

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9229

DATE 12-16-21

TITLE

RESOLUTION TO APPROVE FIRE APPARATUS PURCHASES

BE IT HEREBY RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WILLIAMSPORT that the appropriate parties within the City of Williamsport are authorized to execute a contract for the purchase of two fire engines, and one tower ladder in an amount not to exceed \$3,200,000.

WHEREAS, these apparatus shall be purchased through the Costars purchasing cooperative Vendor Contract Number 013-163, 013-140 or 013-055.

WHEREAS, payment will be required upon delivery of the vehicles, and that delivery is not expected for 12 to 16 months, the Fire Administration will present an additional resolution to council for approval of the full financing plan 6 months prior to expected delivery.

WHEREAS, a copy of this resolution be forwarded to the appropriate vendor.

BE IT FURTHER RESOLVED, that the administration is authorized to sign such documents necessary to carry out the intent of this resolution.

Approved

James M. Frank
City Clerk

Randy Allison
President



Williamsport Bureau of Fire

Apparatus Replacement and Funding



"I can think of no more stirring symbol of man's humanity to man than a fire engine"
- Kurt Vonnegut

Goals

- To maintain a modern, safe, and reliable fleet of apparatus that meets the current and future needs of our department.
- To identify accreditation and ISO needs that provide our stakeholders with the most cost effective methods of providing service.
- To establish a realistic, data-driven apparatus replacement plan taking into account the city's financial outlook.
- To align our apparatus specifications and capabilities with our current and future operational models.

Engine 1 2016 Kovatch Mobile Equipment (KME)

- 1500 GPM Pump/500 Gallon Water Tank
- Currently being ran as the frontline engine
- Approximately 1700-1800 incidents per year
- Purchased brand new in 2016
- QRS certified to respond to EMS incidents
- Currently experiencing mechanical issues such as air leaks, intermittent emissions/DEF issues and motor issues
- Out of Service more than 25% of the time in 2021
- Currently 15 outstanding maintenance write-ups



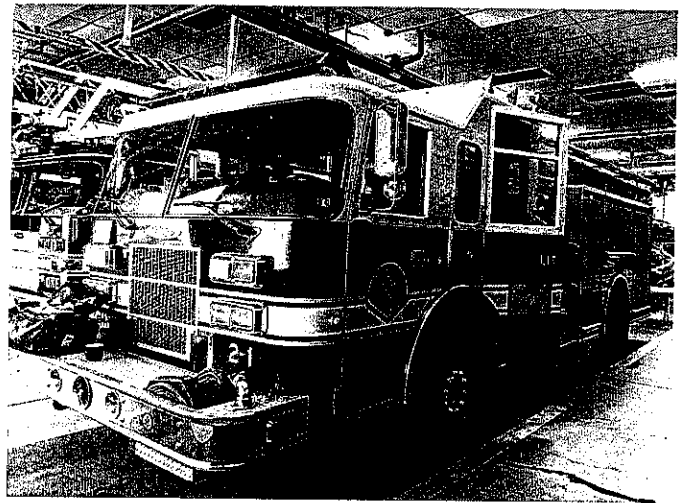
Tower 1 2011 Pierce Manufacturing

- **100 foot main aerial device**
- **2,000 GPM Pump/300 Gallon Water Tank**
- **Ground ladder compliment**
- **Equipped and certified to run Quick Response EMS incidents**
- **Purchased brand new in 2011**
- **Boom issues over the past 2 years (issues with waterway during extension and retraction, issues with extension and retraction and not operating smoothly, audible noises not normally heard)**
- **Cracked body in ladder compartment area of truck**
- **Currently 15 outstanding maintenance write ups**



Engine 2-1 2000 Pierce Manufacturing

- 1500 GPM Pump/500 Gallon Water Tank
- Reserve unit
- Minimal equipment
- Not QRS certified
- Pump issues – valves leaking by causing hose lines to charge on the truck when not being utilized.
- Frame rails rusted/rotting out/may not pass inspection
- End of useful life
- Currently 14 outstanding maintenance write-ups

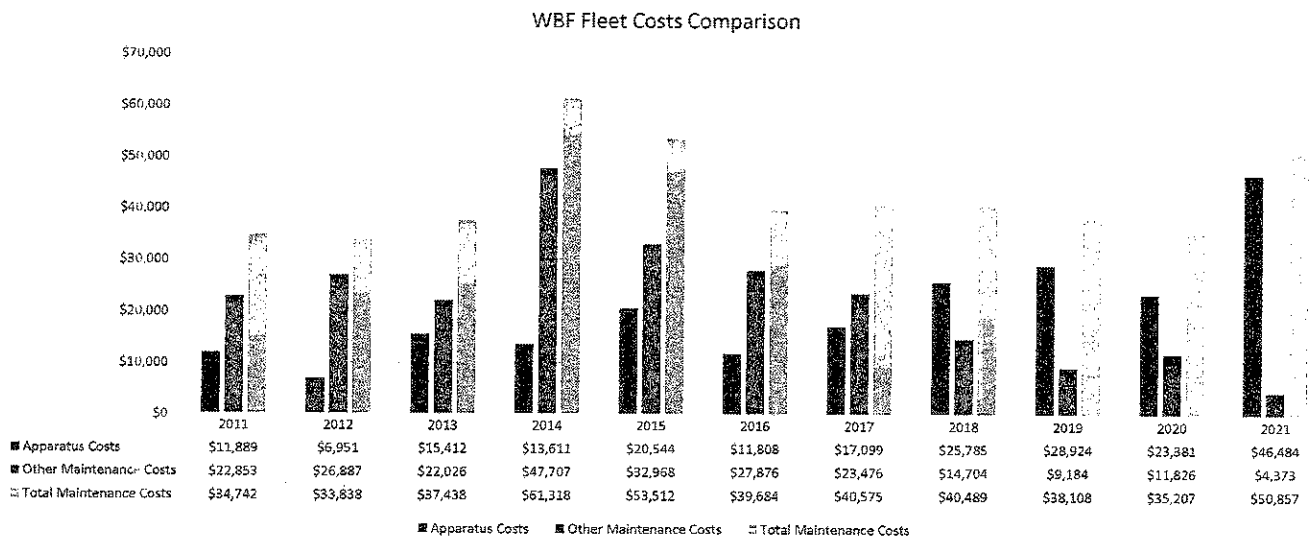


Engine 3-1 1998 E-One

- 1500 GPM Pump/1000 Gallon Water Tank
- Purchased used in 2016 to replace a damaged engine
- Reserve unit
- QRS equipped to handle EMS incidents
- Minimal equipment for off duty firefighters to utilize when staffed if other incidents are in progress
- Maintenance issues since purchasing to include transmission and fire pump
- Operational issues (height of vehicle makes operations difficult such as pulling hose lines, limited compartment space makes operating as a front-line apparatus difficult due to limited storage space of primary equipment, lack of pre-connected hose lines which causes delays in getting additional hose lines in service at fires)
- Currently 17 outstanding maintenance write-ups



Overall Fleet Cost Comparison



Current Needs

Based on age, value, maintenance expenses, historical data

- Two Engines (18-20 year life span rotating front line service)
 - \$700,000 per engine (approximate)
- Tower (20 year life span prior to replacement/refurbishment)
 - \$1,600,000 (approximate)

\$3,000,000 Total

Used Quint (Ladder truck)

- 75' single axle quint
 - Primary reserve for Tower 1
 - Can fill in as an engine if needed
 - 500 gallons of water
- ISO credit for reserve ladder
- The funds from the sale of the current apparatus would fund this purchase and the tools/mounting for the new apparatus



Municipal Lease

- Essentially a loan
- Not classified as debt against municipal borrowing limits
- Tax-exempt interest
- Purchase at today's cost with low interest rates
- Leasing "line items" apparatus investment making it easier to maintain fleet replacement plans in any economic environment

What pays the lease payments?

- ACT 13 and CDBG
 - Previous apparatus purchases have been made with a combination of CDBG and ACT 13 monies.
 - As apparatus prices increase, fully funding these purchases in lump sum become non-sustainable.
 - A municipal lease would allow for a smaller yearly amount to be taken from these sources yearly.
- General Fund
 - General fund would provide a smaller yearly amount if ACT 13 and CDBG does not cover the full payment.

Financing Plan and Comparisons

The following puts numbers to the apparatus replacement plan assuming an industry standard 3% yearly inflation price increase

	Option 1 100% Financed		Option 2 One Engine (\$700,000) ARPA Funded		Option 3 \$1,000,000 ARPA Funded	
	Cash Purchase	Finance Cost	Cash Purchase	Finance Cost	Cash Purchase	Finance Cost
2023	\$3,000,000	\$0	\$2,300,000	\$0	\$2,000,000	\$0
2024	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2025	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2026	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2027	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2028	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2029	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2030	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2031	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2032	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2033	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2034	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2035	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2036	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2037	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2038	\$0	\$255,780	\$0	\$196,098	\$0	\$170,520
2039	\$0	\$0	\$0	\$0	\$0	\$170,520
2040	\$0	\$0	\$0	\$0	\$0	\$0
2041	\$1,140,630	\$0	\$1,140,630	\$0	\$1,140,630	\$0
2042	\$0	\$97,250	\$0	\$97,250	\$0	\$97,250
2043	\$1,760,958	\$97,250	\$1,760,958	\$97,250	\$1,760,958	\$97,250
2044	\$0	\$247,390	\$0	\$247,390	\$0	\$247,390
2045	\$0	\$247,390	\$0	\$247,390	\$0	\$247,390
2046	\$0	\$247,390	\$0	\$247,390	\$0	\$247,390
2047	\$0	\$247,390	\$0	\$247,390	\$0	\$247,390
2048	\$0	\$247,390	\$0	\$247,390	\$0	\$247,390
2049	\$1,444,916	\$247,390	\$1,444,916	\$247,390	\$1,444,916	\$247,390
2050	\$0	\$370,580	\$0	\$370,580	\$0	\$370,580
2051	\$0	\$370,580	\$0	\$370,580	\$0	\$370,580
Amount paid through 2051		\$5,886,120		\$4,990,890		\$4,607,220

Funding Examples

Option 1
100% Financed

- 3.0 million financed for 15 years
- Approx. \$255,800 yearly (836k in interest over loan term)

Option 2
\$700,000 ARPA Funded

- 2.3 million financed for 15 years
- Approx. \$196,000 yearly (640k in interest over loan term)
- \$895,000 saved over 15 years

Option 3
\$1,000,000 ARPA Funded

- 2.0 million financed for 15 years
- Approx. \$170,500 yearly (557k in interest over loan term)
- \$1,279,000 saved over 15 years

Advantages of Proposed Replacement Plan

- Creates a 20-30 year plan that outlines replacement of all Bureau of Fire vehicles.
- Two engines can rotate into frontline service significantly reducing overall wear and tear and extending service life.
- Last two engine replacement created a 16-year rotation with light duty apparatus specs. Proposed replacement plan would be for an 18-20 year cycle with apparatus designed for more urban use.
- Tower designed for longevity and the ability to be refurbished. Refurbishment can save approximately 30% versus the cost of new (\$500k in 2021). There are aerials of this type still in service after 40-50 years.
- One vendor for parts and maintenance.
- Identical vehicles create operational and maintenance consistency.
- Increase in warranty length.
- Apparatus have seen 5-8% annual price increases with current increases nearing 10-15% due to supply chain issues. Proposed plan could save up to \$500,000 in apparatus cost and interest versus purchasing an additional engine in 2030.

ARPA Allowable Use

Email correspondence from Mr. Tom Keller, Keller Partners & Company LLC, November 5, 2021:

“There is no information in the ARPA guidance that prohibits you from purchasing a fire apparatus with ARPA funds. We base this on the "Interim Final Rule" guidance from the Department of the Treasury (see below).”

From the Interim Final Rule:

"Sections 602(c)(1) and 603(c)(1) provide that funds may be used...(c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency"

"Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building 123 of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services."

Why Use ARPA?

- Long-term savings
- Allows CDBG and ACT 13 money to be reprioritized.
- ARPA funding wouldn't be drawn down until early 2023 when apparatus are delivered.

Questions?