

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Information Technology Dept.
For Reading: October 12, 2010

CLERK'S OFFICE
APPROVED

Date: 10-26-10 ANCHORAGE, ALASKA
AO NO. 2010-78

1 AN ORDINANCE APPROVING SUNTRUST EQUIPMENT FINANCE AND LEASING
2 CORPORATION (SUNTRUST) AS A SOURCE OF FUTURE FINANCINGS FOR
3 CAPITAL EXPENDITURES OF THE MUNICIPALITY IN AN AMOUNT NOT TO
4 EXCEED TWENTY MILLION DOLLARS (\$20,000,000) RETROACTIVE TO JULY 1,
5 2010.

6
7 **WHEREAS**, the Municipality of Anchorage, Alaska (the "Municipality") needs
8 financing from time to time to purchase capital items and Charter Article X, Section
9 10.02(3) requires borrowing of money to be approved by ordinance; and

10
11 **WHEREAS**, on January 1, 2008, AO 2008-5 approved a Master Tax-Exempt Lease
12 Agreement with Key Government Finance, Inc. (KeyBank) as a financing source for
13 capital expenditures; and

14
15 **WHEREAS**, adding SunTrust as a second financing source will provide a competitive
16 component for future capital expenditure financing resulting in the best terms and
17 rates for the Municipality; and

18
19 **WHEREAS**, the terms of a revolving Master Tax-Exempt Lease Agreement between
20 the Municipality and SunTrust are generally described in the Assembly Memorandum;
21 now therefore,

22
23 **THE ANCHORAGE ASSEMBLY ORDAINS:**

24
25 **Section 1.** A Master Lease Agreement with SunTrust is hereby approved for the
26 purpose of financing future capital projects of the Municipality of Anchorage, not to
27 exceed Twenty Million Dollars (\$20,000,000) outstanding at any given time.

28
29 **Section 2.** The Municipality shall submit all proposed financings under the SunTrust
30 Master Lease Agreement to the Assembly for approval.

31
32 **Section 3.** This ordinance shall be effective retroactive to July 1, 2010.

33
34 PASSED AND APPROVED by the Anchorage Assembly this 26th day of
35 October, 2010.

36
37 
38 Chair

39
40 ATTEST:

41 
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects – Master Tax-Exempt Lease/Purchase Agreement

AO Number: 2010-78

Title: AN ORDINANCE APPROVING SUNTRUST EQUIPMENT FINANCE AND LEASING CORPORATION (SUNTRUST) AS A SOURCE OF FUTURE FINANCINGS FOR CAPITAL EXPENDITURES OF THE MUNICIPALITY IN AN AMOUNT NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000) RETROACTIVE TO JULY 1, 2010.

Sponsor: MAYOR
Preparing Agency: Information Technology Department
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY10	FY11	FY12	FY13	FY14
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services *					
4000 Debt Service *	0	0	0	0	0
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	0	0	0	0
ADD: 6000 Charge from Others					
LESS: 7000 Charge to Others					
FUNCTION COST:					
REVENUES:					
CAPITAL:					
POSITIONS:					
PUBLIC SECTOR ECONOMIC EFFECTS:					

There are no economic effects until funds are drawn under the Master Lease/Purchase Agreement.

PRIVATE SECTOR ECONOMIC EFFECTS:

There are no economic effects until funds are drawn under the Master Lease/Purchase Agreement.



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 552-2010

Meeting Date: October 12, 2010

1 **FROM: MAYOR**

2
3 **SUBJECT: AN ORDINANCE APPROVING SUNTRUST EQUIPMENT FINANCE**
4 **AND LEASING CORPORATION (SUNTRUST) AS A SOURCE OF**
5 **FUTURE FINANCINGS FOR CAPITAL EXPENDITURES OF THE**
6 **MUNICIPALITY IN AN AMOUNT NOT TO EXCEED TWENTY**
7 **MILLION DOLLARS (\$20,000,000) RETROACTIVE TO JULY 1, 2010.**

8
9 **OBJECTIVE:**

10 This ordinance requests approval of a Master Lease Agreement (Agreement) with
11 SunTrust Equipment Finance and Leasing Corporation (SunTrust), retroactive to July
12 1, 2010, for future financings of capital projects of the Municipality of Anchorage, in an
13 amount not to exceed \$20,000,000 in outstanding principal balance at any given time.

14
15 **BACKGROUND:**

16 In January 2008, the Assembly approved a revolving Master Tax-Exempt Lease for
17 the financing of various capital expenditures of the Municipality with Key Government
18 Finance, Inc. (KeyBank); the maximum amount of the lease when approved was \$50
19 million. At annual renewal, the maximum amount of the agreement was lowered to
20 \$30 million.

21
22 To ensure the most favorable rates, it is in the best interests of the Municipality and its
23 taxpayers to identify financing sources on a competitive basis for future borrowings.
24 The Municipality proposes SunTrust as a second financing source for future financings
25 for capital expenditures.

26
27 The following general guidelines shall apply to use of KeyBank or SunTrust as a
28 financing source for the Municipality:

- 29
30 a. No escrow fees where an escrow account is necessary;
31 b. Loans under the Agreement may be prepaid without prepayment penalty; and
32 c. The tax-exempt interest rate for each loan shall be fixed for the life of the loan.

33
34 **PROCESS:**

35 All applicable procurement requirements under Title 7 apply to the purchase of capital
36 assets financed under the Agreements. All future proposed borrowings under either
37 Agreement shall be presented to the Assembly for approval.

1 The effective date of this ordinance is retroactive to July 1, 2010, to capture the intent
2 and purpose of AM 404-2010, approved on July 13, 2010, describing the competitive
3 process for financing capital expenditures, as well as the competitive and favorable
4 rates offered by SunTrust for financing technology upgrades to the Permit Center
5 Network Infrastructure. The addition of SunTrust as an alternative financing source
6 is in the best interests of the Municipality.

7
8 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
9 **APPROVING SUNTRUST EQUIPMENT FINANCE AND LEASING CORPORATION**
10 **(SUNTRUST) AS A SOURCE OF FUTURE FINANCINGS FOR CAPITAL**
11 **EXPENDITURES OF THE MUNICIPALITY IN AN AMOUNT NOT TO EXCEED**
12 **TWENTY MILLION DOLLARS (\$20,000,000) RETROACTIVE TO JULY 1, 2010.**

13
14 Prepared by: Information Technology Department
15 Approved by: Gail Turner, Acting Director, IT Department
16 Concur: Lucinda Mahoney, CFO
17 Concur: Dennis A. Wheeler, Municipal Attorney
18 Concur: George J. Vakalis, Municipal Manager
19 Respectfully submitted: Daniel A. Sullivan, Mayor

Content ID: 009472

Type: Ordinance - AO

AN ORDINANCE APPROVING SUNTRUST EQUIPMENT FINANCE AND LEASING CORPORATION (SUNTRUST) AS A SOURCE OF FUTURE

Title: FINANCINGS FOR CAPITAL EXPENDITURES OF THE MUNICIPALITY IN AN AMOUNT NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000) RETROACTIVE TO JULY 1, 2010

Author: pruittns

Initiating Dept: Finance

Keywords: SunTrust, Lease Agreement, Financings, Capital Expenditures, Tax-Exempt

Date Prepared: 10/8/10 9:38 AM

Director Name: Lucinda Mahoney

Assembly Meeting Date: 10/12/10

Public Hearing Date: 10/26/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	10/8/10 11:41 AM	Exit	Joy Maglaqui	Public	009472
MuniManager_SubWorkflow	10/8/10 11:41 AM	Approve	Joy Maglaqui	Public	009472
Legal_SubWorkflow	10/8/10 11:37 AM	Approve	Dennis Wheeler	Public	009472
OMB_SubWorkflow	10/8/10 10:42 AM	Approve	Marilyn T. Banzhaf	Public	009472
Finance_SubWorkflow	10/8/10 10:11 AM	Approve	David Ryan	Public	009472
AllOrdinanceWorkflow	10/8/10 9:41 AM	Checkin	Nina Pruitt	Public	009472

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