



Memorandum / Staff Report:

To: Finance Committee
From: Robert Scott, Director of Finance and Administration
Date: August 8, 2023
Regarding: Budgetary information regarding pre-order request for replacement fire pumper

Per the accompanying memo from the Fire Chief, the Fire department is requesting approval to pre-order the replacement of its 2009 Pierce Quantum engine pumper in order to receive the vehicle by the end of 2025 due to the factors noted by the Chief.

The funding for this purchase is anticipated to be included in the 2025 bond issue, similar to the funding in the 2023 bond issue for this year's purchase of the replacement for the 2008 fire pumper.

Per the quote from the recommended vendor for the purchase, they are offering a prepayment discount option. Finance staff has reviewed the two options and does not recommend pursuing either option. For the first option, the City does not have liquid funds on hand that would be available for the full prepayment, and even if funds were made available, the lost investment revenue at current interest rates for up to 27 months is estimated to exceed the discount. For the second option, the earliest staff would anticipate being able to provide the monies to the vendor would be after the 2024 bond issue is funded in June 2024, and then the City would be paying interest on the bonds for 18 months or more prior to delivery of the equipment.

Please contact me with any questions.