



Nice Matters!

**Town of Emerald Isle**

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January 14, 2020

**MEMO TO:** Mayor Barber and Board of Commissioners  
**FROM:** Laura Rotchford, Finance Director  
**SUBJECT:** Recommended Financing Terms – Installment Purchases for Replacement Ambulance and Replacement Aerial Fire Truck

During the Board's regular monthly meeting in July, 2019, the Board authorized the purchase of a replacement 2020 Braun ambulance and replacement 2020 Smeal aerial fire truck, while declaring the official intent to reimburse these purchase expenditures with the proceeds of debt.

In December, 2019 the Town solicited proposals from several area banks for a 5-year installment purchase agreement in the amount of \$246,000 for the purchase of the ambulance, and a 15-year installment purchase agreement in the amount of \$1,255,000 for the purchase of the aerial fire truck.

Two proposals were received and we are recommending the overall lowest interest rate proposal from Truist Bank, or formally BB&T, for the two vehicles. First, the loan for the ambulance was quoted at 2.19% for a 5-year term. Total interest expense for the term of the loan will be \$16,162, with an average annual debt service amount of \$52,432. Secondly, the loan for the aerial truck was quoted at 2.52% for a 15-year term. Total interest expense for the term of the loan will be \$253,008, with an average annual debt service amount of \$100,534.

I recommend awarding the installment purchase agreements to Truist Bank, (formerly BB&T), and have included two resolutions approving the financing terms for the vehicles as described above.

I am happy to answer any questions you may have.