

RESOLUTION NO. _____(N.C.S.)

**A RESOLUTION AUTHORIZING THE EXECUTION OF A FINANCING
AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP TO
PROVIDE FINANCING FOR PURCHASE OF FIRE ENGINES AND
AUTHORIZING RELATED ACTIONS**

WHEREAS, the City of Salinas, California ("City") is a charter city organized pursuant to the California Constitution and with authority derived directly from Article XI of the California Constitution;

WHEREAS, the City of Salinas Fire Department has been working diligently to bring our fleet into a state of good repair and maintain a fire apparatus and vehicle replacement program consistent with best practices. To achieve this goal, the department requires the replacement of two fire engines and one tiller ladder truck, along with the addition of a Type 6 wildland vehicle to improve access to hard-to-reach wildland areas; and

WHEREAS, Golden State Fire Apparatus, Inc. has provided proposals for the purchase of two Pierce Enforcer Type 1 engines, one Pierce 100' Enforcer Tractor Drawn Aerial truck, and one BME Type 6 Wildland engine; and

WHEREAS, the purchase of the vehicles through Golden State Fire Apparatus, Inc. was duly authorized at December 9, 2025, City Council meeting; and

WHEREAS, the City of Salinas intends to finance the purchase of one Pierce Enforcer Type 1 engine and one Pierce tiller ladder truck (the "Financed Equipment") through a lease-purchase agreement and such financing may include prepayment and contingency provisions; and

WHEREAS, the City solicited proposals from banks to provide the lease-purchase agreement and in response to that solicitation the City received six proposals, of which the proposal from Banc of America Public Capital Corp ("BAPCC") was determined to be the most economically beneficial to the City; and

WHEREAS, the City had previously entered into a Master Equipment Lease/Purchase Agreement, dated June 1, 2012, with Banc of America Public Capital Corp (2012 MELPA) to provide for the financing for vehicles and other equipment, and the City has used that 2012 MELPA as the basis for several subsequent financings in the past, including Schedule of Property No. 1, Schedule of Property No. 2, and Schedule of Property No. 3; and

WHEREAS, pursuant to a proposed Summary of Terms and Conditions, dated January 6, 2026, Banc of America Public Capital Corp has offered to enter into an Schedule of Property No. 4 under the 2012 MELPA between the City as Lessee, and Banc of America Public Capital Corp or its affiliate as Lessor;

WHEREAS, pursuant to a proposed Summary of Terms and Conditions, dated January 6, 2026, Banc of America Public Capital Corp or its affiliate has offered to enter into an Escrow

and Account Control Agreement ("Escrow Agreement") with City and Argent Institutional Trust Company, as escrow agent, under terms that are beneficial to the City, the Escrow Agreement and Schedule of Property No. 4, incorporating the terms of the 2012 MELPA, with related documents hereinafter referred to as "Financing Agreement";

WHEREAS, in accordance with Government Code Section 5852.1, the City Council has obtained and disclosed the information set forth in Exhibit A hereto;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS:

Section 1. Recitals. All of the recitals herein contained are true and correct and are fully incorporated herein by this reference.

Section 2. Authorization to Purchase Vehicles and Appropriate Funds. City staff are hereby authorized to purchase two Pierce Enforcer Type 1 engines, one Pierce tiller ladder truck, and one BME Type 6 Wildland Engine. Additionally, City staff are authorized to appropriate \$1,477,678 to the Vehicle Replacement Fund with a corresponding transfer in the General Fund for direct purchase of one Pierce Enforcer Type 1 engine and the BME Type 6 Wildland Engine. The remaining two trucks are the Financed Equipment.

Section 3. Financing Agreement Approval. The forms of the Financing Agreement, in the forms on file with the City Clerk, are hereby approved, with such changes thereto, deletions therefrom and additions or modifications thereto as may be approved pursuant to Section 4 hereof; provided that the par amount of the Financing Agreement shall not exceed \$3,265,000 and the initial, tax exempt interest rate shall not exceed 3.50% (exclusive of adjustments to the rate upon an event of default or event of taxability).

Section 4. Execution and Delivery. Any one of the City Manager, the Finance Director, or any deputy thereof, or person duly appointed in writing to act in the stead of such officer (collectively, the "Responsible Officers"), is hereby authorized and directed for and in the name of and on behalf of the City to execute and deliver the Financing Agreement, in substantially the form presented to and considered at this meeting, with such changes therein, deletions therefrom and additions thereto as may be approved (i) by any Responsible Officer, in such person's discretion, as being in the best interests of the City, (ii) as to form, by City Attorney; such approval to be conclusively evidenced by the execution and delivery thereof by the person executing the same on behalf of the City.

Section 5. Further Actions. The Responsible Officers are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents and certificates as may be necessary to effectuate the purposes of this resolution, including the execution and delivery of the Financing Agreement, and execution and delivery of any and all memorandums of agreement or understanding, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the transactions and requirements as described herein.

Section 6. No General Liability. Nothing contained in this Resolution, the Financing Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary

liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Financing Agreement, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Financing Agreement are limited obligations of the Lessee, subject to annual appropriation, as provided in the Financing Agreement.

Section 7. Ratification. All actions heretofore taken by any officer of the City with respect to the execution and delivery of the Financing Agreement, and the financing of the equipment and projects described therein are hereby approved, confirmed and ratified.

Section 8. Effective Date. This Resolution shall take effect upon approval.

PASSED AND APPROVED this 3rd day of February, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Donohue, Mayor

ATTEST:

Patricia M. Soratos, City Clerk

Attachment: Exhibit A (Government Code section 5852.1 Disclosure)

The City Clerk of the City of Salinas, California does hereby certify that the foregoing Resolution was introduced and duly passed and adopted by the City Council at a regularly scheduled meeting thereof held on this date, by the forgoing vote.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City, California on this date.

Patricia M. Soratos, City Clerk

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by NHA Advisors, the City's Municipal Advisor, as required by Section 5821.1 of the California Government Code, which has been provided to the City in good faith:

- (A) True interest cost of the Equipment Lease/Purchase Agreement ("Lease"): 3.46%
- (B) Finance charge of the Lease (sum of all costs of issuance and fees/charges paid to third parties): \$28,594
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$3,232,406
- (D) Total payment amount through maturity: \$3,707,475