

CERTIFICATE OF NEED APPLICATION

Fire Department

Name: Spencer Mountain Road VFD Inc.

Address: 1011 Dallas-Stanley Hwy Dallas Nc 28034
Street City State Zip

Chief: David Flanary Contact Phone #: (704) 689-1349

Board President: Jeff Beasley Contact Phone #: (704) 884-6040

Fire Department Board Approval / Notification: ☒ Yes ☐ No

General Description of Purchase:

Purchase new Pumper (engine) to replace current Engine 180.

Time Line of Purchase:

As soon as possible.

List Specifics of Purchase:

New Engine to replace the current 180. We have selected a 2018 Ferrara MVP pumper (demo) 2000gpm pump and 1000 gallon tank. This will be our first due apparatus.

Estimated Cost: \$688,000

Financing Information

Lender: Community Leasing Partners

Amount Financed : \$1,000,000 Rate: 3.96%

Estimated Amount : \$90,000 per annum # of Payments: 15

Down Payment Amount: \$0

Debt Ratio-Current / Post Purchase: 35%

Any Re-Financing or Bundling ☒ Yes ☐ No (If Yes, Then Describe):

Our current apparatus loan has a balloon payment that is to be refinanced in December of 2018 of approximately \$300,000. We intend to roll the remainder of the current loan into the loan for the new apparatus. Will retire loan on land as well.

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How Will Purchase Benefit the Department (Safety/ISO/Cost Savings, etc.):

Current Engine 180 failed its annual pump test. Repair costs to fix the current truck have been estimated to be between \$25,000 and \$30,000. Our board has decided that based on the age of the truck (17 years) and the repair expenses that have been incurred over the last 2-3 years; it is more cost beneficial to replace the unit. It will also increase our available fire flow capacity by 750gpm (total fire flow = 4,625gpm).

How Will Purchase be Funded (Long Term - **NOT Just Current Year**):

This purchase will be funded by a 15 year loan as stated above. We also intend to sell the current truck along with our Squad 189 unit and roll all the equipment from both trucks into the new first due engine. Also, we are requesting the reserve fund balance be distributed. The monies from the reserve and the sale of the 2 apparatus will be used to pay off our loan on the land intended for the new station.

If Purchase is NOT Approved for Funding, Describe Department Alternatives:

We would repair the pump on the current unit, and continue its service life for 3 more years (when we had planned to replace it after its 20 year service life).

Is this a Replacement? ☒ Yes ☐ No

If Yes, List Details (make, model, years of service, remaining balance, etc.).

Engine 180: 2001 Spartan Fire Eagle. 1250gpm pump, 1000 gallon tank, In service from 2001-Present (17 yrs). 3,826 hours and 41,570 miles. There is no balance owed on this unit.

What Will Become of Old Apparatus / Equipment?

Current Apparatus (180 and 189) will be sold to generate positive cash flow to reduce debt load of current loan for land. Equipment currently outfitted on truck will be transferred to new apparatus and continue in service.

Has 5 Year Plan Been Submitted? ☒ Yes ☐ No

Received By _____ Date: _____
FMO Staff

Fire Advisory Board Meeting Date: _____ Approved / Not Approved

Gaston County BOC Meeting Date: _____ Approved / Not Approved