

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 8880

DATE 4-11-19

TITLE

RESOLUTION TO APPROVE AN AGREEMENT WITH M&T BANK

BE IT HEREBY RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WILLIAMSPORT the Mayor and the City Controller are authorized to execute the attached professional service agreement with Manufacturers and Traders Trust Company ("M&T Bank"), 1310 West Chester Pike, Havertown, PA 19083 for the purchase of a 2019 Chevrolet Tahoe (Command vehicle) at \$54,462.40. Said purchase commences with a \$10,000 down payment and continues for three (3) years with a yearly payment not to exceed \$16,168.59 for this vehicle. After three (3) years, there will be a \$1.00 Buy Out for the vehicle.

Janice M. Fronde
City Clerk

Approved

[Signature]
President

M&T Bank

Understanding what's important®

March 21, 2019

Mr. David Dymeck
Deputy Fire Chief
City of Williamsport
245 West Fourth Street
Williamsport, PA 17701

Dear David,

Manufacturers and Traders Trust Company ("M&T Bank") is pleased to outline the following financing proposal for the City of Williamsport.

LESSOR: M&T Bank (its nominees, assigns or affiliates)

LESSEE: City of Williamsport

EQUIPMENT & FUNDING AMOUNT: 2019 Chevrolet Tahoe Approximately \$44,462.40
Full cost of equipment \$54,462.40. Lessee to pay vendor any down payment prior to disbursement of lease proceeds.

FACILITY: Tax-Exempt Municipal Lease Purchase Agreement

This will be a non-cancelable, net lease transaction whereby maintenance, insurance, applicable taxes, and all items of a similar nature will be the responsibility of the Lessee. Provisions of the lease will require that Lessor be named Lender/Loss Payee on the insurance coverage.

TERMS & PAYMENT: Lease Term: 3 Years
Closing Date: April 15, 2019 (estimate)
First Payment Date: April 15, 2020 (up to 12 months after closing)
Payment Frequency: Annual (other options available)
Interest Rate: 4.392%
Payment Amount: See attached sample Amortization Schedule. Other structures are available.

BASIS OF RENTAL
FACTORS:

The indicative interest rates in this proposal are based on M&T Bank's three (3) year Cost of Funds (COF) as of March 20, 2019 for a Bank Qualified transaction. Final pricing may change based on fluctuations in Lessor's COF, closing date, tax rates, any changes in tax or other legislation that impact Lessor's pricing and other operating parameters. The actual rate will be fixed three days prior to the closing and may be indexed to this COF at discretion of Lessor.

Cost of Funds shall mean the most recent yield on United States Treasury Obligations adjusted to a constant like-term maturity in effect three (3) business days prior to closing date as published by the Board of Governors of the Federal Reserve Statistical Release H.15 (519), or by such other quoting service, index or commonly available source utilized by the Bank, plus the ask side of the like-term swap spread in effect three (3) business days prior to closing date as set forth in Bloomberg, L.P., or by such other quoting service, index or commonly available source utilized by the Bank.

TAX
INDEMNIFICATION:

Pennsylvania

Lessee will provide to Lessor the appropriate Commonwealth of Pennsylvania Exempt Organization certificate. This proposal assumes that this transaction qualifies as tax exempt, Bank Qualified pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Lessor reserves the option to require that Lessee provides bond counsel tax opinion, at Lessee's expense, stating the aforementioned qualifications.

DOCUMENTATION &
APPLICABLE FEES:

All documentation will be provided by Lessor and must be satisfactory to all parties. Lessee will pay to Lessor a documentation fee equal to \$250. No acquisition fees, disposition fees or security deposit will be charged to this account.

END OF LEASE
OPTIONS:

Provided the Lessee has met all the terms and conditions of the lease agreement, the Lessee at lease expiration will have clear title of equipment upon payment of all amounts due under the lease.

EARLY TERMINATION:

Pursuant to General Municipal Law the lease will allow for early termination for reasons of non-appropriation.

CONDITIONS:

This proposal is For Discussion Purposes Only. The proposed terms and conditions herein do not constitute an offer, agreement or commitment to lend and are confidential. Final approval, if any, may only be granted upon receipt of all information deemed appropriate by Lessor and in accordance with Lessor's loan, legal and other applicable policies. Lessor will require a Resolution or other form of authorization showing this financing was approved by Lessee. This proposal is subject to Lessor's final credit and investment approval. Lessor takes a general exception to the application of any contract terms and conditions included in any solicitation for quotations. The terms and conditions applicable to the provision of our products and services will be those reflected in those final signed agreements and documents.

Lessee shall have delivered to M&T Bank, sufficiently in advance of closing, all documentation and other information required by the Bank and bank regulatory authorities generally, under all applicable "know your customer" and "anti-money laundering" rules and regulations in effect from time to time, including, without limitation, the USA PATRIOT Act and the Bank Secrecy Act. Any failure by

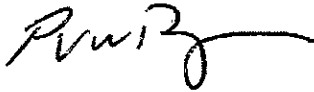
Lessee or any necessary third party to deliver to the Bank, in a timely manner, any material information required under the Bank's applicable regulatory compliance policies, as may be amended from time to time, or any misrepresentation or inaccuracy with respect to any such information received, or if the Bank's due diligence reveals that opening the accounts contemplated herein would potentially violate the Bank's regulatory compliance policies or applicable law, shall entitle the Bank, in its sole discretion, to withdraw and/or cancel this proposal letter and retain all fees.

ACCEPTANCE &
EXPIRATION:

The Lessee may acknowledge its approval of this lease proposal by signing and returning this letter. This proposal shall expire in thirty (30) days unless extended by Lessor.

Thank you for allowing us the opportunity to present this proposal. Please contact me at (610) 449-3944 if you have any questions in reference to this proposal.

Sincerely,



Paul V.W. Black
Vice President – Municipal Leasing
Phone: 610-449-3944
Fax: 610-449-3945
Email: pvblack@mtb.com

PROPOSAL ACCEPTED THIS _____ DAY OF _____, 2019

By: _____
City of Williamsport

Encl: Sample Amortization Schedule

CC: Ryan McGowan, M&T Bank

M&T Bank
– Sample Amortization Schedule –

City of Williamsport

Compound Period: Monthly

Nominal Annual Rate: 4.392 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Lease	04/15/2019	44,462.40	1		
2 Lease Payment	04/15/2020	16,168.59	3	Annual	04/15/2022

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Lease Payment	Interest	Principal	Balance
Lease	04/15/2019				44,462.40
2019 Totals		0.00	0.00	0.00	
1	04/15/2020	16,168.59	1,992.58	14,176.01	30,286.39
2020 Totals		16,168.59	1,992.58	14,176.01	
2	04/15/2021	16,168.59	1,357.28	14,811.31	15,475.08
2021 Totals		16,168.59	1,357.28	14,811.31	
3	04/15/2022	16,168.59	693.51	15,475.08	0.00
2022 Totals		16,168.59	693.51	15,475.08	
Grand Totals		48,505.77	4,043.37	44,462.40	



Williamsport Bureau of Fire Memorandum

To: Jonathan Williamson, City Council President and Members of City Council
CC: Mayor Campana and William E. Nichols, Director of Finance
From: Todd C. Heckman, Fire Chief *TCH*
Date: 4/8/2019
Re: Command Vehicle Financing Change

On Wednesday, April 3, 2019, I was advised that FNB Lending could not honor their quoted leasing agreement with the City of Williamsport. They cited a calculation error was made in the yearly payment which raised the total yearly payment amount, roughly \$2,000.00 more than originally quoted. Therefore, it was determined that we should utilize another lending company and M&T Bank was the lender with the best rates.

Thank you in advance for your time and attention in this matter. Please let me know if you have any questions.