



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND, WA**

**AB 4316
July 7, 2008
Regular Business**

FIRE APPARATUS REFURBISHMENT	Proposed Council Action: Approve funding of refurbishment plan. Direct Fire Chief to implement refurbishment plan.
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DEPARTMENT OF	Fire (Chris Tubbs)
COUNCIL LIAISON	Mike Cero Mike Grady Steve Litzow
EXHIBITS	1. AB 4152 (1/16/07) 2. Fire Fleet Replacement Cost & Funding Analysis.
APPROVED BY CITY MANAGER	<i>Reh Council 7-7-08</i>

AMOUNT OF EXPENDITURE	\$	260,000
AMOUNT BUDGETED	\$	0
APPROPRIATION REQUIRED	\$	260,000

SUMMARY

INTRODUCTION

On January 16, 2007 the City Council authorized the Fire Department to implement the upgrade and ongoing replacement plan for fire apparatus (Exhibit 2). The City Council was presented with a 2008 budget plan of \$416K for the refurbishment as part of the overall apparatus replacement plan. Since this authorization and implementation some events have changed in a favorable manner, which results in a less expensive option for the refurbishment phase of work. We are now requesting the City Council to authorize the Fire Department to implement the refurbishment phase of the apparatus replacement program. This will result in a savings of \$156K, bringing the original amount of \$416K to \$261K.

BACKGROUND

In 2007 the Fire Department initiated the apparatus fleet replacement plan authorized by the City Council in AB 4152. This Plan authorized the Fire Department to implement: *"The upgrade and ongoing replacement plan for the fire truck fleet as depicted in exhibits 1 and 2."*

The Fire Department divided this implementation into 2 phases. The first phase of the original plan was approved in AB 4169 and included:

- The design & purchase of two Pierce Velocity Pumpers.
- The design & purchase of one Pierce Mini Pumper.
- The purchase of one pick-up truck.
- The sale of the existing ladder truck.

This phase was fully funded and has been completed as directed by Council.

The Fire Department has been actively working on phase 2 of the original plan since mid 2007. Council originally approved \$416,000 for the refurbishment of 3 existing vehicles. Phase 2 was to include a re-hab plan as well as a surplus plan, and incorporated the following components:

- A major re-hab of one of our existing pumpers to increase its life by 10 years. (\$208,000).
- A minor re-hab of one of our existing pumpers to increase its life by 5 years. (\$104,000).
- A major re-hab of one of our existing midi pumpers. (\$104,000).
- Provide a recommendation plan for the Rescue Truck.
- Surplus 2 maxi pumpers.

RE-HAB PLAN

During the latter half of 2007 the Fire Department was able to work closely with our apparatus manufacturer to identify the specific engineering needs required for apparatus upgrades to two of our existing maxi pumpers and one midi pumper. A closer analysis by the engineers has resulted in a strong recommendation to not continue pursuit of this option. Their findings resulted in a recognition that our existing maxi pumpers would require more investment than first believed. Additionally, the investment required to bring them up to an acceptable level is essentially cost-prohibitive.

At the same time some of our Fire Department staff were working with engineers to conduct a comprehensive analysis of the existing pumpers, some of our staff conducted more in depth research into the area of purchasing previously owned apparatus from other jurisdictions.

RE-HAB PLAN CONCLUSION

We have concluded that a modification of our original plan is warranted. **Such modifications will result in a saving to taxpayers of \$156,000.** Equally important, we have concluded that modifying our original plan will result in acquiring fire apparatus that are a better investment for our community and will meet the operational needs of the Fire Department better than the original plan.

Additionally, we have concluded that we can eliminate the plan to conduct minor refurbishments of the maxi and mini pumpers at their mid-life points of 10 years and 8 years respectively.

ORIGINAL REFURBISHMENT PLAN		UPDATED REFURBISHMENT PLAN	
Vehicle & Upgrade	2008 Cost	Vehicle & Upgrade	2008 Cost
1 Major refurbishment of a Maxi Pumper	\$208K	2 Used Apparatus + minor refurbishment	\$260K
1 Minor refurbishment of a Maxi Pumper	\$104K	0 Major refurbishment of a Midi Pumper	\$0K
1 Major refurbishment of a Midi Pumper	\$104K		
TOTAL	\$416K	TOTAL	\$260K

RESCUE TRUCK

In AB 4152 The Fire Department committed to Council to provide a recommendation on a replacement plan for the Rescue Truck. In 2008 we formed a committee comprised of firefighters and police officers to assess the question of the rescue truck. This committee concluded the following:

- The rescue truck is still needed for emergency service delivery to the Mercer Island community.

- The mission or purpose of the vehicle has evolved. It is used less for motor vehicle accidents and more for water and dive rescue emergencies.
- There is a real need for a vehicle that has the capacity to provide the necessary equipment and facilities for water related events.
- There is an opportunity for one vehicle to meet the needs of both Police and Fire.
- We are maximizing efficiencies with the new pumpers with regards to carrying rescue equipment.
- Our current rescue vehicle will suffice for the next five years and has the capacity to meet our operational needs.
- The current rescue truck can carry our current equipment inventory but will not be able to accommodate additional equipment.

We have concluded that we should begin the process for designing a replacement vehicle and a financing plan and replace this vehicle in 2013.

SUMMARY

Refinement of our original refurbishment plan will result in a savings of \$156,000 in 2008.

RECOMMENDATION

Chris Tubbs, Fire Chief

- MOVE TO:
1. Authorize the Fire Department to purchase two used maxi pumpers and provide minor upgrades necessary for MIFD operations. The amount for each unit shall not exceed \$130,000.
 2. Authorize the Fire Department to maintain the two existing midi pumpers for an additional eight years and not refurbish one of the existing midi pumpers as originally planned. When the next mini pumper arrives in eight years, the Fire Department will then surplus both 1984 midi pumpers.

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**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND, WA**

**AB 4152
January 16, 2007
Regular Business**

FIRE APPARATUS REPLACEMENT DISCUSSION	Proposed Council Action: Approve Plan for Replacement of Fire Apparatus Fleet. Take further study of Financing Options to Retreat for Discussion.
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DEPARTMENT OF	Fire, (Walt Maudlin)
COUNCIL LIAISON	Steve Litzow Jim Pearman Sven Goldmanis
EXHIBITS	1. Timeline for Fire Apparatus Replacement/Refurbishment 2. Fire Fleet Replacement Cost & Funding Analysis
APPROVED BY CITY MANAGER	

AMOUNT OF EXPENDITURE	\$	\$1,690,000
AMOUNT BUDGETED	\$	\$1,710,000
APPROPRIATION REQUIRED	\$	0

SUMMARY

At its regular meeting on September 18, 2006 the Fire Department made a presentation on the need to upgrade the current fleet of fire trucks. The current fleet has become too old and no funding mechanism is in place to replace them. The Fire Department stated that three things needed to be accomplished for this process to be a success:

- Updating the current fleet should get started.
- A plan for the future including financing and a regular automatic replacement cycle should be implemented.
- Replacement should be carried out on a rotational basis so we don't get in the position of operating a fleet of exclusively old fire trucks.

Council approved the Fire Department's recommendation as follows: *"Direct staff to research and develop a proposal for Council review and approval for presentation in January 2007 on the upgrade and ongoing replacement plan of the current fire engine fleet."*

The work to develop this proposal was to be completed by three committees: a Fire Department services committee tasked with reviewing the current level of service and a brief look to the future; a fleet design committee to look at what fleet we need now and into the future to support the correct service delivery; and a vehicle specification committee exploring the specific vehicles to meet the fleet needs identified by the fleet committee. In addition, fiscal proposals and a recommendation have been developed by the Finance department.

Services Review

The services review committee consisted of Jason King – a Mercer Island citizen, Londi Lindell - City Attorney, Chris Tubbs - Deputy Fire Chief, Les Kenworthy - Fire Battalion Chief and Walt Mauldin - Fire Chief. This group met and reviewed the Fire Department call volume, response schedule, and response times. The group also looked at recent citizen surveys, citizen complaints (1) and a comparison of how neighboring communities provide fire protection services. The conclusion was that the Fire Department is providing the correct level of service for now and into the future.

The demand for emergency medical services continues to escalate in our community as in other neighboring communities. As this service demand increases, it may become necessary to add resources to the Fire Department in order to maintain the same level of service. The impact of this to the fleet would probably be in the form of an additional aid car. Since only fire engines are being addressed in this work, the conclusion of the services level committee is that the current service level is correct and a fleet of fire engines designed to support the current service level will serve well into the future.

Fleet Design

The second committee was the Fleet Design Committee. The tasks of this group included incorporating the findings of the Fire Services Committee in exploring fleet design options, and concluding with recommendations for the Apparatus Specification Committee. The Fleet Design committee included Chris Tubbs - Deputy Chief; Les Kenworthy - Battalion Chief; Bret Garrett - Lieutenant and Mike Peters - Firefighter.

Maxi Pumper

The first class of vehicle reviewed was the maxi pumper. We currently have four of these units. The Fleet Committee concludes that to serve Mercer Island we need to have three of these units in service at all times. To achieve that end, the Fire Department needs to have four of these units. Not all of these units need to be new. It would be an improved model to have these vehicles acquired in a staggered form in the future. The recommendation is to acquire one unit every five years, with a 20 year life expectancy for each vehicle. In order to transition to a staggered model, Fire staff recommends the following initial actions:

- Acquire two new maxi pumper trucks.
- Do a major re-hab on one of our current maxi pumpers. This truck would then be expected to operate for ten more years.
- Do a minor re-hab on one of our current maxi pumpers. This truck would then be expected to operate for five more years.
- Sell two existing maxi pumpers.

Into the future, acquire one new maxi pumper every five years. Each vehicle would serve as a first response truck for ten years, then a reserve vehicle for an additional ten years (each vehicle serving for a total of 20 years).

Ladder Truck

The second class of vehicle reviewed is the aerial ladder truck. The conclusion by the fleet committee is to eliminate a ladder truck from our new fleet model. Ladder trucks are available by mutual aid from Seattle or numerous communities on the east side. Our current staffing levels without the auxiliary firefighter force will not support a ladder truck. A new ladder truck would cost about one million dollars to acquire and this type of vehicle is very expensive to maintain. It is difficult and expensive to keep staff trained and certified in the operation of such a specialized vehicle. The Fire Chief supports eliminating a ladder truck from the fleet.

Rescue Truck

The Fire Department owns and operates one rescue truck. Currently it carries specialized equipment including the "jaws of life". Due to a variety of factors, this committee recommends a more detailed review of this vehicle and its future within the Fire Department. The committee concluded it is best to continue operating the current rescue truck for the time being, but recommends reviewing the future of this vehicle in the 2009-2010 budget process.

Midi/Mini Pumpers

The midi pumpers are two vehicles acquired in 1984 solely to fight fire in homes with long driveways. This concept was never wholly accepted in the fire service industry. We are the only community we know of that has vehicles like these. These two vehicles have been used very little and have proven to have limited value. However, Mercer Island does need to have a specialized vehicle to access homes with steep, twisty, small and long driveways. Currently no technology is available that would result in the ability to eliminate this type of vehicle from our inventory.

To increase the community value of a vehicle of this nature it needs to be multifunctional. The industry currently embraces the "mini" concept which is a fire engine built on a small chassis. This mini fire engine has all of the capacities of our current midis and more. Like the other vehicles, it will benefit the community to acquire these vehicles on a rotational basis. The committee has concluded that two vehicles as we currently have are correct for our fleet. One vehicle is assigned to each station. It is determined to be an acceptable risk to have one unit out of service and depend on only one vehicle for short periods thus no extra or reserve vehicle is recommended for this category. The recommendation is to acquire one new mini, do a major re-furb on one of our old midis and sell the other midi. The ongoing plan would be to acquire one new mini every eight years. The vehicles would have a service life of 16 years. These vehicles have a shorter service life than the maxis because there are no reserve units causing the main units to get more use.

Pick-Up Truck

The fleet committee recommends the addition of a pick-up truck to our fleet. This will not increase the overall size of the fleet as we are retiring the aerial ladder truck. As we change to operate more efficiently we are using trailers to move specialized equipment such as the dive team gear. A pick-up will fill an important need and provide an effective and efficient way to move these specialized trailers. In summary the fleet committee recommends the following:

- Acquire two new maxi pumpers;
- A major re-hab of one of the 1984 maxis;
- A minor re-hab of another 1984 maxi;
- Surplus two of our existing maxis.

The recommendation for the midi/minis is as follows:

- Acquire one new mini;
- Re-hab one 1984 midi and retire one 1984 midi;
- Retire existing aerial ladder truck;
- Keep existing 1995 rescue truck and review it's place in the fleet as part of the next budget development;
- Acquire a new pick-up truck.

Into the future we would have a fleet of four maxi pumpers (one being acquired every five years) with a service life of 20 years. The fleet would have two mini pumpers one being acquired every eight years with a service life of 16 years. A review of the rescue truck in 2008 would be accomplished as we prepare the next budget. A new pick-up would be added to the fleet being replaced every eight years. The fleet would not include an aerial ladder truck.

Apparatus Specification

The third committee was the Apparatus Specifications Committee. The tasks of this group included incorporating the findings of the Fire Design Committee in designing each vehicle, concluding with the outputs needed to acquire each type of new unit and order the work on each of the re-hab units. The Apparatus Specification committee included Bret Garrett – Lieutenant; Herschel Rostov – Firefighter; Mike Peters – Firefighter and Larry Jorgensen - Firefighter.

The work of the apparatus specification committee is a work in progress. They have developed needs, engineering specifications and communicated with vendors enough to provide realistic and relatively safe projections of the cost of each type of new and re-hab units we would require. The committee has worked hard to provide “safe” numbers but it is important to note that these early engineering numbers are susceptible to change as they enter the actual bid process.

The ultimate product of the work of this committee will be a quote and a contract for each vehicle we will be purchasing or rebuilding. The timing is such that these individual acquisitions which are part of the total project may be brought to council for approval in several smaller proposals. The first and most urgent of which will be to acquire two new maxi pumpers. The 2007 costs of the individual acquisitions and services deemed necessary by the specification committee for the initial transition to a new fleet are as follows:

New Maxi pumper	\$500,000
Major refurbishment of a maxi	\$200,000
Minor refurbishment of a maxi	\$100,000
New mini pumper	\$250,000
Major refurbishment of a midi	\$100,000
New pick-up truck	\$40,000

Implementation Plan

The work of these three committees has developed an initial fleet plan to serve the community for the next five years. This plan identifies the costs and necessary actions required to transition from the existing fleet to a new fleet. This is the implementation plan/schedule for this initial transition.

As soon as possible order two new maxi pumpers. The projected cost is \$500k each. The lead-time to acquire these vehicles is about one year. A realistic time frame to develop and place this order is 30-60 days. The work to place this order is reduced as we can attach this acquisition to a regional purchase. This saves time and reduces the cost.

As soon as the work on the maxi order is complete, pursue the acquisition of one mini pumper. The projected cost is \$250k with a lead-time of about one year. Ordering this vehicle will take more time than the maxi order as there are few other acquisitions of this type happening in our region. Without this regional buying benefit, we will have to go out to a traditional open bid process. This bid process adds three or four months to the time to process the order.

Work can begin immediately on developing the refurbishment specifications on two maxi pumpers and one midi pumper. The new maxi pumpers should arrive first, probably in early 2008. As soon as these two new units can be placed in service, two of the old units can be removed from service and sent out to be refurbished. When the new mini pumper arrives and is placed in service one of the old midis can be removed from service and sent out for refurbishment. As the refurbished units are returned and go in service the units they are replacing can be taken out of service and prepared for surplus. The aerial ladder truck can be removed from service and prepared for surplus at any time as well as ordering the new pick-up.

Initial Transition Costs:

		Current Cost	2007	2008
2	New Maxi pumps	\$500,000		\$1,000,000
1	Major refurbishment of a maxi	\$200,000		\$208,000
1	Minor refurbishment of a maxi	\$100,000		\$104,000
1	New mini pumper	\$250,000		\$250,000
1	Major refurbishment of a midi	\$100,000		\$104,000
1	New pick-up truck	\$40,000	\$40,000	
			\$40,000	\$1,666,000

In 2007-2008 biennial dollars, this total transition will cost \$1,706,000.

Financial Analysis

The analysis which follows is based on the Fire Department's recommended timeline for fire apparatus replacement and refurbishment through 2028, which is outlined in Exhibit 1. The timeline was constructed with the intent of staggering the replacement of the City's four maxi engines and two midi pumps so that:

- One of the four maxi pumps is replaced every five years (assumes 20 year useful life); and
- One of the two midi pumps is replaced every eight years (assumes 16 year useful life).

In addition, to ensure that each maxi and mini pumper (which will replace the midi pumper) operates reliably for 20 years and 16 years respectively, a minor refurbishment (which equals 20% of the cost of the apparatus) is required when a maxi pumper reaches ten years old and a mini pumper is eight years old. The proposed fire fleet needs for the 2007-2008 biennium, which amount to \$1.7M are noted below:

- Purchase new pickup truck in 2007: \$40K
- Order two new maxi engines in 2007: \$1.0M
- Order one new mini pumper in 2007: \$250K
- Receive two new maxi engines in 2008
- Receive one new mini pumper in 2008
- Receive one new mini pumper in 2008
- Major refurbishment of one maxi engine in 2008 (to extend life by ten years): \$208K
- Minor refurbishment of one maxi engine in 2008 (to extend life by five years): \$104K
- Major refurbishment of one midi pumper in 2008 (to extend life by eight years): \$104K

The financial impact of the proposed fire fleet replacement and refurbishment schedule is illustrated in Exhibit 2 based on lease/purchase financing for the maxi engines and mini pumps (the reason for which is explained below). One-time funding (i.e. cash) of \$456,000 is needed for the purchase of the pickup truck in 2007 (\$40,000) and the refurbishments of two maxi pumps and one midi pumper in 2008 (\$416,000). In addition, \$178,000 is needed in one-time funding to cover the 2007 sinking fund charge. Together, this amounts to \$634,000 in one-time funding needed for the 2007-2008 biennium. Another \$110,000 in one-time funding is needed in 2018 to mitigate the impact of the minor refurbishments to the one of the maxi engines that is proposed to be ordered in 2007. Simply put, one-time funding is needed to cover the expenditure spikes in 2008 and 2018 in order to more smoothly transition to the staggered replacement cycles noted above. The annual sinking fund charge required to fully fund the fire fleet replacement and refurbishment costs through 2028 is estimated to be \$185,000 beginning in 2008.

Of the typical three financing options (i.e. pay cash, issue bonds, and lease purchase), a lease purchase agreement makes the most sense. Why? First, the current effective interest rate on a ten year fire apparatus lease is only 4.43%, which is less than the City's current rate of return on its investments (5.21%). Third, while the current effective interest rate on a 20 year general obligation bond issue is slightly lower at 4.35%, this particular financing option isn't well suited to implementing a staggered replacement cycle for fire apparatus.

Funding options for the \$185,000 annual sinking fund (SF) charge beginning in 2008 are presented in the following table.

Funding Options for Annual Sinking Fund Charge	Annual SF Chg Needed Beg. in 08	Annual SF Chg Growth Factor	Challenges
A: 2.12% banked capacity in 2008 (Council votes in Nov 2007)	\$185K	4%	Limited to 1% annual growth
B: 2.12% levy lid lift in 2008 (citizens vote in Nov 2007)	\$185K	4%	Limited to 1% annual growth for permanent lid lift; special election costs might apply
C: Dedicate portion of interest revenue to fund annual sinking fund charge	\$185K	4%	There are other competing needs for interest revenue
D: Dedicate portion of SST to fund annual sinking fund charge (beg. Jul 2008)	\$185K	4%	SST is needed to replace eventual decline in development related sales tax & fees in CBD
E: Use year-end General Fund surplus to fund annual sinking fund charge	\$185K	4%	There are other competing needs for year-end General Fund surplus
F: Reduce operating expenditures in General Fund	\$185K	4%	Current service levels would be impacted

Whichever funding option is selected, the annual sinking fund charge needs to grow by 4% annually to keep pace with the average annual long-term inflation for fire apparatus. To accomplish this, interest revenue could be allocated annually to the fire fleet sinking fund to partially or completely cover the 4% growth requirement.

Finally, available funding sources for the \$634,000 in one-time cash needs for the 2007-2008 biennium include the Equipment Rental Fund surplus, the 2006 General Fund surplus, and the 2007 General Fund surplus. The funding analysis presented in Exhibit 2 assumes the following:

- Use \$179,000 from the Equipment Rental Fund surplus (which represents the non-utility vehicle portion);
- Use \$277,000 from the 2006 General Fund surplus; and
- Use \$178,000 from the 2007 General Fund surplus.

Alternatively, the Council could use the 2006 General Fund surplus to also cover the \$178,000 funding need. Staff is seeking Council agreement on the Firetruck Replacement Plan consisting of the fleet mix, replacement strategy and schedule as depicted in Exhibits 1 and 2. Financing strategy options for these plans is also offered for Council consideration at this Council meeting although staff expects the Council to arrive at a consensus on financing at its January 19-21 annual Planning Session.

RECOMMENDATION

Walt Mauldin, Fire Chief

MOVE TO: Approve the upgrade and ongoing replacement plan for the fire truck fleet as depicted in Exhibits 1 and 2. (*Funding options for this project will be discussed at the January 2007 Council Planning Session.*)

Fire Fleet Replacement Cost & Funding Analysis

Outlays/Funding	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Outlays (in thousands):																						
Pickup Truck:																						
Purchase new truck in 2007	(40)																					
Purchase new truck in 2015									(43)													
Purchase new truck in 2023																	(47)					
Maxi Pumpers:																						
Lease purchase 2 new maxi's in 2007		(126)	(126)	(126)	(126)	(126)	(126)	(126)	(126)	(126)	(126)											
Major refurbishment of 1 maxi in 2008		(208)																				
Minor refurbishment of 1 maxi in 2008		(104)																				
Lease purchase 1 new maxi in 2012							(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)						
Lease purchase 1 new maxi in 2017												(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)
Minor refurbishment of 1 maxi in 2018												(154)										
Minor refurbishment of 1 maxi in 2018												(154)										
Lease purchase 1 new maxi in 2022																	(125)	(125)	(125)	(125)	(125)	(125)
Minor refurbishment of 1 maxi in 2023																	(187)					
Lease purchase 1 new maxi in 2027																						(152)
Minor refurbishment of 1 maxi in 2028																						(228)
Mini Pumpers:																						
Lease purchase 1 new mini in 2007		(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)													
Major refurbishment of 1 midi in 2008		(104)																				
Lease purchase 1 new mini in 2015										(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)					
Minor refurbishment of 1 mini in 2016										(71)												
Lease purchase 1 new mini in 2023																		(77)	(77)	(77)	(77)	(77)
Minor refurbishment of 1 mini in 2024																		(97)				
Total Outlays (in thousands)	(40)	(580)	(164)	(164)	(164)	(164)	(249)	(249)	(292)	(338)	(267)	(552)	(244)	(244)	(244)	(244)	(518)	(402)	(305)	(305)	(305)	(583)
Funding Needed (in thousands):																						
Equipment Rental Fund surplus	179																					
Prior year General Fund surplus	277	178										110										
Annual sinking fund charge (4% growth)		185	192	200	208	216	225	234	243	253	263	274	285	296	308	320	333	346	360	374	389	405
Balance (in thousands)	416	199	226	262	306	358	334	319	270	185	181	13	54	106	170	247	61	5	60	129	213	35

Financing analysis based on the following assumptions:

- 1) 2007 new maxi cost = \$500K/maxi
- 2) 2007 new mini cost = \$250K/mini
- 3) 2007 major refurbished maxi cost = \$200K/maxi
- 4) 2007 minor refurbished maxi cost = \$100K/maxi
- 5) 2007 major refurbished midi cost = \$100K/midi
- 6) 2007 minor refurbished mini cost = \$50K/mini
- 7) 2007 new pickup truck cost = \$40K
- 8) Annual inflation for fire apparatus = 4%
- 9) Annual inflation for pickup truck = 1%
- 10) Useful life for maxi = 20 years (minor refurbishment cost needed when 10 years old)
- 11) Useful life for mini = 16 years (minor refurbishment cost needed when 8 years old)
- 12) Useful life for pickup truck = 8 years
- 13) Lease purchase financing: 10 years for maxi's and 8 years for mini's
- 14) 4.5% interest rate on lease purchase initiated in 2007
- 15) 6.5% interest rate on lease purchase initiated in or after 2012
- 16) Annual sinking fund charge needs to grow by 4% annually to keep pace with annual inflation for fire apparatus