

RESOLUTION NO. 118-01

A RESOLUTION AUTHORIZING EITHER THE MAYOR OR THE CITY MANAGER TO EXECUTE A LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTS FOR FIRE ENGINES AND OTHER EQUIPMENT

Recitals. Over the past two years, the EMS Foundation represented that it had donated twelve pieces of fire fighting equipment to the City; however, the City is informed by two lenders that the Foundation has defaulted on financial obligations to pay for the equipment. Retention and use of these important pieces of equipment is essential to City fire service delivery. Rather than pursuing litigation or other remedies against the collection efforts of the Bank and Federal Signal, the City has determined to pursue this lease purchase. The City intends to preserve its rights to pursue as appropriate and to be made whole by the Foundation for all City resources spent in these efforts, especially since the City accepted the equipment based on the Foundation's promises that these trucks were being donated by the EMS Foundation.

The method to accomplish the goal of avoiding expensive dispute resolution with the two lenders is a lease/purchase agreement with Kansas State Bank (Manhattan), effective December 31, 2001.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

1. Either the Mayor or the City Manager is hereby authorized and directed to sign a lease-purchase agreement with the Kansas State Bank (Manhattan) in the amount of \$1,800,378 for the lease-purchase of necessary fire fighting equipment originally worth approximately \$2.2 million.
2. The term of the lease/purchase shall be for five years at an annual cost of \$394,000 to be paid quarterly.
3. Either the Mayor or the City Manager is authorized and directed to execute such other documents and to take such other actions as are reasonably required to implement the purpose of said lease/purchase so that the City may retain the fire fighting equipment.
4. Execution of the lease/purchase and related documents shall not serve to waive or release any City rights against the Foundation; the City intends to preserve its rights to take such actions as may be necessary to enforce the Foundation's promises and to otherwise be made whole by the Foundation, including reimbursement by the Foundation.

Adopted by the City Council this 21st day of November, 2001.

Attest:

/s/: Stephanie Tuin
City Clerk

/s/: Cindy Enos-Martinez
President of the Council