

RESOLUTION R38-16

**A RESOLUTION AUTHORIZING EXECUTION OF A LEASE
PURCHASE AGREEMENT WITH TCF EQUIPMENT FINANCE**

WHEREAS, The Village of Covington, Ohio, (the "Lessee") is a Village duly organized and existing pursuant to the Constitution and laws of the State of Ohio; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Exhibit "A" is an appropriate and necessary function and operation of the Village; and

WHEREAS, TCF Equipment Finance, a division of TCF National Bank, (the "Lessor") is a Corporation duly organized, existing, and in good standing under the laws of the State of Minnesota; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

**NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF
COVINGTON, STATE OF OHIO;**

SECTION 1: The Village Administrator and Village Solicitor acting on behalf of Village/Lessee, are hereby authorized to negotiate, enter into, execute, and deliver the Lease-Purchase agreement No. _____ dated **October __, 2016** (the "Lease"), in the principal amount of **\$19,777.21**, between **The Village of Covington, Ohio, One South High Street, Covington, OH 45318** and **TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305** AND ATTACHED HERETO AS **EXHIBIT "A"**

SECTION 2: The Village Council by approving said Lease-Purchase agreement approves the payment of **\$19,777.21** plus interest at a rate set forth in Exhibit "B" in one payment of **\$10,000.00** at Commencement of the lease and two annual lease payments of **\$5,120** to Lessor from legally available funds.

SECTION 3: Village Council further states that its obligations under the Lease shall be expressly subject to annual appropriation by the Village; and such obligations under the Lease shall not constitute a general obligation of Village or indebtedness of Village within the meaning of the Constitution and laws of the State of Ohio.

SECTION 4: All other related contracts and agreements necessary and incidental to the Lease are hereby authorized.

SECTION 5: The Village acknowledges that it **does not** reasonably anticipate to issue more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

SECTION 6: This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 17th day of October, 2016.

Lessee: The Village of Covington, Ohio By:



Edward L. McCord, Mayor



R. Scott Tobias, President of Council



Brenda Carroll, Clerk/Fiscal Officer



David Penoff
Construction, Transportation & Environmental Service Division

317-328-1166 Office
317-500-0190 Cell
888-200-6313 Fax

TO: Michael L. Busse, Village Administrator
Village of Covington, Ohio

FROM: David Penoff
Vice President/Regional Sales Manager

DATE: 9/13/16

RE: Tax-Exempt Lease Purchase Quotation

EQUIPMENT: Toter Carts

EQUIPMENT COST: \$19,777.21

COMMENCEMENT: To be determined

STRUCTURE: Municipal Lease Purchase

END OF TERM PURCHASE: \$1.00

DOCUMENTATION FEE: None

PAYMENT MODE: Annual

TERM: Three (3) Years

FIRST PAYMENT DUE: At Lease Commencement

PAYMENTS: 1 @ \$10,000.00
2 @ \$5,120.00

INTEREST RATE: 3.10%

The above rates and payment factors will be valid for a period of thirty (30) days from the date of this quotation and are subject to credit approval.

Thank you for the opportunity to provide this information. If you have any questions, please feel free to contact David Penoff (dpenoff@tcfef.com) or Wendy Wilson (wwilson@tcfef.com) at 877-878-1161.