 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. Additional Appropriations and Budget adjustments.** Additional appropriations are approved for Fiscal Year 2023-2025 as follows:

- Solid Waste Excavator (759SWL-753060) - \$105,000;
- Solid Waste Loader (759SWL-755060) - \$55,000;
- Electric Aerial Lift Trucks (752EDS-753060) - \$50,000;

Further, Lease proceeds for the Electric Fund and Solid Waste fund will be increased as follows:

- Solid Waste (759RSW-482850) - \$3,904,526;
- Electric (752REL-482850) - \$2,385,000.

**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 December 19, 2023, by the following vote:

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

\_\_\_\_\_  
Jenelle Osborne, Mayor  
City of Lompoc

ATTEST:

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