

TOWN OF FAIRFAX

STAFF REPORT

February 5, 2014

TO: Mayor and Town Council

FROM: Christopher Morin, Chief of Police *CM*

SUBJECT: Ratification of Amendment to Master Lease with Ford Motor Credit

RECOMMENDATION

Ratify an amendment to Master Lease Agreement with Ford Motor Credit for the lease of three new police vehicles.

DISCUSSION

The Police Department received approval for the lease of three new vehicles in the 2013-2014 Town Budget. The Council approved \$31,000 for this expenditure as shown in the Field Equipment Capital Account Fund, 03-9023-921 of the Town Budget. The actual cost once the vehicles were purchased and outfitted came in at \$30,103.

The police department, through Ford Motor Credit, amended the Town's existing "Master Lease Agreement" adding these new vehicles to that lease over a 4-year period (48-month lease). The yearly payments for the next 3 years will be \$30,103 for these vehicles. As a matter of practice, staff has administratively approved the amended lease. However, this year staff would like the Town Council also to ratify the amendment to our Master Lease Agreement with Ford Motor Credit. In the future, these lease amendments will be brought directly to the Council for approval.

FISCAL IMPACT

The lease costs are included in the FY13-14 budget.

SCHEDULE 8544904 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

AMENDMENT

That certain Master Equipment Lease-Purchase Agreement, by and between Ford Motor Credit Company ("Lessor") and Town of Fairfax ("Lessee"), dated as of 05/03/2012 (the "Lease") is hereby amended as follows:

Bank Qualified Tax-Exempt Obligation

(Check box for Bank Qualified designation)

Lessee hereby designates this Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the commencement date of this Schedule falls, in an amount not exceeding \$10,000,000.00.

Non-Bank Qualified Tax-Exempt Obligation

(Check box for Non-Bank Qualified designation)

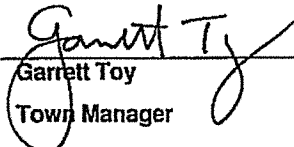
Lessee reasonably anticipates issuing more than \$10,000,000.00 in tax-exempt obligations in the calendar year of the Commencement Date as defined in the Property Schedule.

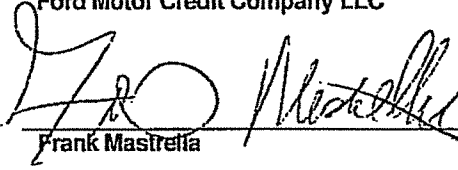
Except as amended hereby, the Lease shall otherwise remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the 10th day of December, 2013.

Lessee: **Town of Fairfax**

Lessor: **Ford Motor Credit Company LLC**

By: 
Garrett Toy
Title: **Town Manager**

By: 
Frank Mastrella
Title: **Operations Manager, Municipal Finance**

SCHEDULE NO. 8544904 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Master Agreement No. 8544902 dated as of 05/03/2012

This Equipment Schedule dated as of 12/10/2013, is being executed by Ford Motor Credit Company LLC ("Lessor"), and Town of Fairfax ("Lessee"). The terms and provisions of the Master Agreement between Lessor and Lessee referenced above (other than to the extent that they relate solely to other Schedules or Equipment under other Schedules) are hereby incorporated by reference and made a part hereof. All terms used herein have the meanings ascribed to them in the Master Agreement.

Lessor hereby leases to Lessee pursuant to this Schedule, and Lessee hereby accepts and leases from Lessor, subject to and upon the terms and conditions set forth herein (including any attachments hereto), the following items of Equipment:

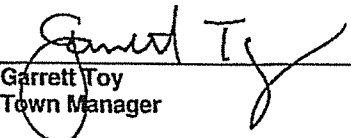
QUANTITY	DESCRIPTION (MANUFACTURER, MODEL AND SERIAL NO.)	CASH PRICE	SUPPLIER NAME
2	2014 Ford Police Interceptor Sedan including Tax, 1FAHP2MK1EG129732, 1FAHP2MK3EG129733	\$110,217.63	Towne Ford
1	2014 Ford Taurus Limited AWD including Tax, 1FAHP2J89EG129731		
EQUIPMENT LOCATION: Police Department, 142 Bolinas Road, Fairfax, CA, 94930			
COMMENCEMENT DATE (the date on which the Equipment is accepted by Lessee by the execution of a Delivery and Acceptance Certificate): 12/10/2013		INITIAL TERM: 48 months	
		LEASE PAYMENTS: 4 Consecutive Annual in Advance Payments of \$30,102.87 each (including interest), due under this Schedule. See Attachment 1 hereto.	

Representations, Warranties and Covenants. Lessee hereby represents warrants and covenants as follows:

- a) The representations, warranties and covenants of Lessee set forth in the Master Agreement are true and correct on the Commencement Date for this Schedule as though made on that Date.
- b) The execution, delivery and performance by Lessee of this Schedule has been duly authorized by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval.

EXECUTED as of the date first herein set forth.

Lessee: Town of Fairfax

By: 
 Title: Garrett Toy
 Town Manager

Lessor: Ford Motor Credit Company LLC

By: 
 Title: Frank Mastrella
 Operations Manager, Municipal Finance

Counterpart No. 1 of 1 manually executed and serially numbered counterparts. To the extent this Schedule constitutes chattel paper; no security interest herein may be perfected through the possession of any counterpart other than Counterpart No. 1.

ATTACHMENT 1
TO
SCHEDULE NO. 8544904 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

LEASE PAYMENT SCHEDULE

Master Lease No.: 8544902

Interest Rate: 5.95%. Underwriting Fee: \$425.00

Commencement Date of Schedule: 12/10/2013

<u>Lease Payment Number</u>	<u>Lease Payment Date</u>	<u>Lease Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Concluding Payment</u>
1	12 / 10 / 2013	30,102.87	0.00	30,102.87	110,642.63
2	12 / 10 / 2014	30,102.87	4,792.12	25,310.75	80,539.76
3	12 / 10 / 2015	30,102.87	3,286.13	26,816.74	55,229.01
4	12 / 10 / 2016	30,102.87	1,690.60	28,412.27	28,412.27
TOTALS		120,411.48	9,768.85	110,642.63	1.00