



Town of Windham

Town Offices
8 School Road
Windham, Maine

Cover Sheet

File Number: 14-406

Agenda Date: 10/14/2014

Version: 1

Status: Agenda Ready

In Control: Town Council

File Type: Order

I. Council Action Requested.

To authorize the Town Treasurer to negotiate the terms of an Equipment Lease Purchase Agreement or Agreements and related documents providing financing of up to \$232,051 including the interest rate, maturity and other terms and conditions with whatever financial institutions the Treasurer deems appropriate and to award the Equipment Lease Purchase Agreement(s) to such financial institution or institutions as he deems to be in the best interests of the Town in order to provide the Town with two (2) cardiac monitors, five (5) defibrillators, and one (1) 2013 dump truck and plow gear (collectively the "Project") at an aggregate cost of up to \$232,051 plus interest at a rate or rates to be determined by the Town Treasurer,

FURTHER VOTED: That under and pursuant to the provisions of Maine law and the Town Charter, the Treasurer be and hereby is authorized to execute and deliver a tax-exempt Equipment Lease Purchase Agreement or Agreements in the name and on behalf of the Town for the purpose of providing the Project, at an aggregate cost of not more than \$232,051 in such form as the Treasurer may approve; and to execute and deliver in connection with such Equipment Lease Purchase Agreement(s) such other documents as required by the Lessor of such equipment; and the Treasurer is further authorized to execute and deliver on behalf of the Town such other documents and certificates as may be required in connection with such tax-exempt equipment lease purchase agreement, including an Arbitrage and Use of Proceeds Certificate and a Signature and Award Certificate; and no part of the proceeds of such tax exempt equipment lease purchase agreement shall be used, directly or indirectly, to acquire any securities and obligations, the acquisition of which would cause the tax-exempt lease purchase agreement to be a "private activity bond" or an "arbitrage bond" within the meaning of Sections 142 and 148, respectively, of the Internal Revenue Code of 1986, as amended (the "Code"); and that the tax-exempt lease purchase agreement issued pursuant hereto be and hereby is designated as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B)(ii) of said Code; and the Treasurer be and hereby is authorized to covenant on behalf of the Town to file any information report and pay any rebate due to the United States in connection with the issuance of said tax-exempt lease purchase agreement, and to take all other lawful actions necessary to insure the interest portion of the rental payments under and pursuant to the tax-exempt lease purchase agreement will be excluded from the gross income of the owners thereof for purposes of federal income taxation and to refrain from taking any action which would cause such interest portion of the rental payments to become includable in the gross income of the owners thereof. The Town, pursuant to Internal Revenue Service Treas. Reg. 1.150-2, hereby

declares its official intent to pay, on an interim basis, costs of the Project, which costs the Town reasonably expects to reimburse with proceeds of such tax exempt Equipment Lease Purchase Agreement(s) to be issued by the Town in the maximum principal amount of \$232,051.

II. Basis for Council Action

Council approval of this item is required because;

- a. The Council has the authority to enter into contracts as the legislative body of the Town pursuant to Article II, Section 3(I) of the Charter, and
- b. The purchase involves lease-purchase finance, requiring Council approval in accordance with Section 5.4 of the Town of Windham Purchasing Policies (2009), as amended.

III. Issue Summary.

The Equipment Lease Purchase Agreement provides for financing of (2) cardiac monitors and (5) defibrillators for the Fire/Rescue Department as included in the approved capital equipment replacement plan and as approved by Council order 14-308 at the meeting of August 26, 2014. It also includes financing for a 2013 dump truck and plow gear for the Public Works Department as included in the capital replacement plan and as approved by Council order 14-206 at the meeting of July 22, 2014.

The article language authorizing negotiation of the lease purchase agreement was provided by the town's bond counsel, Ron Epstein, with Jensen Baird Gardner and Henry to ensure compliance with IRS tax-exempt lease purchase rules.