



TOWN OF KILL DEVIL HILLS
Land Where Flight Began

MEMORANDUM

April 24, 2024

TO: Debbie Diaz, Town Manager

FROM: Angell Doughtie, Finance Director *AD*

RE: Recommendation for 2023/2024 Lease Purchase Agreement

Finance has obtained lease purchase financing quotes from the following financial institutions:

	Interest Rate 4-Yr
TowneBank	4.72%
Truist Bank	4.72%
First National Bank	5.22%
Southern Bank	5.50%
PNC	N/A

The financed amount is as follows:

Buildings and Grounds Toyota Tacoma	\$ 40,434
(2) Planning F150 Pickup Trucks	88,197
(4) Police Pickup Trucks	261,290
Vehicle Extrication Equipment	39,350
Fire Ford Expedition	75,274
Fire Dodge Ram	65,521
Ocean Rescue Dodge Ram 2500	85,522
Streets Bobcat Excavator	73,335
Streets US Jetting Trailer Jetter	99,140
Streets Ford F450 Mini Dump Truck	71,338
(2) Solid Waste Residential Garbage Trucks	801,326
Solid Waste Peterbilt Roll Off Truck	242,549
Solid Waste Ford F250	48,447
Dump Body Insert	<u>26,750</u>
	\$ 2,018,473

While Truist and TowneBank proposed the same interest rate, the escrow rate for TowneBank was slightly higher. Therefore, staff is recommending we accept the proposal received from TowneBank at a 4-year fixed rate of 4.72% for the vehicles and equipment. The terms of repayment are (8) semiannual payments in advance respectively. There are no fees and the loan

is pre-payable in whole at any time without penalty. Due to supply and demand, as well as inflationary cost, some items exceeded individual department budget estimates.

A budget amendment to record this financing and additional departmental lease payment appropriation is included. The departmental lease payment appropriation includes the financing payment for the accelerated replacement of two residential garbage trucks.

TOWN OF KILL DEVIL HILLS

BUDGET AMENDMENT REQUEST



<i>Finance Department Use Only</i>
<i>Budget Amendment Number: 9</i>
<i>Finance Officer: AD</i>

INCREASE (DECREASE)			INCREASE (DECREASE)		
CODE	ACCOUNT DESCRIPTION	AMOUNT	CODE	ACCOUNT DESCRIPTION	AMOUNT
4900 575000	C/O Vehicle	\$88,197.00	10 490000	Lease proceeds	\$2,018,473.00
5000 575000	C/O Vehicle	\$40,434.00			
5100 575000	C/O Vehicle	\$261,290.00			
5300 574000	C/O Machinery and Equipment	\$39,350.00			
5300 575000	C/O Vehicle	\$140,795.00			
5400 575000	C/O Vehicle	\$85,522.00			
5600 574000	C/O Machinery and Equipment	\$172,475.00			
5600 575000	C/O Vehicle	\$71,338.00			
5800 574000	C/O Machinery and Equipment	\$26,750.00			
5800 575000	C/O Vehicle	\$1,092,322.00			
TOTAL		\$2,018,473.00	TOTAL		\$2,018,473.00

JUSTIFICATION: To record FY 23-24 lease proceeds

RECOMMENDED:

APPROVED:

DATE:

April 24, 2024

TOWN OF KILL DEVIL HILLS

BUDGET AMENDMENT REQUEST



<i>Finance Department Use Only</i>
<i>Budget Amendment Number: 10</i>
<i>Finance Officer:</i> AD

INCREASE (DECREASE)			INCREASE (DECREASE)		
CODE	ACCOUNT DESCRIPTION	AMOUNT	CODE	ACCOUNT DESCRIPTION	AMOUNT
4900 570000	Lease Payments	\$1,059.37	10 499100	Fund Balance Appr – Undesignated	\$107,520.11
5800 570000	Lease Payments	\$106,460.74			
TOTAL		\$107,520.11	TOTAL		\$107,520.11

JUSTIFICATION: To appropriate funds to cover departmental budget variances for recommended financing of FY 2023-24 Vehicles and equipment. The \$106,460.74 is for the accelerated replacement of two garbage trucks as approved at the 1/15/2024 meeting.

RECOMMENDED: APPROVED: _____

DATE: April 24, 2024