



AGENDA MEMORANDUM

Action Item for the City Council Meeting of April 24, 2018

DATE: April 13, 2018

TO: Margie C. Rose, City Manager

FROM: Constance P. Sanchez, Director of Finance
ConstanceP@cctexas.com
(361) 826-3227

Kim Baker, Assistant Director of Financial Services-Purchasing Division
KimB2@cctexas.com
(361) 826-3169

Amendment to the Municipal Lease Line of Credit Agreement

CAPTION:

Motion approving an amendment to the municipal lease line of credit agreement with Frost Bank to extend the term of the agreement through September 30, 2018.

PURPOSE:

This item is to approve an amendment to the municipal lease line of credit agreement for the Financial Services Department.

BACKGROUND AND FINDINGS:

The City of Corpus Christi's (i.e. "the City") master lease purchase agreement with Frost Bank expired on February 15, 2018. Although the City went through a procurement process to acquire a new master lease purchase agreement in ample time, the new agreement is still being negotiated. In the meantime, however, there are five (5) lease-purchase items that were previously approved by the City Council in Fiscal Year (FY) 2016-2017 that are now either ready for delivery or very close to being delivered by the dealers. The expectation in FY 2016-2017 was that Frost Bank would fund the lease-purchases. Amending the existing Frost Bank agreement will allow the City to take possession of these vehicles. They include the following:

- One (1) roll-off truck to haul sludge from the Wastewater plants to Cefe Valenzuela Landfill on a daily basis – Lease-purchase approved by the City Council on May 23, 2017 (Legistar item #17-0483).
- One (1) roll-off truck to haul large containers of waste to the Cefe Valenzuela Landfill on a daily basis - Lease-purchase approved by the City Council on June 13, 2017 (Legistar item #17-0650).

- Three (3) transfer tractor trucks which are used to haul large trailers that contain refuse from the transfer station and Cefe Valenzuela Landfill operating constantly on a daily basis - Lease-purchase approved by the City Council on June 13, 2017 (Legistar item #17-0650).

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

None.

CONFORMITY TO CITY POLICY:

This amendment conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Financial Services
City Attorney's Office

FINANCIAL IMPACT:

x Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$671,017.00	\$100,649.70	\$771,666.70
Encumbered / Expended Amount	\$409,420.13	\$0.00	\$409,420.13
This item	\$100,649.70	\$100,649.70	\$201,299.40
BALANCE	\$160,947.17	\$0.00	\$160,947.17

Fund(s): General Fund

Comments: Delivery of the trucks is scheduled during FY2017-2018. The annual estimated payment for this lease-purchase is \$201,299.40 of which \$100,649.70 is budgeted in FY2017-2018 by the Solid Waste Operations Department for six months of payments. The remaining lease-purchase payments will be requested in future years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Amendment