

TOWN OF MONCK'S CORNER REGULAR MEETING
Tuesday, November 14, 2023

Title: Consider Bids for Equipment Lease Purchase

Background: Staff solicited bids for financing of a 2023 equipment lease purchase for a F750 sanitation truck. Requests for bids were solicited through mail and e-mail (approximately 7 banking companies were contacted), and Town's website.

Farmers and Merchants and First citizens bank were the only banks to submit a bid with the following rates:

Option 1

Farmers and Merchants Bank				
Rate	Terms	Payment Frequency	Yearly Payment Amount	Total Int Pd on life of Loan
5.88%	5 years	Monthly	\$ 46,765.92	\$ 31,663.87
5.84%	7 years	Monthly	\$ 35,254.44	\$ 44,615.14
5.88%	10 years	Monthly	\$ 26,787.48	\$ 65,709.24

Option 2

Farmers and Merchants Bank				
Rate	Terms	Payment Frequency	Yearly Payment Amount	Total Int Pd on life of Loan
5.82%	5 years	Quarterly	\$ 46,892.56	\$ 32,296.76
5.80%	7 years	Quarterly	\$ 35,345.36	\$ 45,251.53
5.89%	10 years	Quarterly	\$ 26,723.95	\$ 66,791.94

Option 3

First Citizens Bank				
Rate	Terms	Payment Frequency	Yearly Payment Amount	Total Int Pd on life of Loan
5.19%	5 years	Quarterly	\$ 43,861.96	\$ 28,109.22
5.30%	7 years	Quarterly	\$ 33,472.36	\$ 40,508.47

Town Council action requested: Consider awarding the bid to First Citizens Bank for a 5-year term at 5.19% and a quarterly payment frequency.

Staff recommendation: Approve awarding the bid to First Citizens Bank with the 5-year term. The FY23-24 budget was for \$45,000 in payments which the First citizens yearly payment amount is below that.



Farmers & Merchants Bank
OF SOUTH CAROLINA

October 30, 2023

Town of Moncks Corner
Attn: Jeff Lord, Town Administrator
118 Carolina Avenue
Moncks Corner SC 29461

RE: Bid Proposal for 2023 Ford F750 Sanitation Truck Lease Purchase

Dear Mr. Lord:

Farmers and Merchants Bank of South Carolina is pleased to present the following financing options for your review and consideration:

Option 1

Total Cost: \$202,166.00
Down Payment: \$ 0.00
Amount Financed: \$202,166.00
Payment Frequency: Monthly
Assumed Closing Date: Dec. 1, 2023
First Payment Date: January 1, 2024

Term in Years:	<u>5</u>	<u>7</u>	<u>10</u>
Approximate Payment:	\$3,897.58	\$2,938.00	\$2,232.68
Interest Rate:	5.88%	5.84%	5.88%

Option 2

Total Cost: \$202,166.00
Down Payment: \$ 0.00
Amount Financed: \$202,166.00
Payment Frequency: Quarterly
Assumed Closing Date: Dec. 1, 2023
First Payment Date: January 1, 2024

Term in Years:	<u>5</u>	<u>7</u>	<u>10</u>
Approximate Payment:	\$9,951.18	\$8,759.97	\$6,664.55
Interest Rate:	5.82%	5.80%	5.89%

- There are no documentation or closing fees associated with this proposal
- There are no pre-payment penalties
- Interest rates are fixed for the terms provided

- The quoted interest rate is valid for 30-days from the date of the proposal. To lock the interest rate, a credit submission would be required, and a credit approval attained within the same 30-day period. This financing is to be executed by December 1, 2023 or the Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval and mutually acceptable documentation.
- This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

Our affiliate, Community Leasing Partners, will assist in the documentation and closing of this transaction on the above terms. The lease will be funded and serviced by Farmers and Merchants Bank of SC.

Thank you for allowing Farmers and Merchants Bank of SC the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with the financing, then please contact me at (843) 719-5535 or bwest@fmbosc.com.

Sincerely,

A handwritten signature in black ink that reads "B. P. West". The letters are cursive and somewhat stylized.

Brian P. West
Chief Credit Officer



October 31, 2023

To: Jeff Lord, Town Administrator

Re: Proposal for 2023 Equipment Lease Purchase Agreement, Town of Moncks Corner, South Carolina

Following is our offer for the financing requested in the amount of \$202,166 (5-year and 7-year options):

Rate Structure	Maturity	Payment Structure
5.19% BQ	5 Years	Quarterly principal and interest payments.
Rate Structure	Maturity	Payment Structure
5.30% BQ	7 Years	Quarterly principal and interest payments.

This transaction can be closed using draft documents provided by First-Citizens Bank & Trust Company or Bond Counsel. There will be no closing costs or ongoing fees due to the Bank. In addition to executed transaction documents in form satisfactory to the Bank, you must provide an opinion of your attorney addressing certain matters, including, but not limited to:

1. The Lease Purchase is valid, legal, binding, and enforceable;
2. The tax status of the interest component of payments due under the financing. The attorney's opinion must state that the borrowing is designated as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

The borrowing entity must also designate the obligation as a "qualified tax-exempt obligation" prior to closing. It is recommended that this designation be included or recited in the borrowing ordinance/resolution. You or your advisors will be responsible for preparing and filing any IRS required documents.

The rate contained in this proposal is subject to change unless the loan is closed within 60 days of the date hereof. The loan will be prepayable in whole at par but not in part. If you have any questions, please contact Courtney Dunlap at 803-931-1721 or me at 803-931-1723.

Thank you for the opportunity to submit this proposal.

First-Citizens Bank & Trust Company

By: Steve Groth
Director of Government Lending

The foregoing proposal is accepted and approval of rate and funding is requested:

Town of Moncks Corner, South Carolina

By: _____

Title: _____

Date: _____

Town of Moncks Corner 2023 LP - 5 year

Computation Interval: Quarterly

Nominal Annual Rate: 5.190%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	12/15/2023	202,166.00	1		
2 Payment	01/15/2024	10,965.49	20	Quarterly	10/15/2028
3 Payment	01/15/2029	10,965.42	1		

TValue Amortization Schedule - U.S. Rule, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	12/15/2023				202,166.00
2023 Totals		0.00	0.00	0.00	
1	01/15/2024	10,965.49	874.37	10,091.12	192,074.88
2	04/15/2024	10,965.49	2,492.17	8,473.32	183,601.56
3	07/15/2024	10,965.49	2,382.23	8,583.26	175,018.30
4	10/15/2024	10,965.49	2,270.86	8,694.63	166,323.67
2024 Totals		43,861.96	8,019.63	35,842.33	
5	01/15/2025	10,965.49	2,158.05	8,807.44	157,516.23
6	04/15/2025	10,965.49	2,043.77	8,921.72	148,594.51
7	07/15/2025	10,965.49	1,928.01	9,037.48	139,557.03
8	10/15/2025	10,965.49	1,810.75	9,154.74	130,402.29
2025 Totals		43,861.96	7,940.58	35,921.38	
9	01/15/2026	10,965.49	1,691.97	9,273.52	121,128.77
10	04/15/2026	10,965.49	1,571.65	9,393.84	111,734.93
11	07/15/2026	10,965.49	1,449.76	9,515.73	102,219.20
12	10/15/2026	10,965.49	1,326.29	9,639.20	92,580.00
2026 Totals		43,861.96	6,039.67	37,822.29	
13	01/15/2027	10,965.49	1,201.23	9,764.26	82,815.74
14	04/15/2027	10,965.49	1,074.53	9,890.96	72,924.78
15	07/15/2027	10,965.49	946.20	10,019.29	62,905.49
16	10/15/2027	10,965.49	816.20	10,149.29	52,756.20
2027 Totals		43,861.96	4,038.16	39,823.80	
17	01/15/2028	10,965.49	684.51	10,280.98	42,475.22
18	04/15/2028	10,965.49	551.12	10,414.37	32,060.85

Town of Moncks Corner 2023 LP - 5 year

	Date	Payment	Interest	Principal	Balance
19	07/15/2028	10,965.49	415.99	10,549.50	21,511.35
20	10/15/2028	10,965.49	279.11	10,686.38	10,824.97
2028 Totals		43,861.96	1,930.73	41,931.23	
21	01/15/2029	10,965.42	140.45	10,824.97	0.00
2029 Totals		10,965.42	140.45	10,824.97	
Grand Totals		230,275.22	28,109.22	202,166.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.190%	\$28,109.22	\$202,166.00	\$230,275.22

Town of Moncks Corner 2023 LP - 7 year

Computation Interval: Quarterly

Nominal Annual Rate: 5.300%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	12/15/2023	202,166.00	1		
2 Payment	01/15/2024	8,368.09	28	Quarterly	10/15/2030
3 Payment	01/15/2031	8,367.95	1		

TValue Amortization Schedule - U.S. Rule, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	12/15/2023				202,166.00
2023 Totals		0.00	0.00	0.00	
1	01/15/2024	8,368.09	892.90	7,475.19	194,690.81
2	04/15/2024	8,368.09	2,579.65	5,788.44	188,902.37
3	07/15/2024	8,368.09	2,502.96	5,865.13	183,037.24
4	10/15/2024	8,368.09	2,425.24	5,942.85	177,094.39
2024 Totals		33,472.36	8,400.75	25,071.61	
5	01/15/2025	8,368.09	2,346.50	6,021.59	171,072.80
6	04/15/2025	8,368.09	2,266.71	6,101.38	164,971.42
7	07/15/2025	8,368.09	2,185.87	6,182.22	158,789.20
8	10/15/2025	8,368.09	2,103.96	6,264.13	152,525.07
2025 Totals		33,472.36	8,903.04	24,569.32	
9	01/15/2026	8,368.09	2,020.96	6,347.13	146,177.94
10	04/15/2026	8,368.09	1,936.86	6,431.23	139,746.71
11	07/15/2026	8,368.09	1,851.64	6,516.45	133,230.26
12	10/15/2026	8,368.09	1,765.30	6,602.79	126,627.47
2026 Totals		33,472.36	7,574.76	25,897.60	
13	01/15/2027	8,368.09	1,677.81	6,690.28	119,937.19
14	04/15/2027	8,368.09	1,589.17	6,778.92	113,158.27
15	07/15/2027	8,368.09	1,499.35	6,868.74	106,289.53
16	10/15/2027	8,368.09	1,408.34	6,959.75	99,329.78
2027 Totals		33,472.36	6,174.67	27,297.69	
17	01/15/2028	8,368.09	1,316.12	7,051.97	92,277.81
18	04/15/2028	8,368.09	1,222.68	7,145.41	85,132.40

Town of Moncks Corner 2023 LP - 7 year

	Date	Payment	Interest	Principal	Balance
19	07/15/2028	8,368.09	1,128.00	7,240.09	77,892.31
20	10/15/2028	8,368.09	1,032.07	7,336.02	70,556.29
2028 Totals		33,472.36	4,698.87	28,773.49	
21	01/15/2029	8,368.09	934.87	7,433.22	63,123.07
22	04/15/2029	8,368.09	836.38	7,531.71	55,591.36
23	07/15/2029	8,368.09	736.59	7,631.50	47,959.86
24	10/15/2029	8,368.09	635.47	7,732.62	40,227.24
2029 Totals		33,472.36	3,143.31	30,329.05	
25	01/15/2030	8,368.09	533.01	7,835.08	32,392.16
26	04/15/2030	8,368.09	429.20	7,938.89	24,453.27
27	07/15/2030	8,368.09	324.01	8,044.08	16,409.19
28	10/15/2030	8,368.09	217.42	8,150.67	8,258.52
2030 Totals		33,472.36	1,503.64	31,968.72	
29	01/15/2031	8,367.95	109.43	8,258.52	0.00
2031 Totals		8,367.95	109.43	8,258.52	
Grand Totals		242,674.47	40,508.47	202,166.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.300%	\$40,508.47	\$202,166.00	\$242,674.47