

ORDINANCE AUTHORIZING THE CITY OF COATESVILLE (THE "CITY") TO ENTER INTO A LEASE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC CONSISTENT WITH A PROPOSAL FOR FINANCING THE PURCHASE PRICE OF A JCB 3CX SIDE SHIFT BACKHOE (APPROXIMATELY \$101,000.00) WITH A MONTHLY PAYMENT ON THE 60 MONTH LOAN AT AN ANNUAL INTEREST RATE OF 4.25% OVER 60 MONTHS (IN ARREARS WITH DOCUMENTATION FEE OF \$150.00) SUBJECT TO PROVISIONS FOR NON-APPROPRIATION AND ACQUISITION AT LEASE END FOR ONE DOLLAR

WHEREAS, the City of Coatesville (hereinafter "the City") is a Third Class City operating by means of a Home Rule Charter; and

WHEREAS, the City intends to enter into a financing agreement for a sixty (60) month lease (Annual payment in Arrears) with a title to the JCB Backhoe purchased through a COSTAR Contract conveyed to the City and a first security interest in favor of Lessor to be removed and clear title obtained as lease end for a dollar - pursuant to a proposal as more specifically described in Exhibit "A" annexed hereto (Proposal and Leasing Agreement) and made a part hereof; and

WHEREAS, the City desires by this Ordinance to authorize the execution and delivery on behalf of the City the Leasing Agreement and financing with PNC Equipment Finance, LLC (at a rate of 4.25%) for the 60 month lease as referenced above and to authorize the taking of necessary or appropriate actions to execute the documents responsive to the aforementioned proposal attached hereto as Exhibit "A".

NOW THEREFORE, in accordance with the foregoing authority and the requirements of the City Charter at Section 2-301. D. (which requires action by Ordinance in instances where the City should "Authorize the borrowing of money....") THE CITY DOES HEREBY ENACT AND ORDAIN AS FOLLOWS:

Section 1. Approval by the City Council of the City of Coatesville. The City Council hereby authorizes and approves the financing of the JCB Backhoe pursuant to the Proposal supplied by PNC Equipment Finance, LLC and authorizes the execution of all documentation necessary to proceed in accordance with the Proposal attached hereto and authorizes and directs the City Manager or City Council President to execute, attest, seal and deliver the Lease Agreement in the form identified in the Proposal. Such execution, attestation and delivery of the Lease Agreement shall constitute conclusive evidence of such approval.

Section 2. Effective date. This Ordinance shall be effective following adoption in accordance with the City Charter and the Third Class City Code.

ENACTED AND ORDAINED this 14th day of May, 2018.



Linda Lavender Norris
President, City Council

Bill No. 2018-05

Ordinance No. 1507- 2018

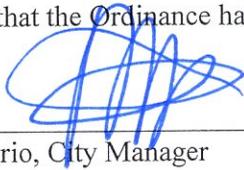
ATTEST:



Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 23rd day of April, 2018 and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 14th day of May, 2018, that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.



Michael T. Trio, City Manager

EXHIBIT "A"
PROPOSAL AND LEASE AGREEMENT



May 11, 2018

LESSEE: City of Coatesville, PA
 LESSOR: PNC Equipment Finance, LLC
 EQUIPMENT COST: \$101,000.00
 AMOUNT TO FINANCE: \$101,000.00
 DOCUMENTATION FEE: \$150.00
 FIRST PAYMENT DUE DATE: One (1) year after closing
 LEASE COMMENCEMENT DATE: Approximately June 6, 2018

Term	Lease Rate	Payment Structure	Payment Amount
5 Years	4.25%	Annual payments in arrears	See sample amortization schedule

PNC Equipment Finance, LLC ("Lessor") for itself, its successors and assigns, is pleased to submit this revised tax-exempt Lease Purchase Agreement Proposal (the "Proposal") with the following terms and conditions

TYPE OF FINANCING: Tax-exempt Lease Purchase Agreement with a \$1.00 buy out option at end of lease term. Said agreement shall be a net lease arrangement whereby lessee is responsible for all costs of operation, maintenance, insurance, and taxes. The financing is subject to annual appropriation by the Lessee.

BANK QUALIFICATION: This proposal assumes that the lessee will not be issuing more than \$10 million in tax-exempt debt this calendar year. Furthermore, it is assumed that the lessee will designate this issue as a qualified tax-exempt obligation per the tax act of 1986.

TYPE OF EQUIPMENT: One JCB 3CX side shift backhoe with 109 Hp JCB EcoMax engine and power shift trans, 14' extending dipper with Hamer/Bi-Directional pipe work with East Controls, pin on 6X1 front bucket, 24" excavator bucket with hyd thumb, full cab with heat and a/c and radio - All prices, terms, conditions and selection are solely by Lessee.

ESCROW FUNDING OPTION: At lease closing, Lessor shall fund an escrow account from which disbursements will be made to the equipment provider(s). Escrow agent will either be Lessor or third-party provider selected by Lessor and approved by Lessee. All escrow earnings will be for the benefit of Lessee. *A set-up fee for Lessor's escrow arrangement will be \$250.00, due at lease closing.*

INSURANCE: The Lessee shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus \$2 million combined single limit property damage and bodily injury insurance covering the property. Lessor shall be named as loss payee and additional insured on such coverage.

AUTHORIZED SIGNERS: The Lessee's governing board shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) authorized to execute the Agreement used therein.

LEGAL OPINION: The Lessee's counsel shall furnish Lessor with an opinion covering this Agreement. This opinion shall be in a form and substance satisfactory to Lessor.

ADJUSTMENTS FOR CHANGES IN FEDERAL TAX POLICY: Lessor reserves the right to adjust the interest rate and rate index offered in this proposal based on the change in Federal corporate tax rate / tax policy prior to lease closing.

LEGAL TITLE: Legal title to the equipment during the lease term shall vest in the Lessee; with Lessor perfecting a first security interest through uniform commercial code filing or any other such instruments as may be required by law. Upon performance of the terms and conditions of the Agreement, the Lessee shall have the option to purchase all equipment for \$1.00.

DOCUMENTATION: Lessor shall provide the Agreement.

PREPAYMENT OPTION: After the second anniversary of the lease commencement, so long as Lessee is not in default of the Agreement, Lessee shall have the option on any payment due date of paying off this transaction in full prior to the maturity date by paying the all amounts then due and the outstanding principal balance at the time of payoff plus three percent of such amount.

This proposal will be valid until June 6, 2018 and is subject to final credit approval and due diligence by Lessor and approval of the lease documents in Lessor's sole discretion. Lessee shall provide Lessor with the most recent three years audited financial statements, the most recent interim financial statement, current budget and additional items as reasonably requested by Lessor.

Accepted by: City of Coatesville, PA

Proposal submitted by: Rosemarie Konrath

Rosemarie Konrath

Lessee

Date

Rosemarie Konrath
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Sample Amortization Schedule

Compound
 Period: Annual

Nominal Annual Rate: 4.250%

	Date	Payment	Interest	Principal	Balance	Termination Value
Loan	6/6/2018				101,000.00	
1	6/6/2019	22,846.91	4,292.50	18,554.41	82,445.59	No Call
2	6/6/2020	22,846.91	3,503.94	19,342.97	63,102.62	No Call
3	6/6/2021	22,846.91	2,681.86	20,165.05	42,937.57	44,225.70
4	6/6/2022	22,846.91	1,824.85	21,022.06	21,915.51	22,572.98
5	6/6/2023	22,846.91	931.40	21,915.51	0.00	
Grand Totals		114,234.55	13,234.55	101,000.00		