

# **Board of Directors Special Meeting**

**Thursday, August 25, 2022 | 12:00pm  
Board Room at 110 Watervliet Ave.**

**CDTA BOARD OF DIRECTORS  
MEETING AGENDA**

**Wednesday, June 29, 2022 | 12:00pm | Board Room at 110 Watervliet Ave**

<b>Board Item</b>	<b>Responsibility</b>	<b>Page</b>
Call to Order	Jayne Lahut	
<b>Committee Reports: (Action Items Listed)</b>		
Performance Monitoring/Audit Committee (08/25/2022)	Denise Figueroa	
• Resolution 31 – Approve Municipal Lease Financing		3

**Upcoming Meetings**

Wednesday, August 31, 2022 at 12:00pm in the Board Room at 110 Watervliet Ave

**Adjourn**

**CAPITAL DISTRICT TRANSPORTATION AUTHORITY, NEW YORK  
RESOLUTION NO. 31 - 2022**

Relating To A Master Equipment Lease/Purchase Agreement - Omnibus Financing

**WHEREAS**, the Capital District Transportation Authority (the “Authority”) is a public authority and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the “State”) established pursuant to Title 11-C of the New York Public Authorities Law (the “Act”), duly organized and existing under the laws of the State, to finance, implement and deliver transit services in the Capital District transportation district (as that term is defined in §1302 of the Act) safely, efficiently and at a reasonable cost; and

**WHEREAS**, the Authority has determined that it is in the best interests of its operations to acquire sixteen (16) articulated buses from New Flyer of America; and

**WHEREAS**, the members of the Authority have resolved to procure a source of financing for the acquisition of articulated buses in 2022 and thereafter through a request for proposals (RFP) process; and

**WHEREAS**, the Authority solicited financing proposals through an RFP to provide funds to acquire the Equipment and received proposals on August 5, 2022, and after due consideration and review, accepted the proposal submitted by TD Equipment Finance, Inc. (the “Purchaser”) upon the terms and conditions set forth in the proposal; and

**WHEREAS**, the Terms and Conditions specify that the form of financing shall be pursuant to a Master Equipment Lease/Purchase Agreement (the “Lease”) set forth in substantially final form in Exhibit B attached hereto under which the Authority shall make Rental Payments for a period coinciding with the Payment Schedule attached as Schedule 2 to the Lease, from general funds of the Authority, subject to annual appropriation, on the amounts in the Acquisition Fund (as those terms are defined in the Lease) disbursed by the Purchaser to purchase the Equipment,

each of which Rental Payments shall contain a portion which is interest on the purchase price of the Equipment such that at the end of the Lease Term (as that term is defined in the Lease) the Authority shall have paid in full for the acquisition of the Equipment; and

**WHEREAS**, the Authority desires (i) to acquire the Equipment through the disbursement of proceeds of the Lease, and (ii) to pay certain necessary and incidental costs related thereto including the costs of financing pursuant to the Terms and Conditions and the Lease (hereinafter collectively referred to as the “Project”).

**NOW, THEREFORE, BE IT RESOLVED** by the Capital District Transportation Authority through a quorum of its members at a noticed special meeting, as follows:

Section 1. The award of financing of the Equipment through the proposal submitted to the Authority by the Purchaser including the Terms and Conditions is hereby ratified, confirmed and approved.

Section 2. The Lease is hereby approved provided that the principal amount thereunder shall not exceed \$(US)13,500,000 and the Lease Term shall not exceed the later of ten (10) years, or the date of the final Rental Payment (as such term is defined in the Lease) pursuant to the Payment Schedule attached as Schedule 2 to the Lease. The Lease shall be a general obligation of the Authority subject to annual appropriation; no specific revenues or assets of the Authority shall be pledged to the payment of Rental Payments; no reserve fund shall be pledged or established for the payment of Rental Payments. For federal income tax purposes, the Lease is deemed authorized pursuant to the borrowing power of the Authority; provided, however, that the Lease shall not be a debt of the of the Authority or of the State.

Section 3. The chairperson of Authority is hereby authorized and directed to execute, acknowledge and deliver the Lease and any related financing documents including, without

limitation, an escrow agreement, a paying agency agreement, and financing statements securing the interest of the Purchaser in the Equipment during the Lease Term (collectively, the “Financing Agreements”) and any other agreements, contracts, orders, receipts, writings and instructions and in general to do all things which may be requisite or proper to complete the Project. The chairperson of the Authority is hereby authorized and directed to distribute copies of this resolution to the Purchaser and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 4. In the absence of the chairperson, the Authority may designate one or more officers of the Authority to execute and deliver the Lease, the Financing Documents and any other agreements, contracts, orders, receipts, writings and instructions and in general to do all things which may be requisite or proper to complete the Project.

Section 5. The chairperson is authorized to make and agree to on behalf of the Authority such changes, modifications, deletions, additions and corrections to the Lease and the Financing Documents without further approval of or action by the members of the Authority which changes, modifications, deletions, additions or corrections do not substantially change the provisions of the Lease or the Terms and Conditions.

Section 6. The Authority hereby declares its intention that the interest component of the Rental Payments shall be exempt from federal income taxation under the Internal Revenue Code of 1986, as amended (the “Code”), as amended. The proceeds of the Lease may be applied to reimburse the Authority for expenditures or commitments made in connection with the Project on or after a date which is not more than sixty (60) days prior to the date of this resolution.

Section 7. The Authority hereby declares its intention that the sale of the Lease to the Purchaser shall be as an investment for Purchaser to hold without a view to resell to the general public

with the understanding that Purchaser, and any assignee or transferee for value, is a sophisticated and accredited investor and knows the risks associated with acquiring the Lease or an interest therein.

The Authority shall provide the Purchaser with financial statements during the Lease Term.

Section 8. Harris Beach PLLC is hereby appointed special counsel to the Authority in relation to the Project.

Section 9. Prior to the execution, delivery and performance of the Lease, the Authority shall take all necessary action in connection therewith to extent required by the Act and the laws of the State.

Section 10. This resolution shall take effect and be in force immediately or at the earliest time permitted by law.

CERTIFICATION

The undersigned, duly qualified and acting as Secretary of the Capital District Transportation Authority, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Capital District Transportation Authority held on the 25<sup>th</sup> day of August, 2022.

Dated: August 25, 2022

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Joseph Spairana, Jr., Secretary  
Capital District Transportation Authority,  
New York

## Memorandum

August 16, 2022

**To:** Chairperson, Performance Monitoring/Audit Committee  
Members, Performance Monitoring/Audit Committee

**From:** Mike Collins, VP of Finance & Administration

**Subject:** Bus Financing (Leasing) for Bus Purchases

### **Background**

We recently issued a Request for Proposals to finance (lease) 16 articulated buses. The buses have been ordered from New Flyer. They will be used for the Washington-Western BRT service, which is expected to start in late 2023.

The RFP was sent to three local banks that we do business with. The approximate lease value is \$13.5 million. Proposals were due on August 5, 2022 and we received four proposals (see list below). TD Bank provided the best proposal and we recommend entering into a lease agreement with TD Bank.

We received proposals from the following banks;

- J.P. Morgan Chase
- Bank of America
- Key Bank
- TD Bank

TD Bank proposed a fixed interest rate of 2.68%. Under the terms of the agreement, we will make payments of \$775,457 twice a year for 10 years starting in March of 2023. We will use federal funds (5307) to make these payments; we have done this in the past and it is an accepted practice.

The bank closing for this transaction will take place in August and Amanda Avery is working with one of our term attorneys to complete this action.

### **Recommendation**

We require authorization from the Board to enter into a Municipal Lease Agreement with TD Bank to lease 16 Articulated Buses for \$13.5 million at a fixed interest rate of 2.68% for 10 years. There will be an annual appropriation of these lease payments in our Capital Plan. We recommend this action.

Copy: Chief Executive Officer