

| Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: PUBLIC HEARING

Meeting Date: August 22, 2023

Item Details

Presenter(s): Antwan Morrison, Director

Department(s): Finance

Requested Motion

Public Hearing and possible motion to approve an Installment Purchase Agreement (IPA) between Pinnacle Bank and the Town of Apex, with an interest rate of 3.90% for a four (4) year term, and adopt a Resolution approving an installment financing and security agreement to finance motor vehicles and providing for certain other related matters.

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:

- Are one of several financing mechanisms available to local governments;
- Authority is provided in NC General Statute § 160A-20 for vehicles and equipment and do not require Local Government Commission (LGC) approval;
- 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 \$1,785,000.

C. This funding will be provided as follows:

- Fire Department - \$900,000
- Parks, Recreation and Cultural Resources - \$240,000

- Solid Waste - \$235,000
- Water and Sewer - \$410,000

D. Five (5) proposes were received with ratings from 3.90% to 4.59%

E. Pinnacle Bank submitted a proposal with an interest rate of 3.90% for a four-year term and total interest payments of \$159,051.

Attachments

- CN2-A1: Installment Purchase Agreement (IPA) - Equipment and Vehicles
- CN2-A2: Resolution - Installment Purchasing Agreement (IPA) and Resolution - Equipment and Vehicles
- CN2-A3: Request for Proposals - Installment Purchasing Agreement (IPA) and Resolution - Equipment and Vehicles
- CN2-A4: Financing Proposals - Installment Purchasing Agreement (IPA) and Resolution - Equipment and Vehicles

