



Agenda Report

April 22, 2013

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: SHORT TERM LOAN FROM FUND 407-774500 TO FACILITATE THE EXECUTION AND DELIVERY OF LEASE AGREEMENT FOR PARKING METER EQUIPMENT

RECOMMENDATION:

It is recommended that the City Council:

Approve a journal voucher transferring \$238,863 from Old Pasadena Parking Fund account 8737-407-774500 to Civic Center Parking Meter Fund account 6816-214-774311, and appropriate the same amount in account 8109-214-774311 for the purchase of parking meters.

BACKGROUND:

On September 10, 2012, City Council approved purchase of parking meter equipment, which included 45 meters for the Civic Center that were to be acquired via a 60-month lease/purchase from the vender at a total cost of \$508,385. Subsequent to the City Council's approval, the Finance Department determined that use of the Master Lease Equipment financing agreement currently in place with JPMorgan/Chase bank will save the City \$123,482 in interest payments.

Use of the in-place Master Lease Equipment financing for parking meter equipment is on a reimbursement basis. Consequently the City must first purchase the parking meter equipment at a cost of \$350,708, following which the subsequent lease with JPMorgan/Chase, the requisite resolution and lease repayment addendum will be submitted as a separate City Council agenda report.

The Civic Center Parking Meter Fund does not have an adequate level of fund balance/retained earnings to fund the purchase of the parking meter equipment under this revised approach. Consequently the purchase is proposed to be funded by the Old Pasadena Parking Fund, which would be reimbursed by the Master Lease Equipment financing.

COUNCIL POLICY CONSIDERATION:

By enabling the City to use Master Lease Equipment financing to reduce the overall cost of acquiring the parking meter equipment, this action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

Approve a journal voucher amending the Fiscal Year 2013 budget by transferring \$238,863 from Old Pasadena Parking Fund account 8737-407-774500 to Civic Center Parking Meter Fund account 6816-214-774311, and appropriate the same amount in account 8109-214-774311 for the purchase of the meters.

Respectfully submitted,



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Approved by:



MICHAEL J. BECK
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