

Request For Board Action

REFERRED TO BOARD: June 12, 2017

AGENDA ITEM NO: 23

ORIGINATING DEPARTMENT: Finance Department

SUBJECT: Consideration of a Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement with PNC Equipment Finance, LLC, as Lessor and separate lease schedules.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The FY2018 Approved Budget includes the purchase of the following equipment:

Police Department:	Three (3) 2017 Ford Interceptors	\$ 91,236.00
Public Works:	One (1) 2017 Ford F250 XL 4x2	\$ 25,749.00
	One (1) 2016 Ford F150 XL 4x2	\$ 22,705.00
	Two (2) 2018 Int'l Truck /Dump Body	\$285,596.00
	One (1) 2017 VAC-Con V290	\$367,523.00
	One (1) John Deere Tractor	<u>\$ 50,000.00</u>
		\$842,809.00

Two (2) financial institutions provided quotes. PNC Equipment Finance, LLC provided the lowest annual interest rate. The terms are 5 years for the police SUVs at 2.421%, and 7 years for all other vehicles and equipment at 2.693%.

Annual lease payments were estimated and budgeted at \$121,000. Actual FY18 lease payments will be \$112,963.

FINANCIAL IMPACT: Total cost of equipment = \$842,809.

DOCUMENTS ATTACHED:

1. Resolution
2. PNC Proposal

RECOMMENDED MOTION:

Move to approve a Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement with PNC Equipment Finance, LLC, as Lessor and separate lease schedules for the financing and leasing of three (3) Ford Explorer police vehicles, one (1) 2017 Ford F250 XL, one (1) 2016 Ford F150 4x2, two (2) 2018 Int'l Trucks w/Dump Body; One (1) 2017 VAC-Con V290, and one (1) John Deere Tractor.

RESOLUTION 2017 - _____

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
PNC EQUIPMENT FINANCE, LLC, AS LESSOR**

WHEREAS, the Village of Antioch (the “Lessee”), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of Illinois is authorized by the laws of the State of Illinois to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the governing body of the Lessee (the “Board”) has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of three (3) Ford Explorer police vehicles, one (1) 2017 Ford F250 XL, one (1) 2016 Ford F150 4x2, two (2) 2018 Int’l Trucks w/Dump Body; One (1) 2017 VAC-Con V290, and one (1) John Deere Tractor (collectively, the “Equipment”) on the terms herein provided; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the “Master Lease” with PNC Equipment Finance, LLC, as lessor (the “Lessor”), substantially in the proposed form presented to the Board at this meeting, and separate Lease Schedules thereto substantially in the form attached to the Master Lease and a separate Escrow Agreement substantially in the proposed form presented to the Board at this meeting; and

WHEREAS, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease and an Escrow Agreement for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein;

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED BY THE MAYOR AND BOARD OF TRUSTEES of the Village of Antioch, Illinois as follows:

Section 1. It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto), in the form presented to this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2. The form, terms and provisions of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are hereby approved in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the Village Administrator of the Lessee (the “Authorized Officer”) executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, each Lease Schedule thereto, each Payment Schedule relating

thereto, each Escrow Agreement relating thereto and any related exhibits attached thereto if and when required; provided, however, that, without further authorization from the governing body of the Lessee, (a) the aggregate principal component of Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$842,809 (Amount Financed); (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed seven (7) years; and (c) the maximum interest rate used to determine the interest component of Rent Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or ten percent (10%) per annum. The Authorized Officers may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Master Lease on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above. The foregoing authorization shall remain in effect for a period of two years from the date hereof during which the Authorized Officers are authorized to sign and deliver Leases pursuant to the Master Lease and related Escrow Agreements on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease, each Lease Schedule and each Escrow Agreement.

Section 4. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,
ON THIS ____ DAY OF _____, 2017.

ATTEST:

LAWRENCE M. HANSON, MAYOR

LORI K. ROMINE, VILLAGE CLERK