



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Budget Ordinance Amendment #2024-6**

Board Meeting Date: **February 27, 2024**

Prepared By: **Sonia Johnson, Finance Department**

Overview: Request a Budget Ordinance Amendment #2024-6 for multiple departments

Public Works: The Public Works Department, in an agreement with NCDOT, is responsible for mowing the sides of the 7 NCDOT roads within the town limits of Swansboro. These roads include a portion of Swansboro Loop Road (.9 miles), a portion of Mt. Pleasant Road (.84 miles), a portion of Deer Island Road (.57 miles), Norris Road (.88 miles), Main Street Extension (1.21 miles), Hammocks Beach Road (2.19 miles), and Old Hammocks Beach Road (1.26 miles).

The Cab Tractor is budgeted in this Fiscal Year funded with loan proceeds; however, the amount was based on estimates that were provided last February of 2023. After months of more research and actual hands-on inspection of this type of equipment, the John Deere 6105 Cab Tractor with the diamond mower DBM-L-N-22, is the correct and needed equipment. This is currently on Statewide Term Contract for \$157,750, which is \$25,646 more than the budgeted amount.

Source of Funds: Appropriated Fund Balance

Proposals for the financing of vehicles and equipment were submitted to the following:

- TD Bank-Not submitting a proposal
- Truist Bank-Not submitting a proposal
- First Citizens Bank-4.82% 5-year term

Police Department: On 2/14/2024, a Police Officer was involved in an accident. A claim has been filed with the NCLM. The appraisal on the 2022 Ford Interceptor SUV has been received and it is total loss. The Town will be receiving insurance proceeds in the amount of \$33,875. The cost to purchase another vehicle is \$46,000. Requesting \$12,125 be appropriated from fund balance and \$33,875 from insurance proceeds for its intended purpose.

Source of Funds: Appropriated Fund Balance and Insurance Proceeds

PEV Charging Station: In 2016, the Town was awarded funds to purchase and install a dual output electric vehicle charging station at Town Hall. In December 2023, staff was alerted that the charging station was not working. According to the Technical Support Engineer, the cost to replace the defective component is \$5,700. Requesting \$5,700 be appropriated from fund balance to repair the PEV charging station.

Source of Funds: Appropriated Fund Balance

Attachments:

1. First Citizens Bank-Proposal for 2024 Installment Purchase Contract
2. Budget Amendment #2024-6

Recommended Action:

1. Motion to approve Budget Amendment #2024-6
2. If Budget Ordinance Amendment is approved, then proceed with approval of the Proposal for 2024 Installment Purchase Contract, and to authorize the Interim Town Manager to file the formal application with First Citizens Bank to secure funds for the purchase of the following capital assets not to exceed \$254,500.

John Deere 6105 Cab Tractor -\$157,750

2024 Ford F550 Crew Cab (Single Axle Dumo Truck)-\$96,750

Action: _____



February 19, 2024

To: Sonia Johnson, Finance Director

Re: Proposal for 2024 Installment Purchase Contract, Town of Swansboro, North Carolina

Following is our offer for the financing requested in the amount of \$254,500 (prepayable in whole at par):

Rate Structure	Maturity	Payment Structure
4.82% BQ	5 years	Equal annual principal and interest payments
4.93% BQ	7 years	

This transaction can be closed using draft documents provided by First-Citizens Bank & Trust Company. There will be no closing costs or ongoing fees due to the Bank. In addition to executed transaction documents in form satisfactory to the Bank, you must provide an opinion of your attorney addressing certain matters, including, but not limited to:

1. The Installment Purchase Contract is valid, legal, binding, and enforceable;
2. The tax-exempt status of the interest component of payments due under the financing. The attorney's opinion must state that the borrowing is designated as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

The borrowing entity must also designate the obligation as a "qualified tax-exempt obligation" prior to closing. It is recommended that this designation be included or recited in the borrowing ordinance/resolution. You or your advisors will be responsible for preparing and filing any IRS required documents.

The rates contained in this proposal are subject to change unless the loan is closed within 45 days of the date hereof. If you have any questions, please contact Courtney Dunlap at 803-931-1721 or me at 803-931-1723.

Thank you for the opportunity to submit this proposal.

First-Citizens Bank & Trust Company

By: Steve Groth
Director of Government Lending

The foregoing proposal is accepted and approval of rate and funding is requested:

Town of Swansboro, North Carolina

By: _____

Title: _____

Date: _____

AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR FY 23/24

BUDGET ORDINANCE AMENDMENT #2024-6

BE IT ORDAINED by the Board of Commissioners of the Town of Swansboro that the following amendment be made to the annual budget ordinance for fiscal year ending June 30, 2024:

Section 1. To amend the General Fund budget, the following changes are to be made:

<u>Appropriations</u>	<u>Increase</u>
Public Works-Streets	\$25,646
Police Department	\$46,000
Public Buildings	\$5,700

<u>Revenues</u>	<u>Increase</u>
Appropriated Fund Balance	\$43,471
Insurance Proceeds	\$33,875

Section 2. Copies of this budget amendment shall be furnished to the Town Clerk, the Budget Officer, and the Finance Director, to carry out their duties.

Adopted by the Board of Commissioners in regular session, February 27, 2024.

John Davis, Mayor

Attest:

Alissa Fender, Town Clerk