



## Review lender bids to finance the purchase of a fire pumper apparatus and related equipment

Date: January 8, 2019

To: Davidson Board of Commissioners

From: Piet Swart, Finance Director

### 1. OVERVIEW

In September 2017, the Board approved the construction of a customer pumper apparatus for the fire department. Staff issued an RFP to solicit bids to finance the pumper, and related equipment for a maximum of \$625,000 with an 8-year maturity.

### 2. RELATED TOWN GOALS

Core value #3 and #6

Davidson strategic plan goal #8 (2)

### 3. OPTIONS/PROS & CONS

The Town received RFP responses from eight lenders. A bid summary is attached to this agenda item.

### 4. FYI or RECOMMENDED ACTION

Staff recommends the Board move forward with the "Zions Bank" 2.86%, with no prepayment penalty. This was the lowest interest rate bid, and includes no additional loan initiation fees. Debt service on the loan will be interest only in year one (\$10,775) and level payment (\$99,788) in years 2-8.

### 5. NEXT STEPS

The Board of Commissioners will consider approval of the final financing contract resolution on January 22, 2019. Based on the Board of Commissioners approval, staff will complete final financing agreement and related documents. Closing of the loan will be scheduled for on, or about, January 24, 2019.