



5000 Diamondhead Circle · Diamondhead, MS 39525-3260
Phone: 228.222.4626 Fax: 228.222.4390
www.diamondhead.ms.gov

April 9, 2025

City Council
City of Diamondhead
5000 Diamondhead Circle
Diamondhead, MS 39525

Dear Council:

Proposals were received in response to an RFQ for Lease Purchase Financing for equipment and vehicles in an amount not to exceed \$350,000 to include 2 trucks, mini excavator, tractor with flail mower attachment, reel mower, 18ft tandem axle trailer, up to 2 utility vehicles and if available, a street sweeper. Two responses received are attached and are as follows:

Cadence Equipment Finance	5.08% APR
The Peoples Bank	5.11% APR

It is my recommendation to accept the low proposal of Cadence Equipment Finance at a rate of 5.08% APR for a period of 5 years with annual installments.

Thank you for consideration and approval in this matter.

Sincerely,



Jon McCraw
City Manager

jk



CADENCE EQUIPMENT FINANCE

Jonathan King
Cadence Bank
Senior Vice President
2909 13th St.
Gulfport, MS 39501

Jeannie Klein
City Clerk
City of Diamondhead, MS
500 Diamondhead Circle
Diamondhead, MS 39525

Dear Mrs. Klein,

Thank you for the opportunity to provide the City of Diamondhead with a lease purchase financing quote. This transmittal letter is in reference to RFP #2025-FIN002. Below you will find a brief summary of our history in municipal finance.

Cadence Bank (formally BancorpSouth) has been in the municipal lease purchase finance industry for over forty years. We have financed thousands of municipal lease purchase contracts throughout the state of Mississippi. I have personally been in municipal finance for over nineteen years. Cadence Bank is well versed in the municipal equipment finance space.

Once again, thank you for the opportunity to assist the city. It has always been a pleasure working with you and the City of Diamondhead. If you have any questions, please feel free to contact me at 228-223-4642 or jonathan.king@cadencebank.com.

Sincerely,

Jonathan King

RFP# 2025-FIN002

NOTICE AND REQUEST FOR PROPOSALS (RFP)
Lease Purchase Financing
Public Works Vehicles and Associated Equipment

City of Diamondhead, MS

DUE DATE:
Friday, April 4, 2025
10:00 a.m.

NOTICE AND REQUEST FOR PROPOSALS (RFP)
Lease Purchase Financing
Public Works Vehicles and Associated Equipment

Notice is hereby given that the City of Diamondhead, Mississippi will receive proposals for the financing of Vehicles and Associated Equipment for Public Works with a purchase total of up to \$350,000. Proposals must be sealed and clearly marked on the outside of the envelope "RFP#2025-FIN002". Proposals may hand delivered or mailed and must be received no later than 10:00 a.m. on Friday, April 4, 2025:

City of Diamondhead
Attn: City Clerk
5000 Diamondhead Circle
Diamondhead, MS 39525
Email: jklein@diamondhead.ms.gov

No proposals will be accepted after the deadline.

This City will purchase (two) 2 trucks, a mini-excavator, a tractor with flail mower attachment and quick connect attachment, one (1) reel mower, one (1) 18ft tandem axle trailer, up to two utility task vehicles and may include a street sweeper. Invoices for all equipment will be paid by the City and submitted for lease purchase financing to the successful financial institution.

RFP# 2025-FIN002
NOTICE AND REQUEST FOR PROPOSALS (RFP)
LEASE PURCHASE FINANCING
PUBLIC WORKS VEHICLES AND ASSOCIATED EQUIPMENT
CITY OF DIAMONDHEAD, MISSISSIPPI

Instructions for Submission of Proposals

- **Clarifications** – Any clarification desired by the proposer regarding this proposal can be submitted in written form to the City Clerk at the address listed above or emailed to jklein@diamondhead.ms.gov . Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective proposer concerning a solicitation will be furnished to all prospective proposers.
- **Authorizations** – Proposals are to be signed by those officials or agents duly authorized on behalf of their respective institutions to sign proposals and contracts.
- **Term:** Terms and conditions of the proposals outlined herein shall be valid and binding for a minimum of 45 days from the submission deadline mentioned above.
- **Award of Contract** – The contract will be awarded to the responsible proposer whose proposal is the most advantageous to the City of Diamondhead. The City will reserve the right to accept, reject, or negotiate with interested parties. The City of Diamondhead reserves the right to waive minor informalities and irregularities, and to select the proposal which is determined to be in the best interest of the City from a combined consideration of the Respondent's experience with like entities with similar equipment financing transactions.
- **Compliance with State Laws** – It is agreed and understood that any contracts placed as a result of this proposal will be governed under the State Laws of Mississippi.
- **Transmittal Letter** – Each proposer shall submit, as an integral part of its proposal, a Letter of Transmittal to include the minimum a brief summary of the Firm's understanding of the services being requested by the City of Diamondhead.

Analysis and Selection

Proposal analysis and selection of proposals for negotiations will be based on the following evaluation categories listed by their relative order of importance as follows:

1. Financing Proposal Response
2. Cost
3. Experience

Contract Terms and Compensation Method

The City will consider proposals for a 5- year installment payback on a principal amount of up to \$350,000 with a prepayment option. The decision to accept a proposal will be based upon the overall financing costs including, but not limited to interest cost, all related transaction costs, and respondent's experience and expertise in providing installment purchase financing to other public entities.

The agreement term must be in compliance with applicable state, local, and city law and statute. The proposal must contain a fixed interest rate (APR). Rates must be guaranteed for not less than 45 days.

Payments shall be annually in arrears commencing twelve (12) months from the Date of Commitment, with subsequent payments due annually thereafter. All annual payments shall be equal, consisting of both principle and interest. The proposals must list the collateral requirements, the process that the City, or its designee, must follow to draw funds, and amount of interest to be charged to the City (attach amortization schedule). The proposals must list all charges, fees, "points", costs or expenses that respondent may either charge the City or require the City to pay.

**City of Diamondhead
Lease Purchase Loan
Public Works Vehicles and Associated Equipment
Proposal**

Information required to be submitted with Proposals

1. Transmittal Letter
2. Pricing Summary – (PROPOSAL)
3. Contract terms and compensation method

Principal Amount: Up to \$350,000

Interest Charged: 5 Years at 5.08 %APR

Fees or other Charges if any (list): Note: table is based on 5 annual payments. Term total if for 5 years.

Installment Due Date	Principal	Interest	Total Installment
1. April 2026	63,240.04	17,780.00	81,020.04
2. April 2027	66,452.63	14,567.41	81,020.04
3. April 2028	69,828.43	11,191.61	81,020.04
4. April 2029	73,375.71	7,644.33	81,020.04
5. April 2030	77,103.19	3,916.85	81,020.04
Total Amount	350,000.00	55,100.20	405,100.20

Cadence Equipment Finance

Lending Institution

Jonathan King
Authorized Signature

Senior Vice President & Director
Title

1222 Rogers Ave

Mailing Address (Street/PO Box)

Fort Smith,
City

AR
State

72901
Zip

228-223-4642
Telephone Number

Fax number

03/26/2025
Date

City Privilege Tax Number (If applicable)

End of Document



CADENCE EQUIPMENT FINANCE

3/26/2025

City of Diamondhead, 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: Cadence Equipment Finance, a
division of Cadence Bank
2. Lessee: City of Diamondhead, MS
3. Equipment Description: Various Equipment
4. Equipment Cost: \$350,000.00
5. Term: 5 annual payments
6. Lease Payments: (These are approximate payment amounts. The
actual payment will be determined at funding
date.)

5 annual payments @ \$81,020.04 arrears
7. Lease Rate: 5.08%
8. Funding Date: This proposal is contingent upon the equipment
being delivered and the lease funded prior to *
increase in current prime rate of 7.50% 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 Cadence Equipment Finance. **The proposal is subject to approval by Cadence Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 5/20/2025. Extensions must be approved by the undersigned.

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

Jonathan King

Jonathan King
Municipal Sales

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____ Title _____

Date: _____

Diamondhead

Compounding Period: Annual

Nominal Annual Rate: 5.080%

Cash Flow Data - Leases and Lease Payments

	Event	Date	Amount	Number	Period	End Date
1	Lease	04/18/2025	350,000.00	1		
2	Lease Payment	04/18/2026	81,020.04	5	Annual	04/18/2030

TValue Amortization Schedule - Normal, 30E3/360

	Date	Lease Payment	Interest	Principal	Balance
Lease	04/18/2025				350,000.00
2025 Totals		0.00	0.00	0.00	
1	04/18/2026	81,020.04	17,780.00	63,240.04	286,759.96
2026 Totals		81,020.04	17,780.00	63,240.04	
2	04/18/2027	81,020.04	14,567.41	66,452.63	220,307.33
2027 Totals		81,020.04	14,567.41	66,452.63	
3	04/18/2028	81,020.04	11,191.61	69,828.43	150,478.90
2028 Totals		81,020.04	11,191.61	69,828.43	
4	04/18/2029	81,020.04	7,644.33	73,375.71	77,103.19
2029 Totals		81,020.04	7,644.33	73,375.71	
5	04/18/2030	81,020.04	3,916.85	77,103.19	0.00
2030 Totals		81,020.04	3,916.85	77,103.19	
Grand Totals		405,100.20	55,100.20	350,000.00	

Last interest amount increased by 0.01 due to rounding.

ESTABLISHED 1896

THE PEOPLES BANK

MEMBER FDIC

"Where PEOPLE come first"

P.O. DRAWER 529 BILOXI, MISSISSIPPI 39533-0529
(228) 435-5511 • (228) 864-2252 • (800) USE MINT (873-6468)
FAX (228) 435-8418

April 4, 2025

City of Diamondhead
Attn: City Manager
5000 Diamondhead Circle
Diamondhead, MS 39525

Re: \$350,000 Lease Purchase Note to purchase 2 Trucks, a tractor with flail mower attachment and quick connect attachment, one (1) reel mower, one (1) 18ft tandem axle trailer, up to two utility task vehicles and possible street sweeper.

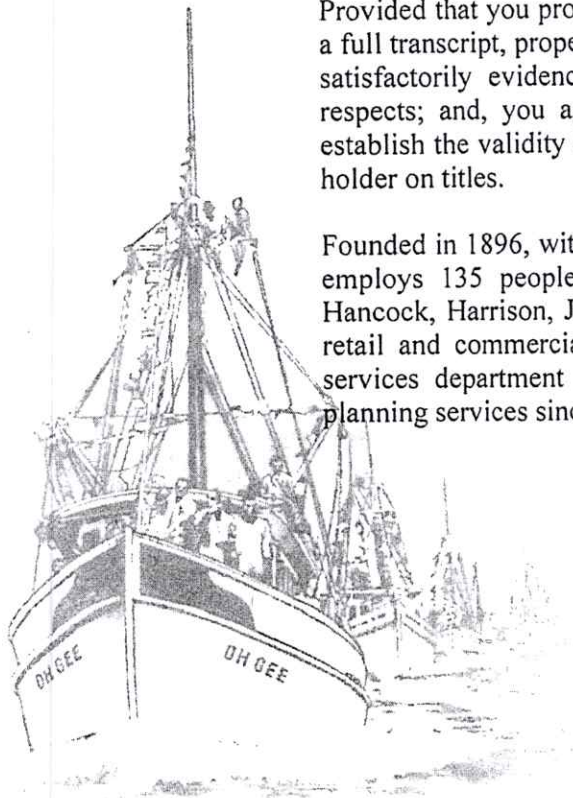
Dear Ms. Klein:

For your \$350,000.00 par value, legally issued lease purchase note, we will pay \$350,000.00. Interest will accrue from date of issuance. Both principal and interest will be payable at The Peoples Bank. The note will bear interest as follows:

In Five (5) equal yearly installments beginning 365 days following issuance of the note at a rate of 5.11%.

Provided that you promptly furnish us, prior to the delivery of the note, without cost to us, a full transcript, properly certified, of all proceedings had prior to and incident to this issue, satisfactorily evidencing to our attorneys the unqualified legality of the issue in all respects; and, you agree to take such further action as our attorneys may require, to establish the validity of said issue. The Peoples Bank, Biloxi, MS should be listed as lien holder on titles.

Founded in 1896, with \$831 million in assets as of December 31, 2024, The Peoples Bank employs 135 people and operates 18 branches along the Mississippi Gulf Coast in Hancock, Harrison, Jackson and Stone counties. In addition to a comprehensive range of retail and commercial banking services, the bank also operates a trust and investment services department that has provided customers with financial, estate and retirement planning services since 1936.



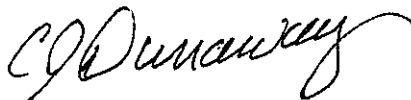
The Peoples Bank locations in Hancock County are as follows:

Diamondhead Branch	Bay St. Louis Branch	Waveland Branch
5429 W Aloha Dr	408 US-90	470 US-90
Diamondhead, MS 39525	Bay St Louis, MS 39520	Waveland, MS 39576

The Peoples Bank has extensive experience with public finance. We have been the lead depository for many municipalities all along the gulf coast, and have served in this capacity over eighty years for one city. The Peoples Bank has handled numerous extensions of credit to municipalities as well through bond issuance, lease purchase, or by note. We understand the service which the City of Diamondhead requests.

If you have any questions on this proposal, please call me at (228) 435-8406.

Respectfully submitted,



C.J. Dunaway,
VP/Investments

Debora Batchelor
Vice President/Loan Officer

**City of Diamondhead
Lease Purchase Loan
Public Works Vehicles and Associated Equipment
Proposal**

Information required to be submitted with Proposals

1. Transmittal Letter
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3. Contract terms and compensation method

Principal Amount: Up to \$350,000

Interest Charged: Annually at 5.11 %APR

Fees or other Charges if any (list): Note: table is based on 5 annual payments. Term total if for 5 years.

Installment Due Date	Principal	Interest	Total Installment
1. 04/02/2026	81,087.15	17,885.00	63,202.15
2. 04/02/2027	81,087.15	14,655.37	66,431.78
3. 04/02/2028	81,087.15	11,260.70	69,826.45
4. 04/02/2029	81,087.15	7,692.58	73,394.57
5. 04/02/2030	81,087.15	3,942.11	77,145.05
Total Amount	405,435.76	55,435.76	350,000.00

The Peoples Bank, Biloxi, MS

Lending Institution



Authorized Signature

VP/Investments

Title

152 Lameuse Street

Mailing Address (Street/PO Box)

Biloxi
City

MS
State

39530
Zip

228-435-8790
Telephone Number

Fax number

4/02/2025
Date

City Privilege Tax Number (If applicable)

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