

# Discover the Power of Municipal Lease Financing



*In today's economic environment, most public sector organizations are faced with increasingly tight operating and capital budgets. Overcome capital budgeting constraints with a Municipal Lease through CleanLease™.*

***Municipal Lease Financing is Available to:***

- State governments and agencies
- County governments and agencies
- City governments and agencies
- Other public entities funded by state and local taxes, such as public universities and colleges, police and fire departments, school districts, municipal hospitals and other special districts.

***Municipal Equipment Leasing is Best Used When Public Sector Organizations Need to:***

- Purchase equipment but there are no funds available in the current budget
- Make an equipment purchase that is too small to justify a bond issue
- Purchase equipment but its useful life does not justify long term financing
- Purchase equipment but, whether for timing or debt limitations, cannot fund the purchase

**CleanLease™**





### **Advantages of Municipal Lease Financing**

Not all equipment acquisitions, budgets or equipment finance agreements are the same. Municipal lease financing has distinct advantages over commercial equipment leasing.

- The municipal lease includes termination for non-appropriation language. The non-appropriation clause, in cases where the lessee is unable to obtain funding for future payment obligations on the lease, enables the lessee to terminate the lease agreement at the end of the current appropriation period without further obligation or penalty.
- A Municipal lease is also referred to as “tax-exempt” because the interest income on a municipal lease is tax exempt to the lessor. The interest rates on tax-exempt lease/purchase transactions therefore tend to be lower than those offered on comparable taxable transactions.
- Municipal lease payments build equity in the future unencumbered ownership of the asset. Without penalty, the lessee has the option of purchasing the equipment outright at any time.

### **Key Features of a Municipal Lease**

- Fast, simple and cost effective – A very simple credit application is all that is needed, and in some cases is not even necessary for transactions under \$25,000 (minimum of \$5,000). Most municipalities will be automatically approved.
- 100% financing available – Includes delivery, training, and maintenance costs.
- No debt created – Lease payments are subject to annual appropriations, which means, the obligation is not subject to statutory debt limitations. Since no debt is created, municipal leases do not require voter approval.
- Leveraged dollars – Leases may be designed to match finance terms to the expected useful life of the asset and spread the cost over a multi-year period.
- Flexibility – Payments may begin upon installation or be delayed until the next fiscal year. In addition, they may be made in monthly, quarterly, semi-annual or annual installments.

***CleanLease™ will tailor a Municipal Lease program to meet your specific needs and requirements. For more information, call CleanLease at 877-859-2976.***

14600 21st Avenue North  
Plymouth, MN 55447-3408  
[www.cleanlease-us.com](http://www.cleanlease-us.com)

©2010 Nilfisk-Advance, Inc. Form L3198N 7-26-10

