



Board Action Report

File #: 18-227, **Version:** 1

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