

ORDINANCE AUTHORIZING THE CITY OF COATESVILLE TO ENTER INTO A “BANK QUALIFIED” LEASE AGREEMENT WITH FIRST NIAGARA LEASING, INC. FOR PURPOSES OF ACQUIRING ONE 2015 JCB 190 SKID STEER LOADER 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 EQUIPMENT BEING LEASED, SAID AGREEMENT TO REQUIRE INTEREST PAYMENTS AT RATES AS SET FORTH IN THE ATTACHMENT (2.96%) FOR A 5 YEAR TERM FOR A MAXIMUM LEASE AMOUNT OF \$59,619.05

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 a needed 2015 JCB 190 skid steer loader 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 five year term (total payments over 5 years at 2.96% interest of \$59,619.05); and

WHEREAS, the total price will include purchasing said 2015 JCB 190 skid steer loader via a COSTAR Contract subject to a five year lease with transfer of title at the end of the lease for One (\$1.00) Dollar; and

WHEREAS, the aforementioned lease agreement is in the form of an already executed “Master Lease-Purchase Agreement” wherein title to the equipment 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 skid loader. Further, it is noted that the useful life of the skid loader being leased exceeds 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 skid loader 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 equipment needed to provide for snow removal and other City

tasks 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 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 one (1) 2015 JB 190 Skid Steer Loader (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 skid loader 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 26th day of October, 2015.

Linda Lavender-Norris
President, City Council

ATTEST:

Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 12th day of October, 2015 and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 26th day of October, 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 T. Trio, City Manager