



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of July 14, 2020

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Michael Roberts, Public Works Director  
Edwin Gato, Finance Director

**SUBJECT:** Sterling National Bank Equipment Lease Purchase Agreement

**RECOMMENDED ACTION:** Eliminate the Contingency related to the Sterling National Bank Equipment Lease Purchase Agreement as approved on June 23, 2020.

**FISCAL IMPACT OF RECOMMENDATION:** None as a result of this action.

**DISCUSSION:** On June 23, 2020, The City Council approved an Energy Services Contract with ENGIE for \$3.9 million to install Solar Arrays, LED lighting on City-Owned Facilities and Streetlights, and Retro-Commissioning the Library HVAC, and the replacement of the City Hall HVAC System. A companion item, an Equipment Lease Purchase Agreement with Sterling National Bank for financing in an amount not to exceed \$4,209,354 was also conditionally approved. The financing was conditioned on the City receiving favorable proposals for the refinance of existing Library Bonds which was pending at that time and concerns that incurring additional debt may impact that refinancing.

The City received bank proposals for the Library Bond refinancing on July 1<sup>st</sup>, 2020, which included the banks having been advised of the ENGIE project and related financing. The Library Bond refinancing team has evaluated the Library Refinance proposals and the best terms have been submitted, coincidentally, by Sterling National Bank. On June 28, 2020, staff plans to recommend to the City Council proceeding with the refinancing with Sterling and that refinance will close on August 6<sup>th</sup> if approved.

As such, the contingency related to the Equipment Lease Purchase Agreement is no longer needed and the ENGIE project and financing can proceed.

### **ATTACHMENTS:**

None.