

Town of Riverdale Park

Resolution 2009 – R – 03

A RESOLUTION

FOR the purpose of authorizing the Town of Riverdale Park to enter into a certain Equipment Lease Purchase Agreement financing transaction with Marquette Bank; making certain tax-related determinations in connection with such financing transaction; determining that such financing is exempt from the Town's advertising and sealed bid requirements; for acquisition of three 2009 police cruisers; authorizing the Town Administrator to execute on behalf of the Town all documents necessary to accomplish this lease-purchase transaction; and generally related to a lease-purchase transaction with Marquette Bank.

EXPLANATORY STATEMENT: Consistent with past practice, the Town of Riverdale Park proposes to finance the acquisition of certain capital equipment needed for Town purposes through a lease-purchase financing arrangement. As provided in the Town's current budget, the Town proposes to acquire through lease-purchase financing arrangement three police cruisers (collectively "Equipment").

In the good-faith belief that Marquette would provide the necessary financing, the Town ordered the three police cruisers, which recently were delivered to the Town. The police cruisers were obtained through a State competitively bid procurement and, by State law, are exempt from the Town's advertising and sealed bid requirements. The cost of additional customized fit-out for the police cruisers will be less than \$20,000 and, thus, is exempt from the Town's advertising and sealed bid requirement

Because of the small size of the proposed lease-purchase transaction, there are limited resources for obtaining this type and amount of lease-purchase financing therefore Marquette Bank has offered to provide the lease-purchase financing to the Town at an interest rate of 4.64% nominal annual rate with down payment of \$12,743.18 due upon closing. Seven (7) semi annual payments of \$12,843.37 commencing 10/15/09

BE IT RESOLVED BY THE RIVERDALE PARK TOWN COUNCIL, as follows:

1. The Equipment Lease Purchase Agreement by and between Marquette Bank, as Lessor, and Town of Riverdale Park, as Lessee, dated as of February 13, 2009, a copy of which is attached to this Resolution, is hereby authorized, ratified, confirmed and approved in all respects.

2. As authorized by Section 623 of the Riverdale Park Town Charter, the Town Council waives the advertising and sealed bid requirements for this Equipment Lease Purchase Agreement. Town's ordering of the Equipment based upon such belief, the delivery of the Equipment to the Town and, and the Town's need to arrange to pay for the Equipment, are emergency or exigent circumstances. The Town Council further finds that waiving the advertising and sealed bid requirements of Section 623 of the Town

Charter under these circumstances is reasonably necessary as a matter of public policy and to preserve the public health, safety and well-being.

3. The Town Administrator is authorized and directed to execute, on behalf of the Town, all instruments and documents necessary to consummate and implement the Equipment Lease Purchase Agreement, except to the extent that Marquette Bank requires another Town official to execute any particular instrument or document, in which case such other Town official is authorized and directed to execute any such instrument or document.

4. Pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986 (“the Code”), the Town Council hereby specifically designates the Equipment Lease Purchase Agreement as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Town Council hereby represents that the Equipment Lease Purchase Agreement will not designate more than \$10,000,000 of obligations issued by the Town of Riverdale Park in calendar year 2009 as such “qualified tax-exempt obligations.”

5. In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Town Council hereby represents that the Town of Riverdale Park (including all “subordinate entities” of the Town within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in calendar year 2009 obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than “private activity bonds” as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

6. This Resolution shall be effective immediately upon its adoption by the Town Council.

Adopted by Mayor and Council of the Town of Riverdale Park at a special legislative meeting on January 26, 2009, with 6 members of the Council voting in the affirmative, 6 members of the Council voting in the negative, and 0 members of the Council abstaining

ATTEST:

Patrick J. Prangley,
Town Administrator

Vernon S. Archer,
Mayor