

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9064

DATE 8-27-20

TITLE

RESOLUTION TO APPROVE A LEASE AGREEMENT WITH M&T BANK

BE IT HEREBY RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WILLIAMSPORT that the Mayor and the City Controller are authorized to execute the attached financing proposal with Manufacturers and Traders Trust Company ("M&T Bank"), 1310 West Chester Pike, Havertown, PA 19083 to purchase a 2021 Chevrolet Silverado for \$31,963.00. Said purchase commences with a \$5,000 down payment and continues for three (3) years with a yearly payment not to exceed \$9,794.41 for this vehicle.

Approved

James M. Frank
City Clerk

Randal Olsen
President



Williamsport Bureau of Fire Memorandum

To: City Council Members, Joe Pawlak, Budget and Fiscal Officer

From: Mark Killian, Fire Chief 

Date: August 13, 2020

Re: Vehicle Purchase

The Bureau of Fire is requesting permission to purchase a 2021 Chevrolet Silverado for \$31,963.00. This will be funded with a \$5,000 down payment paid from the Bureau of Fire Support Equipment Line Item # 64010, and a financing agreement with M&T Bank in the amount of approximately \$26,963.00. This vehicle will be replacing the 2005 Ford Expedition Chief's vehicle that was purchased from the police department several years ago. This vehicle will not pass inspection due to numerous mechanical issues, and rust throughout the body and structural components.

The original 2020 budgeted amount for this vehicle was \$55,000, which due to the ongoing financial concerns, has been cut by approximately \$20,000. This was done primarily by changing the type of vehicle purchased, reducing vehicle features to better fit needs, and performing the installation work of lights and radios in house.

Three COSTARS quotes were obtained and are attached, with Bob Fisher Chevy coming in at the lowest price for the vehicle. A cap was added to the quote after they were shown as the low bid.

1. Bob Fisher Chevy: Vehicle - \$30,223.00 Cap - \$1,740.00
2. Apple Chevrolet: Vehicle - \$31,995.00
3. Sherwood Chevrolet: Vehicle - \$31,566.84

The financing agreement paperwork is attached, which outlines payments of approximately \$9,794.41 made yearly in 2021, 2022, and 2023. The Bureau of Fire explored several financing options with M&T Bank providing the best terms and interest rates. These payments will be made through a combination of state grant funds, and the departments budgeted support equipment line item for each of the three years.

Thank you for your time and feel free to contact me with any questions

M&T Bank

Understanding what's important®

July 29, 2020

Mr. Mark Killian
Fire Chief & Emergency Management
City of Williamsport
245 West Fourth Street
Williamsport, PA 17701

Dear Mark,

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:	2020 Chevrolet Silverado Full cost of equipment \$31,963.00. Lessee to pay vendor any down payment prior to disbursement of lease proceeds.	Approximately \$26,963.00
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:	August 15, 2020 (estimate)
	First Payment Date:	August 15, 2021 (up to 12 months after closing)
	Payment Frequency:	Annual (other options available)
	Interest Rate:	4.337%
	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 July 28, 2020 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. For a financing of this dollar amount and scope, an opinion letter is not expected to be required.

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 are to be set forth more fully in lease documents and subject to review and approval by both Lessor's and Lessee's counsel. This proposal does 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.

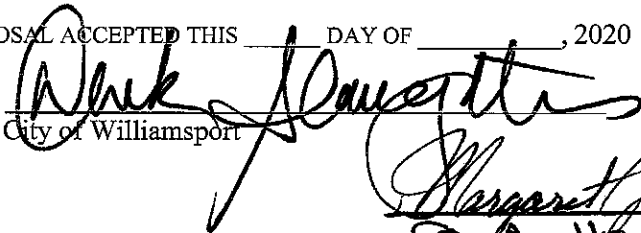
Sincerely,



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

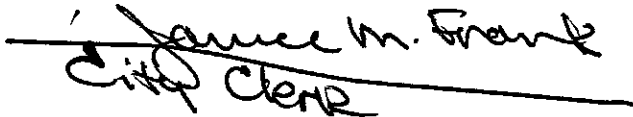
PROPOSAL ACCEPTED THIS _____ DAY OF _____, 2020

By:


City of Williamsport


Controller

Encl: Sample Amortization Schedule


City Clerk

CC: Ryan McGowan, M&T Bank

M&T Bank
– Sample Amortization Schedule –

City of Williamsport

Compound Period: Monthly

Nominal Annual Rate: 4.337 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Lease	08/15/2020	26,963.00	1		
2	Lease Payment	08/15/2021	9,794.41	3	Annual	08/15/2023

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Lease Payment	Interest	Principal	Balance
Lease	08/15/2020				26,963.00
2020 Totals		0.00	0.00	0.00	
1	08/15/2021	9,794.41	1,192.91	8,601.50	18,361.50
2021 Totals		9,794.41	1,192.91	8,601.50	
2	08/15/2022	9,794.41	812.36	8,982.05	9,379.45
2022 Totals		9,794.41	812.36	8,982.05	
3	08/15/2023	9,794.41	414.96	9,379.45	0.00
2023 Totals		9,794.41	414.96	9,379.45	
Grand Totals		29,383.23	2,420.23	26,963.00	