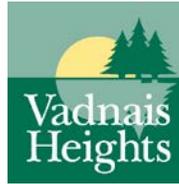


Christopher T. Hearden
Fire Chief



Vadnais Heights Fire Department
3595 Arcade Street
Vadnais Heights, MN 55127

651.204.6043 Phone
651.204.6143 Fax
Christopher.Hearden@cityvadnaisheights.com

Memorandum:

TO: Mayor Gunderson and City Council Members

FROM: Chris Hearden, Fire Chief

DATE: April 6, 2021

SUBJECT: Replacement of Fire Truck

Background

In 2007, two Rosenbauer Spartan Fire Engines were purchased as the “First-Out Fire Engine” for call response. One for each fire station. These trucks are almost 15 years old and wear and tear is starting to take its toll. Repair costs continue to increase. The new fire engine would replace one of the 2007 “First-Out” Fire Engines, while the other 2007 Fire Engine would be utilized as “Second-Out” and back-up Fire Engine.

The rationale for starting the process early in 2021 is the estimated timeframe of 16-18 months from creating the specification order to delivery of the apparatus. Once a purchase agreement is signed there is an approximate 12-14 months to build. Costs are estimated to increase by 3-5% each year, typically starting in February of each year.

Funding for this apparatus, approximately \$750,000, has been budgeted for in the proposed 2022 CIP. In a typical year, we budget between \$350-500k for the whole CIP. This single purchase may require an increase to the levy if other funding sources/options are not identified. Staff is seeking approval to begin the planning process for replacing this engine, with final Council approval upon receipt of final specification and purchase cost prior to signing a purchase agreement.

Payment options are available and will be investigated upon receipt of the final specifications and purchase costs. This can be purchased through the Minnesota State Consortium process. See attached optional Draft payment plan.

Sale of existing 2007 Rosenbauer Spartan Fire Engine

There are few options for the sale of a used fire engine similar to this one. Estimating the value at this time is premature. The value of an existing engine with these specifications is extremely limited and sale price can range greatly due to demand for this type of apparatus at the time of sale.

Attachment(s) Draft Payment Plan



Phone: 888.777.7850
 Fax: 888.777.7875
 Cell: 785.313.3154
 215 S. Seth Child Road
 Manhattan, KS 66502
www.clpusa.net

February 9, 2021

Customer Name: Vadnais Heights, MN (City)

Equipment: One Rosenbauer Commander Pumper
 Sales Representative: Bob Running @ General Safety
 Delivery: Estimated 1 year

Community Leasing Partners, a Division of *Community First National Bank*, is pleased to present the following financing options for your review and consideration.

Option 1

Total Cost:	\$ 675,000.00	Payment Frequency:	Annual
Down Payment:	\$ 275,000.00	First Payment:	One year from closing
Trade In:	\$ -		
Amount Financed:	\$ 400,000.00		
Term in Years:	3	5	7
Payment:	\$142,250.56	\$87,504.86	\$64,205.62
Factor:	0.355626	0.218762	0.160514
Interest Rate:	2.49%	2.51%	2.57%

Payment Estimates Only, as payments based on current interest rates, with a contract signing date of June 1, 2021.

- **THERE ARE NO DOCUMENTATION OR CLOSING FEES ASSOCIATED WITH THIS PROPOSAL.**
- Fixed interest rate for the terms provided unless otherwise stated.
- This financing is to be executed and funded within 30 days of the date of the proposal, or Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval of mutually acceptable documentation.
- This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

Thank you for allowing Community Leasing Partners the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with a financing, please contact me at 1-888-777-7850.

Respectively,

Blake J. Kaus
 Vice President & Director of Leasing
blakekaus@clpusa.net