

RESOLUTION 2015-099
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE PURCHASING AGENT TO LEASE ADDITIONAL
VEHICLES AND EQUIPMENT UNDER THE CITY'S STANDARD
MASTER LEASE AGREEMENT WITH PINNACLE PUBLIC FINANCING, INC.
FOR SCHEDULE OF EQUIPMENT NO. 10

WHEREAS, the City and Pinnacle Public Finance, Inc. ("Pinnacle") have previously entered into that certain "Standard Master Lease Agreement" dated February 15, 2011, (the "Agreement"); and

WHEREAS, the Agreement provides that Pinnacle will lease to the City certain "Equipment" as generally described in Section 1.1 of the Agreement and as specifically described in each "Schedule of Equipment" that is agreed to in the future and added to the Agreement as Exhibit A by the City and Pinnacle (collectively, the "Equipment"); and

WHEREAS, the Agreement contemplates an initial term of one year, with up to four additional one-year terms, not to exceed a total of five years; and

WHEREAS, Article V of the Agreement grants the City the option to purchase any or all of the Equipment in accordance with the provisions of Article V of the Agreement; and

WHEREAS, the Agreement also expressly provides that all of the City's obligations under the Agreement are subject to the City Council's annual appropriation of each year's lease payments and, if such appropriation does not occur, Pinnacle's sole remedy is to repossess the Equipment; and

WHEREAS, the Purchasing Agent and Pinnacle have previously entered into that certain "First Amendment to Master Lease Agreement" approved by City Council on December 2, 2014, in Resolution 2014-108 (the "First Amendment"); and

WHEREAS, the purpose of the First Amendment was to amend certain language in Section 1.2 of the Agreement to clarify the City's and Pinnacle's original (and current) intent with respect to the language in Section 1.2 that provides that the City is to be listed as the owner on the titles of motor vehicles included in the Equipment leased under Schedule of Equipment No. 8 and that had been leased under the previous seven schedules of equipment; and

WHEREAS, that such original (and current) intent of this motor-vehicle-title language was and is not to change the lease-purchase nature of the Agreement, but solely for the purposes of establishing ownership of the leased motor vehicles for federal tax purposes, reducing Pinnacle's liability for any civil claims arising from the City's use of the motor vehicles, and for the City's administrative convenience in establishing clear title to vehicles when the City exercises its option to purchase any of them; and

WHEREAS, the Purchasing Agent has negotiated with Pinnacle the lease of additional Equipment under the Agreement as described in the "Schedule of Equipment No. 10" dated

November 24, 2015, attached as Exhibit "A" and incorporated by reference ("Schedule of Equipment No. 10"); and

WHEREAS, each piece of equipment listed in Schedule of Equipment No. 10 has a useful life of five years or longer; and

WHEREAS, the Purchasing Agent has also negotiated with Pinnacle quarterly lease payments of Seventy Three Thousand Three Hundred Eight Three Dollars and Twenty Four Cents (\$73,383.24) for five years for the Equipment being leased in Schedule of Equipment No. 10 as set forth in the parties' "Payment Schedule, Equipment Schedule #10" dated November 24, 2015, attached as Exhibit "B" and incorporated by reference (the "Payment Schedule"); and

WHEREAS, the funds needed for the City's quarterly lease payments that will be owed to Pinnacle in 2016 for the Equipment being leased in Schedule of Equipment No. 10, have been budgeted and appropriated in the City's 2016 annual budget that is expected to be adopted by Council on November 17, 2015; and

WHEREAS, the City is authorized in Section 8(c) of Article V of the City Charter, Article IV in Chapter 8 of the City Code, and in C.R.S. Section 31-15-801 to enter into multiple-year lease-purchase agreements provided each year's lease payments are subject to annual appropriation; and

WHEREAS, the lease of the Equipment in Schedule of Equipment No. 10 under the Lease will not constitute a "multiple fiscal year direct or indirect debt or other obligation" of the City within the meaning of Section 20(4)(b) of Article X of the Colorado Constitution and, therefore, this lease of Equipment under Schedule of Equipment No. 10 can be entered into without voter approval; and

WHEREAS, the City Council has determined that it is in the City's best interests to lease from Pinnacle all of the Equipment described in the Schedule of Equipment No. 10 in accordance with the terms and conditions of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

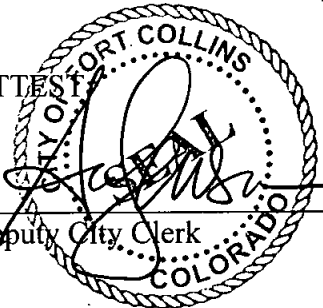
Section 1. That all of the recitals set forth above in this Resolution are hereby adopted as the City Council's findings in support of this Resolution.

Section 2. That the lease of the Equipment in Schedule of Equipment No. 10 under the Agreement (as amended by the First Amendment) and the Payment Schedule, attached hereto as Exhibit "A" and Exhibit "B", respectively, are hereby approved, and the Purchasing Agent is hereby authorized to enter into the Schedule of Equipment No. 10 and the Payment Schedule on the City's behalf. The Purchasing Agent may agree, in consultation with the City Attorney, to modifications and amendments to Schedule of Equipment No. 10 and the Payment Schedule as may be needed to protect the City's interests and that are consistent with the stated purposes of this Resolution.


Section 3. That City Council's approval in this Resolution of the Schedule of Equipment No. 10 and the Payment Schedule are subject to the Council budgeting and appropriating in the City's 2016 annual budget the funds necessary for the 2016 payments under the Payment Schedule.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 17th day of November, A.D. 2015.

ATTEST



Deputy City Clerk



Mayor

Schedule of Equipment No. 10

November 24, 2015

RE: STANDARD MASTER LEASE AGREEMENT entered into as of February 15, 2011, ("Agreement"), between Pinnacle Public Finance ("Lessor") and the City of Fort Collins, Colorado ("Lessee"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement:

Item	Department/ Fund	Description	Qty	Cost	Term
	Streets	CNG - Cab/Chassis for snowplow dump truck .	4	580,000	5 yrs
	Streets	Dump body and snow accessories	4	552,000	5 yrs
	Streets	Liquid De-Ice spray system	4	92,000	5 yrs
	Streets	Cab/Chassis for Traffic Control truck	1	42,000	5 yrs
	Streets	Body for Traffic Control truck	1	22,000	5 yrs
	Streets	½ ton Pick-up truck	1	27,000	5 yrs
	Code Compliance	Small SUV	3	73,000	5 yrs
Total:				1,388,000.00	5 yrs

Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Payments under this Schedule. **The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.**

Lessee: the City of Fort Collins, Colorado

Lessor: Pinnacle Public Finance

By _____
 Gerry S. Paul
 Director of Purchasing

By _____
 Name _____
 Title _____

Date: _____

Date: _____

Payment Schedule, Equipment Schedule #10

Totals:						
		\$1,467,664.76	\$79,664.76	\$1,388,000.00	Rate 2.1500%	
Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	12/1/2015					\$1,388,000.00
1	3/1/2016	\$73,383.24	\$7,460.50	\$65,922.74	\$1,322,077.26	\$1,322,077.26
2	6/1/2016	\$73,383.24	\$7,106.17	\$66,277.07	\$1,255,800.19	\$1,255,800.19
3	9/1/2016	\$73,383.24	\$6,749.93	\$66,633.31	\$1,189,166.88	\$1,189,166.88
4	12/1/2016	\$73,383.24	\$6,391.77	\$66,991.47	\$1,122,175.41	\$1,122,175.41
5	3/1/2017	\$73,383.24	\$6,031.69	\$67,351.54	\$1,054,823.87	\$1,054,823.87
6	6/1/2017	\$73,383.24	\$5,669.68	\$67,713.56	\$987,110.31	\$987,110.31
7	9/1/2017	\$73,383.24	\$5,305.72	\$68,077.52	\$919,032.79	\$919,032.79
8	12/1/2017	\$73,383.24	\$4,939.80	\$68,443.44	\$850,589.35	\$850,589.35
9	3/1/2018	\$73,383.24	\$4,571.92	\$68,811.32	\$781,778.03	\$781,778.03
10	6/1/2018	\$73,383.24	\$4,202.06	\$69,181.18	\$712,596.85	\$712,596.85
11	9/1/2018	\$73,383.24	\$3,830.21	\$69,553.03	\$643,043.82	\$643,043.82
12	12/1/2018	\$73,383.24	\$3,456.36	\$69,926.88	\$573,116.94	\$573,116.94
13	3/1/2019	\$73,383.24	\$3,080.50	\$70,302.73	\$502,814.21	\$502,814.21
14	6/1/2019	\$73,383.24	\$2,702.63	\$70,680.61	\$432,133.60	\$432,133.60
15	9/1/2019	\$73,383.24	\$2,322.72	\$71,060.52	\$361,073.08	\$361,073.08
16	12/1/2019	\$73,383.24	\$1,940.77	\$71,442.47	\$289,630.61	\$289,630.61
17	3/1/2020	\$73,383.24	\$1,556.76	\$71,826.47	\$217,804.14	\$217,804.14
18	6/1/2020	\$73,383.24	\$1,170.70	\$72,212.54	\$145,591.59	\$145,591.59
19	9/1/2020	\$73,383.24	\$782.55	\$72,600.68	\$72,990.91	\$72,990.91
20	12/1/2020	\$73,383.24	\$392.33	\$72,990.91	-\$0.00	-\$0.00

Commencement date: December 1, 2015

City of Fort Collins

By: _____

Gerry S. Paul

Director of Purchasing and Risk Management

Date: _____