

| Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: CONSENT AGENDA

Meeting Date: November 12, 2024

Item Details

Presenter(s): Antwan Morrison, Director

Department(s): Finance

Requested Motion

- (A) Motion to approve an Installment Purchase Agreement (IPA) between PNC Bank, National Association and the Town of Apex, with an interest rate of 3.58% for a four (4) year term; and,
- (B) Motion to adopt a Resolution Authorizing the Execution and Delivery of An Installment Financing Contract to Finance the Acquisition of Certain Vehicles and Equipment

Approval Recommended?

Yes

Item Details

The current economic environment and the related supply chain issues have continued to present local governments across the country with challenges in accessing vehicles and equipment in a timely manner. It is the goal of management to mitigate these challenges, while also taking advantage of the low interest-rate environment. This debt issuance will assist the town with our continued efforts to effectively manage current and future cash flow needs.

A. Installment Purchase Agreements:

- a. Are one of several financing mechanisms available to local governments.
- b. Authority is provided in NC General Statute § 160A-20 for vehicles and equipment and do not require Local Government Commission (LGC) approval.
- c. Allows the Town to spread costs over future years to better align performance with expenditure.

B. The total amount for the vehicle and equipment purchases, which includes taxes, tags, titles and decals, will not exceed \$1,890,000.

C. This funding will be provided as follows:

- a. Fire Department - \$900,000
- b. Police Department - \$990,000

c. Eight (8) proposes were received with ratings from 3.33% to 5.49%

D. PNC Bank submitted a proposal with an interest rate of 3.58% for a four-year term and total interest payments of \$152,240.

Attachments

- CN2-A1: Agreement between Town of Apex and PNC - Installment Financing Contract
- CN2-A2: Analysis of Proposals - 2025 IPA - Rolling Stock - Installment Financing
- CN2-A3: Resolution - Authorizing the Execution and Delivery of Installment Financing Contract

