

Mount Pleasant

North Carolina

Founded in 1848

**Town of Mt. Pleasant
Special Called Meeting
Thursday, December 19, 2019
5:00 PM- Town Hall Commissioners Room**

Call to Order- Mayor Del Eudy

Consider Loan Package for purchase of 2020 Smeal Fire Engine.

The Town Board agreed to purchase a 2020 Smeal Fire Engine at the December 9, 2019 Town Board meeting with the HGAC purchasing process. The unit would be purchased from Smeal, LLC in the amount of \$588,748.00. Staff estimates the unit would have cost around \$650,000 by not using the HGAC process.

The funding for this purchase is related to the 1.5% tax increase for the Mount Pleasant Rural Fire District that was approved by Cabarrus County. This increase is estimated to generate an additional \$62,000 per year with \$56,000 going towards payments for the 2020 Smeal Fire Engine per year.

Staff contacted the Local Government Federal Credit Union and First Bank for quotes for financing the Fire truck. Staff recommends financing through First Bank for 15 years at 3.01%. Quarterly payments will be \$10,378.71 for an annual amount of \$41,514.84. This is a simple interest loan that we can pay off at any time without a penalty, and we may pay additional principal each quarter to reduce interest. Since we budgeted \$56,000 a year towards the purchase, the plan is to pay \$14,000 a quarter to pay it off in less than 15 years.

First Bank has also agreed to pay the full amount up front to Smeal to lock in a discounted cost of \$577,457. Saving the Town \$11,291 of principal.

Request a motion to approve financing through First Bank for a 15 year loan at 3.01% for the Smeal Fire Engine.

Adjournment

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