

RESOLUTION 14-21

**A RESOLUTION TO APPROVE LEASE-PURCHASE FINANCING
OF ACCOUNTING AND NEXGEN SOFTWARE**

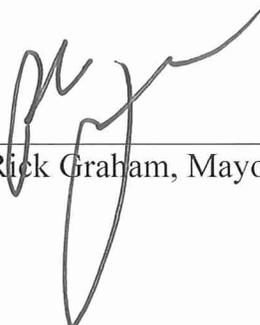
WHEREAS, the City of Spring Hill, Board of Mayor and Aldermen approved the purchase of new accounting software (\$300,000 in the budget) and has appropriated funds in the FY2014 budget (\$200,000) for NexGen software for the Dispatch Department; and

WHEREAS, the City of Spring Hill advertised Request for Proposals Lease Purchase of accounting and NexGen software and accepted proposals on February 4, 2014; and

WHEREAS, City Staff received and reviewed proposals; and

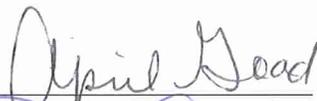
NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill approves the Lease-Purchase financing of \$500,000.00 for new accounting software and NexGen software as recommended by staff, from SunTrust Equipment Finance, Towson, MD., at an interest rate of 1.53%, for a term of 60 months; recommended by the Budget and Finance Advisory Committee on February 10, 2014.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 18th day of February, 2014.



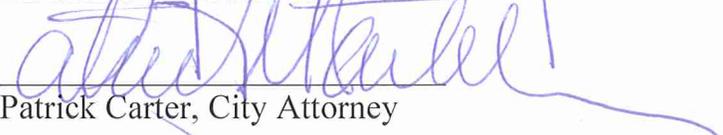
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

**SUMMARY OF BIDS
CITY OF SPRING HILL
RFP FOR BANK FINANCING
TUESDAY, FEBRUARY 4, 2014 AT 2:00PM
ACCOUNTING SOFTWARE & EMERGENCY DISPATCH SYSTEM**

BIDDER NAME	INTEREST RATE
BANK OF AMERICA/MERRILL LYNC 1111 E MAIN STREET RICHMOND VA 23219-3500	1.91%
FIRST FARMERS & MERCHANTS P O BOX 1148 COLUMBIA, TN 38401	2.40%
FIRST STATE BANK 1720 WEST END AVE SUITE 500 5TH FLOOR NASHVILLE, TN 37203	3.14%
FRANKLIN SYNERGY BANK 722 COLUMBIA AVENUE FRANKLIN, TN 37064	1.85%
SUNTRUST EQUIP -FIN LEA 300 E JOPPA ROAD STE 700 TOWSON , MD 21286	1.53%
US BANCORP GOV FIN 3643 SPYGLASS COURT GREEN COVE SPRING, FL 32043	1.62%

State of Tennessee
Maury County
City of Spring Hill

I hereby certify that this is a true copy of the original documents.

Description: Bids Finance Rate - Accounting Software & Dispatch System
This, the 4th day February of, 2014.


April C. Goad, Notary Public
City Recorder, City of Spring Hill

My Commission Expires: June 22, 2016



Douglas S. Dillon
Vice President

SunTrust Equipment Finance & Leasing Corp.
300 East Joppa Road, Suite 700
Towson, MD 21286
Tel 410.307.6640
Fax 410.307.6620
doug.dillon@suntrust.com

February 3, 2014

Mr. James H. Smith
The City of Spring Hill
199 Town Center Parkway
PO Box 789
Spring Hill, TN 37174

RE: Tax-Exempt Lease Financing Proposal

Dear Mr. Smith:

SunTrust Equipment Finance & Leasing Corp. ("Lessor") is pleased to present to you a financing proposal for the City's planned acquisitions of vehicles as highlighted in your Request for Proposal published January 24, 2014. The terms and conditions of our proposal are outlined as below:

LESSEE:	City of Spring Hill, TN Lessee is a state or political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code").
LESSOR:	SunTrust Equipment Finance & Leasing Corp. , or its Assignee
EQUIPMENT TYPE:	New Financial Accounting and Police Dispatch Systems
AMOUNT FINANCED:	\$500,000.00
LEASE RATE:	1.53%
LEASE TERM:	Ten (10) semi-annual
LEASE PAYMENT:	The Lease Payment will be a function of the actual funding date. For the purposes of this proposal, the Amortization Schedule assumes the Amount Financed is funded on February 28, 2014 with the first semi-annual payments of principal and interest each August 31 and February 28 through February 2019. The Lessor is agreeable to discussing alternative funding dates and lease payment dates upon the Lessee's request.

TYPE OF FINANCING:

Schedule(s) under a Master Lease Agreement. Said Schedules shall be net lease arrangements whereby the Lessee is responsible for all costs of operation, maintenance, insurance, and taxes. Payments due under the Schedules shall be unconditional, and shall not be based on the annual appropriation of funds during the term of the lease.

**BANK OR NON-BANK
QUALIFICATION:**

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2014 may, or may not, exceed ten million (\$10,000,000.00) dollars.

ESCROW FUNDING:

The Lessor may agree to the establishment of an escrow account to hold the funds until disbursement is authorized by the Lessee to pay for delivered equipment. In the event an escrow account is utilized, the escrow account will be used to pay equipment vendors, contractors and any escrow expenses.

In the event that an escrow account is utilized the Escrow Agent will be SunTrust Bank, or some other institution selected by the Lessee subject to Lessor's approval. In the event that SunTrust is the Escrow Agent, the Lessee agrees to pay a \$250 fee for the account set up and administration. The fee will be paid for out of the escrow earnings. However, in the event the escrow account does not earn sufficient interest to pay the escrow fee, the Lessee agrees to pay the shortfall amount. Any excess interest earnings above \$250 will be for the benefit of the Lessee.

In addition, the Lessor must review and approve escrow disbursements prior to a disbursement of funds from the escrow account.

REIMBURSEMENT:

If Lessee intends to be reimbursed for any equipment cost associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

INSURANCE:

Subject to the approval of the Lessor, the Lessee may selfinsure for liability and physical damage. However, in the event the Lessor requires third party insurance coverage, The Lessee shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus one million (\$1,000,000.00) dollars combined single limit property damage and bodily injury insurance covering the property, or some other evidence of a risk management/ insurance program agreeable with the Lessor. The Lessor shall be named as loss payee and additional insured on such third-party insurance coverage.

AUTHORIZED SIGNORS: The Lessee's governing board shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION: The Lessee's counsel shall furnish Lessor with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to Lessor.

LEGAL TITLE: Title to the equipment will be in the name of Lessee. Lessor will be granted a security interest or lien on all collateral being financed.

DOCUMENTATION: Documentation will be furnished by the Lessor

PROPOSAL EXPIRATION: **In order to hold the interest rate through February 28, 2014 the Lessee must notify the Lessor, either verbally or in writing, that the Lessor is the apparent winner of the bid by February 7, 2014. If notification occurs by this date, the Lessor will honor the quoted Lease Rate for a closing on, or before, February 28, 2014. The Lessee will have through February 28, 2014 to complete its internal bid review process and to formally award the transaction. There will not be a penalty to the Lessee if notice is made by the indicated date, but the transaction is not formally awarded to the Lessor.**

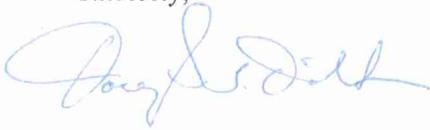
However, if notice is not received by February 7, 2014, or if funding does not take place by February 28, 2014, the Lease Rate and Lease Payment Amounts may be adjusted to market conditions three (3) days prior to funding, unless the Lessor agrees to hold the rate through a later date. Once set, the Lease Rate will remain fixed for the Lease Term.

FINANCIAL STATEMENTS: Lessee shall provide to Lessor current financial statements, budgets, demographics, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

This proposal is subject to final credit approval by the Credit/Investment Committee of SunTrust Bank and approval of the lease documents in SunTrust Equipment Finance & Leasing Corp.'s sole discretion. To render a credit decision, Lessee shall provide Lessor with the information requested above.

Upon receipt of the signed proposal, we will endeavor to provide you with a timely commitment. It is a pleasure to offer this proposal and we look forward to your favorable acknowledgment.

Sincerely,



Douglas S. Dillon
Vice President
SunTrust Equipment Finance & Leasing Corp.

AGREED TO AND ACCEPTED BY:

(Name) _____

(Title) _____

(Date) _____

Lessee: City of Spring Hill, TN

Lessor: SunTrust Equipment Finance & Leasing Corp.

Financial Accounting and Police Dispatch Systems

Semi-annual over five years

Interest Rate: 1.53%

<u>Period</u>	<u>Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance</u>	<u>Prepayment Amount</u>
0	2/28/2014	-	500,000.00	-	500,000.00	505,000.00
1	8/31/2014	52,127.80	48,302.79	3,825.01	451,697.21	456,214.18
2	2/28/2015	52,127.80	48,672.31	3,455.49	403,024.90	407,055.15
3	8/31/2015	52,127.80	49,044.66	3,083.14	353,980.24	357,520.04
4	2/29/2016	52,127.80	49,419.84	2,707.96	304,560.40	307,606.00
5	8/31/2016	52,127.80	49,797.91	2,329.89	254,762.49	257,310.11
6	2/28/2017	52,127.80	50,178.87	1,948.93	204,583.62	206,629.46
7	8/31/2017	52,127.80	50,562.73	1,565.07	154,020.89	155,561.10
8	2/28/2018	52,127.80	50,949.54	1,178.26	103,071.35	104,102.06
9	8/31/2018	52,127.80	51,339.30	788.50	51,732.05	52,249.37
10	2/28/2019	52,127.80	51,732.05	395.75	(0.00)	(0.00)
Total		521,278.00	0.00	21,278.00		