



# FY2023-2037 Apparatus Lease Purchase Program and Financing Proposal



# Vehicle Equipment Replacement Plan (VERP)

Established to save funds annually for vehicles/apparatus based on a formula for each vehicle type, to allow for replacement at the end of its determined life cycle utilizing the funds saved.

# Proposal

Convert from our current Vehicle Replacement Program (VERP) philosophy to a Hybrid Lease/VERP Program

# Pros

## Proposed Lease/Cash Purchase of FD Apparatus/Vehicles

- Uniformity to Fleet

- Eliminate ongoing workload of design

- Financial Savings Allowing the ability to expand in today's dollars

- Decreased vulnerability by increased availability of reserve units

- Allows for improved fleet management (equalize mileage)

- Fleet wide consistent safety features, layout of equipment providing greater interoperability for personnel

- Decreased training demands (only 1 apparatus versus 7)

- Decreased training of Central Vehicle Maintenance Techs

- Parts stock ability (same parts across fleet)

- Eliminates concerns of future EPA mandates effecting Diesel motors

- Still allows use of HGAC for procurement method

# Cons

## Proposed Lease/Cash Purchase of FD Apparatus/Vehicles

● Optics/Perception of other city depts

● Decreases annual financial flexibility, i.e. wouldn't allow us to delay a purchase

● Future Interest rates

● Potential transitional loss of value of recently purchased apparatus

● Lack of technology improvements during the term of the lease purchase

# Current VERP Compared to Hybrid Lease/VERP

Current VERP Projected Expenses	
FY2023	\$ (1,727,683)
FY2024	\$ (1,819,049)
FY2025	\$ (1,819,800)
FY2026	\$ (1,843,264)
FY2027	\$ (1,923,816)
FY2028	\$ (1,925,036)
FY2029	\$ (2,020,161)
FY2030	\$ (2,041,754)
FY2031	\$ (2,124,076)
FY2032	\$ (2,257,764)
FY2033	\$ (2,761,840)
FY2034	\$ (2,761,840)
FY2035	\$ (2,762,649)
FY2036	\$ (2,785,912)
FY2037	\$ (2,787,392)
<b>Total</b>	<b>\$ (33,362,036)</b>

Fire-Amb Lease Cash Oth	
FY2023	\$ (850,250)
FY2024	\$ (585,441)
FY2025	\$ (1,165,725)
FY2026	\$ (1,416,725)
FY2027	\$ (1,193,325)
FY2028	\$ (1,062,225)
FY2029	\$ (1,247,850)
FY2030	\$ (1,188,225)
FY2031	\$ (1,523,689)
FY2032	\$ (1,463,839)
FY2033	\$ (2,229,487)
FY2034	\$ (3,224,989)
FY2035	\$ (3,025,298)
FY2036	\$ (2,841,758)
FY2037	\$ (2,978,335)
<b>Total</b>	<b>\$ (25,997,161)</b>

Fire-Amb Lease Cash Oth w-Inc*	
FY2023	\$ (890,833)
FY2024	\$ (645,243)
FY2025	\$ (1,692,637)
FY2026	\$ (1,891,887)
FY2027	\$ (1,668,487)
FY2028	\$ (1,537,387)
FY2029	\$ (1,723,012)
FY2030	\$ (1,663,387)
FY2031	\$ (2,085,720)
FY2032	\$ (1,969,055)
FY2033	\$ (2,877,772)
FY2034	\$ (3,941,292)
FY2035	\$ (3,741,601)
FY2036	\$ (3,558,061)
FY2037	\$ (3,730,103)
<b>Total</b>	<b>\$ (33,616,477)</b>

\*Includes 2 Additional Pumpers,  
2 Additional Ambulances, and  
2 Additional Staff Vehicles

# Current VERP Compared to Hybrid Lease/VERP Proposal Expenses

Fiscal Year	Current VERP	Lease/Cash Proposal	Difference
FY2023	\$ (1,727,683)	\$ (890,833)	\$ 836,850
FY2024	\$ (1,819,049)	\$ (645,243)	\$ 1,173,806
FY2025	\$ (1,819,800)	\$ (1,692,637)	\$ 127,163
FY2026	\$ (1,843,264)	\$ (1,891,887)	\$ (48,623)
FY2027	\$ (1,923,816)	\$ (1,668,487)	\$ 255,329
FY2028	\$ (1,925,036)	\$ (1,537,387)	\$ 387,649
FY2029	\$ (2,020,161)	\$ (1,723,012)	\$ 297,149
FY2030	\$ (2,041,754)	\$ (1,663,387)	\$ 378,367
FY2031	\$ (2,124,076)	\$ (2,085,720)	\$ 38,356
FY2032	\$ (2,257,764)	\$ (1,969,055)	\$ 288,709
FY2033	\$ (2,761,840)	\$ (2,877,772)	\$ (115,932)
FY2034	\$ (2,761,840)	\$ (3,941,292)	\$ (1,179,452)
FY2035	\$ (2,762,649)	\$ (3,741,601)	\$ (978,952)
FY2036	\$ (2,785,912)	\$ (3,558,061)	\$ (772,149)
FY2037	\$ (2,787,392)	\$ (3,730,103)	\$ (942,711)
Total	\$ (33,362,036)	\$ (33,616,477)	\$ (254,441)

FIRE AND AMBULANCE LEASE CASH OTHER (STAFF AND SUPPORT VEHICLES) WITH INCREASE OF APPARATUS

LEASE	Life Cycle Years	FY 2022 Cost	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
P1	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P3	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P4	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P5	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P6	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P10	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
P11	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
Pumper (New)	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
Pumper (New)	10	\$ 735,000	\$ 897,500										\$ 1,346,250				
Pumper Trade In + Prepayment Discount			\$ (1,142,325)										\$ -				
<b>Total Lease Proceeds Required</b>			<b>\$ 6,935,175</b>										<b>\$ 12,116,250</b>				
<b>Pumper Annual Payments (9 Yrs)</b>			<b>\$0</b>	<b>(\$235,743)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$874,669)</b>	<b>(\$1,704,636)</b>	<b>(\$1,704,636)</b>	<b>(\$1,704,636)</b>	<b>(\$1,704,636)</b>
T2	12	\$ 1,700,000												\$ 2,652,000			
T7	12	\$ 1,700,000												\$ 2,652,000			
Truck (Expansion 2021)	12	\$ 1,700,000												\$ 2,652,000			
Truck Trade In														\$ -			
<b>Total Lease Proceeds Required</b>														<b>\$ 7,956,000</b>			
<b>Truck Annual Payments (12 Yrs)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$897,639)</b>	<b>(\$897,639)</b>	<b>(\$897,639)</b>	<b>(\$897,639)</b>
M1	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M2	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M3	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M4	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M5	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M6	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M7 (New)	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M8 (New)	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M10	6	\$ 325,000			\$ 373,750						\$ 441,025						\$ 520,410
M11	6	\$ 325,000			\$ -						\$ 441,025						\$ 520,410
M12	6	\$ 325,000			\$ -						\$ 441,025						\$ 520,410
Med Unit Trade In					\$ -						\$ 441,025						\$ -
<b>Total Lease Proceeds Required</b>					<b>\$ 3,363,750</b>						<b>\$ 4,851,275</b>						<b>\$ 5,724,505</b>
<b>Med Units Annual Payments (5 Yrs)</b>			<b>\$0</b>	<b>\$0</b>	<b>(\$662,718)</b>	<b>(\$662,718)</b>	<b>(\$662,718)</b>	<b>(\$662,718)</b>	<b>(\$662,718)</b>	<b>(\$662,718)</b>	<b>(\$955,786)</b>	<b>(\$955,786)</b>	<b>(\$955,786)</b>	<b>(\$955,786)</b>	<b>(\$955,786)</b>	<b>(\$955,786)</b>	<b>(\$1,127,827)</b>
<b>TOTAL ANNUAL LEASE PAYMENT</b>			<b>\$0</b>	<b>(\$235,743)</b>	<b>(\$1,537,387)</b>	<b>(\$1,537,387)</b>	<b>(\$1,537,387)</b>	<b>(\$1,537,387)</b>	<b>(\$1,537,387)</b>	<b>(\$1,537,387)</b>	<b>(\$1,830,455)</b>	<b>(\$1,830,455)</b>	<b>(\$2,660,422)</b>	<b>(\$3,558,061)</b>	<b>(\$3,558,061)</b>	<b>(\$3,558,061)</b>	<b>(\$3,730,103)</b>
<b>CASH PURCHASE</b>																	
Med Unit	6	\$ 325,000	\$ 354,250														
Med Unit	6	\$ 325,000	\$ 354,250														
Car 1 Tahoe	8	\$ 45,000								\$ 63,000							
Car 2 Tahoe	8	\$ 45,000								\$ 63,000							
Car 3 Tahoe	8	\$ 45,000	\$ 47,250								\$ 66,150						
Car 4 Tahoe	8	\$ 45,000	\$ 47,250								\$ 66,150						
Car 5 Tahoe	8	\$ 45,000	\$ 47,250								\$ 66,150						
Car 6 Tahoe	8	\$ 45,000		\$ 49,500								\$ 69,300					
Car 7 Tahoe	8	\$ 45,000		\$ 49,500								\$ 69,300					
Car 8 Tahoe	8	\$ 45,000			\$ 51,750								\$ 72,450				
Car 12 Tahoe	8	\$ 45,000			\$ 51,750								\$ 72,450				
Car 13 Tahoe	8	\$ 45,000				\$ 54,000								\$ 75,600			
Car 14 Tahoe	8	\$ 45,000				\$ 54,000								\$ 75,600			
Car 15 (Prevention Expansion) F150	8	\$ 38,650	\$ 40,583								\$ 56,816						
Car 16 (New) Tahoe	8	\$ 45,000			\$ 51,750								\$ 72,450				
Car 9 (Ops Chief) Tahoe	4	\$ 45,000		\$ 49,500					\$ 61,875					\$ 77,344			
Car 10 (Ops Chief) Tahoe	4	\$ 45,000		\$ 49,500					\$ 61,875					\$ 77,344			
Car 11 (Ops Chief) Tahoe	4	\$ 45,000		\$ 49,500					\$ 61,875					\$ 77,344			
Grass 2	15	\$ 85,000				\$ 123,250											
Grass 3	15	\$ 85,000				\$ 123,250											
Utility 1 F150 SuperCrew 4X4	8	\$ 38,000					\$ 43,700								\$ 61,180		
Utility 2 F250 Extended Cab 4X4	8	\$ 38,000					\$ 43,700								\$ 61,180		
Utility 3 F240 Extended Cab 4X4	8	\$ 38,000					\$ 43,700								\$ 61,180		
Boat 1	20	\$ 135,000		\$ 162,000													
Boat 2	20	\$ 135,000															
Trade In Allowance			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ANNUAL CASH PURCHASE</b>		<b>\$ 1,267,650</b>	<b>\$ 890,833</b>	<b>\$ 409,500</b>	<b>\$ 155,250</b>	<b>\$ 354,500</b>	<b>\$ 131,100</b>	<b>\$ -</b>	<b>\$ 185,625</b>	<b>\$ 126,000</b>	<b>\$ 255,266</b>	<b>\$ 138,600</b>	<b>\$ 217,350</b>	<b>\$ 383,231</b>	<b>\$ 183,540</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL LEASE/CASH PAYMENT</b>			<b>(\$890,833)</b>	<b>(\$645,243)</b>	<b>(\$1,692,637)</b>	<b>(\$1,891,887)</b>	<b>(\$1,668,487)</b>	<b>(\$1,537,387)</b>	<b>(\$1,723,012)</b>	<b>(\$1,663,387)</b>	<b>(\$2,085,720)</b>	<b>(\$1,969,055)</b>	<b>(\$2,877,772)</b>	<b>(\$3,941,292)</b>	<b>(\$3,741,601)</b>	<b>(\$3,558,061)</b>	<b>(\$3,730,103)</b>





# Phase 1 of Lease Program-Pumper Replacement

RFP received responses from:

- Banc of America Public Capital Corp
- Bank Funding LLC
- Commerce Bank

- JP Morgan Chase Bank, N.A.
- TD Equipment Finance, Inc.
- TEQlease, Inc

- U.S. Bancorp Government Leasing and Finance, Inc.

# Lowest and Best Bid for Pumper Fleet Purchase with increasing Fleet

Nine (9) Enforcer Pumpers Financing Options				
		Date	10 Yr Lease Purchase	Self Finance
Contract Price	\$ 897,500	Aug-22	Order/Lease Start	Order/Lease Start
Estimated Pre-Payment Discount	\$ (26,925)	Aug-23	(\$182,840)	\$0
Trade-In Value (1.3M Total)	\$ (144,444)	Aug-24	(\$824,221)	(\$726,131)
Amount Financed	\$ 726,131	Aug-25	(\$824,221)	(\$726,131)
		Aug-26	(\$824,221)	(\$726,131)
		Aug-27	(\$824,221)	(\$726,131)
		Aug-28	(\$824,221)	(\$726,131)
		Aug-29	(\$824,221)	(\$726,131)
		Aug-30	(\$824,221)	(\$726,131)
		Aug-31	(\$824,221)	(\$726,131)
		Aug-32	(\$824,221)	(\$726,131)

Total Amount Financed (9)	\$ 6,535,175
Total Balloon Payment (9)	\$ 1,628,562

Rate	2.61%	0.00%
Interest	(\$1,065,650)	\$0
Total Payments	(\$7,600,825)	(\$6,535,175)

# Lowest and Best Bid for Pumper Fleet Purchase with increasing Fleet (Updated Trade-In)

Nine (9) Enforcer Pumpers Financing Options (Updated Trade-In Value)					
		Date	Original w/ 1.3M Trade	Updated w/ .9M Trade	Self Finance
Contract Price	\$ 897,500	Aug-22	Order/Lease Start	Order/Lease Start	Order/Lease Start
Estimated Pre-Payment Discount	\$ (26,925)	Aug-23	(\$182,840)	(\$235,743)	\$0
Trade-In Value (.9M Total)	\$ (100,000)	Aug-24	(\$824,221)	(\$874,669)	(\$770,575)
Amount Financed	\$ 770,575	Aug-25	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-26	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-27	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-28	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-29	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-30	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-31	(\$824,221)	(\$874,669)	(\$770,575)
		Aug-32	(\$824,221)	(\$874,669)	(\$770,575)
<b>Total Amount Financed (9)</b>	<b>\$ 6,935,175</b>				
		<b>Estimated Rates</b>	2.61%	2.61%	\$0
		<b>Interest</b>	(\$1,065,650)	(\$1,572,587)	\$0
		<b>Total Payments</b>	(\$7,600,825)	(\$8,107,762)	(\$6,935,175)

# Recommendation

Approval of a Lease Purchase Program with JP Morgan Chase Bank for the purchase of nine (9) pumpers with delivery anticipated ~~August~~ December 2024.



**Thank You!**