



PURCHASING DEPARTMENT

Madison County Board of Supervisors
146 West Center Street
Canton, MS 39046 / 601-855-5534
kesha.buckner@madison-co.com

April 15, 2019

To: Board of Supervisors
From: Kesha Buckner, Purchasing Clerk *KB*
Subject: Award bid for 12M3 Caterpillar Motor Grader –Lease Purchase

Attached are copies of recently submitted quotes for the lease purchase of a 12M3 Caterpillar Motor Grader. Quotes are for a five-year municipal lease, paid in full at the end of the term.

<u>Depositor</u>	<u>Lease Term</u>	<u>Interest Rate</u>
Trustmark National Bank	5 year	2.86%
Bank First	5 year	3.49%
Hancock Bank	60 months	3.49%
The First Bank	5 year	3.80%
Bancorp South	5 year	3.86%
Renasant Bank	5 year	4.465%

I recommend that the Board:

Accept all quotes,

Award the financing to lowest and best bidder – Trustmark National Bank, and

Authorize the Board President to execute lease agreement.

Attachments: Quotes

Trustmark National Bank
3319 South Liberty St.
Post Office Box 409
Canton, Mississippi 39046
601-859-7410



Trustmark

April 5, 2019

Attn: Keshia Buckner
Madison County Board of Supervisors

Thank you for the opportunity to provide a financing quote to Madison County for the requested financing of one (1) new 12M3 Caterpillar Motor Grader for the Road Department in the amount of \$270,789.00. Trustmark is pleased to offer the following tax-exempt, bank qualified interest rate.

<u>Term</u>	<u>Interest Rate</u>
5 annual payments	2.86%

This offer is not a commitment to lend, and is subject to credit approval.

The offer subject to the following general terms and conditions:

- 1. AUTHORITY:** The note will be authorized and entered into in accordance with State law. An opinion of counsel regarding the legality of the transaction will be required. Further, this transaction must be designated by a resolution or order of the Governing Body as a "qualified tax exempt obligation" pursuant to Section 265 of the Internal Revenue Code.
- 2. DOCUMENTATION:** The County agrees to provide to Trustmark other customary documentation for this type transaction including, but not limited to, an opinion of counsel to the effect that the interest payments are exempt from all federal and state taxation. The County agrees to enter into such documentation, pending the Governing Body attorney's approval. The County will also complete an IRS Form 8038-GC in a timely manner and provide a copy to Trustmark.
- 3. EXPIRATION of RATE and NOTICE of FUNDING:** The aforementioned quote is for discussion purposes only, and is not a commitment by Trustmark.

We hope the above information is to your satisfaction. If you have any questions, please call me at (601) 859-0201.

TRUSTMARK NATIONAL BANK

Michael Crandall
Canton Community President
Trustmark National Bank

BANKFIRST

A Better Way to Bank

1597 Highland Colony Parkway
Madison, Ms 39110
601-605-3455

April 4, 2019

Kesha Buckner
Madison County Board of Supervisors
P. O. Box 608
Canton, MS 39046

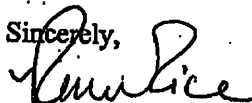
Dear Kesha:

Thank you for the opportunity to offer a five year municipal lease for a 12M3 Caterpillar Motor Grader for Madison County, Mississippi. The general terms and conditions of the proposed municipal lease are outlined below and described in the attached CashFlow Lease proposal. The proposal is for discussion *purposes* only.

Borrower: Madison County, Mississippi
Amount: \$270,789.00
Collateral: 12M3 Caterpillar Motor Grader
Terms: Five year municipal lease, paid in full at the end of term
Interest Rate: 3.49% fixed for five years
Underwriting Fee: None
Documentation Fee: \$350
Note: Please see the attached CashFlow Lease document for details of our proposal.

The proposal is *not a commitment* and must be formally approved.
The terms and conditions of this offer must be accepted verbally or in writing by
May 31, 2019. Again, thank you for this opportunity.

Sincerely,



Renee Rice
Bank First

Accepted by:

Kesha Buckner Date
Administrative Assistant/Purchase Clerk



VIA E-MAIL

April 4, 2019

Board of Supervisors
Madison County, Mississippi
C/o Ms. Kesha Buckner

Re: Lease Purchase Financing – One (1) New Caterpillar Motor Grader

Members of the Board:

We understand that Madison County, Mississippi is considering lease-purchase financing for a One (1) New Caterpillar Motor Grader (hereinafter the "Equipment") under the authority of Sec. 31-7-13(e) of the Miss. Code of 1972, as amended. The Equipment has a total cost of \$270,789.00 and 100% of the cost will be lease-purchase financed.

This proposal is strictly contingent upon the debt being designated as "NON-bank qualified" tax exempt within the meaning of Sec. 265(b)(3) of the Internal Revenue Code of 1986, as amended. In order to be properly designated as tax-exempt within the meaning of the Code, a qualified legal AND tax opinion must be issued by a qualified attorney to the satisfaction of the Bank. Should such a satisfactory opinion not be made available, different rates would apply*

Amount Financed:	Terms**:	Rate:
\$270,789.00	60 monthly payments @ \$4,924.91 per month	3.49%

* Determination of taxability would be the responsibility of the County's legal counsel.

** The County will certify that the Equipment will not be replaced by other equipment, performing the same or similar functions, until the term of the financing option expires.



Madison County, Mississippi
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This proposal assumes compliance by the County with applicable state and federal law governing borrowings by political subdivisions. In addition, normal Bank credit approval requirements for lending to these types of entities would apply. Credit approval includes approval of both the manufacturer and vendor of the Equipment to be purchased as well as the Bank obtaining necessary audited financial statements from the County. In addition, the Bank would need to be satisfied that the County has made provision for the lease payments in the appropriate County budget(s). Necessary documentation would include, but not be limited to, a legal and tax opinion from issuer's legal counsel. Liability and physical damage insurance would be required with Hancock Whitney Bank being shown as the additional insured and/or loss payee as its interest may appear.

This proposal is good if accepted within 30 days and the obligation is fully funded within 60 days of the date of this letter.

Thank you for considering Hancock Whitney Bank for your Governmental Leasing needs!

Sincerely,

HANCOCK WHITNEY BANK


Jonathan King
Government Leasing
Public Finance Department



Olde Madison Plaza
953 Hwy 51 Sta. 2D
Madison, MS. 39110

Phone: (601) 499-0500
Fax: (601) 499-0529

www.TheFirstBank.com

April 5, 2019

Ms. Kesha Buckner
Administrative Assistant/Purchase Clerk
Madison County Board of Supervisors
P.O. Box 608
Canton, MS 39046

RE: Bid- 12M3 Caterpillar Motor Grader purchase from Puckett

Dear Ms. Buckner:

The First, A National Banking Association, hereby bids the rate of 3.80% fixed for 5 years full payout on \$270,789.00 for the purchase of the above machinery. The loan approval would be subject to the last 3 years of audited county financials for the bank's review.

This bid will be good for 45 days from the date of this letter. Please execute below and return by email if the county wishes to accept our offer.

Very kindest regards,

W.E. Brunt
President- Madison County

Accepted:

Date



4/5/2019

Sent via: Kesha.Buckner@madison-co.com

Madison County MS

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. Lessor: BancorpSouth Equipment Finance, a division of BancorpSouth Bank
2. Lessee: Madison County, MS
3. Equipment Description: CAT12M3 Motor Grader
4. Equipment Cost: \$270,789.00
5. Lease Term: 5 Years
6. Lease Payments: (These are approximate payment amounts. The actual payment will be determined at funding date.)

60 monthly payments of \$4,969.90
Arrears
7. Lease Rate: 3.86% Indexed to 5.50% prime rate
8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to 6/15/2019. Any extension of the funding or delivery date must be in writing.
9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.
10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.

- 11. **Bank Qualification:** This lease-purchase financing shall be designated as a **bank qualified tax-exempt transaction** as per the 1986 Federal Tax Bill. This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.
- 12. **Tax Status:** This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.
- 13. **Net Lease:** This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.
- 14. **Financial Statements:** Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.
- 15. **Lease Documentation:** This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 4/30/2019. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.

Bob Lee
 Bob Lee
 Municipal Finance Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____
 Title

Date: _____



Madison County – Term Sheet

April 5, 2019

Borrower: Madison County, Mississippi

Lender: Renasant Bank

Purpose: Finance the purchase of a 12M3 Caterpillar Motor Garder (as identified via quote sheet from Puckett/CAT, provided by borrower).

Amount: \$270,789.00

Interest Rates: 4.465%

Commitment to be signed no later than 05/31/2109.

Commitment Fee: None

Terms and Payments: 5 year terms of monthly principal and interest payments

Prepayment Penalty: None

Collateral: Collateral to be received in full to satisfy the total balance of the loan based on items listed in original request for quotes from the Madison County Board of Supervisors.

Other items: Bank to require additional information to complete its underwriting due diligence to include but not be limited to the following: copies of borrower's recent financial statements for fiscal year 2017 and 2018.

The proposed Terms and Conditions are submitted for discussion purposes only, and are not intended to be, and should not be construed as, a commitment on the part of Renasant Bank ("Bank" or "Lender") to lend. Any commitment from the Bank is subject to completion of further underwriting, due diligence, and formal credit approval. If formal credit approval for the proposed financing is obtained, a formal commitment will be issued with terms and provisions of such approval. This is not a binding commitment nor does it define all the terms and conditions



of any proposed financing, but it is merely a guideline for your consideration. We look forward to working with you and consummating a rewarding and mutually beneficial relationship.

These proposed terms and conditions are respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Paul Koury'.

Paul Koury

Vice President

1600 Highland Colony Parkway

Madison MS 39110

601.605.6706

Paul.Koury@renasant.com