

**RESOLUTION NO. 8051**

A RESOLUTION introduced by City Manager Norton N. Bonaparte, Jr., relating to the lease purchase of an Enterprise Resource Planning (ERP) software system for the City of Topeka.

WHEREAS, the City has a need for an Enterprise Resource Planning (ERP) software system; and

WHEREAS, Municipal Services Group, Incorporated, finances lease purchase agreements for municipal purchases; and

WHEREAS, the City desires to enter into a lease purchase agreement with Municipal Services Group, Inc., which will result in the authorization and approval of the lease purchase of an ERP software system to be financed by Municipal Services Group, Inc., in the amount of three million eight hundred fifty-seven thousand two hundred thirty-nine dollars and two cents (\$3,857,239.02) including interest extending for approximately seventy-two (72) months from the original effective date of the transaction; and

WHEREAS, on August 28, 2007, the Council of the City of Topeka authorized the City Manager to enter into a lease purchase agreement with Municipal Services Group, Inc., to finance the lease purchase of an ERP software system; and

WHEREAS, on September 21, 2007, the City Manager of the City of Topeka executed said lease purchase agreement which was assigned City of Topeka Contract No. 37729; and

WHEREAS, the cash basis law, K.S.A. § 10-1101, *et seq.*, requires approval by a majority vote of the governing body of the City for any lease purchase agreement entered into which will exceed the City's current fiscal year; and

26 WHEREAS, the cash basis law, K.S.A. § 10-1101, *et seq.*, further requires that any  
27 such lease purchase agreement state that the municipality is obligated only to pay periodic  
28 payments or monthly installments under the agreement as may lawfully be made from (a)  
29 funds budgeted and appropriated for that purpose during such municipality's current  
30 budget year or (b) funds made available from any lawfully operated revenue producing  
31 source; and

32 WHEREAS, the cash basis law K.S.A. § 10-1101, *et seq.*, further requires any such  
33 lease purchase agreement shall specify the following: (1) The amount or capital cost  
34 required to purchase the item if paid for by cash, (2) the annual average effective interest  
35 cost, and (3) the amount included in the payments for service, maintenance, insurance or  
36 other charges exclusive of the capital cost and interest cost.

37 NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Topeka,  
38 Kansas, that pursuant to K.S.A. § 10-1101, *et seq.*, that the lease purchase agreement  
39 between the City and Municipal Services Group, Inc., in which Municipal Services Group,  
40 Inc., will finance three million eight hundred fifty-seven thousand two hundred thirty-nine  
41 dollars and two cents (\$3,857,239.02) including interest for the purchase of an Enterprise  
42 Resource Planning (ERP) software system in accordance with the terms and conditions set  
43 forth in the master lease agreement and individual payment schedule number 1 which are  
44 attached hereto and specifically incorporated herein is hereby authorized and approved.

45 NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Manager is  
46 authorized to execute a lease purchase agreement with Municipal Services Group, Inc. that  
47 complies with KSA 10-1101, *et seq.* as set forth herein with an effective date of September  
48 21, 2007.

49 ADOPTED and APPROVED by the City Council April 1, 2008.

50 CITY OF TOPEKA, KANSAS

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William W. Bunten, Mayor

56 ATTEST:

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Brenda Younger, City Clerk

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64 ***This resolution shall take affect without the signature of the Mayor.***

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66 ***The resolution was adopted and approved by the City Council on April 1, 2008 and***  
67 ***vetoed by the Mayor on April 4, 2008.***

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69 ***On April 15, 2008 the City Council voted to override the Mayor's veto by a vote of***  
70 ***7-2-0.***

**EXHIBIT E**  
**SCHEDULE OF PAYMENTS**

Base Interest Rate: 3.83%

U. S. Treasury Note Yield: 4.08%

U. S. Treasury Note Index Percent: 93.87%

Dated Date: September 1, 2007

Pmt #.	Payment Due Date	Payment Amount	Interest Portion	Principal Portion	Purchase Price
1	15-Jan-09	\$ 642,873.17	\$ 178,121.80	\$ 464,751.37	\$ 2,907,309.07
2	15-Jan-10	642,873.17	110,138.41	532,734.76	2,368,714.23
3	15-Jan-11	642,873.17	89,734.67	553,138.50	1,809,491.21
4	15-Jan-12	642,873.17	68,549.47	574,323.70	1,228,849.95
5	15-Jan-13	642,873.17	46,552.87	596,320.30	625,970.12
6	15-Jan-14	642,873.17	23,713.80	619,159.37	0.00
<b>Totals</b>		<b>\$ 3,857,239.02</b>	<b>516,811.02</b>	<b>\$ 3,340,428.00</b>	

For the purpose of the Kansas Cash Basis Law, the amount financed in Individual Payment Schedule No. 1 is \$3,340,428.00. Further, the Base Interest Rate for Individual Payment Schedule No. 1 is 3.83% per annum. In accordance with K. S. A. 10-1116c(d)(3), the amount included in the Rental Payments for service, maintenance, insurance or other charges exclusive of the capital cost and interest cost, relative to Individual Payment Schedule No. 1, is \$0.00.

LESSEE: City of Topeka

ATTEST:

Bunda Younger  
CITY CLERK

By:

Norton N. Bonaparte, Jr.

Title: City Manager