

DATE SUBMITTED	<u>01/19/2016</u>	<b>Agenda Item No</b>	<b>F-1</b>
SUBMITTED BY	<u>Finance Dir</u>	CITY COUNCIL ACTION	( X )
DATE ACTION REQUIRED	<u>01/20/2016</u>	PUBLIC HEARING REQUIRED	( )
		RESOLUTION	(x)
		ORDINANCE 1 <sup>ST</sup> READING	( )
		ORDINANCE 2 <sup>ND</sup> READING	( )

**IMPERIAL CITY COUNCIL  
AGENDA ITEM**

<b>SUBJECT: DISCUSSION/ACTION: LEASE PURCHASE AGREEMENT FOR DITCH WITCH DRILLING SYSTEM.</b>	
1. APPROVAL OF RESOLUTION NO. 2016-01, APPROVING A GOVERNMENTAL LEASE-PURCHASE AGREEMENT WITH TCF EQUIPMENT FINANCE.	
<b>DEPARTMENT INVOLVED:</b> City Attorney, Finance, and Public Services	
<b>BACKGROUND/SUMMARY:</b>  Staff requested and Council approved the purchase of a Ditch Witch Drilling System at the meeting of December 16, 2015. A lease-purchase agreement has been provided by TCF Equipment Finance to be executed by the City Manager. One of the requirements of the agreement is the approval of a Resolution by the City Council. Staff is requesting City Council approval of the Resolution in order to complete the lease-purchase document package.	
<b>FISCAL IMPACT:</b>	
STAFF RECOMMENDATION: Staff recommends that City Council approve Resolution No. 2016-01,	
MANAGER'S RECOMMENDATION:	MANAGER'S INITIALS <u>MDB</u>
<b>MOTION:</b>	
SECONDED:	APPROVED ( ) REJECTED ( )
AYES:	DISAPPROVED ( ) DEFERRED ( )
NAYES:	
ABSENT:	REFERRED TO:

**RESOLUTION NO. 2016-01**

**GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 001-0691060-300  
DATED AS OF January 18, 2016**

A resolution authorizing the negotiation, execution, and delivery of Governmental Lease-purchase Agreement No. **001-0691060-300** dated **January 18, 2016** (the "Lease"), in principal amount not to exceed **\$119,590.00** between **City of Imperial, 420 South Imperial Avenue, Imperial, CA 92251** and **TCF Equipment Finance, a division of TCF National Bank, 11100 Wayzata Blvd, Suite 801, Minnetonka, MN 55305**; and prescribing other details in connection therewith.

**WHEREAS**, City of Imperial, (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of California; and

**WHEREAS**, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

**WHEREAS**, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Attachment 2 to the Lease is appropriate and necessary to the function and operations of the Lessee; and

**WHEREAS**, TCF Equipment Finance, a division of TCF National Bank, (the "Lessor") shall act as Lessor under said Lease; and

**WHEREAS**, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF CITY OF IMPERIAL:**

Section 1. The Lease, in substantially the form as presently before the governing body of the Lessee, is hereby approved, and the City Manager of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of California.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

**CERTIFIED AS TRUE AND CORRECT** this 20<sup>th</sup> day of January, 2016.

Lessee: City of Imperial

By: \_\_\_\_\_  
Doug A. Cox, Mayor

ATTEST:

\_\_\_\_\_  
Debra Jackson, City Clerk