

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 1/14/11

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** An ordinance to authorize the Manager of Finance to provide financing through a capital lease purchase transaction on behalf of Technology Services to acquire and implement a new property tax collection system totaling \$4,338,149.
3. **Requesting Agency:** Department of Finance
4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)
- **Name:** Denver Maw
 - **Phone:** 720-913-9353
 - **Email:** denver.maw@denvergov.org
5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)
- **Name:** Denver Maw
 - **Phone:** 720-913-9353
 - **Email:** denver.maw@denvergov.org
6. **General description of proposed ordinance including contract scope of work if applicable:**
This ordinance request seeks approval to finance the acquisition of a Government Revenue Management System and associated equipment through a capital lease purchase transaction on behalf of Technology Services.

The total cost of the equipment to be financed is \$4,338,149. The equipment will mainly be provided by Manatron Inc. and Banc America Public Capital Corp. will serve as the financing agency. The proposed financing structure will consist of a five year lease purchase transaction with annual lease payments of approximately \$930,000. If the city makes all annual lease payments, the total amount paid to lease and finally acquire the Government Revenue Management System will be approximately \$4,650,000. The lease purchase transaction is subject to annual appropriation by the City Council.

This lease financing ordinance request is being submitted in conjunction with an equipment ordinance request submitted by Technology Services. Approval of the equipment ordinance request will allow for the procurement of the equipment while the financing ordinance request seeks authorization to finance the equipment through a lease purchase transaction.

This ordinance request is being submitted to comply with the City's Charter which requires Council approval of any agreement in excess of \$500,000.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. **Contract Control Number:** To be determined
- b. **Duration:** 5 years
- c. **Location:** County Wide
- d. **Affected Council District:** All Districts
- e. **Benefits:** Replacing 20+ year old system.
- f. **Costs:** Interest expense associated with the lease purchase will be approximately \$310,000.

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.**

No

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John W. Hickenlooper
Mayor

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CLAUDE PUMILIA
MANAGER OF FINANCE

DEPT 1010
201 W. COLFAX AVENUE
DENVER, COLORADO 80202
PHONE: (720) 913-5500

Executive Summary

An ordinance to authorize the Manager of Finance to provide financing through a capital lease purchase transaction to acquire equipment for Technology Services totaling \$4,338,149.

The Department of Finance is seeking approval to fund the acquisition of a Manatron Government Revenue Management System to be financed through a lease purchase agreement transaction on behalf of Technology Services. This system will be used for administering and collecting property taxes.

The total cost of the equipment to be financed is \$4,338,149. The proposed financing structure will consist of a five-year lease purchase that will be provided by Banc of America Public Capital Corp., which was selected through a competitive RFP process. Annual lease payments are anticipated to be \$930,000. The lease payments are subject to the annual appropriation by the City Council, and if the City makes all annual lease payments, the total amount paid to finance and acquire the proposed equipment will be approximately \$4,650,000. Pre-payment can be made at anytime without penalty. If approved by Council the anticipated closing date with Bank of America Public Capital Corp. for the financing is slated for March 1, 2011 with acquisition and implementation of the new system to begin in March.

This lease financing ordinance request is being submitted in conjunction with an equipment ordinance request submitted by Technology Services. If approved, the equipment ordinance would allow for the procurement of the equipment through Manatron and other vendors, while the financing ordinance authorizes financing of the equipment through a lease purchase transaction.

This ordinance request is being submitted to comply with the City's Charter which requires Council approval of any agreement in excess of \$500,000.

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