

RESOLUTION 58-2010

A RESOLUTION OF THE TOWN OF MALABAR, BREVARD COUNTY, FLORIDA; PERTAINING TO THE ACQUISITION OF A 2002 GRADALL XL3100-3; AUTHORIZING THE TOWN TO ENTER INTO A MUNICIPAL LEASE AGREEMENT WITH LEASING 2, INC. TO PROVIDE THE FUNDS REQUIRED TO SECURE THIS ACQUISITION; PROVIDING FOR REPEAL OF RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The Town desires to enter into a municipal lease agreement with Leasing 2 for the funds necessary to secure the acquisition of a 2002 Gradall XL3100-3 from Great Southern Equipment; and

WHEREAS, Town Council has determined that a true and real need exists for the acquisition of the Equipment described in the Lease-Purchase Agreement and determined that the Equipment will be used solely for essential governmental functions and not for private business use.

WHEREAS, The Town of Malabar has taken the necessary steps to ensure compliance with legal bidding requirements, under applicable law to arrange for the acquisition of such Equipment; and

NOW, THEREFORE BE IT RESOLVED BY THE TOWN OF MALABAR OF BREVARD COUNTY, FLORIDA that;

SECTION 1.

FUNDING. The Town Council hereby authorizes the Mayor to execute the municipal lease agreement with Leasing 2, Inc. for a short term and a long warranty period.

SECTION 2.

CONFLICT. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

SECTION 3.

EFFECTIVE DATE. This Resolution shall take effect immediately upon passage.

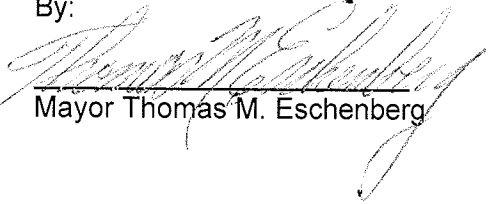
This Resolution was moved for adoption by Council Member Borton. The motion was seconded by Council Member Vail and, upon being put to a vote, the vote was as follows:

Council Member Nancy Borton	AYE
Council Member Brian Vail	AYE
Council Member Steven (Steve)	AYE
Council Member Jeffrey (Jeff) McKnight	AYE
Council Member Marisa Acquaviva	AYE

This Resolution was then declared to be duly passed and adopted this 4th day of October, 2010.

TOWN OF MALABAR

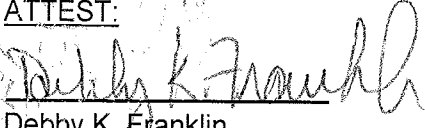
By:



Mayor Thomas M. Eschenberg

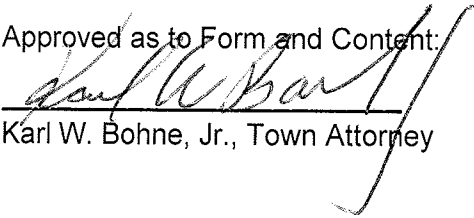


ATTEST:



Debby K. Franklin
Town Clerk/Treasurer

Approved as to Form and Content:



Karl W. Bohne, Jr., Town Attorney



l e a s i n g 2

Lessee

Town of Malabar, Florida

Vendor

GS Equipment

Tom Marks

Proposal Date:	October 13, 2010
Equipment Description:	2002 Gradall XL3100-3 SN : 0312325
Commencement Date:	November 1, 2010
	<u>Option 1</u>
Equipment Cost:	\$109,000
Rental Credit:	\$13,000
Warranty:	\$9,500
Amount Financed:	\$105,500
Lease Term:	2 Years
First Payment Date:	12/15/2010
Payment Frequency:	1 / year
Lease Rate:	5.92%
Payment Amount:	\$54,659.16
Payment Factor:	0.51810
The information contained in this lease quote is privileged and confidential. Any communication of this information in whole or in part is prohibited.	

Qualifications:

1. **Pricing:** This is a lease proposal for the payment stream(s) indicated above. If any of the information identified above are not correct, please advise us so that we can determine if a new proposal is required. Other important elements of this proposal are:

a) **Rate Expiration:** Signing this proposal does not in itself lock in your rate. This lease must be credit approved, contracts properly signed, and the lease funded by Leasing 2 within thirty days from the date of this proposal to protect the rates quoted in this proposal. This process can take 30 days. If more than a week has elapsed since we provided this proposal, we recommend that you allow us to update our proposal immediately before your decision.

b) **Closing Costs:** There will be no up-front costs of any kind charged by Lessor including closing costs, points, administrative costs, etc. Your attorney may charge you to review the lease documents and complete the opinion letter required with our lease documentation.

c) **Type of Lease:** This is a lease-purchase type of financing. After all the lease payments are made, Lessee will own the equipment without further cost.

d) **Fixed Rates:** Unless otherwise noted, the interest rates in this proposal are fixed for the entire term.

e) **Vendor Payable / Escrow Account (where applicable):** In the event that the truck(s) and/or equipment are not ready to be delivered, proceeds of this lease will be held in a vendor payable account until delivery/acceptance. This is a non-interest bearing account to Lessee.

f) **Bank Qualified:** Lessee shall certify that it has not designated, and does not reasonably anticipate designating, more than \$30,000,000.00 of obligations during the calendar year that the proposed lease is executed.

2. **Credit Approval and Documentation:** This is a proposal only, and does not represent a commitment to lease. This financing is subject to credit review and approval and execution of mutually acceptable documentation, including the opinion of lessee's counsel opining that the agreement is legal, valid and binding, and qualified as a tax exempt obligation under the tax reform act of 1986 as amended.

Leasing 2, Inc.

BY: Brad Meyers (via email or facsimile)

DATE: October 13, 2010

Phone: 800-287-5155 Fax: 813-258-9333



VISIT OUR WEBSITE:
www.leasing2.com



October 14, 2010

Town of Malabar
2725 Malabar Rd
Malabar, FL 32950

Used Gradall XL3100 s/n 0312325 with approx 4400 hours
As currently equipped

Sale Price.....	\$109,000.00
Less Applied Rentals.....	-13,000.00
Balance	\$96,000.00

<u>Option Description</u>	<u>Sale Price</u>
1 Year 1000 Hour Powertrain & Hydraulic Warranty	\$5,500.00
2 Year 2000 Hour Powertrain & Hydraulic Warranty	\$7,500.00
3 Year 3000 Hour Powertrain & Hydraulic Warranty	\$9,500.00

**PURCHASED PROTECTION PLAN
MASTER PARTS SCHEDULE FOR STANDARD USED PROGRAM
CONSTRUCTION EQUIPMENT**

Mileage will be reimbursed up to a maximum of 125 miles at \$1.00 per mile per occurrence / \$250 aggregate mileage claim limit.

Not necessarily every component is covered. Those components that are covered are listed below. If it is not listed below it is not covered.

POWERTRAIN COVERAGE

<p><u>ENGINE</u> Engine Block Cylinder Liners Front & Rear Engine Covers Crankshaft Crankshaft Bearings & Gear Front & Rear Crankshaft Seals Flywheel, Ring Gear Cylinder Heads Rocker Arm Assembly Valves (Intake / Exhaust) Valve Cover Camshaft Camshaft Bearings Camshaft Drive Gear Timing Gears Accessory Gears Pistons & Rings Connecting Rods & Bearings Turbocharger Oil Pump Oil Pan</p>	<p><u>TRANSMISSION</u> Transmission Case Counter Shaft Clutch Transmission Pump Torque Converter Pump Transmission Gears, Bearings, & Shafts Torque Converter Splitter Drive Transfer Drive Hydraulic Transmission- ...Control Valves Hydrostatic Transmission Charge Pump Hydrostatic Transmission Variable- Displacement Pump Hydrostatic Transmission Rotary Group. Internal Transmission Control ...Linkage</p> <p><u>DRIVE LINE</u> Axle Shaft (excludes universal joints)</p>	<p><u>DIFFERENTIAL / FINAL DRIVE</u> Differential Housing Differential Pinion Gear / Ring Gear Drive Axle Hub Final Drive Planetary Gears Final Drive Pinion Planetary Gear Carrier</p> <p><u>DIFFERENTIAL / FINAL DRIVE (HYDROSTATIC UNITS)</u> Hydraulic Drive Pump Hydraulic Drive / Travel Motor Swing Motor and Swing Gear Box Control Valve (Travel and Swing functions only. Travel & Swing sections of valve, Excludes Dig Functions) Chaincase/Drive (Enclosed, sealed & oil filled only)</p>
<p>The Following additional covered components are specific to the equipment that they are listed under:</p>		
<p><u>AIR COMPRESSOR</u> Air end (excludes separator) Drive Coupling</p> <p><u>GENERATOR / LIGHTOWER</u> Generator housing (plus all internal parts) windings (excluding batteries, external electrical components and gauges.</p>	<p><u>COMPACTION / PAVING EQUIPMENT</u> Propulsion System Hydraulic Components Torque Hubs Pump Drive Splitter box Reduction Unit Vibration System Hydraulic Components Eccentric Mechanism & Bearings</p>	<p><u>ELECTRIC SCISSORS / ELECTRIC BOOM LIFTS / ELECTRIC FORKLIFTS</u> Electric Drive Motors (Excluding brushes) Steering Drive Controllers Power Modules</p> <p><u>ALL-TERRAIN FORKLIFTS / ENGINE POWERED AWPS - BOOM LIFTS / SCISSOR LIFTS</u> Drive Motors Torque Hubs Hydraulic Pumps Steering Controller Hydrostatic Pumps Hydrostatic Motors</p>

POWERTRAIN PLUS HYDRAULICS COVERAGE

<p>Powertrain Plus Hydraulics coverage includes the Powertrain components listed above, along with the following: Pumps Valves Hydraulic cylinders <i>Exclusions:</i> packing, seals, o-rings, bonded washers, hoses, couplers, filters, quick connect, pipes, breathers and oil</p>
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EXCLUSIONS TO ALL COVERAGES

Wear items including, but not limited to,

Water Pump	Universal Joints	Steering Clutches	Motor Brushes
Fuel Lift Pump	Clutch Plates	Drive Shaft Support Bearing	Chains & Belts
Injection Pump	Clutch Discs	Mud Pump	Brake Linings
Damper	Tires & Tubes	Batteries	Contact Tips

See the Terms and Conditions of the Purchased Protection Plan for exact plan details

Coverage not intended for, nor applicable for, the following machines:

Equipment that has experienced hydraulic system failure and contamination within 60 days/200hours prior to enrollment
 "Gray" market equipment (equipment that fails to meet EPA regulations)

CNH REV. 09/10/09

This literature is descriptive only. The precise protection afforded is subject to the terms, conditions and exclusions of the contract as issued. Program participation is subject to customer credit qualification and/or other underwriting requirements. Programs may be changed or cancelled without notice. Capitalized terms used in this literature, unless defined herein, have the meanings assigned to them in the contract as issued.

Compound Period : Annual

Nominal Annual Rate : 5.920 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Lease	11/01/2010	105,500.00	1		
2 Lease Payment	12/15/2010	54,659.16	2	Annual	12/15/2011

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Lease Payment	Interest	Principal	Balance
Lease	11/01/2010				105,500.00
1	12/15/2010	54,659.16	763.35	53,895.81	51,604.19
2	12/15/2011	54,659.16	3,054.97	51,604.19	0.00
Grand Totals		109,318.32	3,818.32	105,500.00	

TOWN OF MALABAR

AGENDA ITEM REPORT

AGENDA ITEM NO: 3
Meeting Date: October 18, 2010

Prepared By: Bonilyn Wilbanks, Town Administrator

SUBJECT: Gradall Purchase

BACKGROUND/HISTORY:

During the October 04, 2010 Council approved the purchase of the 2004 Gradall that we had been leasing with parameters. Since this is an important purchase and there was so much discussion with the purchase I would feel better if you knew the best I could achieve on the warranty and the financing amount. Debby and I met with Mr. Marks and he presented the quote provided which would be a one payment this December and the following December which would be the final payment. In this quote, I would recommend purchasing a 3-year warranty. This warranty is directly with Great Southern and they were able to offer a responsible price for the warranty. As Mr. Marks explained that most major repairs will be well over \$9,500.00 which is the cost of the 3-year warranty.

FINANCIAL IMPACT:

\$54,659.16 each year in December for two years. I would recommend the additional money we budget be moved to contingency until we can locate a used grapple which would be an immense help with Town projects and storm events.

ATTACHMENTS:

Leasing 2 document
Amortization Schedule for 2-year lease
Warranty Coverage

ACTION OPTIONS:

Staff requests Council discussion and final approval on this matter.