

Town of Riverdale Park Resolution 2009-R-16

A resolution for the purpose of authorizing the Town of Riverdale Park to enter into a certain Equipment Lease Purchase Agreement financing transaction with the Kansas State Bank of Manhattan; making certain tax-related determinations in connection with such financing transaction; determining that such financing is exempt from the Town's advertising and seal bid requirements; for financing the acquisition of three police cruisers, security cameras, remote gates, 30 HP diesel tractor, director vehicle, one ton diesel with salt hopper and leaf vacuum; 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 the Kansas State Bank of Manhattan.

EXPLANATORY STATEMENT: Consistent with past practice, the Town of Riverdale Park proposes to finance the acquisition of certain capital equipment needed for the Town purposes through a lease-purchase financing agreement. As provided in the Town's current budget, the Town proposes to acquire through lease-purchase financing agreement three police cruisers, security cameras, remote gates, 30 HP diesel tractor, director vehicle, one ton diesel with salt hopper and leaf vacuum (collectively "Equipment").

In the good-faith belief that Kansas State Bank of Manhattan would provide the necessary financing, the Town ordered the three police cruisers, which will be delivered to the Town within the month. 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 the 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. The remainder of the Equipment will be purchased by Public Works through a County competitively bid procurement, and therefore will also be exempt from the Town's advertising and sealed bid requirements.

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 Kansas State Bank of Manhattan has offered to provide the lease-purchase financing to the Town in the amount of eight equal bi-annual payments of \$32,639.88.

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

1. The Equipment Lease Purchase Agreement by and between Kansas State Bank of Manhattan, as Lessor, and Town of Riverdale Park, as Lessee, 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 the Town's need to arrange to pay for the Equipment, are emergency or exigent circumstances.

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 the Kansas State Bank of Manhattan 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 2009/2010 obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "privately 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 legislative meeting on November 2, 2009, with 6 members of Council voting in the affirmative, 0 members of the Council voting in the negative, and 0 members of the Council abstaining.

Introduced: November 2, 2009
Approved: November 2, 2009
Effective: November 2, 2009

Attest:

Sara Imhulse,
Town Administrator

Vernon Archer,
Mayor