



# Town of Knightdale

## Staff Report Cover Sheet

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Title: Approve Installment Purchase Agreement with PNC Bank for Vehicles and Resolution Authorizing Installment Financing for Acquisition of Vehicles

Staff: Jessica Rhem, CPA – Finance Director

Date: November 19, 2025

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### PURPOSE

- As leadership continues to strategically plan to meet the future needs of the Town of Knightdale, they remain cognizant of opportunities which assist in properly positioning ourselves for future growth and expansion. In August 2025, Council approved a reimbursement resolution to authorize spending to purchase Town vehicles with the intention to reimburse the Town with future debt.
- An RFP was issued for this debt, and the attached resolution authorizes the Town to enter into an installment financing agreement to pay for the 2025 vehicle purchases with PNC Bank. This debt issuance will assist the town with our continued efforts to effectively manage current and future cash flow needs.
  - A. Installment Financing Agreements:
    - a. Are one of several financing mechanisms available to local governments
    - b. Allows the Town to spread costs useful life of the asset, which better aligns with its performance
  - B. A proposal was received from PNC Bank with an interest rate of 3.66% for a four-year term and total interest payments of \$79,785.
  - C. The total amount for the financing will not exceed \$950,000 and will be provided as follows:
    - a. Community Relations - \$57,000
    - b. Police - \$738,000
    - c. Fire - \$155,000

### STRATEGIC PLAN PRIORITY AREA(S)

- Organizational Excellence

### GENERAL STATUTE REFERENCE(S), *if applicable*

- Authority is provided in NC General Statute § 160A-20 for vehicles and equipment and does not require Local Government Commission (LGC) approval.

### TYPE OF PUBLIC HEARING, *if applicable*

- N/A

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*Knightsdale Strategic Priorities*



Safe



Connected &  
Inclusive



Sustainable



Active & Healthy



Organizational  
Excellence

**FUNDING SOURCE(S), if applicable**

- Installment Financing Agreement

**ATTACHMENT(S)**

- Agreement between Town of Knightdale and PNC – Installment Financing Agreement
- Agreement between Town of Knightdale and PNC – Security Agreement
- Analysis of Proposals – 2025 IFA – Rolling Stock – Installment Financing
- Resolution – Authorizing the Execution and Delivery of Installment Financing Agreement

**STAFF RECOMMENDATION**

- Motion to approve an Installment Financing Agreement and Security Agreement between PNC Bank, National Association and the Town of Knightdale, with an interest rate of 3.66% for a four (4) year term; and,
- Motion to adopt Resolution #25-11-19-001 authorizing the execution and delivery of an Installment Financing Agreement to finance the acquisition of certain vehicles and equipment.



Safe



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Sustainable



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Organizational Excellence