

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

AN ORDINANCE

AUTHORIZING THE PUBLIC PROPERTY FINANCE CONTRACT (NON-APPROPRIATION) AND SCHEDULE A-1 WITH JPMORGAN CHASE BANK, N.A. AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH JPMORGAN CHASE BANK, N.A. AND FROST BANK FOR THE ACQUISITION OF 1 PLATFORM TRUCK AND 1 ENGINE AND 53 DIRECT CAPTURE FILTRATION SYSTEMS FOR THE FIRE DEPARTMENT; AND 4 BRUSH TRACTORS AND 4 BRUSH TRAILERS FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING SCHEDULE A-1 TO THE LEASE TO THE PUBLIC PROPERTY FINANCE CONTRACT (NON-APPROPRIATION) IN THE TOTAL AMOUNT OF \$5,014,671.56, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

* * * * *

WHEREAS, the City of San Antonio, Texas (“City” or “Lessee”) is a home rule municipality, a political subdivision of, and is duly organized and existing pursuant to the Constitution and laws of the State of Texas (“State”); and

WHEREAS, pursuant to applicable law, the City Council (“Council”) of the City is authorized to acquire, dispose of, and encumber personal property, including, without limitation, rights and interest in property, and leases necessary to the functions or operations of the City; and

WHEREAS, a Request for Bid for Tax-Exempt Equipment Lease/Purchase Financing (“RFB”), soliciting bids for a tax-exempt equipment lease/purchase financing provider was issued by the City on December 18, 2017; and

WHEREAS, nine (9) financial institutions submitted bids in response to the RFB, which were received by the City and evaluated by the Finance Department; and

WHEREAS, City Staff has recommended that the City, as “Lessee”, enter into a Public Property Finance Contract (Non-Appropriation) (the “Lease”) with JPMorgan Chase Bank, N.A. as “Lessor” (attached hereto as **Exhibit A**) and an Escrow and Account Control Agreement with the Lessor, the Lessee, and Frost Bank, San Antonio, Texas as “Escrow Agent” (attached hereto as **Exhibit B**), providing terms and conditions under which lease/purchase transactions shall be conducted by and between the parties; and

WHEREAS, the Lessee desires to acquire on or about February 21, 2018, (a) one (1) Platform Truck and one (1) Engine and fifty-three (53) Direct Filtration Systems for the Fire Department; and (b) four (4) Brush Tractors and four (4) Brush Trailers for the Solid Waste Management Department, for the total amount of \$5,014,671.56, as disclosed in Schedule A-1 to the Lease attached hereto as **Exhibit C** and incorporated by reference for all purposes; and

WHEREAS, all of the items specified above are sometimes hereafter collectively referred to as the “Equipment”; and

WHEREAS, Lessor shall act as lessor under Schedule A-1 to the Lease; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental and/or proprietary functions; and

WHEREAS, the Council hereby finds and determines that the adoption of this Ordinance and authorization for the execution and delivery of the Lease and Schedule A-1 to the Lease are in the best interests of the City; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City hereby approves the bid form presented by JPMorgan Chase Bank, N.A. as the low bid and selects and approves JPMorgan Chase Bank, N.A. as the finance provider of the Lease which provides for the financing of \$5,014,671.56 for the acquisition of the Equipment for the Fire Department and the Solid Waste Management Department at an interest rate of 2.639% for an eighty-four (84) month term to pay the costs of the transaction. The terms and conditions of the Lease, a true and correct copy of which is attached hereto as **Exhibit A**, are hereby approved. The City Manager, the City Manager’s designee, and/or the City’s Chief Financial Officer or his designee, and/or the Deputy Chief Financial Officer or his designee, acting on behalf of the City, are each hereby authorized to execute and enter into the Lease in substantially the form set forth in **Exhibit A** hereto.

SECTION 2. The City hereby selects and approves Frost Bank, San Antonio, Texas, as the account agent of the Escrow and Account Control Agreement (the “Escrow Agreement”). The terms and conditions of that certain Escrow and Account Control Agreement (“Escrow Agreement”) by and among the City; Frost Bank, San Antonio, Texas; and JPMorgan Chase Bank, N.A., a true and correct copy of which is attached hereto as **Exhibit B**, are hereby approved. The City Manager, the City Manager’s designee, and/or the City’s Chief Financial Officer or his designee, and/or the Deputy Chief Financial Officer or his designee, acting on behalf of the City, are each hereby authorized to execute and enter into the Escrow Agreement in substantially the form set forth in **Exhibit B** hereto.

SECTION 3. Schedule A-1 to the Lease, as attached hereto as **Exhibit C**, is hereby approved and is incorporated by reference into this Ordinance for all purposes.

SECTION 4. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Deputy Chief Financial Officer or his designee, acting on behalf of the City, are hereby authorized to negotiate, execute and enter into Schedule A-1 to the Lease, which document is available for public inspection at the Office of the City Clerk. The Mayor, City Manager, Chief Financial Officer, Deputy Chief Financial Officer, City Attorney, and the City Clerk (each an "Authorized Officer"), acting on behalf of the City, are each hereby authorized to enter into, execute, and deliver such other documents and certificates relating to Schedule A-1 to the Lease as the Authorized Officer deems necessary and appropriate as specified in Schedule A-1 to the Lease, without further action by this Council. All other related contracts, certificates, and agreements necessary and incidental to Schedule A-1 to the Lease are hereby authorized, with the exception of adding future Schedules to the Lease, other than Schedule A-1 as authorized by this Ordinance. Future Schedules to the Lease shall require approval by Council.

SECTION 5. The aggregate original principal amount for the Equipment shall not exceed the amount set forth in Schedule A-1 to the Lease and shall bear interest as set forth in Schedule A-1 to the Lease and Schedule A-1 to the Lease shall contain such options to purchase and/or prepay by the City as set forth therein.

SECTION 6. The City's obligations under the Lease and Schedule A-1 to the Lease shall be subject to annual appropriation or renewal by the Council as set forth in the Lease and the City's obligations under the Lease and Schedule A-1 to the Lease shall not constitute a general obligation of the City or indebtedness under the Constitution or laws of the State.

SECTION 7. The Chief Financial Officer and/or the Deputy Chief Financial Officer are authorized to record and account for Schedule A-1 to the Lease in accordance with generally accepted accounting principles and all other applicable laws.

SECTION 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 9. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 10. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid,

and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 12. *Insert appropriate Financial Language.*

SECTION 13. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 14. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code.

SECTION 15. This Ordinance is effective immediately, upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND ADOPTED by an affirmative vote of _____ members of the City Council of the City of San Antonio, Texas, this the ____ day of _____, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

Leticia Vacek, City Clerk

I the undersigned, the City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage aforesaid.

Andrew Segovia, City Attorney
City of San Antonio, Texas