

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 23, 2018</b>
<b>CONTACT PERSON:</b>	<b>Robert K. Biles</b> , Chief Financial Officer, Treasurer <b>Richard C. Swenson</b> , Deputy Treasurer
<b>SUBJECT:</b>	<b>Resolution R2018-05-06 Authorizing the Financing of Certain Equipment Through Lease-Purchase Agreements</b>

**BACKGROUND:**

The 2018 budget anticipated the acquisition of 145 revenue service vehicles at a total cost of \$30,833,067. The vehicle type, number of vehicles, and budgeted amounts are:

<b>Vehicle Type</b>	<b>Number</b>	<b>Budget</b>
<b>Replacement buses</b>	29	\$15,450,761
<b>Trolleys</b>	2	1,195,000
<b>Mt. Ogden Expansion Buses</b>	5	2,647,645
<b>Electric Buses</b>	5	6,318,500
<b>Replacement Paratransit van</b>	29	2,856,000
<b>Replacement vanpool vans</b>	<u>75</u>	<u>2,365,161</u>
<b>Total</b>	<u>145</u>	<u>\$30,833,067</u>

The 2018 budget also anticipated several sources of funding which could be used to pay for these vehicles. These sources are:

<b>Source of Funding</b>	<b>Amount</b>
<b>Grants</b>	\$8,275,893
<b>UTA</b>	1,122,729
<b>Local Partners</b>	271,400
<b>Leases</b>	<u>21,163,045</u>
<b>Total</b>	<u>\$30,833,067</u>

Subsequent to adoption of the 2018 budget, in coordination with Weber Area Council of Governments, the Prop 1 priority in Weber County

	<p>changed from expanded bus service to bus rapid transit (BRT) capital investment. As a result, UTA decided to eliminate acquisition of the five Mt. Ogden expansion buses (\$2,647,645) and reallocate those funds to the BRT project. As these were to be lease financed, the resolution provides an authorization of \$18,515,400 rather than the original budget amount.</p> <p>Resolution 2018-05-xx authorizes two of the three designated officers (the Treasurer, Deputy Treasurer, and Executive Director) to 1) select the lessor and 2) approve the principal amounts, interest rates, terms, description of equipment, and other pricing terms if the lease-purchase agreements fall with the following parameters:</p> <ul style="list-style-type: none"> <li>• Amount           \$18,515,400 or less</li> <li>• Term:            12 years or less</li> <li>• Interest Rate: 4.5% or less</li> </ul> <p>Although the resolution authorizes an amount of \$18,515,400, the Treasurer and Deputy Treasurer will determine the amount needed before seeking lease financing.</p> <p>Gilmore &amp; Bell, legal counsel, has provided the attached resolution and form of the lease-purchase agreement.</p>
<b>PREFERRED ALTERNATIVE:</b>	<ul style="list-style-type: none"> <li>• Approve as presented</li> </ul>
<b>EXHIBITS:</b>	<ol style="list-style-type: none"> <li>a. R2018-05-06 Parameters Resolution</li> <li>b. Equipment Lease - Purchase Agreement</li> </ol>