



Gaston County

Gaston County
Board of Commissioners
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Finance Board Action

File #: 21-386

Commissioner Hovis - Finance - To Award Bid for Financing up to \$7,836,620.06 for Rolling Stock (Vehicles, Ambulances, Landfill Heavy Equipment), and GEMS CPRs and Monitors/Defibrillators to Banc of America Public Capital Corp and to Approve the Attached Budget Change Request (to appropriate funds) and Resolution Approving Financing Terms

STAFF CONTACT

Tiffany Murray - Finance Director - 704- 866-3032

BUDGET IMPACT

The County is obligated to make payments on this debt through December 2, 2024.

BUDGET ORDINANCE IMPACT

Loan proceeds will be received from Banc of America Public Capital Corp and appropriated in the Capital, Public Assistance and Enterprise funds as on the attached Budget Change Request.

BACKGROUND

By approval of this action, the Gaston County Board of Commissioners finds that the financing of the acquisition of the vehicles and other items costing up to \$7,836,620.06 pursuant to the terms of an installment purchase contract with Banc of America Public Capital Corp is in the best interest of Gaston County and hereby authorizes the execution of such contract. The County staff received eight bids for the financing and recommends Banc of America Public Capital Corp as the lowest responsible bidder at a rate of 0.6841% for the 36 months' term. The Board designates the obligations of the County to make payment under the proposed installment purchase contract as "non-bank qualified" obligations in accordance with the provisions of Section 265 (b)(3)(ii) of the Tax Reform Act of 1986, as amended. If any of the equipment or other items on the list are received before the financing documents are fully executed, the County staff is authorized, if necessary, to make payment directly to the appropriate vendor and to obtain subsequent reimbursement from the financial institution providing financing.

POLICY IMPACT

N/A

ATTACHMENTS

Resolution and Budget Change Request (BCR)

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	CBrown	AFrale	BHovis	KJohnson	TKeigher	TPhilbeck	RWorley	Vote
2021-294	10/26/2021	CB	KJ	A	A	A	A	A	AB	A	U

DISTRIBUTION:

Laserfiche Users

A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of County of Gaston, North Carolina, as Purchaser held in accordance with all applicable legal requirements, including open meeting laws, on the 26th day of October, 2021, the following resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SCHEDULE TO ITS EXISTING MASTER EQUIPMENT FINANCING AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of the County of Gaston, North Carolina ("Purchaser") desires to finance certain equipment (the "Equipment") described in the Schedule of Property No 8 to the Master Equipment Financing Agreement dated as of February 14, 2013 (collectively, the "Agreement") in an amount not to exceed \$ 7,836,620.06 with Banc of America Public Capital Corp ("Lender"), the form of which has been available for review by the governing body of Purchaser prior to this meeting; and,

WHEREAS, the Equipment is essential for Purchaser to perform its governmental functions; and,

WHEREAS, Purchaser has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and,

WHEREAS, Purchaser proposes to enter into the Agreement with Lessor substantially in the forms presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF PURCHASER AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Agreement in the forms presented to this meeting and incorporated in this resolution are in the best interests of Purchaser for the acquisition of the Equipment.

Section 2. The Agreement and the acquisition and financing of the Equipment under the terms and conditions as described in the Agreement are hereby approved. The County Manager of Purchaser and any other officer of Purchaser who shall have power to execute contracts on behalf of Purchaser be, and each of them hereby is, authorized to execute, acknowledge and deliver the Agreement with any changes, insertions and omissions therein as may be approved by the officers who execute the Agreement, such approval to be conclusively evidenced by such execution and delivery of the Agreement. The Clerk to the Board of the Purchaser and any other officer of Purchaser who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Purchaser to the Agreement and attest the same.

Section 3. The proper officers of Purchaser be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, and other documents and to do or cause to be done any all other acts and things necessary or proper for carrying out this resolution and the Agreement.

Section 4. The Purchaser's obligation under the Agreement will not be designated as a qualified tax exempt obligation under Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and therefore such obligation is "non-bank qualified" for purposes of Section 265(b)(3)(ii) of the Code.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Agreement executed on behalf of Purchaser is the same as presented at such meeting of the governing body of Purchaser, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Date: October 26, 2021

County of Gaston, North Carolina

Purchaser

By: Tom Keigher
Signature of Secretary, Board Chairman or other member of the Governing Body

Name: Tom Keigher

Title: Chairman of the Board of Commissioners

Attested By: Donna S. Buff
Signature of one additional person who can witness the passage of this Resolution)

Name Donna S. Buff

Title: Clerk to the Board

GASTON COUNTY BUDGET CHANGE REQUEST

TO: Dr. Kim S. Eagle COUNTY MANAGER

FROM: 4130 Finance

Dept. # Department Name

Tiffany Murray 10/19/2021

Department Director's Name Date

TYPE OF REQUEST:

☐ Line Item Transfer Within Department & Fund

☐ Line Item Transfer Between Funds *

☐ Project Transfer Within Department & Fund

☒ Additional Appropriation of Funds *

☐ Line Item Transfer Between Departments*

* Requires resolution by the Board of Commissioners

ACCOUNT DESCRIPTION (As it appears in the budget)	ACCOUNT NUMBER	AMOUNT
	Fund - Function - Dept - Division - Object - Project	Whole Dollars Only
	xxx - xx - xxxx - xxxx - xxxxx - xxxxxx	(See Note Below)
Continued on Page 2.		

JUSTIFICATION FOR REQUEST:

This Budget Change Request appropriates funds in the amount of \$7,836,620.06 from the lease purchase agreement with Bank of America for rolling stock and equipment. The County staff received eight bids for the financing and recommends Bank of America as the lowest responsible bidder at a rate of 0.6841% for the thirty-six month term.

Note: Decreases in expenditures & increases in revenue accounts require brackets. Increases in expenditures & decreases in revenue do not require brackets. Please note that transfers between funds require interfund transfer accounts.

2022 Vehicle Lease Purchase Financing
Budget Change Request (Page 2)

Account Description	Account Number	Amount
Installment Purchase Agreement	041-01-8300-0000-416002-22000	(6,683,726.36)
Transfers to Capital Improvements Fund	041-98-9800-0000-580040-	6,683,726.36
Transfers from Community Investment Fund	040-98-9800-0000-480041-	(6,683,726.36)
Tax Motor Vehicles	040-01-4140-0000-540003-22000	23,202.67
Grounds Maintenance Motor Vehicles	040-01-4261-0000-540003-22000	35,678.40
County Police Motor Vehicles	040-02-4310-4310-540003-22000	371,598.03
Sheriff Office Motor Vehicles	040-02-4315-4315-540003-22000	536,752.71
Emergency Management Motor Vehicles	040-02-4330-0000-540003-22000	87,848.00
Building Inspections Motor Vehicles	040-02-4350-4351-540003-22000	67,769.16
GEMS Equipment >\$5,000	040-02-4370-0000-540002-22000	2,151,005.21
GEMS Motor Vehicles	040-02-4370-0000-540003-22000	2,812,000.00
Rescue Squad Motor Vehicles	040-02-4372-0000-540003-22000	363,814.00
Animal Care Motor Vehicles	040-02-4380-0000-540003-22000	53,495.72
Planning Motor Vehicles	040-02-4910-4910-540003-22000	33,884.58
Environmental Health Motor Vehicles	040-05-5114-5125-540003-22000	116,702.33
Parks & Recreation Motor Vehicles	040-04-6120-0000-540003-22000	29,975.55
Installment Purchase Agreement	020-05-8300-0000-416002-22000	(23,411.31)
Social Services Motor Vehices	020-05-4790-0000-540003-22000	23,411.31
Installment Purchase Agreement	060-08-8300-0000-416002-22000	(1,129,482.39)
Landfill Motor Vehices	060-08-4720-0000-540003-22000	1,129,482.39