



Gaston County

Gaston County
Board of Commissioners
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Fire Marshal

Board Action

File #: 18-227

Commissioner Grant - Fire Marshal - To Approve a Certificate of Need for Spencer Mountain Road VFD, Inc. to Obtain Financing (1,000,000) to Purchase a 2018 Ferrara MVP Pumper (Demo), 2000 gpm pump/1000 Gallon Tank and to Roll the Remainder of their Current Loan into this Loan

STAFF CONTACT

Eric Hendrix - Fire Marshal - 704-866-3231

BUDGET IMPACT

This purchase is in keeping with current policy

BUDGET ORDINANCE IMPACT

N/A

BACKGROUND

Vic Beatty presented a Certificate of Need for Spencer Mountain Road Fire Department (attached). They are planning to purchase a 2018 Ferrara MVP Pumper, (demo) 2000 gpm pump and 1,000 gallon tank, to replace current Engine 180. Current Engine 180 failed its annual pump test. Considering repair costs (in excess of \$25,000) and age of truck (17 years) it is more cost effective to replace the unit. Also, the new truck will increase their available fire flow capacity. Estimated cost of the new truck is \$688,000. They plan to sell Engine 180 and also Squad 189, while keeping the equipment from these trucks for the new apparatus. Spencer Mountain Road intends to roll the remainder of their current loan (300,000) into the loan for the new apparatus, which will retire the loan on their land, as well. Money from the sale of these 2 trucks plus their requested reserve funds (\$26,431) will be applied to the loan. They are planning to finance through Community Leasing Partners. The total amount financed would be \$1,000,000 at a rate of 3.96% with estimated annual payments of \$90,000 for 15 years. They will not be asking for a tax increase because of this financial transaction, but will need to do so when they begin their new building. They will move forward with building their new station as planned. There was discussion regarding penalties and a "cap" for early pay-offs. Barry Wilson made a motion to recommend to the Commissioners that they extend the Certificate of Need to Spencer Mountain Road Fire Department. Bryan Robinson seconded the motion. There was no further discussion or opposition. The vote was unanimous. The motion carried.

POLICY IMPACT

N/A

ATTACHMENTS

Spencer Mtn. Rd. VFD, Inc. - Certificate of Need

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	Brown	Fraley	Grant	Hovis	Kelgher	Philbeck	Robley	Vote
2018-173	06/26/2018	DG	BH	A	A	A	A	A	AB	A	U

DISTRIBUTION:

Laserfiche Users

A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

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.

CERTIFICATE OF NEED APPLICATION

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

FMO Staff

Date:

Fire Advisory Board Meeting Date: _____ Approved / Not Approved

Gaston County BOC Meeting Date: _____ Approved / Not Approved