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

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

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

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Manager is authorized to execute a lease purchase agreement with Municipal Services Group, Inc. that complies with KSA 10-1101, et seq. as set forth herein with an effective date of September 21, 2007.
ADOPTED and APPROVED by the City Council April 1, 2008.

CITY OF TOPEKA, KANSAS

__________________________
William W. Bunten, Mayor

ATTEST:

__________________________
Brenda Younger, City Clerk

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

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

On April 15, 2008 the City Council voted to override the Mayor’s veto by a vote of 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

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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

By: Norton N. Bonaparte, Jr.
Title: City Manager

ATTEST: Benda Younger
CITY CLERK

SEAL OF TOPEKA
CAPITAL CITY INCORPORATED

APPROVED AS TO FORM & LEGALITY
MAY 22 2008
CITY ATTORNEY'S OFFICE