




PURCHASING DEPARTMENT

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

February 22, 2022

To: Board of Supervisors
From: Kesha Jackson, Purchasing Clerk 
Subject: Award bid for Excavator & Tractor – Lease Purchases

Attached are copies of recently submitted quotes for the lease purchase of Sany Hydraulic Diesel Excavator, and a John Deer Tractor. 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>
Bancorp South	5 years	2.03%
Bank First	60 months	3.49%
Trustmark National Bank	5 years	1.98%
Community Bank	60 months	2.35%

I recommend that the Board:

Accept all quote,

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

Authorize the Board President to execute lease agreement.

Attachments: Quotes



2/9/2022

Sent via: kesha.jackson@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: One (1) New Sany Excavator and One (1) New John Deere Tractor
4. Equipment Cost: \$490,873.00
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 \$8,610.35 arrears
5 annual payments of \$104,290.96 arrears
7. Lease Rate: 2.03%
8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to increase in **current prime rate of 3.25%**. 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 3/30/2022. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Jonathan King at 228-223-4642 or Jonathan.King@BXS.com.

Jonathan King

Jonathan King
Municipal Territory Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____
Title

Date: _____

BANKFIRST

A Better Way to Bank



February 9, 2022

Renee Rice

Re: Madison County

Dear Renee,

We appreciate the information you have provided, and we are pleased to provide you with the following lease proposal. This proposal is subject to final credit approval and assumes use of our standard documentation. Unless previously extended in writing, this proposal will expire 30 days from today's date. **Pricing does not include applicable taxes.**

Lessee:	Madison County
Lessor:	BancLeasing, LLC and/or its Assigns
Equipment Type:	Sany Hydraulic Diesel Excavator and John Deere Tractor
Equipment Cost:	\$490,873
Base Lease Commencement:	1st of the month following total equipment installation & acceptance
Payments Due:	In advance (1st of the month)
Purchase Option:	\$1.00
Base Lease Term:	60 months
Interest Rate:	3.49%
Monthly Payments:	\$8,902 (plus tax if applicable)
Advance Payments:	First (1) due at lease signing
End-of-term:	Lessee may purchase equipment for \$1.00
Special Conditions:	Payments must be set up on auto-draft with BankFirst
Interim Rent:	Interim rent will be charged at a daily rate of .02639% from the date of any/all progress payments made to vendors until the Commencement Date of the lease.
Lease Accounting:	The lessee and/or its accountants are responsible for determining Lessee's accounting treatment of any lease schedule, including lease classification and tax treatment.

Thank you for the opportunity to work with you. Please do not hesitate to contact me should you have any questions or if you need additional information.

Kindest Regards,

A handwritten signature in black ink that reads "Richard D. Lee".

Richard D. Lee
Senior Account Executive
BancLeasing, LLC
PH: 214.778.1842
FX: 214.778.1841
rlee@bancleasing.com

Agreed To & Accepted By:

Lessee: Madison County

Signature: _____

Name: _____

Title: _____ Date: _____

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



Trustmark

February 15, 2022

Madison County Board of Supervisors
125 W. North St.
Canton, MS 39046

Dear Kesha:

Thank you for the opportunity to provide a lease purchase financing quote to Madison County Board of Supervisors. For the requested financing of Equipment in the amount of \$490,873.00, Trustmark is pleased to offer the following interest rates. The rate we are offering is only good if it is tax exempt and an opinion is provided.

<u>Term</u>	<u>Interest Rate</u>
5 years term	1.98%

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:** Trustmark will provide the Lease-Purchase Agreement needed to undertake this transaction at no cost to the County. 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 if bank qualified. The County, through its Board of Supervisors, agrees to enter into such documentation, pending the Board attorney's approval. Madison County will also complete an IRS Form 8038-G/GC in a timely manner and provide a copy to Trustmark.
- 3. EXPIRATION of RATE and NOTICE of FUNDING:** The aforementioned quote will expire at midnight, Tuesday, February 15, 2022, unless funded prior to then by the County or extended by mutual agreement between Trustmark and the Madison County Board of Supervisors.

We hope the above information is to your satisfaction. If you have any questions, please call me at 601-859-0204.

Sincerely,

Jeff Ross, Vice President
TRUSTMARK NATIONAL BANK



February 15, 2022

Martin Keil
Community Bank

RE: Madison County

Dear Martin,

I appreciate the information you have provided, and I am pleased to provide you with the following lease proposal. This proposal is subject to final credit approval and assumes use of our standard documentation. This proposal expires 30 days from today unless previously extended in writing.

Lessee:	Madison County
Lessor:	BancLeasing, LLC™ and/or its Assigns
Equipment Type:	Sany Hydraulic Diesel Excavator and John Deere Tractor
Equipment Cost:	\$490,873
Lease Type:	Municipal
Payments Due in Advance:	<u>Monthly</u>
Base Lease Term:	60 Months
Payments:	\$8,662
Advance Payments:	First (1) due at lease signing
Interest Rate:	2.35%
End of-term:	Purchase the equipment for \$1.00
Lease Rate Adjustment:	The lease rate is fixed from the Commencement Date to the end of the initial lease term. It may be adjusted on the Commencement Date to reflect any upward change in either the Prime Rate of interest or like-term U.S. Treasuries as published in the Wall Street Journal.
Lease Accounting:	The lessee and/or its accountants are responsible for determining Lessee's accounting treatment of any lease schedule, including lease classification and tax treatment.
Additional Terms:	To be determined

Thank you for the opportunity to work with you. Please contact me with questions or requests for additional information. I look forward to developing a mutually beneficial relationship with you.

Regards,

Bart Shaw
Senior Account Executive
BancLeasing, LLC
214.778.1847 Direct
817.875.3998 Mobile
fbshaw@bancleasing.com

Agreed to & Accepted by:

Lessee: Madison County

Signature

Date

Name

Title

Bart Shaw

Toll-Free 877.274.5327 Ext. 1847

