

A RESOLUTION

**AUTHORIZING A LEASE/PURCHASE AGREEMENT, SERIES 2021 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$625,000 RELATING TO THE FINANCING OF PUBLIC WORKS EQUIPMENT TO BE USED FOR MUNICIPAL PURPOSES; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS INCLUDING THE LEASE AGREEMENT; AND OTHER MATTERS RELATING THERETO.**

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

Section 1. The City Council (the "**Council**") of the City of Easley, South Carolina (the "**City**"), as lessee, hereby finds and determines that:

- (a) the City is a body politic and corporate and a municipal corporation and, as such, possesses all powers granted to municipal corporations by the Constitution and general laws of the State of South Carolina; and
- (b) the City desires to enter into a lease/purchase agreement (the "**Lease**") with a bank or financial institution for the purpose of financing the acquisition of a dump truck, a forklift and garbage cans or similar-typed public works vehicles and equipment related to the foregoing (the "**Equipment**"); and
- (c) the payments by the City under the Lease will be subject to annual appropriation by the Council.

Section 2. The Council hereby ratifies the actions of the City Administrator in distributing a request for proposals to one or more financial institutions and authorizes the City Administrator to determine the final principal amount and maturity date of the Lease in accordance with the terms hereof. The Council hereby authorizes the City Administrator to select the financial institution that offers the best overall proposal to the City considering the interest rate, prepayment provisions, fees and any other covenants requested by the financial institution; provided however, that the principal amount cannot exceed \$625,000, the interest rate cannot exceed 4.0% per annum and the term cannot exceed seven years from the date of the Lease, without further action required of the Council.

Section 3. The Council hereby authorizes the Mayor, the City Administrator, the City Clerk and the City Attorney, acting jointly or individually, to execute and deliver the Lease and such other documents and instruments as necessary to affect the execution and delivery of the Lease.

Section 4. The Lease will be designated as a "qualified tax-exempt obligation" within the meaning of and for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended, provided the Lease is executed and delivered in calendar year 2021.

Done in meeting duly assembled this 20<sup>th</sup> day of April, 2021.

**CITY OF EASLEY, SOUTH CAROLINA**

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



**RESOLUTION NO. 2021-12**

**A RESOLUTION TO AWARD THE PURCHASE AND DISTRIBUTION OF 10,000 TRASH CANS THROUGHOUT THE CITY OF EASLEY**

**WHEREAS**, the Easley City Council has made it a priority to transition from curbside bag collection to curbside trash can collection; and

**WHEREAS**, the City of Easley, through research and recommendations from other municipalities, requested proposals from three (3) manufacturers and distributors of commercial grade trashcans; and

**WHEREAS**, after reviewing the proposals based on their schedule, warranty, and references from other municipalities, it is recommended that the City of Easley contract with Schafer Systems International, Inc. for the purchase and installation of trash cans.

**NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF EASLEY, SOUTH CAROLINA:** that the City of Easley agrees to award a contract to Schafer Systems Internation, Inc. to not exceed \$535,000 to provide, program the RFID system, and deliver trashcans to households throughout the City of Easley.

First Reading: April 20, 2021

\_\_\_\_\_  
Butch Womach, Mayor

Attest:

\_\_\_\_\_  
Lisa S. Chapman, CMC  
City Clerk



Governmental Finance

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

April 15, 2021

Mr. Stephen Steese  
City of Easley, SC  
PO Box 466  
Easley, SC 29641

Dear Mr. Steese:

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

**PROJECT:** Public Works Equipment

**AMOUNT:** \$625,000.00

**TERM:** 7 years

**INTEREST RATE:** 1.58%

**TAX STATUS:** Tax Exempt – Bank Qualified

**PAYMENTS:** Interest: Annual  
Principal: Annual

**INTEREST RATE CALCULATION:** 30/360

**SECURITY:** Vehicles and Equipment

**PREPAYMENT TERMS:** Prepayable in whole at any time without penalty

**RATE EXPIRATION:** May 31, 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**



Andrew G. Smith  
Senior Vice President

**Resolution Approving Financing Terms**

**WHEREAS:** The City of Easley, SC (“Borrower”) has previously determined to undertake a project for the financing of Public Works equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated April 15, 2021. The amount financed shall not exceed \$625,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.58%, and the financing term shall not exceed seven (7) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower’s official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower’s general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2021

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

SEAL