

State of South Carolina }
County of Pickens }
City of Liberty }

Resolution 2021-02

RESOLUTION

AUTHORIZING AN EQUIPMENT LEASE PURCHASE AGREEMENT IN THE AMOUNT OF NOT EXCEEDING \$145,000 BETWEEN THE CITY OF LIBERTY, SOUTH CAROLINA, AND TRUIST BANK, A NORTH CAROLINA BANKING CORPORATION, TO DEFRAY THE COST OF ACQUIRING CERTAIN EQUIPMENT; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The City Council (the "Council") of the City of Liberty, South Carolina (the "City"), hereby finds and determines:

(a) The City is an incorporated municipality located in Pickens County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and the laws of the State of South Carolina (the "State").

(b) Section 5-7-40 of the Code of Laws of South Carolina, 1976, as amended (the "S.C. Code"), empowers all municipalities to own and possess real and personal property and such municipalities may lease any such property.

(c) The City desires to enter into a lease-purchase agreement (the "Lease Agreement") with Truist Bank, a North Carolina Banking Corporation (the "Lessor"), in the amount of not exceeding \$145,000 for the purpose of financing the acquisition of the equipment set forth on Exhibit A hereto (the "Equipment").

(d) The Lease Agreement will not constitute a "financing agreement" and the Equipment will not constitute an "asset" as such terms are defined in Section 11-27-110 of the S.C. Code. Thus, the amount of the Lease Agreement will not be included when calculating the City's constitutional debt limit under Article X, Section 14 of the Constitution of the State.

(e) The Lease Agreement will be subject to annual appropriation by the Council.

(f) It is in the best interest of the City to acquire the Equipment by entering into the Lease Agreement with the Lessor. The Lease Agreement will enable the City to purchase the Equipment which will provide services necessary or useful to the operations of the City government.

SECTION 2. Proposal of Lessor. The City Administrator of the City is authorized to negotiate with the Lessor to provide financing for the Lease Agreement authorized by this Resolution, and is further authorized to accept a proposal from the Lessor (copy of proposal attached as Exhibit B) for such financing, provided the principal amount financed thereunder shall not exceed \$145,000. The City Administrator of the City is hereby authorized to accept such proposal on behalf of the City.

SECTION 3. Approval of Lease-Purchase Financing. The Council of the City does hereby approve leasing of the Equipment by the City from the Lessor pursuant to the Lease Agreement.

SECTION 4. Approval of Lease Agreement. Without further authorization, the City Administrator is hereby authorized to approve the form, terms and provisions of the Lease Agreement proposed by the Lessor. The City Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the Lease Agreement in the name and on behalf of the City. The Lease Agreement is to be in the form as shall be approved by the City Administrator, the City Administrator's execution thereof to constitute conclusive evidence of such approval.

SECTION 5. Execution of Documents. The Mayor, Mayor Pro-Tempore, City Administrator, Finance Director and Clerk of the City are fully empowered and authorized to take such further action and to execute and deliver such additional documents as may be reasonably requested by the Lessor to effect the delivery of the Lease Agreement, including any project fund or acquisition fund agreement, in accordance with the terms and conditions therein set forth, and the transactions contemplated hereby and thereby, and the action of such officers in executing and delivering any of such documents, in such form as the Mayor, Mayor Pro-Tempore, City Administrator, Finance Director and Clerk of the City shall approve, is hereby fully authorized.

SECTION 6. Federal Tax Covenant. The City, as lessee, agrees and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest components of the payments to be made under the Lease Agreement to become includable in the gross income of the Lessor or its successors or assignees for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and regulations promulgated thereunder in effect on the date of original issuance of the Lease Agreement, and that it will comply with all applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder, to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the payments to be made under the Lease Agreement; and to that end the City shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Lease Agreement is outstanding;
- (b) establish such funds, make such calculations and pay such amounts in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

The City Administrator of the City is hereby authorized to adopt written procedures to ensure the City's compliance with federal tax matters relating to the Lease Agreement.

The City will timely file Form 8038-G in accordance with the applicable regulations of the Internal Revenue Service.

This Resolution shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City from all or a portion of the proceeds of the Lease Agreement for expenditures the City anticipates incurring (the "Expenditures") with respect to the Equipment prior to the execution and delivery of the Lease Agreement. Expenditures which may be reimbursed are limited to Expenditures which are: (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code)

under general federal income tax principals; or (b) certain *de minimis* or preliminary Expenditures satisfying the requirements of Regulation §1.150-2 of the Code. The source of funds for the Expenditures with respect to the Equipment will be the operating account of the City. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date the Equipment was placed in service, but in no event more than three (3) years after the original Expenditures.

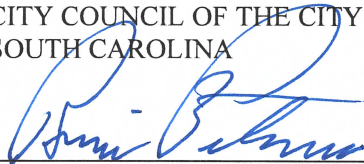
SECTION 7. Filings with Central Repository. In compliance with Section S.C. Code Ann. § 11-1-85, the City covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the City, adversely affects more than five (5%) of the City's revenue or its tax base.

SECTION 8. Severability. All ordinances, orders, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the execution of the Lease Agreement are, to the extent of such conflict, hereby repealed.

SECTION 9. Effective Date; Binding. This Resolution shall be effective upon its adoption by the City Council of the City, and shall be binding on the City Council of the City of Liberty, South Carolina, and its successors.

This Resolution shall be effective upon its adoption on April 12, 2021.

CITY COUNCIL OF THE CITY OF LIBERTY,
SOUTH CAROLINA



Mayor

ATTEST:



City Administrator

Exhibit A

Equipment

One (1) brush truck and related equipment

PUBLIC WORKS EQUIPMENT

Subsidiary of Federal Signal Corporation

Please Remit To:

4519 OLD CHARLOTTE HWY · MONROE, NC 28110
(800) 222-6803 · (704) 289-6488 · FAX (704) 283-2266
WWW.PWEASI.COM

Ship To:

SAME AS BELOW

Invoice To:

CITY OF LIBERTY
P.O. BOX 716
206 WEST FRONT ST.
LIBERTY SC 29657
United States

Branch			
02 - PWE			
Date	Time	Page	
03/09/2021	11:00:50 (O)	1	
Account No.	Phone No.	Invoice No.	
LIBER003	864-843-3177	U00160	
Ship Via		Purchase Order	
		BRUCE ELVISOR	
Salesperson		Salesperson ID	
EVAN TUCKER		ETU / CHV	

Business # 61-1790482

EQUIPMENT INVOICE

Description	AMOUNT
Stock #: U004714 Serial #:	160311.70
ONE (1) NEW BRUSH HAWG 2224-C WITH JOYSTICK CONTROLS, MOUNTED ON A NEW PETERBILT 337 CHASSIS 2NP2HM7X8MM767124	

Sale # 01 Subtotal:	160311.70
TOTAL:	160311.70

Subtotal:	160311.70
A/R UNITS:	160311.70

DELIVERY DATE: 3/10/2021

PAYMENT TERMS: DUE UPON RECEIPT

TAXES AND FEES TO BE PAID AT TIME OF TAG & TITLE IF
APPLICABLE

RECEIVED THE ABOVE IN GOOD CONDITION

DATE

• Unless otherwise stated, all shipments are FOB from Public Works Equipment And Supply, NC

PRINT NAME

Public Works Equipment And Supply (PWE) is neither responsible nor liable for any loss, damage or injury, however caused, to trucks, units, contents, cargo or person directly or indirectly related to an installation, use or mechanical failure of a part or product. PWE expressly disclaims and is held harmless from any direct losses or consequential losses that may result from the repair or operation of customer-operated product or installation use of a part. PWE is held harmless from any direct losses or consequential losses that may result from late delivery of a part, service or product. PWE makes no assurance whatsoever regarding any desired or intended purpose of a part or product. If remittance is by credit card I agree to pay the above total amount according to card issuer agreement (Merchant agreement if credit voucher)

Exhibit B

Copy of Proposal of Truist Bank



Branch Banking & Trust Company

Governmental Finance

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
Phone (704) 954-1700
Fax (704) 954-1799

March 17, 2021

Mr. Bruce Evilsizor
City of Liberty, SC
PO Box 716
Liberty, SC 29657

Dear Mr. Evilsizor:

Truist Bank ("Lender") is pleased to offer this proposal for the financing requested by the City of Liberty, SC ("Borrower").

PROJECT:	Brush Truck
AMOUNT:	\$145,000.00
TERM:	7 years
INTEREST RATE:	2.20%
TAX STATUS:	Tax Exempt – Bank Qualified
PAYMENTS:	<u>Interest:</u> Annual <u>Principal:</u> Annual
INTEREST RATE CALCULATION:	30/360
SECURITY:	Vehicle and Equipment
PREPAYMENT TERMS:	Prepayable in whole at any time without penalty
RATE EXPIRATION:	April 30, 2021
DOCUMENTATION/ LEGAL REVIEW FEE:	N/A
FUNDING:	Proceeds will be deposited into an account held at Lender pending disbursement unless equipment is delivered prior to closing.

DOCUMENTATION: Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.

REPORTING

REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender shall not require any further board action prior to closing the transaction.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 413-4991 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank

A handwritten signature in black ink, appearing to read 'AGS', with a long horizontal line extending to the right.

Andrew G. Smith
Senior Vice President

Liberty, NC - Brush Truck (DRAFT)

Compounding Period: Annual

Nominal Annual Rate: 2.200%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	03/17/2021	145,000.00	1		
2	Payment	03/17/2022	22,576.80	7	Annual	03/17/2028

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	03/17/2021				145,000.00
2021 Totals		0.00	0.00	0.00	
1	03/17/2022	22,576.80	3,190.00	19,386.80	125,613.20
2022 Totals		22,576.80	3,190.00	19,386.80	
2	03/17/2023	22,576.80	2,763.49	19,813.31	105,799.89
2023 Totals		22,576.80	2,763.49	19,813.31	
3	03/17/2024	22,576.80	2,327.60	20,249.20	85,550.69
2024 Totals		22,576.80	2,327.60	20,249.20	
4	03/17/2025	22,576.80	1,882.12	20,694.68	64,856.01
2025 Totals		22,576.80	1,882.12	20,694.68	
5	03/17/2026	22,576.80	1,426.83	21,149.97	43,706.04
2026 Totals		22,576.80	1,426.83	21,149.97	
6	03/17/2027	22,576.80	961.53	21,615.27	22,090.77
2027 Totals		22,576.80	961.53	21,615.27	
7	03/17/2028	22,576.80	486.03	22,090.77	0.00
2028 Totals		22,576.80	486.03	22,090.77	
Grand Totals		158,037.60	13,037.60	145,000.00	