

**RESOLUTION AUTHORIZING PURCHASE BY LEASE-FINANCE AGREEMENT OF CASE 821G WHEEL LOADER**

**RESOLUTION 24-**

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LEASE-FINANCE AGREEMENT OF CASE 821G WHEEL LOADER**

The following Resolution was duly presented for consideration by the Town Board.

**WHEREAS**, in accord with budgeted appropriations for the Highway Department and compliance with the Town’s Procurement Policy and General Municipal Law § 103 and § 109-b, the Town and the Town Highway Superintendent have examined the acquisition of a Case 821G wheel loader using a 5-year equipment lease-finance agreement, using approved Sourcewell bid list pricing through town and state-approved piggybacking, and the Town Highway Superintendent has recommended that the lease-finance acquisition be made at a gross purchase price of \$272,274.36, with a net purchase price of \$122,274.36 and a \$150,000 down payment by trade-in on the existing wheel loader, with the net purchase price balance being paid through an equipment lease-finance agreement through NCL Governmental Capital Leasing, per NCL Sourcewell Contract # 011620-NCL; and

**WHEREAS**, the Town Highway Superintendent has examined and analyzed the overall cost of other purchasing options and other financing options, and has recommended to the Town Board that the desired equipment be acquired per the above bid specifications, financed by a 5-year lease financing agreement structured per the above with National Cooperative Leasing at a rate of 7.28% and with annual lease payments each year of \$27,622.78, all pursuant to certain agreements described more fully below as submitted to the Town Board and hereby approved; and

**WHEREAS**, as a finance lease, the requirements of General Municipal Law (“GML”) § 109-b and related rules of the OSC were triggered, and such matters were also duly examined by Town officers and employees, and these agreements and this lease/financing recommendation duly so recommended for Town Board approval as based upon an examination of overall lease-financing costs, overall closing and interest costs, an amortization of goods schedule, and other matters requiring examination pursuant to said GML § 109-b and the NYS Comptroller’s regulations thereunder, which examination has been reported as duly undertaken and completed, and an evaluation of financing alternatives has been prepared by Town officers and employees demonstrating financing alternatives and the criteria used to evaluate these alternatives, all in accord with 2 NYCRR § 39.2, including an examination of the actual purchase price of the products purchased, with principal and interest amounts stated and deemed duly incorporated in this resolution and such agreements, all along and together with the requirements of Local Finance Law § 11.00; and

**WHEREAS**, it is found that the Period of Probably Usefulness (PPU) for this equipment is well beyond the 5-year term of the lease and that no referendum is required under the Local Finance Law, Town Law, or the General Municipal Law (or regulations) as a result of this financing and its related agreements; and

**WHEREAS**, the lease-finance rate and costs were compared to current bond and BAN lending rates, and Statutory Installment Bond (“SIB”) rates, and while the interest rate on the lease is higher than bond and SIB rates (and even greater than canvassed BAN rates), when the overall cost of factoring in bond approvals and bond anticipation notes and resolutions, and related expenses, are considered, together with the savings from not having to sell or auction the existing equipment, and the benefit of a higher trade-in value that would be historically received at auctions or alternate sales methods, the overall finance and transactional costs for this lease finance option become the most cost effective option by several thousand dollars over the 5-year life of this transaction; and

**WHEREAS**, given the public interest to be served by such equipment, the reduced time of acquisition and fulfillment, and the overall lower cost of an operating lease (or an installment payment agreement per GML § 109-b), the Town has found, and hereby again expressly finds and declares, that it is in the public and best interests of the Town to execute the purchase agreement for the subject equipment and the lease financing agreement with National Cooperative Leasing in the form as presented to this meeting, subject to the below-stated executory clause being made applicable to such transaction; and

**WHEREAS**, upon due consideration and deliberation upon the foregoing, the Town Board of the Town of Lansing resolves as follows:

1. The Town Board hereby finds and declares that: (i) all state and local procurement requirements were duly met; (ii) the execution of these agreements will not result in the Town exceeding the limits of its borrowing capacity nor the limits set forth in GML 109-b(6) and 2 NYCRR 19.5(c), as applicable; and (iii) that the execution and performance of these agreements and the National Cooperative Leasing (“Lease-Lender”) agreements is in the public interest.

2. The Purchase Agreement with Seller and the lease finance transaction with the Lease-Lender be and each is duly approved, subject to the inclusion of the following clause in each and both agreements as required by law:

“This contract shall be deemed executory only to the extent of monies appropriated and available for the purpose of the contract, and no liability on account thereof shall be incurred by the political subdivision beyond the amount of such monies. The installment purchase contract is not a general obligation of the Town of Lansing. Neither the full faith and credit nor the taxing power of the Town of Lansing is pledged to the payment of any amount due or to become due under such installment purchase contract. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make monies available for the purpose of the contract.”

3. The aforesaid Agreements may hereafter be duly executed severally by either the Town Supervisor or the Town Highway Superintendent by, for, in the name of, and on behalf of the Town of Lansing.

4. No payment under the Agreements may be hereafter made, financed by, or drawn from any proceeds of obligations issued pursuant to the Local Finance Law, other than the proceeds of revenue anticipation notes, tax anticipation notes, or budget notes.

5. This is a tax-exempt transaction and no charges for sales or use taxes shall be permitted or charged against the Town of Lansing.

6. This resolution is not subject to referendum per applicable rules of the GML and the Local Finance Law, as applied; and this action is a Type II Action under SEQRA such that no environmental review is required.