



Resolution 14 – 01

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A LEASE-PURCHASE AGREEMENT WITH TCF EQUIPMENT FINANCE INC...

Sponsored By: 1st. District Councilman John Jaremchuk

Proposed: October 10, 2013

Results: Passed 7 In Favor, 0 Opposed

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A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A LEASE-PURCHASE AGREEMENT WITH TCF EQUIPMENT FINANCE INC...

WHEREAS, Town of Elsmere, (the "Lessee") is a Municipalities duly organized and existing pursuant to the Constitution and laws of the State of Delaware; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Exhibit A to the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, TCF Equipment Finance, Inc, (the "Lessor") is a Corporation duly organized, existing, and in good standing under the laws of the State of Minnesota, shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF ELSMERE AS FOLLOWS:

Section 1. The Town Manager is authorized to negotiate, execute, and deliver the Lease-Purchase Agreement No. **001-0645403-300** dated **January 3, 2014** (the "Lease"), in the principal amount of **\$39,095.00**, between **Town of Elsmere, 11 Poplar Avenue, Elsmere, DE 19805** and **TCF Equipment Finance, Inc., 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305**; providing **3 Annual** lease payments of **\$13,409.59** each from legally available funds; and prescribing other details in connection therewith, which Lease is available for public inspection at the offices of Lessee.

Section 2. The Lease shall be in the principal amount of **\$39,095.00** bearing interest as set forth in Exhibit C of the Lease; said Lease to contain an option to purchase by the Lessee as therein set forth.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of Delaware.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized.

Section 5. Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF ELSMERE ON THIS 9th DAY OF JANUARY 2013.

Steven Burg
Mayor

Joann I. Personti
Secretary

Synopsis
Resolution 14-01

This Resolution authorizes the Town Manager to execute the lease - purchase agreement which is necessary in order to finance the purchase of a new pick-up truck for the Public Works Department.

Fiscal Impact

This resolution will result in the Town paying a total of \$ 1,133.77 in finance charges over a three years period as opposed to paying cash for the vehicle which would incur no finance charges.