

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Frank Apicella/Technology & Information Management

PREPARED BY: Frank Apicella

SUBJECT: Resolution

AFFECTED DISTRICT: Townwide

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE AUTHORIZING THE BUYOUT OF THE GE CAPITAL TERM LEASE MASTER AGREEMENT AND TERM LEASE SUPPLEMENT FOR LEASE AGREEMENT ASSOCIATED WITH LEASE NUMBERS 7248117-001, 7248117-002, AND 7248117-003.

REPORT IN BRIEF: The Town of Davie entered into a 3 year lease agreement with GE Capital for a new telephone system in 2004. The equipment was installed in 3 phases resulting in 3 agreements expireing January 1 2007, March 1, 2007, and June 1, 2007. We have the option to extend the lease for 12, 18 or 24 months or to purchase the equipment. The equipment has an expected remaining useful life of 3 to 4 years. The cost to extend the leases for 24 months is \$105,003.84. It would be financially advantageous to purchase the equipment now for \$98,716.17.

PREVIOUS ACTIONS: R-2003-267

CONCURRENCES: The Town Attorney has reviewed the contracts

FISCAL IMPACT: not applicable

Has request been budgeted? Yes

If yes, expected cost: \$98, 716.17

Account Name: all departments capital outlay accounts excluding Police Department

Additional Comments:

RECOMMENDATION(S): Motion to approve the resolutions

Attachment(s):

Exhibit A/Term lease Master Agreement 7248117-001
Exhibit B/Term lease Master Agreement 7248117-002
Exhibit C/Term lease Master Agreement 7248117-003

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE AUTHORIZING THE BUYOUT OF THE GE CAPITAL TERM LEASE MASTER AGREEMENT AND TERM LEASE SUPPLEMENT FOR LEASE AGREEMENT ASSOCIATED WITH LEASE NUMBERS 7248117-001, 7248117-002, AND 7248117-003.

WHEREAS, the Town currently has 3 lease agreements with GE Capital; and

WHEREAS, these lease agreements will expire on January 1, 2007, March 1, 2007 and June 1, 2007; and

WHEREAS, the cost to extend these leases for 24 months would be \$105,003.84; and

WHEREAS, it would be financially advantageous to purchase the equipment now for \$98,716.17; and

WHEREAS, the Town Council authorizes the Town Administrator to sign the GE Capital purchase agreement

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA.

SECTION 1. The Town Council of the Town of Davie hereby authorizes the Town Administrator to sign the GE Capital purchase agreements.

SECTION 2. The Town Council of the Town of Davie hereby authorizes the expenditures from all departments capital outlay accounts excluding Police Department.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2006

GE CAPITAL

12/08/2006

Town Of Davie
6591 Orange Drive
Davie, FL - 33314

Attn : Town Of Davie
Fax : (000) - 000 - 0000

Re: Offer to Renew Term Lease Master Agreement and Term Lease Supplement ("Equipment") for Lease Agreement Number(s) associated with Lease Number(s) **7248117 - 001** (the "Lease")

Dear Town Of Davie:

GE CAPITAL is pleased to be able to offer your company the opportunity to renew the equipment associated with the above Lease Number(s). As a service to you, we have taken this opportunity to list the following option(s) for your consideration:

Renew the Lease with an option to purchase the equipment for a \$1 at end of term. This option may enable you to *lower your current Monthly payment of \$3,833.43 and use your cash for other opportunities.* We have outlined several Renewal options:

_____ Renew the Lease for 12 months @ \$3,833.51 per month plus taxes

_____ Renew the Lease for 18 months @ \$2,593.72 per month plus taxes

_____ Renew the Lease for 24 months @ \$1,974.10 per month plus taxes

Please note monthly payment for all option(s) exclude currently due property taxes.

Other flexible financing terms may be available. Please feel free to call us at (203) 546 - 5964. If you accept this option, this renewal agreement shall be effective as of 12/27/2006, with the first rent due by 02/01/2007, payable in Arrears, provided no event of default has occurred and is continuing under the Lease on such date. Except for rent, the length of the Lease term, \$1.00 purchase option, and the terms on page 2 of this letter, which are incorporated herein by reference, all other terms and conditions of the Lease remain unchanged and in full force and effect.

Purchase the equipment for \$44,541.27
Buyout Amount: \$44,541.27

If you select the purchase option, you will be invoiced for the purchase price plus any applicable taxes and other amounts outstanding under the Lease. **Payment must be received by 12/27/2006**. Payments received after this date will be subject to additional charges.

"The Buyout Amount Reflected on this Quote (both the cash purchase offer and the renewal offer) may not include Property Taxes and other cost of ownership charges that have not yet been billed to GE CAPITAL. GE CAPITAL reserves the right to collect all taxes, fees and charges billed to GE CAPITAL after the date the Buyout is paid or the Renewal is effective."

Please select your option, sign the acknowledgment below, and fax this to attention Invoicing Dept. at 1-866-867-0646 on or before 12/27/2006 ("Deadline"). If you elect the purchase option, the equipment is sold AS IS, WHERE IS with ALL FAULTS and no expressed or implied warranties of any kind are made. If we do not receive your selection and acknowledgement on or before the Deadline, the Lease will continue in effect in accordance with its current terms and conditions. **If you have any questions, please contact me directly at (203) 546 - 5964.**

Sincerely,
GE CAPITAL

Lynda Wells
Portfolio Analyst

ACKNOWLEDGED AND AGREED TO ON _____ (DATE)
BY _____ TITLE: _____

Offer To Purchase

Page 1 of 2

TO 919547971049 P.02/07

DEC 08 2006 14:19 FR

You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be purchased pursuant to this Amendment for a time price equal to the Monthly Rent Payment times the Number of Months set forth above (the "Time Price"), and by executing this Amendment you have chosen to purchase the Equipment for that Time Price. Each Monthly Rent Payment includes a part of our investment in the Equipment Cost and a return on our investment. The total return on our investment (the total finance charge) may be determined by deducting the Equipment Cost from the Time Price. The rate of return (finance rate) may be determined by deducting the Security Deposit (if any) from the Equipment Cost and then applying, to the amount so determined, the rate that will amortize that amount down to zero by applying, as payments, the Monthly Rent Payments. For purposes of that amortization, each Monthly Rent Payment will be considered received on the date it is required to be paid under this Amendment. This paragraph controls over every other part of the Lease and over all other documents now or later pertaining to the Lease. We both intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. Any part of the Lease that could, but for this paragraph, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this paragraph to limit the amounts chargeable under the Lease to the maximum amount allowed under the legal limit. If in any circumstance, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under the Lease, or refunded to you.

If you sign and transmit this Agreement to us by facsimile, the facsimile copy as received by us shall be binding against you as if it were manually signed. However, no facsimile or other version of this Agreement shall be binding against us until manually signed by us. You agree to deliver the facsimile version of any counterpart of this Agreement with your original signature upon our request.

ACKNOWLEDGED AND AGREED TO ON _____ (DATE)
BY (Initials) _____

GE CAPITAL

12/08/2006

Town Of Davie
6591 Orange Drive
Davie, FL - 333140000

Attn : Town Of Davie
Fax : (000) - 000 - 0000

Re: Offer to Renew Term Lease Master Agreement and Term Lease Supplement ("Equipment") for Lease Agreement Number(s) associated with Lease Number(s) **7248117 - 002** (the "Lease")

Dear Town Of Davie:

GE CAPITAL is pleased to be able to offer your company the opportunity to renew the equipment associated with the above Lease Number(s). As a service to you, we have taken this opportunity to list the following option(s) for your consideration:

Renew the Lease with an option to purchase the equipment for a \$1 at end of term. This option may enable you to lower your current Monthly payment of \$2,679.44 and use your cash for other opportunities. We have outlined several Renewal options:

_____ Renew the Lease for 12 months @ \$2,523.48 per month plus taxes

_____ Renew the Lease for 18 months @ \$1,707.36 per month plus taxes

_____ Renew the Lease for 24 months @ \$1,299.48 per month plus taxes

Please note monthly payment for all option(s) exclude currently due property taxes.

Other flexible financing terms may be available. Please feel free to call us at (203) 546 - 5964. If you accept this option, this renewal agreement shall be effective as of 12/27/2006, with the first rent due by 12/27/2006, payable in Arrears, provided no event of default has occurred and is continuing under the Lease on such date. Except for rent, the length of the Lease term, \$1.00 purchase option, and the terms on page 2 of this letter, which are incorporated herein by reference, all other terms and conditions of the Lease remain unchanged and in full force and effect.

Purchase the equipment for \$29,320.09

Buyout Amount: \$29,320.09

If you select the purchase option, you will be invoiced for the purchase price plus any applicable taxes and other amounts outstanding under the Lease. **Payment must be received by 12/27/2006** . Payments received after this date will be subject to additional charges.

"The Buyout Amount Reflected on this Quote (both the cash purchase offer and the renewal offer) may not include Property Taxes and other cost of ownership charges that have not yet been billed to GE CAPITAL. GE CAPITAL reserves the right to collect all taxes, fees and charges billed to GE CAPITAL after the date the Buyout is paid or the Renewal is effective."

Please select your option, sign the acknowledgment below, and fax this to attention Invoicing Dept. at 1-866-867-0646 on or before 12/27/2006 ("Deadline"). If you elect the purchase option, the equipment is sold AS IS, WHERE IS with ALL FAULTS and no expressed or implied warranties of any kind are made. If we do not receive your selection and acknowledgement on or before the Deadline, the Lease will continue in effect in accordance with its current terms and conditions. **If you have any questions, please contact me directly at (203) 546 - 5964.**

Sincerely,
GE CAPITAL

Lynda Wells
Portfolio Analyst

ACKNOWLEDGED AND AGREED TO ON _____ (DATE)	
BY _____	TITLE: _____

You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be purchased pursuant to this Amendment for a time price equal to the Monthly Rent Payment times the Number of Months set forth above (the "Time Price"), and by executing this Amendment you have chosen to purchase the Equipment for that Time Price. Each Monthly Rent Payment includes a part of our investment in the Equipment Cost and a return on our investment. The total return on our investment (the total finance charge) may be determined by deducting the Equipment Cost from the Time Price. The rate of return (finance rate) may be determined by deducting the Security Deposit (if any) from the Equipment Cost and then applying, to the amount so determined, the rate that will amortize that amount down to zero by applying, as payments, the Monthly Rent Payments. For purposes of that amortization, each Monthly Rent Payment will be considered received on the date it is required to be paid under this Amendment. This paragraph controls over every other part of the Lease and over all other documents now or later pertaining to the Lease. We both intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. Any part of the Lease that could, but for this paragraph, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this paragraph to limit the amounts chargeable under the Lease to the maximum amount allowed under the legal limit. If in any circumstance, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under the Lease, or refunded to you.

If you sign and transmit this Agreement to us by facsimile, the facsimile copy as received by us shall be binding against you as if it were manually signed. However, no facsimile or other version of this Agreement shall be binding against us until manually signed by us. You agree to deliver the facsimile version of any counterpart of this Agreement with your original signature upon our request.

ACKNOWLEDGED AND AGREED TO ON _____ (DATE)
BY (Initials) _____

GE CAPITAL

12/08/2006

Town Of Davie
6591 Orange Drive
Davie, FL - 33314

Attn : Town Of Davie
Fax : (000) - 000 - 0000

Re: Offer to Renew Term Lease Master Agreement and Term Lease Supplement ("Equipment") for Lease Agreement Number(s) associated with Lease Number(s) **7248117 - 003** (the "Lease")

Dear Town Of Davie:

GE CAPITAL is pleased to be able to offer your company the opportunity to renew the equipment associated with the above Lease Number(s). As a service to you, we have taken this opportunity to list the following option(s) for your consideration:

Renew the Lease with an option to purchase the equipment for a \$1 at end of term. This option may enable you to lower your current Monthly payment of \$1,744.73 and use your cash for other opportunities. We have outlined several Renewal options:

- _____ Renew the Lease for 12 months @ \$2,139.16 per month plus taxes
- _____ Renew the Lease for 18 months @ \$1,447.34 per month plus taxes
- _____ Renew the Lease for 24 months @ \$1,101.58 per month plus taxes

Please note monthly payment for all option(s) exclude currently due property taxes.

Other flexible financing terms may be available. Please feel free to call us at (203) 546 - 5964. If you accept this option, this renewal agreement shall be effective as of 12/27/2006, with the first rent due by 02/01/2007, payable in Arrears, provided no event of default has occurred and is continuing under the Lease on such date. Except for rent, the length of the Lease term, \$1.00 purchase option, and the terms on page 2 of this letter, which are incorporated herein by reference, all other terms and conditions of the Lease remain unchanged and in full force and effect.

Purchase the equipment for \$24,854.81
Buyout Amount: \$24,854.81

If you select the purchase option, you will be invoiced for the purchase price plus any applicable taxes and other amounts outstanding under the Lease. **Payment must be received by 12/27/2006**. Payments received after this date will be subject to additional charges.

"The Buyout Amount Reflected on this Quote (both the cash purchase offer and the renewal offer) may not include Property Taxes and other cost of ownership charges that have not yet been billed to GE CAPITAL. GE CAPITAL reserves the right to collect all taxes, fees and charges billed to GE CAPITAL after the date the Buyout is paid or the Renewal is effective."

Please select your option, sign the acknowledgment below, and fax this to attention Invoicing Dept. at 1-866-867-0646 on or before 12/27/2006 ("Deadline"). If you elect the purchase option, the equipment is sold AS IS, WHERE IS with ALL FAULTS and no expressed or implied warranties of any kind are made. If we do not receive your selection and acknowledgement on or before the Deadline, the Lease will continue in effect in accordance with its current terms and conditions. **If you have any questions, please contact me directly at (203) 546 - 5964.**

Sincerely,
GE CAPITAL

Lynda Wells
Portfolio Analyst

ACKNOWLEDGED AND AGREED TO ON _____ (DATE)	
BY _____	TITLE: _____

GE CAPITAL

7248117 - 003

You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be purchased pursuant to this Amendment for a time price equal to the Monthly Rent Payment times the Number of Months set forth above (the "Time Price"), and by executing this Amendment you have chosen to purchase the Equipment for that Time Price. Each Monthly Rent Payment includes a part of our investment in the Equipment Cost and a return on our investment. The total return on our investment (the total finance charge) may be determined by deducting the Equipment Cost from the Time Price. The rate of return (finance rate) may be determined by deducting the Security Deposit (if any) from the Equipment Cost and then applying, to the amount so determined, the rate that will amortize that amount down to zero by applying, as payments, the Monthly Rent Payments. For purposes of that amortization, each Monthly Rent Payment will be considered received on the date it is required to be paid under this Amendment. This paragraph controls over every other part of the Lease and over all other documents now or later pertaining to the Lease. We both intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. Any part of the Lease that could, but for this paragraph, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this paragraph to limit the amounts chargeable under the Lease to the maximum amount allowed under the legal limit. If in any circumstance, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under the Lease, or refunded to you.

If you sign and transmit this Agreement to us by facsimile, the facsimile copy as received by us shall be binding against you as if it were manually signed. However, no facsimile or other version of this Agreement shall be binding against us until manually signed by us. You agree to deliver the facsimile version of any counterpart of this Agreement with your original signature upon our request.

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 BY (Initials) _____