

OFFICE OF THE
EXECUTIVE ASSISTANT



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Town of Hudson

MASSACHUSETTS 01749-2193

To: Select Board

From: Thomas Gregory

Date: February 10, 2025

Re: Funding Recommendation to Replace Tower #1

As you are aware, the Fire Department's only aerial tower truck, Tower #1, is now twenty years old. And as with any aging vehicle, the costs to maintain this truck have increased considerably in recent years. The purpose of the memorandum is to provide the Select Board with a funding recommendation to replace Tower #1.

Since December of last year, Chief Desautels has been working with a representative from Allegiance Fire & Rescue, an approved vendor through the Houston-Galveston Area Council Cooperative Purchasing Program, as well as with a representative from Republic First National. The discussions have informed a recommendation to enter into a lease-purchase agreement to replace Tower #1.

We received a quote of \$2,228,569 to assemble a new Pierce Ascendant 100' Aerial Tower (see attached). Because a borrowing within the levy to fund this new apparatus is not financially possible, I am recommending that a borrowing authorization be approved in May only to place the order (and to be rescinded at a later date). This will start the clock on what we are told will be a 40-month build period. The vendor will allow the Town the ability to appropriate \$500,000 from Free Cash in May of 2025 and then \$500,000 in May of 2026 for a combined deposit of \$1,000,000. When the Town takes possession, the balance owed would be paid over (8) annual payments to be funded from Free Cash (see Option 1 on the attached – the interest rate is subject to change).

Additionally, we have been advised that Pierce is currently assembling a new aerial tower on speculation, and it is possible that this aerial tower may be available for Hudson by November of 2026. The same recommended funding strategy would be apply in this scenario.

I am available to answer questions.

cc: Jamie Desautels, Fire Chief
Neil Vaidya, Finance Director



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www.republicfirstnational.com

December 10, 2024

To: Patrick Whitney
Vendor: Allegiance Fire & Rescue
From: Angie Deming

Customer: City of Hudson

Thanks for the opportunity to give you a quote on your latest project!

Equipment: One (1) New Pierce Aerial Mid Mount

OPTION 1 2 Year First Payment Delay, First Payment Interest Only with 7 Principal & Interest Payments

Unit Cost:	\$ 2,228,569.00	No. of Payments:	<u>8</u>
Down Payment:	\$ 1,000,000.00	Interest Payment:	\$123,194.91
Net Financed:	<u>\$ 1,228,569.00</u>	7 Payments:	\$211,506.17
Payment Frequency:	Annual	APR:	4.89%
First Payment Date:	November, 2026		

OPTION 2 2 Year First Payment Delay, First Payment Interest Only with 10 Principal & Interest Payments

Unit Cost:	\$ 2,228,569.00	No. of Payments:	<u>11</u>
Down Payment:	\$ 1,000,000.00	Interest Payment:	\$125,773.53
Net Financed:	<u>\$ 1,228,569.00</u>	10 Payments:	\$159,058.95
Payment Frequency:	Annual	APR:	4.99%
First Payment Date:	November, 2026		

Delivery Date: To be determined

- * To qualify for the quoted rates, audited financial statements required.
- * This is a proposal only and not a commitment to finance. This proposal is subject to credit review and approval and proper execution of mutually acceptable documentation.
- * This transaction must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended.
- * Lessee's total amount of tax exempt debt to be issued in this calendar year will not exceed the \$10,000,000 limit.
- * Payments and rates reflect pre-application of escrow earnings and manufacturer discounts, if any.

Sincerely,
Republic First National Corporation

Angie Deming
angie@rfnonline.com