

Every day we hear Towns, Cities, Counties and State Government having to cut corners because “ tax dollars are getting tight.”
Despite the need for new and updated equipment like Brush Chippers and Stump Grinders, appropriating funding is difficult.

There is a Solution To This Growing Problem

Government budgets are prepared annually. It makes sense to consider a smaller annual appropriation to fund a yearly installment. In other words, it's easier to budget \$7,000 than \$30,000. With finance rates low and the tax-free incentive, this deal is sounding pretty good, right? It gets better! What if I said, that if you could not appropriate next year's installment *there would be no penalty?* This plan comes complete with a Non-Appropriation of Funds clause to let you out of the lease should the need arise.

Government leasing makes a great solution for Capital Equipment Purchasing in today's difficult economy. Finance companies recognize this and are making Capital Equipment Purchases a low-risk option for Municipalities.

Let us present to you the solution.

The next page explains all the details...



MORBARK®

WILDER MOTOR & EQUIPMENT CO.
Since 1937



MORBARK® Government Lease Program



MUNICIPAL LEASING ALLOWS YOUR CITY TO PURCHASE A NEW CHIPPER NOW WITHOUT THE HASSLE OF APPROPRIATING FUNDS. BUY A \$30,000 CHIPPER FOR AS LITTLE AS \$7,000 PER YEAR.

Government Lease/ Purchase Programs

In today's environment of declining tax revenue and increased costs Cities are searching for new and innovative ways to finance badly needed capitol equipment purchases. Today, taxpayers demand that municipal leaders hold the line on taxes while insisting that more and better service be provided. Lease purchase plans give governmental entities fast and flexible ways to acquire equipment when its needed, and at the same time, eliminate the complexity of a bond issue or (in most cases) the time necessary for general voter approval. Lease/Purchase plans are economical because they offer tax-exempt interest rates while still building equity toward ownership. Nation-wide, knowledgeable states, cities, towns, and villages are turning to lease/purchase plans as a viable way to provide much needed services in lean times. Last year alone, municipalities leased over \$12 billion worth of equipment.

A Lease/Purchase Plan Can Be Used To Purchase:

- Brush & Wood Chippers
- Stump Grinders



A Lease/Purchase Plan Will allow you to:

- ❖ Avoid large, lump-sum expenditures
- ❖ Avoid repercussions of tax increases
- ❖ Avoid the complexity of bond issues
- ❖ Obtain needed equipment at today's prices while taking advantage of tax-exempt interest rates
- ❖ Maximize limited budget funds, as only the current year's lease payments need to be included in the operating budget
- ❖ Accumulate equity with each and every installment
- ❖ Realize ownership with a final payment of \$1.00 at the lease's end
- ❖ Put an end to the financial and operational struggle of keeping worn-out equipment in service
- ❖ Gain the cash flow benefits of periodic payments
- ❖ Free your capital for operating needs such as construction projects, road maintenance, emergency medical response systems, and more

Plans Tailored to Your Needs

Morbark can provide a structured program to meet the needs of your City, County or Township. Many of our finance companies will even set up an annual line of credit to meet the budgetary needs of your government agency. Interest rates will vary, of course, with the economy depending on the amount of the purchase, corporate credit rating and term of the loan. Futuristic innovative financing is here today. Take advantage of a Morbark Governmental Lease/Purchase Program.



Commonly Asked Questions

Question: What if the City Commission or Council doesn't appropriate funds for the next year's payment?

Answer: All governmental leases contain a "Non--Appropriations" Clause. This basically says that the finance company agrees to allow the government agency to return the equipment without further recourse or cost to that agency if the governing body doesn't allocate the necessary funds.

Question: Is the "Full Faith and Credit" of the governing agency affected by a municipal lease?

Answer: In most cases, NO! This would be subject, of course, to any Local Charter or State Statutes to the contrary.

Question: Can we make annual payments to coincide with our fiscal year revenue stream?

Answer: Yes we can assist you in structuring practically any payment system monthly, quarterly, yearly whichever best suits the needs of the governing agency.

Question: Is a Voter approval needed as on a bond issue?

Answer: Generally no, but this requirement can vary state to state.

Question: Will leasing equipment effect our debt limit?

Answer: A Government Lease Purchase Plan is NOT considered debt because the agreement can be canceled if future lands aren't available (Non-Appropriations Clause). However, this can vary -thus state statutes as well as the government agencies charter should be researched to see that no conflict exists.

Question: What if we have a tight budget and need the lease to keep scheduled payments as low as possible?

Answer: Many of the lease companies we work with are willing to structure payments at a lower level by arranging a larger payoff at the end of a contract or by setting up variable payment options -including skip payments.

Question: Can payments be structured in such a way that the equipment will be paid off at the end of the lease?

Answer: Yes -Government leases can be structured to provide a on dollar payoff at the end of the lease if that is the wish of the City, County or Township.

Question: Are there any other charges?

Answer: Generally Yes -There is usually a nominal fee charged to cover paperwork costs.

Question: Does Morbark do the financing?

Answer: No, Morbark works with several finance companies. We will do everything possible to tailor a finance package to meet your needs.