

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT TO ACQUIRE A JOHN DEERE 624 P-TIER WHEEL LOADER FOR THE PUBLIC WORKS DEPARTMENT AND DECLARING AN EMERGENCY.

WHEREAS, the City of Avon Lake has entered a Cooperative Purchasing Program with the State of Ohio; and

WHEREAS, the State has advertised for bids for a John Deere 624 P-Tier Wheel Loader for the Public Works Department and finds the bid submitted by Murphy Tractor and Equipment of Brunswick, Ohio, is the lowest and best bid.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF
THE CITY OF AVON LAKE, STATE OF OHIO:

Section No. 1: That the bid by Murphy Tractor and Equipment of Brunswick, Ohio, submitted through the Cooperative Purchasing Program of the State of Ohio, to supply the City with John Deere 624 P-Tier Wheel Loader for the Public Works Department, in the amount of \$357,484.31 be, and it is hereby accepted and approved.

Section No. 2: That the Mayor is hereby authorized to execute a Lease Agreement with Huntington Bank to provide financing for six years for a John Deere 624 P-Tier Wheel Loader, at a total annual cost of approximately \$66,775.59, such Lease Agreement to be substantially in form and substance acceptable to the Mayor and the Law Director.

Section No. 3: That upon delivery to the Public Works Department of a John Deere 624 P-Tier Wheel Loader with the proper specifications, to the full satisfaction of the Director of Public Works, then the Director of Finance is hereby directed to deliver the warrant of this City to Murphy Tractor and Equipment in the lease amount specified in the Lease Agreement.

Section No. 4: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees which resulted in such formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section No. 5: That this Ordinance is hereby declared to be an emergency measure to provide the Public Works Department with serviceable equipment, in order that they may promptly and efficiently perform their duties and, further, to

take advantage of the State purchase price, thus for the health, safety, and welfare of the citizens of Avon Lake. Therefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor.

PASSED: 1/08/2024

/s/ Martin E. O'Donnell

President of Council

POSTED: 1/12/2024

APPROVED: 1/09/2024

ATTEST: */s/ Valerie E. Rosmarin*

Clerk of Council

/s/ Mark Spaetzel

Mayor



TERM SHEET

Date: January 5, 2024

Type of Transaction: Lease-Purchase Agreement (the "Lease")

Lessee: City of Avon Lake

Lessor: Huntington Public Capital Corporation

Escrow Agent: The Huntington National Bank (if needed/not funding vendor directly)

Financed Amount: \$357,484.31

Use of Proceeds: To finance a John Deere 624 P-Tier Wheel Loader and accessories

Structure/Security: The Lease shall be payable from legally available revenues of the Lessee, subject to annual appropriation. Pursuant to the Lease documentation, the Lessee shall hold title to the Equipment and grant Lessor a continuing, first prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto.

Tax Status: Tax-Exempt (Bank Qualified)

Commencement Date: TBD

If escrow funding is required, the Financed Amount will be deposited with the Escrow Agent on the Commencement Date for the benefit of the Lessee. As Equipment is delivered to and accepted by the Lessee, disbursements will be made by the Escrow Agent at the direction of the Lessee and with the written approval of Lessor.

Term: Five (5) Years

Payment Frequency: Annual in Advance

Lessor Rate: 4.80%

Fees: Escrow Fee: \$500.00 (if needed/not funding vendor directly)

Prepayment Option: The Lease may be prepaid at any time (in whole, but not in part) at a price equal to the then outstanding balance ("Balance"), plus accrued interest, plus a prepayment premium calculated as follows: 3% of the Balance if paid in the first 12 months of the Lease Term; 2% of the Balance if paid in the second 12 months of the Lease Term; and 1% of the Balance if paid after the second 12 months of the Lease Term.

Insurance: Lessee, at its own expense, will provide insurance naming Lessor as loss payee and additional insured.

Warranties: Lessor makes no warranties expressed or implied. Lessee's sole warranty rights are any provided by the Equipment vendors and/or manufacturers.

Net Lease: Lessor is not a manufacturer or dealer of equipment. All maintenance, license fees, taxes, insurance, and any other costs related to ownership and operation of the Equipment shall be the responsibility of Lessee.

- Documentation:** Lessor contemplates using standardized documentation and intends to use in-house legal counsel. If this transaction necessitates that the Lessor use outside legal counsel or incur any other extraordinary expenses, such costs shall be borne by Lessee.
- Credit Approval:** The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval by Lessor and the negotiation of mutually acceptable documentation. They do not represent all of the terms and conditions that may ultimately be included in a financing between Lessee and Lessor.
- Proposal Expiration:** This proposal shall expire at Lessor's option if (a) Lessor has not received the Lessee's written acceptance by January 31, 2024; or (b) if the funding does not occur on or before February 16, 2024.
- Huntington Contact:** Jill Murphy, Senior Vice President
Huntington Public Capital
Phone: 330-841-0179
Email: Jill.Murphy@Huntington.com

Estimated Debt Schedule

	Date	Payment	Interest	Principal	Balance
Loan	02/01/2024				357,484.31
1	02/01/2024	66,775.59	0.00	66,775.59	290,708.72
2	02/01/2025	66,775.59	13,954.02	52,821.57	237,887.15
3	02/01/2026	66,775.59	11,418.58	55,357.01	182,530.14
4	02/01/2027	66,775.59	8,761.45	58,014.14	124,516.00
5	02/01/2028	66,775.59	5,976.77	60,798.82	63,717.18
6	02/01/2029	66,775.59	3,058.41	63,717.18	0.00
Grand Totals		400,653.54	43,169.23	357,484.31	

Accepted By:
City of Avon Lake

By _____

Name _____

Title _____

Date _____

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