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Finance Committee

Briefing on the Fire Vehicle Replacement Funding Strategy

Agenda Date: 3/20/2019
Agenda Item Number: 6.C
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Title

Briefing on the Fire Vehicle Replacement Funding Strategy

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on the Fire Vehicle Replacement Funding Strategy

Report

Issue:

Whether to receive a briefing on the Fire Vehicle Replacement Funding Strategy

Staff Contact:

Nanci Lien, Fiscal Services Director, 360.756.8465

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services Department

Background and Analysis:

The City of Olympia's Fire Department has a fleet of 47 light (passenger-type) and heavy-duty (pumper and ladder trucks) vehicles. The current replacement value is approximately \$21 million. Of that, \$19 million represents the Department's heavy fleet. Based on industry-standard lifecycle schedules, staff estimates a financial need of about \$8.2 million over the next 10 years to replace fire vehicles and equipment. Historically, the City has replaced this equipment by issuing debt.

The City maintains a Fire Equipment Reserve Fund (Fire Reserve) with annual transfers from the General Fund. The annual contribution to the Fire Reserve is \$200,000 annually. It has been used to replace light-duty vehicles and to support some debt service payments on heavy equipment.

The City also maintains another Reserve Equipment Rental Fund (Reserve) to collect monies to be used for future replacement of vehicles and other rolling stock equipment for every City Department

with the exception of Fire. The Reserve is funded through a monthly lease rate per vehicle.

Staff will provide an overview of Fire's fleet replacement schedule, including the need for debt issuance to cover near-term replacement needs along with options to address a long-term funding strategy.

Neighborhood/Community Interests (if known):

N/A

Options:

Information only.

Financial Impact:

N/A

Attachments:

None