

Legislation Details (With Text)

File #:	BILL NO. 22-157	Name:	
Type:	Ordinance	Status:	Passed
File created:	7/8/2022	In control:	City Council - Regular Session
On agenda:	8/9/2022	Final action:	8/9/2022
Title:	An Ordinance approving a Lease-Purchase Financing Agreement between the City of Lee's Summit and JPMorgan Chase Bank, N.A. for the purchase of new fire trucks, and authorizing the City Manager to execute all documents necessary to effectuate the same by and on behalf of the City. (F&BC 8/1/22)		
Sponsors:	Fire		
Indexes:			
Code sections:			
Attachments:	1. Ordinance, 2. Exhibit A to Ordinance: Agreement with JPMorgan Chase, 3. Supporting Document: 2022-058 Composite Score Sheet		

Date	Ver.	Action By	Action	Result
8/9/2022	1	City Council - Regular Session	for second reading	Pass
8/9/2022	1	City Council - Regular Session	adopted and numbered	Pass
8/1/2022	1	Finance and Budget Committee	recommended for approval	Pass

An Ordinance approving a Lease-Purchase Financing Agreement between the City of Lee's Summit and JPMorgan Chase Bank, N.A. for the purchase of new fire trucks, and authorizing the City Manager to execute all documents necessary to effectuate the same by and on behalf of the City. (F&BC 8/1/22)

Issue/Request:

This request will in effect replace the entire fleet of the Fire Department's pumper (engine) apparatus, commonly known as fire trucks. This does not include the ladder trucks (aerials). The current fleet will be traded in, offsetting the net price of the fleet replacement. The term of the lease is 9 years, which at the end of the term the City will own the apparatus and will then be free to make future decisions on replacement options.

Proposed Council Motion:

FIRST MOTION: I move for second reading of an Ordinance approving a Lease-Purchase Financing Agreement between the City of Lee's Summit and JPMorgan Chase Bank, N.A. for the purchase of new fire trucks, and authorizing the City Manager to execute all documents necessary to effectuate the same by and on behalf of the City.

SECOND MOTION: I move for adoption of an Ordinance approving a Lease-Purchase Financing Agreement between the City of Lee's Summit and JPMorgan Chase Bank, N.A. for the purchase of new fire trucks, and authorizing the City Manager to execute all documents necessary to effectuate the same by and on behalf of the City.

Key Issues:

The Fire Department, along with all other City departments, has been included in the Vehicle Equipment Replacement Program (VERP) since its creation. This has allowed for timely replacement of fire apparatus through the self-funded mechanism of the VERP. Although this process has worked as intended, it has resulted in drastic inconsistencies within the pumper fleet as nearly all pumpers are of different years, models and designs. This is due to changes with manufacturing as well as design concepts that were applied. The VERP is also strained with the number of purchases and the effects of inflation.

Entering into the proposed agreement will solve for a number of issues. In effect, the Fire Department will design all of these pumpers to match and all be of the same manufacture year. This will provide for operational consistencies across the fleet and will also help on the repair and maintenance side with our Fleet Division with stocking parts, as they will all be the same. This will in effect could lower the Fire Department overall VERP payment by almost \$1,000,000, this is after the lease payment is applied. This will also allow, in today's dollars, to increase the number of pumpers in the Fire Department Fleet by 2, allowing for a needed expansion of the reserve fleet, as well as provide for an anticipated expansion within the next few years. This will also allow for better fleet management, as the usage will be evaluated at least on a yearly basis and apparatus will be reassigned to maintain a consistent level of use throughout the fleet.

Impact/Analysis:

Timeline:

Start: Order will be placed in August of 2022, apparatus will be received in approximately 18 months after order

Finish: This is a 9-year term. At the conclusion of the term the City will own the apparatuses outright, allowing for all available replacement options.

Mike Snider, Fire Chief

Staff recommend approval of this agreement.

A motion was made by Councilmember Hodges, seconded by Councilmember Shields, that TMP-2346 be recommended for approval to the City Council. The motion carried by a unanimous 4-0 vote: