

**PRELIMINARY RESOLUTION REGARDING the FINANCING of a FIRE
TRUCK**

Resolution No. FY24-2

A regular meeting of the Town Council for the Town of Hertford, North Carolina was held in the Horace Reid Community Center, 305 W. Grubb Street, Hertford, North Carolina, the regular place of meeting, at 6 p.m. on September 11 , 2023.

Present: Mayor Brown, Mayor Pro Tem Hodges, Councilwoman Anderson,
Councilwoman Brothers, Councilman Mimlitsch

Absent: _____

Also Present: Town Manager Cole, Town Clerk Durante, Attorney John Leidy

* * * * *

Thereupon, Town Manager Cole introduced the following resolution the title of which was read and a copy of which had been distributed to each Council Member:

**RESOLUTION MAKING CERTAIN FINDINGS AND
DETERMINATIONS REGARDING THE FINANCING OF A FIRE TRUCK
PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, SELECTING
THE LENDER, AND REQUESTING THE LOCAL GOVERNMENT
COMMISSION TO APPROVE THE FINANCING ARRANGEMENT**

BE IT RESOLVED by the Town Council (the “Council”) for the Town of Hertford, North Carolina (the “Town”) as follows:

Section 1. The Council does hereby find and determine as follows:

- (a) There exists in the Town a need to finance the costs of acquiring a new Fire Truck to supplement and/or replace the existing fire truck(s) (the “Fire Truck”).
- (b) The Town has determined to enter into an installment financing agreement (the

“Agreement”) in an aggregate principal amount not to exceed \$350,000 to provide funds, together with any other available funds, to (i) pay the costs of the Fire Truck, and (ii) pay certain financing costs in connection therewith.

(c) The Town has solicited and received proposals from various financial institutions to provide the financing for the Fire Truck and, upon careful review and consideration thereof, desires to accept the proposal of Cogent Leasing and Financing, Inc. (the “Lender”);

(d) Pursuant to the Agreement, the Lender will advance to the Town an amount sufficient, together with any other available funds, to pay the costs of the Fire Truck and associated financing costs, and the Town will repay the advancement in installments with interest (the “Installment Payments”).

(e) In order to secure its obligations under the Agreement, the Town will execute and deliver a security agreement and/or denote a lien on the title to the Fire Truck (the “Security Agreement”), granting a security interest in the Fire Truck.

(f) It is in the best interests of the Town to enter into the Agreement and the Security Agreement in that such transaction will result in providing financing for the Fire Truck in an efficient and cost-effective manner.

(g) Entering into the Agreement is permitted by Section 160A-20(a) of the North Carolina General Statutes, which provides that “[a] unit of local government may purchase, or finance or refinance the purchase of, real or personal property by installment contracts that create in some or all of the property purchased a security interest to secure payment of the purchase price to the seller or to an individual or entity advancing moneys or supplying financing for the purchase transaction.”

(h) Counsel to the Town will render an opinion to the effect that the financing agreements such as the Agreement are authorized by law and the purchase of a Fire Truck is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(i) No tax rate increase is expected to be necessary to pay the installment payments under the Agreement.

Section 2. The proposal of the Lender to provide financing through the Agreement for the purpose of providing funds, together with any other available funds, to pay the costs of the Fire Truck and associated financing costs is hereby accepted, subject to further approval of the particular documentation related thereto by the Council. The Town Manager and the Finance Officer of the Town are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender, and any actions heretofore taken by the Town Manager or the Finance Officer of the Town with respect to such matter is hereby authorized, ratified and confirmed.

Section 3. The Council hereby authorizes and approves the filing of an application with the Local Government Commission for approval of the Agreement and proposed financing in connection therewith and requests the Local Government Commission to approve the Agreement and the proposed financing in connection therewith; and any actions heretofore taken by the Town Manager or the Finance Officer of the Town with respect to such matter is hereby authorized, ratified and confirmed.

Section 4. This resolution shall take effect immediately upon its adoption.

Upon motion of Councilman Hodges, seconded by Councilwoman Brothers, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF A FIRE TRUCK PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, SELECTING THE LENDER, AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT" was adopted by the following vote:

Ayes: Mayor Brown, Mayor Pro Tem Hodges, Councilwoman Anderson, Councilwoman Brothers, Councilman Mimlitsch

Noes: _____

* * * * *

I, Gina Durante, Town Clerk for the Town of Hertford, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Town Council for said Town at a regular meeting held on September 11, 2023, as it relates in any way to the adoption of the foregoing resolution relating to a proposed installment financing agreement and that said proceedings are to be recorded in the minutes of said Town Council.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and official seal of said Town this 11 day of September, 2023.



Earnell Brown, Mayor

ATTEST:



Gina Durante, Town Clerk

[SEAL]

