



Legislation Text

File #: 05771, **Version:** 1

Fiscal Note

The monthly lease payment under the current agreement is \$4,750 with a balloon payment of \$141,126 at the end of the agreement to purchase the equipment. This Amendment establishes a monthly payment of \$4,383 for 3 years after which the City may acquire the equipment at no additional cost. The lease payment is offset by a discount Monona Terrace receives under a separate agreement on electric service in exchange for the ability to have service interrupted.

Title

Authorizing the Mayor and City Clerk to execute a First Amendment to Equipment Leasing Agreement by and between the City and Madison Gas and Electric Company.

Body

PREAMBLE

In 1997 the City and Madison Gas and Electric Company ("MG&E") entered into a ten year Agreement under which MG&E was allowed to install an emergency generator and associated components (the "Equipment") on Monona Terrace property. The Agreement permits the City to use the Equipment, and to set off the fee for such use from its MG&E utility bill. The Agreement provides the City with an option to purchase the Equipment in July of 2007, which is the end of the Agreement's term. The City and MG&E desire to enter into an amendment to the Agreement in order to extend its term by three years, and to permit the City to purchase the Equipment at the end of such extended three year term.

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to execute a First Amendment to Equipment Leasing Agreement, in a form to be approved by the City Attorney, which shall contain the following terms:

1. Extension of the term of the Agreement by three years, to expire in July of 2010;
2. Deletion of the automatic renewal and balloon payment provisions; and
3. Amendment of the Lease Schedule to provide a monthly payment for 36 months of \$4,383.03. At the end of such Lease term the city may acquire the Equipment at no additional cost.