



**NOTICE OF SPECIAL MEETING AGENDA
LANCASTER CITY COUNCIL**

**LANCASTER RECREATION CENTER, GRAND HALL
1700 S. VETERANS MEMORIAL PARKWAY
LANCASTER, TEXAS 75134**

Monday, October 20, 2014 - 7:00 PM

CALL TO ORDER

CONSENT AGENDA:

Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.

- C1. Consider a resolution authorizing the award of bid #2014-138 for an annual contract to provide Pump Maintenance to Rotoserv, LP.
- C2. Consider a resolution authorizing the purchase of an ambulance and fire truck through an interlocal cooperative purchasing agreement; authorizing the City Manager to negotiate and execute an agreement for a Lease/Purchase financing plan with Chase Equipment Finance not to exceed \$1,250,000.00; and to issue a purchase order pursuant to approval.
- C3. Consider an ordinance amending the Code of Ordinance by amending Chapter 8, "Business Regulations", by amending Article 8.02, "Alarm Systems", Section 8.02.004, "Definitions", to amend changes to the alarm administrator, amending Section 8.02.005, "Violations; Penalty", Section 8.02.020, "Appeal of Action on Permit or Assessment."

ADJOURNMENT

EXECUTIVE SESSION: The Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the TEXAS GOVERNMENT CODE to seek legal advice concerning such subject.

ACCESSIBILITY STATEMENT: The Municipal Center is wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

Certificate

I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on October 17, 2014 @ 3:15 p.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.



Sorangel O. Arenas
City Secretary

LANCASTER CITY COUNCIL

Item 1

Agenda Communication

October 20, 2014

Consider a resolution authorizing the award of bid #2014-138 for an annual contract to provide Pump Maintenance to Rotoserv, LP.

This request supports the City Council 2014-2015 Policy Agenda.

Goal: Sound Infrastructure

Background

The Water Utilities Department has determined the need for an annual contract to provide pump maintenance service for existing water and wastewater pumps. Length of the contract is one-year with the option to renew the contract for two additional one year periods. Prices are firm for the first year. Any price increase after year one, must be justified and documentation submitted. Price increase may not exceed the current Consumer Price Index (U) for the D/FW region.

Considerations

- **Operational** –The Water Utilities Department will utilize the services and parts for the routine and preventative maintenance of water and wastewater pumps.
- **Financial** – Funding has been approved in the FY 14/15 operating budget. Expenditures will not exceed funds appropriated. Funds will be committed at the issuance of the purchase order.
- **Legal** – This bid was processed in accordance with all local and state purchasing statues. Three bids were received with the lowest qualified bid given priority consideration.
- **Public Information** - Bids were advertised in the Focus Daily News on June 5 and June 12, 2014. Bids were posted on the City’s electronic procurement system on June 5 and a pre-bid meeting was held on June 19, 2014. Responses were opened on June 27, 2014.

Options/Alternatives

1. Council may approve the resolution as presented.
2. Council may reject the use of the contracted services.

Recommendation

Staff recommends awarding the bid to the lowest, qualified bidder Rotoserve, LP.

Attachments

- Resolution
 - Tab Sheet
-

Submitted by:

Jim Brewer, Public Works Director
Andrew Waits, Water & Wastewater Superintendent
Alton Dixon, Purchasing Agent

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE AWARD BID #2014-138 FOR AN ANNUAL CONTRACT TO PROVIDE PUMP MAINTENANCE TO ROTOSERVE, LP AT THE UNIT PRICES LISTED; AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENT AND ISSUANCE OF A PURCHASE ORDER PURSUANT TO APPROVAL; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lancaster desires to utilize pump maintenance services on existing water and sewer pumps.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, THAT:

SECTION 1 That the City Council hereby authorizes the award of a unit price bid #2014-138 for pump maintenance pursuant to the unit price attached hereto and incorporated herein by reference as: Exhibit "A".

SECTION 2 That the City Manager or her designee of the City of Lancaster, Texas is hereby authorized to issue appropriate purchase orders in conformity herewith.

SECTION 3 Any prior Resolution of the Lancaster City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 4 Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 5 This Resolution shall take effect immediately from and after its passage, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of October, 2014.

ATTEST:

Sorangel O. Arenas, City Secretary

APPROVED:

Marcus E. Knight, Mayor

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

Line #	Description	QTY	UOM	ODESSA PUMPS & EQUIPMENT, INC		Smith Pump Company, Inc		Rotaserv, LP	
				Unit	Extended	Unit	Extended	Unit	Extended
1	Field Service - Normal Business Hours	1	EA	\$82.00	\$82.00	\$76.00	\$76.00	\$60.00	\$60.00
2	Field Service - Overtime	1	EA	\$123.00	\$123.00	\$114.00	\$114.00	\$90.00	\$90.00
3	Field Service - Emergency/Holiday	1	EA	\$164.00	\$164.00	\$152.00	\$152.00	\$120.00	\$120.00
4	Staff Engineer - Normal Business Hours	1	EA	\$82.00	\$82.00	\$96.00	\$96.00	\$84.00	\$84.00
5	Staff Engineer - Overtime	1	EA	\$123.00	\$123.00	\$144.00	\$144.00	\$126.00	\$126.00
6	Staff Engineer - Emergency / Holiday	1	EA	\$164.00	\$164.00	\$192.00	\$192.00	\$168.00	\$168.00
7	Shop Work - Normal Business Hours	1	EA	\$82.00	\$82.00	\$76.00	\$76.00	\$60.00	\$60.00
8	Shop Work - Overtime	1	EA	\$123.00	\$123.00	\$114.00	\$114.00	\$90.00	\$90.00

Line #
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City of Lancaster, Texas (Water / Waste Water) Supplier Response

Bid Information	Contact Information	Ship to Information
Bid Creator	Dawn Berry Purchasing Agent	Address
Email	dberry@lancaster-tx.com	Address
Phone	(972) 218-1329	Contact
Fax	(972) 218-3621	Contact
Bid Number	2014-138 Addendum 1	Department
Title	Pump Maintenance	Building
Bid Type	ITB	Floor/Room
Issue Date	06/06/2014	Telephone
Close Date	7/8/2014 3:00:00 PM CT	Fax
Need by Date		Email
		purchasing@lancaster-tx.com

Supplier Information	
Company	Rotaserv, LP
Address	1313 S. Sherman St.
	Richardson, TX 75081
Contact	Frances Gonzales
Department	Accounting
Building	
Floor/Room	
Telephone	1 (972) 231-4121
Fax	1 (972) 480-8742
Email	
Submitted	6/25/2014 4:57:29 PM CT
Total	\$7,508.00

Signature _____

Supplier Notes

Bid Notes

We strongly request that bidders submit their response electronically. Electronic bidding will eliminate errors, eliminate unnecessary work, and is more friendly to the environment. Your cooperation is appreciated.

Please feel free to call us if you require any assistance with the response.

Emailed or Fax submissions will not be accepted.

Bid Activities

Date	Name	Description
6/5/2014 8:00:00 AM	Week 1	Week 1 Advertisement - Focus News

6/12/2014 8:00:00 AM	Week 2	Week 2 Advertisement - Focus News
6/19/2014 10:00:00 AM	Pre-Bid Meeting	A pre-bid meeting will be held at: City Hall Council Chambers 211 N. Henry Street Lancaster, TX 75146
6/27/2014 3:00:00 PM	Due Date	Submittal must be received prior to the date and time listed.
7/28/2014 7:00:00 PM	Council Approval	Council meetings are held at City Hall. 211 N. Henry. Lancaster, TX 75146

Bid Messages

Please review the following and respond where necessary

#	Name	Note	Response
1	Questions	All questions shall be addressed to Dawn Berry, Purchasing Agent via email at purchasing@lancaster-tx.com.	Agree
2	One Year - 2 Renewals	Length of this contract shall be for one (1) full year with the option to renew the contract for two additional one-year periods. Both parties must be in agreement.	Agree
3	Price Increases	Prices are firm for the first year. Any price increase after year one, must be justified and documentation submitted. Price increases may not exceed the current Consumer Price Index (U) for the D/FW Region.	Agree
4	Response Term	Responses shall be valid for ninety (90) calendar days after the opening date and shall constitute an irrevocable offer to the City of Lancaster for the 90 calendar day period. The 90 calendar day period may be extended by mutual agreement of the parties.	Agree
5	Late Submission	Bids/RFQs are not accepted after the closing date and time. The City of Lancaster is not responsible computer, mail or carrier issues/problems. The server time located in the top right corner of this software is the official clock. It is the responsibility of the user to ensure you have chosen the correct time zone for your company.	Understood
6	T&C Acknowledgement	I have read and agree to the terms and conditions of this bid.	Agreed
7	Bid Acknowledgement	Bidder affirms that they have read and understand all requirements of this proposal. Additionally, the bidder affirms that they are duly authorized to execute this contract and that this company has not prepared this proposal in collusion with any other proposer, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the bidder nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this type of business prior to the official opening of this proposal.	Agreed
8	County	What county is your principal place of business located?	Dallas
9	Payment Terms	The City of Lancaster's payment terms are Net 30 with Firm Pricing and F.O.B. Destination/Delivered.	(No Response Required)

10	Company Ownership	Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.	N/A
11	Litigation with City of Lancaster	Is your firm involved in any litigation (past or pending) with the city of Lancaster? If yes, please provide details.	No
12	Electronic Payment	If you would like your payment sent electronically (EFT), please provide your accounts receivable contact information. Please provide name and email.	Frances Gonzales, frances@rotaserv.com
13	Open Records Act	All responses will be maintained confidential until award is finalized. At that time, all proposals are subject to the Open Records Act.	Agreed
14	NEPOTISM STATEMENT	The Bidder, Proposer, or any officer, shall state whether Bidder or Proposer has a relationship, either by blood or marriage, with any official or employee of the City of Lancaster.	Not Related
15	Contract Clause	Bidder affirms that submittal of this bid, and when properly accepted by the City of Lancaster, shall constitute a contract equally binding between the successful bidder and the City. No different or additional terms will become a part of this contract with the exception of change orders.	Agreed
16	Immigration	Employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the US) and aliens authorized to work in the US. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I9). The Contractor shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.	(No Response Required)
17	Cooperative Agreement	Should other Government Entities decide to participate in this contract, would you, the Vendor, agree that all terms, conditions, specifications, and pricing would apply? If you, the Vendor checked yes, the following will apply: Government entities utilizing Inter-Governmental Contracts with the City of Lancaster will be eligible, but not obligated, to purchase materials/services under this contract(s) awarded as a result of this bid. All purchases by Governmental Entities other than the City of Lancaster will be billed directly to that Governmental Entity and paid by that Governmental Entity. The City of Lancaster will not be responsible for another Governmental Entity's debts. Each Governmental Entity will order their own material/service as needed.	Yes
18	Reciprocal Information 1	The City of Lancaster, as a governmental agency of the State of Texas, may not award a contract for general construction, improvements, services or public works projects or purchases of supplies, materials, or equipment to a non-resident bidder unless the non-resident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state in which the non-resident's principal place of business is located (Article 601g v.t.c.s.). Bidder shall answer all the following questions by encircling the	Texas

appropriate response or completing the blank provided.
 **Where is your principal place of business?

19	Reciprocal Information 2	For Businesses not located in Texas, does your state favor resident bidders (bidders in your state) by some dollar increment or percentage?	N/A
20	Reciprocal Information 3	If Yes, What is the dollar increment or percentage?	N/A
21	MWBE 1	Is your company M/WBE or HUB certified?	No
22	MWBE 2	If yes, what is your certification number?	N/A
23	MWBE 3	If yes, what agency completed the certification?	N/A
24	MWBE 4	If yes, what is the expiration date of your certification?	N/A
25	Notification	How did you here about this bid opportunity?	e-pro
26	Plan Room - Other	If yes for a plan room or other, please list which plan room or other means of notification.	N/A
27	Terminology	Throughout this document, the terms Contractor, Bidder, Proposer, and/or Vendor may be used interchangeably. Reference to any of these terms throughout this document should be construed by the reader as meaning any bidder for the products/services being requested (e.g., Bidder, Proposer); or the bidder who has been awarded a bid/RFQ or contract (e.g., Contractor, Vendor).	Agree
28	Insurance	Vendor shall provide insurance as listed in the insurance requirements attached.	Understood
29	Immigration	Employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the US) and aliens authorized to work in the US. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I9). The Contractor shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.	(No Response Required)
30	Contractor Responsibility	Keep project area in a safe and clean environment at all times during the contract period. Ensure all work is executed in accordance with OSHA (Occupational Safety and Health Administration) Requirements. Contractor must ensure that all Federal, State, and Local regulation are met.	(No Response Required)
31	Laws and ordenances	The Contractor shall at all times observe and comply with all Federal, State, and local laws, ordinances and regulations which in any manner affect the Contract or the work.	Understood
32	Payment Terms	The City of Lancaster's payment terms are Net 30.	Agreed
33	Change Orders	No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the city of Lancaster.	Agreed

34	MODIFICATION OF A SUBMITTED BID / PROPOSALS	A proposer may modify a response electronically by logging into the e-procurement system and retracting their bid. Changes can be made up to the closing date and time. It is the vendor's responsibility to save any changes and re-submit their response.	Understood
35	AWARD OF CONTRACT	The contractor shall not commence work under these terms and conditions of the contract until all applicable Certificates of Insurance, Performance and Payment Bonds and have been approved by the City of Lancaster and he/she has received notice to proceed in writing and an executed copy of the contract from the City of Lancaster.	Agreed
36	Deviation	<p>DEVIATIONS: In the event, you the Proposer, intends to deviate from the general terms, conditions, special conditions or specifications contrary to those listed in the "Terms and Conditions" and other information attached hereto, all such deviations must be detailed and uploaded in the RESPONSE ATTACHMENTS section of the e-pro system with the description DEVIATION.</p> <p>NO DEVIATIONS: In the absence of any deviation, Proposer assures the City of Proposer's compliance with the Terms, Conditions, Specifications, and information contained in this RFP.</p>	None
37	Award	Response to specifications, location of vendor, history/relationship, price and vendor's ability to perform the work are the primary factors in determining the lowest responsible bid.	(No Response Required)
38	BID PROTESTS	<p>All protests regarding the bid solicitation process must be submitted in writing to the Purchasing Agent within five (5) working days following the opening of bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the Local Government Code, as well as protests relating to alleged improprieties or ambiguities in the specifications.</p> <p>The limitation does not include protests relating to staff recommendations as to award of a bid. Protests relating to staff recommendations may be directed to the City Council by contacting the City Secretary PRIOR to Council Award.</p>	Agreed
39	Addendum 1	<ol style="list-style-type: none"> 1. Line 10 (complex repairs) has been deleted. 2. The statement of qualification form has been updated. Additional information has been added regarding the pumps. 3. The due date and time have been extended to July 8, 2014 at 3:00 PM. <p>I have reviewed the changes and acknowledge addendum 1.</p>	

Line Items

#	Qty	UOM	Description	Response
1	1	EA	Field Service - Normal Business Hours	\$60.00
Item Notes:				
Supplier Notes:				
Item Attributes: Please review the following and respond where necessary				
#	Name	Note	Response	
1	Normal Hours	What are your normal business hours	7:00 am to 3:30 pm Mon-Fri	
2	1	EA	Field Service - Overtime	\$90.00
Item Notes:				
Supplier Notes:				
3	1	EA	Field Service - Emergency/Holiday	\$120.00
Item Notes: Personnel must be on-site withing 24 hours.				
Supplier Notes:				
4	1	EA	Staff Engineer - Normal Business Hours	\$84.00
Item Notes:				
Supplier Notes:				
5	1	EA	Staff Engineer - Overtime	\$126.00
Item Notes:				
Supplier Notes:				
6	1	EA	Staff Engineer - Emergency / Holiday	\$168.00
Item Notes:				
Supplier Notes:				
7	1	EA	Shop Work - Normal Business Hours	\$60.00
Item Notes:				
Supplier Notes:				

8	1	EA	Shop Work - Overtime	\$90.00
Item Notes:				
Supplier Notes:				
9	1	EA	Simple Repair	\$6,350.00
Item Notes: A simple repair is defined as a repair requiring simple tear down and reassembly to correct a minor problem. An example of a simple repair would be disassembly to remove a foreign contaminant, such as a log, that has caused the impeller to jam, but not requiring complex machining and/or repairs of structural damage to the pump.				
Supplier Notes: Estimate for a 4 stage vertical pump to include on-site labor to pull and install, shop labor to disassemble, inspect, workscope and repair, recoat impellers, balance, crane rental to pull and replace.				
10	1	EA	Price for performing work in a confined space area.	\$360.00
Item Notes: Performing work in a confined space area is defined as any repairs to guide rails, hoist chains, etc. that cannot be repaired by removal of the pump. These types of repairs may involve entry into a "Permit Required" confined space due to lack of breathable air, which may require the use of a self contained breathing apparatus or air feed respirator equipment. These types of repairs will typically revolve around lift stations, not the recycle basins found at the John Kubala Water Treatment Plant. Very little work related to confined space entry will be required as most of the work will involve removing the pump from its location and transporting to a repair facility.				
Supplier Notes: Price is per day, in addition to hourly rate.				
Response Total:				\$7,508.00

LANCASTER CITY COUNCIL

Item 2

Agenda Communication

October 20, 2014

Consider a resolution authorizing the purchase of an ambulance and fire truck through an interlocal cooperative purchasing agreement; authorizing the City Manager to negotiate and execute an agreement for a lease/purchase financing plan with Chase Equipment Finance not to exceed \$1,250,000.00; and to issue a purchase order pursuant to approval.

This request supports the City Council 2014-2015 Policy Agenda.

**Goals: Financially Sound City Government
Healthy, Safe and Vibrant Community**

Background

The City of Lancaster currently maintains an Equipment Replacement Fund as a means to replace equipment on a consistent basis. The fund has been utilized for the purchase of public safety, public works, and parks equipment in the last several years. Allocation of funds to the Equipment Replacement comes from Fund Balance in excess of the twelve percent (12%) policy goal. These funds will be utilized to purchase a fire truck and ambulance.

Due to a critical operational need, staff is recommending the lease/purchase of an ambulance and fire truck through our cooperative purchasing agreements.

The annual lease payment will be made utilizing a portion of the funds within the equipment replacement fund. The lease/purchase option allows the City to utilize remaining funds within the equipment replacement fund to make additional purchases in accordance with the schedule of replacements.

Considerations

- **Operational** –The current ambulance has been in operation for 5 years – and due to the increased number of EMS calls for service, the continued maintenance outweighs the cost of purchase for a new apparatus. The fire truck has been in operation for approximately 14 years.
- **Legal** - The City Attorney will review the agreement and approve prior to execution.
- **Financial** – Funding is available in the equipment replacement fund for the first payment which will be due in January 2015. The term of the agreement will not exceed ten years.

- **Public Information** – This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives

1. Council may approve the agreement and resolution as presented.
2. Council may reject the agreement.

Recommendation

Staff recommends approving the resolution authorizing the City Manager to enter into a Lease Purchase Agreement with Chase Equipment Finance and authorizing issuance of a purchase order.

Attachments

- Resolution
 - Chase Equipment Financing Proposal
-

Submitted by:

Cynthia Pearson, Director of Finance

Alton Dixon, Purchasing Agent

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A PROPOSAL FOR LEASE PURCHASE FINANCING OF A FIRE TRUCK AND AMBULANCE, AS SPECIFIED IN THE 2014 REPLACEMENT PLAN, IN AN AMOUNT NOT TO EXCEED \$1,250,000.00; AUTHORIZING THE CITY MANAGER TO NEGOTIATE AN AGREEMENT WITH CHASE EQUIPMENT FINANCE; AND TO ISSUE A PURCHASE ORDER PURSUANT TO APPROVAL; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lancaster desires to purchase a replacement Fire Truck and Ambulance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, THAT:

SECTION 1. The City Council hereby approves the lease/purchase of a Fire Truck and Ambulance for a total amount not to exceed one million two hundred fifty thousand dollars (\$1,250,000.00) and hereby authorizes the City Manager to execute a financing agreement with Chase Equipment Finance as set forth in Exhibit "A" which is attached hereto and incorporated herein.

SECTION 2. That the City Manager or her designee is hereby authorized to issue a purchase order.

SECTION 3. Any prior resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 4. Should any part of this resolution be held invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared severable.

SECTION 5. This resolution shall take effect immediately from and after its passage, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of October 2014.

ATTEST:

Sorangel O. Arenas, City Secretary

APPROVED:

Marcus E. Knight, Mayor

APPROVED AS TO FORM:

Robert E. Hager, City Attorney



JPMorgan Chase Bank, N.A.

Submission to

City of Lancaster, TX

**Lease Purchase Financing
For Equipment Replacement**

October 7, 2014

Chase Equipment Finance: Megan R. Kucera JPMorgan Chase Bank, N.A. 10 S. Dearborn, Floor 22 Chicago, IL 60603 Telephone: 312-732-7156 megan.r.kucera@chase.com	Relationship Manager: Nick London JPMorgan Chase Bank, N.A. 2200 Ross Avenue, Floor 8 Dallas, TX 75201 Telephone: 214-922-2348 nick.f.london@jpmorgan.com
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City of Lancaster
October 7, 2014

Cynthia Pearson
Finance Department
City of Lancaster
972-218-1322
cpearson@lancaster-tx.com

Baron Sauls
Finance Department
City of Lancaster
972-218-1333
bsauls@lancaster-tx.com

Dear Ms. Cynthia Pearson and Mr. Baron Sauls:

Chase Equipment Finance is pleased to submit the following equipment financing proposal for your review and consideration. This document is for discussion purposes only and is contingent upon the Lessee's compliance with the requirements of the Internal Revenue Code of 1986 ("Code"), as amended, and all applicable state laws related to Lessee's ability to enter into a tax-exempt lease-purchase financing for the intended purposes. The final terms and conditions are subject to credit approval and may be different from the terms and conditions outlined below.

LESSOR / LENDER:	JPMorgan Chase Bank, N.A.
LESSEE / BORROWER:	City of Lancaster, TX
TRANSACTION:	This proposal is for a fixed-rate, fully amortizing tax-exempt lease-purchase agreement.
BANK QUALIFIED:	This proposal assumes that Lessee will not issue more than \$10 million in tax-exempt obligations this calendar year and that the Lessee will designate this lease as a " qualified " tax-exempt obligation.
USE OF PROCEEDS / TITLE:	To finance a Fire Truck and Ambulance, as specified in the 2014 Replacement Plan.
FINANCING AMOUNT:	Up to \$1,250,000.00
LOCATION OF EQUIPMENT:	Lancaster, TX
COMMENCEMENT DATE:	TBD, anticipated to fund prior to October 30, 2014



City of Lancaster
October 7, 2014

- FINANCING TERM:** Five (5) years with Fire Truck (\$900,000) amortizing over ten (10) years
- INTEREST RATE:** 2.25%
- PAYMENT / FREQUENCY:** Annual payments of principal and interest in arrears beginning January 15, 2015. Please see sample amortization schedule attached.
- ADJUSTMENT TO RATE:** The interest Rate and Payment will be subject to the index below based upon the then current Interest Rate Swap (“Index Rate”) as published in the Federal Reserve Statistical Release Report H.15 as of October 2, 2014. The Interest Rate will be the applicable Swap Rate multiplied by the Bank’s Tax Exempt Factor of 64.03% plus a Spread, as outlined below. For every change (increase or decrease) in the Index Rate a corresponding adjustment will be made to the Interest Rate to maintain Lessor’s economics.
- 10 Year Fire Truck, 5 Year Additional Equipment
Interest Rate = (Index Rate x 64.03%) + spread
Example: (5-Year Swap = 1.86% * 64.03%) + 1.06% = 2.25%
- PREPAYMENT:** The lease may be prepaid in full, but not in part, 12 months after commencement on any regularly scheduled payment date with at least 30 days written notice.
- SECURITY:** Lessee will grant Lessor a first priority security interest in the financed equipment.
- DOCUMENTATION:** Lessor or its counsel shall prepare documentation. Documentation will resemble agreement already in place between Lessor and Lessee. The Lessee shall be responsible for its own expenses related to review of the lease documents and delivery of legal/validity opinion to the Lessor.
- REPORTING REQUIREMENTS:** Lessee shall deliver audited annual financial statements in an electronic format within 180 days of end of each fiscal year.



City of Lancaster

October 7, 2014

EVENTS OF DEFAULT:

The Events of Default will be standard and customary for transactions of this nature.

DISBURSEMENT OF PROCEEDS:

A Qualified Reimbursement will be made to Lessee, in compliance with Treasury Reg. 1.150-2. Evidence of prior payments made by Lessee for the Equipment and copies of all related Reimbursement Resolution(s) and/or adopted Reimbursement Declaration(s) shall be provided to Lessor prior to the closing of the financing.

Or

The transaction will fund via an initial escrow deposit, to Deutsche Bank or a mutually agreeable escrow agent, equal to the full Financing Amount. Disbursements will be made to vendors or as reimbursements to Lessee (in compliance with Treasury Reg. 1.150-2) as funds are required. Deutsche Bank fee for escrow is \$1,500.00

ASSIGNMENT:

This proposal assumes that Lessor will assign the transaction to JPMorgan Chase Bank & Co.

WAIVER OF JURY TRIAL:

The Lessee and the Bank will waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to this term sheet, any related documentation or the transactions contemplated hereby or thereby.

WAIVER OF IMMUNITY:

Lessee hereby expressly and irrevocably waives any immunity (including sovereign, crown or similar immunity) and any defenses based thereon from any suit, action or proceeding or from any legal process in any forum with respect to Lease.

REPRESENTATION & WARRANTIES:

Usual representations and warranties in connection with the financing, including without limitation, absence of material adverse change, absence of material litigation, absence of Default or potential default and continued accuracy of representations.

CONDITIONS PRECEDENT:

Usual and customary conditions related to the issuance of the Tax Exempt financing, including acceptable legal documentation and standard approvals from the City, State and local officials, as may be required.



City of Lancaster

October 7, 2014

GOVERNING LAW:

All aspects of the financing being discussed including this Proposal and any loan documents would be governed by the laws of the State of Texas.

PROPOSAL EXPIRATION:

This proposal shall expire unless Lessee acknowledges its acceptance by signing and returning a copy of this proposal to Lessor by November 15, 2014.

TAX GROSS UP:

If interest on the Lease is determined to be taxable for any reason the interest on the Lease will increase from the effective date of such taxability to the taxable equivalent rate per annum.

CONFIDENTIALITY:

Chase confirms that it will not use confidential information obtained from you by virtue of the potential transaction contemplated by this proposal or our other relationships with you in connection with the performance by Chase of such services for other companies. You also acknowledge that Chase will not use in connection with the potential transaction contemplated by this preliminary proposal, or furnish to you, confidential information obtained from other companies.

IRS CIRCULAR 230 DISCLOSURE:

JPMorgan Chase & Co. and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with JPMorgan Chase & Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

**MUNICIPAL ADVISOR DISCLOSURES
& DISCLAIMERS:**

The Lessee acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Lessee and the Bank, (ii) in connection with such transaction, the Bank is acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Lessee, (iii) the Bank is relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Lessee with



City of Lancaster

October 7, 2014

respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Lessee on other matters), (v) the Bank has financial and other interests that differ from those of the Borrower, and (vi) the Lessee has consulted with its own financial, legal, accounting, tax, and other advisors, as applicable, to the extent it deemed appropriate.

Please feel free to contact me at (312) 732-7156 if you have any questions, or would like to discuss this proposal in greater detail. Upon receipt of the accepted proposal, we will promptly begin the approval process so that we may be in a position to finalize this transaction with you. Thank you for allowing us to be of service!

Sincerely,

Chase Equipment Finance

Megan Kucera
Territory Associate

CITY OF LANCASTER, TX

Accepted Date: _____

By: _____

Title: _____



City of Lancaster

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Sample Payment Schedule

Borrower: City of Lancaster
Lender: JP Morgan Chase Bank, NA
Term: 111 Months
Interest Rate: 2.2500%
Amount: \$1,250,000.00

Date	Debt Service	Interest	Principal	Outstanding Balance
10/30/2014	-	-	-	\$1,250,000.00
1/15/2015	176,431.70	5,859.38	170,572.33	1,079,427.67
1/15/2016	176,431.70	24,287.12	152,144.58	927,283.09
1/15/2017	176,431.70	20,863.87	155,567.83	771,715.25
1/15/2018	176,431.70	17,363.59	159,068.11	612,647.14
1/15/2019	176,431.70	13,784.56	162,647.14	450,000.00
1/15/2020	100,125.00	10,125.00	90,000.00	360,000.00
1/15/2021	98,100.00	8,100.00	90,000.00	270,000.00
1/15/2022	96,075.00	6,075.00	90,000.00	180,000.00
1/15/2023	94,050.00	4,050.00	90,000.00	90,000.00
1/15/2024	92,025.00	2,025.00	90,000.00	-
Total	1,362,533.52	112,533.52	1,250,000.00	

LANCASTER CITY COUNCIL

Item 3

Agenda Communication

October 20, 2014

Consider an ordinance amending the Code of Ordinance by amending Chapter 8, “Business Regulations”, by amending Article 8.02, “Alarm Systems”, Section 8.02.004, “Definitions”, to amend changes to the alarm administrator, amending Section 8.02.005, “Violations; Penalty”, Section 8.02.020, “Appeal of Action on Permit or Assessment.”

This request supports the City Council 2014-2015 Policy Agenda.

Goal: Healthy, Safe & Vibrant Community

Background

In 2009, the City of Lancaster entered into an agreement with a third party for alarm permit registration and billing. The Police Department will begin administering the program in January 2015. This item will amend Article 8.02 of the Code of Ordinances to reflect changes within state law and operations.

Considerations

- **Operational** – Oversight of the alarm permit registration, billing and collection will be managed by the Police Department and the Municipal Court.
- **Legal** - The ordinance amendment has been prepared and approved as to form by the City Attorney.
- **Financial** – Oversight of the alarm permit registration, billing and collection will not have a financial impact on department operations.
- **Public Information** – This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives

1. Approve the ordinance as presented.
2. Deny the ordinance.

Recommendation

Staff recommends approval of the ordinance as presented.

Attachments

- Ordinance
-

Submitted by:

Cheryl Wilson, Chief of Police
J. Brad Boulton, Assistant Chief of Police

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING CHAPTER 8, "BUSINESS REGULATIONS", BY AMENDING ARTICLE 8.02, "ALARM SYSTEMS", SECTION 8.02.004, "DEFINITIONS", TO AMEND CHANGES TO THE ALARM ADMINISTRATOR, AMENDING SECTION 8.02.005, "VIOLATIONS; PENALTY", SECTION 8.02.020, "APPEAL OF ACTION ON PERMIT OR ASSESSMENT"; PROVIDING A REPEALING CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article 8.02 of the Lancaster Code of Ordinances provides for alarm systems in the City; and

WHEREAS, City staff desires to update and amend Article 8.02 to provide for requirements and violations; and

WHEREAS, the City Council has determined it is in the best interest of the citizens of the City of Lancaster, Texas to amend Article 8.02 of the Code of Ordinances to ensure that the requirements and violations concerning alarm systems within the City are in compliance with state law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. That Chapter 8 of the Lancaster Code of Ordinances be, and the same is, hereby amended by amending Article 8.02, Alarm Systems, Section 8.02.004, Definitions, to read as follows:

"ARTICLE 8.02 ALARM SYSTEMS

.....

Sec. 8.02.004 Definitions

Alarm Administrator. Shall mean the Police Chief to issue, renew, or revoke or otherwise administer, control and review false alarms and the provisions of this article.

....."

SECTION 2. That Chapter 8 of the Lancaster Code of Ordinances be, and the same is, hereby amended by amending Article 8.02, Alarm Systems, Section 8.02.005, Violations; penalty, to read as follows:

“ARTICLE 8.02 ALARM SYSTEMS

.....

Sec. 8.02.005 Violations; penalty

(a)

(b) It shall be unlawful for any person to operate an alarm system without a permit or in violation of a provision of this Article. Each day or operation of an alarm system or violation of this Article shall be separate offenses or violations subject to citation and fine

(c)

(d) A violation of any provision of this article shall be a class C misdemeanor punishable provided in this code.

.....”

SECTION 3. That Chapter 8 of the Lancaster Code of Ordinances is, hereby further amended by amending Article 8.02, Alarm Systems, by amending Section 8.02.020, Appeal of action on permit or assessment of fine; to read as follows:

“ARTICLE 8.02 ALARM SYSTEMS

.....

Sec. 8.02.020 Appeal of action on permit or assessment of fine

(a) If the alarm administrator denies the issuance, renewal, revocation or a reinstatement of an alarm permit, the alarm administrator shall send written notice of the action and a statement of the right to an appeal to the affected applicant or the alarm permit holder and the alarm installation company and/or monitoring company.

(b) The alarm permit holder, alarm installation company or monitoring company may appeal the alarm administrators decision under this section by setting forth in writing the reason for appeal within fifteen (15) business days after receipt of the fine or notice of revocation. The alarm user or the alarm installation company or monitoring company may file the appeal the decision of the alarm administrator to the municipal court judge as a:

(1) The applicant, alarm permit holder, alarm installation company or monitoring company may file a written request for a review by paying an appeal fee as established by resolution of the city council and setting forth the reasons for the appeal within twenty (20) business days after the date of notification of the decision from the alarm administrator. Appeal fees will be returned to the appealing alarm permit holder, alarm installation company or monitoring company if the appeal is upheld.

(2) The municipal court judge shall conduct a hearing within twenty (20) days of the receipt of the request and consider the evidence by any interested person(s). The city shall make its decision on the basis of the preponderance of evidence presented at the hearing.

(c) Filing of a request for appeal shall stay the action by the alarm administrator revoking an alarm permit court has completed its review. If a request for appeal is not made within the twenty (20) business day period, the action of the alarm administrator is final.

(d) The alarm administrator may adjust the count of false alarms based on:

(1) Evidence that a false alarm was caused by an act of God;

(2) Evidence that a false alarm was caused by action of the telephone company;

(3) Evidence that a false alarm was caused by a power outage lasting longer than four (4) hours;

(4) Evidence that the alarm dispatch request was not a false alarm;

(5) Evidence that the police department response was not completed in a timely fashion; and/or

(6) In determining the number of false alarms, multiple alarms occurring in any twenty-four (24) hour period shall be counted as one false alarm, to

allow the alarm user time to take corrective action, unless the false alarms are directly caused by the alarm user.

(f) In addition to prohibiting or requiring certain conduct of individuals, it is the intent of this article to hold a corporation, partnership, or other association criminally responsible for acts or omissions performed by an agent acting in behalf of the corporation, partnership, or other association, within the scope of this employment.

(i) An appeal hearing fee as established by resolution of the city council shall be paid before a permit appeals hearing is perfected or scheduled. The fee will be returned if the appeal hearing is upheld.

.....”

SECTION 4. Any person, firm or corporation violating any of the provisions of this ordinance or the provisions of the Code of Ordinances of the City of Lancaster, Texas, as amended hereby, shall be deemed guilty of a misdemeanor and, upon conviction in the municipal court of the City of Lancaster, Texas, shall be subject to a fine not to exceed the sum of Five Hundred (\$500.00) dollars for each offense, and each and every day such offense shall continue shall be deemed to constitute a separate offense.

SECTION 5. That all provisions of the Ordinances of the City of Lancaster, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or the Code of Ordinances, as amended hereby, which shall remain in full force and effect.

SECTION 7. That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide.

DULY PASSED by the City Council of the City of Lancaster, Texas, this the 20th day of October, 2014.

APPROVED:

By: _____
MARCUS E. KNIGHT, MAYOR

ATTEST:

By: _____
SORANGEL O. ARENAS, CITY SECRETARY

APPROVED AS TO FORM:

By: _____
ROBERT E. HAGER, CITY ATTORNEY
(REH/mpm)