

ORDINANCE AUTHORIZING THE CITY OF COATESVILLE TO ENTER INTO A “BANK QUALIFIED” LEASE AGREEMENT WITH FIRST NIAGARA LEASING, INC. FOR PURPOSES OF ACQUIRING TWO POLICE VEHICLES FOR THE USE OF THE CITY PURSUANT TO A COSTAR CONTRACT EXEMPT FROM PUBLIC BIDDING AND WITH NO PLEDGE OF FULL FAITH AND CREDIT AND TAXING POWER OF THE CITY AS SECURITY FOR REPAYMENT, A NON-APPROPRIATE CLAUSE WHICH TERMINATES THE LEASE IF PAYMENTS ARE NOT APPROPRIATED BY THE CITY AND CONTAINING PAYMENT TERMS WHICH ARE LESS IN DURATION THAN THE USEFUL LIFE OF THE VEHICLES BEING LEASED, SAID AGREEMENT TO REQUIRE INTEREST PAYMENTS AT RATES AS SET FORTH IN THE ATTACHMENT FOR A 3 YEAR TERM FOR A MAXIMUM LEASE AMOUNT OF \$76,786.08

WHEREAS, the City of Coatesville (hereinafter “the City”) is a Third Class City operating by means of a Home Rule Charter; and

WHEREAS, the City has issued a Request for Proposals to provide lease financing for the purchase through a COSTAR Contract of needed Police Vehicles for the City of Coatesville; and

WHEREAS, in response to the aforementioned Request for Proposals, First Niagara Leasing, Inc. has submitted a fixed rate, fully amortized privately placed tax-exempt lease agreement with the City at interest for a three year term (two police vehicles total net price \$76,786.08); and

WHEREAS, the total price will include the gross vehicle price plus accessory charges (upfit costs for police vehicles), destination charges, less Costars discount it being specifically understood that the purchase will include two police vehicles for a price of \$76,786.08 subject to a three (3) year lease and as part of the financing the City has traded in other vehicles at the following prices: 2009 Charger \$3,300.00, 2001 Taurus \$200.00, 2008 Charger \$400.00 for Vehicle #1, and 2003 Expedition \$800.00 and 2008 Charger \$2,7000.00 for Vehicle #2; and

WHEREAS, the aforementioned lease agreement is in the form of an already executed “Master Lease-Purchase Agreement” wherein title in the vehicles is held by the City, subject to financing which: 1) does not rely upon the full faith and credit and taxing power of the City for repayment: and, 2) has provisions such that if in any given year there is a failure to appropriate funds for the payments that come due during such year under the Master Lease – Purchase Agreement, there are remedies including repossession of the vehicles. Further, it is noted that the useful life of the vehicles being leased all exceed five years, a period which is greater than the term of the Lease-Purchase at issue; and

WHEREAS, the aforementioned form of financing constitutes a true “lease” and not a debt obligation of the City subject to the requirements of the Local Government Unit Debt Act, 53 Pa. C.S. A. § 8001 et seq. and

WHEREAS, the City will not rent out the vehicles for private hire and otherwise complies with the requirements for a tax exempt “bank qualified” lease; and

WHEREAS, the City Charter under Section 2-301 D thereof requires that the City pass an Ordinance authorizing the borrowing of money; and

WHEREAS, the Lease-Purchase through First Niagara Leasing, Inc. is extremely beneficial and will provide a basis for replacing outdated vehicle stock of the Police Department at reasonable cost.


NOW THEREFORE, in accordance with the foregoing authority - which incorporates all rights and powers granted to the City of Coatesville under the Third Class City Code and those powers granted to the City under its Charter - THE CITY DOES HEREBY ENACT AND ORDAIN AS FOLLOWS:

1. The City Council of the City of Coatesville does hereby authorize the Acting City Manager, the City Finance Director and the President of City Council to enter into an appropriate Lease Agreement in substantially the form or meeting the conditions identified in the attached Exhibit "A" to purchase two (2) Police vehicles (as identified on the schedules so attached at the interest rates and terms of repayment set forth) from COSTAR and to take all other action necessary to secure this financing and the acquisition of the vehicles from COSTAR.

If any portion of this Ordinance shall be determined to be unconstitutional, illegal or unenforceable, then that portion and only that portion of this Ordinance which is deemed to be unconstitutional, illegal or unenforceable shall be severed from the remainder of this Ordinance and all other terms thereof shall remain in full force and effect.

This Ordinance shall be effective following adoption in accordance with the City Charter and the Third Class City Code.

ENACTED AND ORDAINED this 8th day of June, 2015.



 Linda Lavender-Norris
 President, City Council

ATTEST:


 Michael O'Rourke, Acting City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 26th day of May, 2015 and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on 8th day of June, 2015, that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.


 Michael O'Rourke, Acting City Manager