

TO: Honorable Mayor and City Council
FROM: City Administrator Ron Johnson
SUBJECT: Fire Dept Request to Purchase Truck
DATE: July 17, 2017

BACKGROUND

Fire Chief Anderson will be present to discuss the Fire Department's request to purchase a new truck.

Attached is info from the proposed truck provider, Custom Fire.

If approved, the likely funding tool for the purchase is equipment certificates. I'm attaching a potential payment schedule from George Eilertson, Northland Securities, for the issuance of equipment certificates with scenarios of a 5 year, 8 year or a 10 year payment schedule. There is approximately \$190,000 in the Fire Dept Capital Fund. The payment schedule shows the utilization of \$100,000 of these funds and another scenario utilizing \$150,000.

REQUESTED COUNCIL ACTION

Consider the purchase request

Attachment(s): Letter from Chief Anderson; Custom Fire info; Equipment Certificate info



CANNON FALLS FIRE DEPARTMENT

Volunteers serving the City of Cannon Falls, Townships of Cannon Falls, parts of Leon, Douglas, Randolph, Stanton, Warsaw, Hampton, Vasa and the Village of New Trier.

July 17, 2017

Honorable Cannon Falls Mayor and City Council,

I have been asked to supply you with information on the new Rescue Truck and why the need of the purchase. I will come prepared to discuss the need of this new truck at the July 19, 2017 council meeting.

The Cannon Falls Fire Department currently has a 1996 International Rescue Truck. It has 20,356 miles and 2,140 hours of running time. It also has a 16 foot box, that houses a command center. The most important part of the truck is that it carries all of our tools for extrication at vehicle accidents and equipment needed to assist in all rescue situations.

Why the need for a new rescue truck? It is 21 years old and as a department, it was scheduled to be replaced at 20 years. The specs on the new truck would last for 20 years into the future. If we were to look at used vehicles, we would only be putting a bandaid on the situation. It will run into a situation where the City would need to replace 2 vehicles in one year.

The biggest problem with the current truck is the storage for all of the equipment, please see attached sheet for the list of equipment. By getting rid of the command center, we can use this space to put sliding drawers and pass through compartments to better store and organize our current equipment. The way it is now, we have equipment in multiple locations. To be able to access equipment quickly, it should be organized in central locations.

Will his truck last a few more years? The truck has been serviced annually. On the way to two fire and rescue calls, the rescue truck has been broken down on the side of the road. A reliable truck is needed.

Thank you for the consideration of a new Cannon Falls Fire Department Rescue Truck. I will have Custom, the manufacturer the department has chosen for the truck, attending the council meeting to answer any questions you may have.

Thank you,

Todd Anderson
Cannon Falls Fire Department Chief

4690 RESCUE RIG

1996 INTERNATIONAL
16' RESCUE BODY

1. 5 MSA BRAND SCBA
2. 7 SPARE BOTTLES
3. DEFIB
4. OXYGEN
5. CRASH BAG
6. RESCUE ROPE – LAND AND WATER
7. HYDROLIC JACKS
8. WOOD BLOCKING
9. AIR BAGS
10. TARPS
11. BACK BOARDS
12. STOKES BASKET
13. PORTABLE RADIOS
14. LUKAS JAWS OF LIFE
15. CHAINS AND HOOKS
16. CONES
17. BROOMS AND SHOVEL
18. TRIPOD LIFT SYSTEM
19. BODY HARNESS
20. BOTTLED WATER
21. SMALL HAND TOOLS
22. CLORINE KIT
23. PORTABLE LIGHTS
24. FLASHLIGHTS
25. OIL DRY
- 26.2 FIRE EXTINGUISHERS
- 27.3 SPARE CORD REELS
28. HALYGON TOOLS AND PIKE POLE
29. BOLT AND CABLE CUTTERS
30. DEWALT TOOL KIT AND SAWSALL
- 31.



Custom Fire Apparatus, Inc. ■ 509 68th Ave., Osceola, WI 54020-4044 ■ 715.294.2555 Fax 715.294.2168

www.customfire.com

To: **City of Cannon Falls, Minnesota
Cannon Falls Fire Department
Cannon Falls, Minnesota**

June 21, 2017

HGAC-BUY SALES PROPOSAL FOR HEAVY RESCUE

Dear Sirs:

We hereby propose and agree to furnish, after your acceptance of this proposal and the signing of a contract, the following new Apparatus and Equipment:

“One (1) HGAC CD03 Spartan Custom Chassis with a 24" Raised Roof, Full-Tilt, Aluminum LFD Cab, Single Axle, CustomFIRE Stainless Steel Body, Non-Walk-In Body built on a four-door Metro Star chassis, per the provided specifications.”

All of which are to be done in accordance with the Proposal specifications provided, and will be made part of the necessary contracts.

PROPOSAL PRICE

The above offered is made for the sum of: **USD \$490,691.43 (Four Hundred Ninety Thousand Six Hundred Ninety-One Dollars and 43/100 Cents)**, Delivered to Your Fire Department Headquarters. *NOTE: This price is per HGAC FS12-15 contract pricing and is inclusive of the \$2,000 HGAC purchase fees.*

SALES TERMS

A Progress Payment in the amount of **\$220,000.00** is due upon shipment of the Metro Star chassis to our factory. Full and final payment is due on day of delivery. You may pre-pay any undue funds in advance and earn .42% simple interest per each full calendar month until funds become due. (Equates to 5% per annum.)

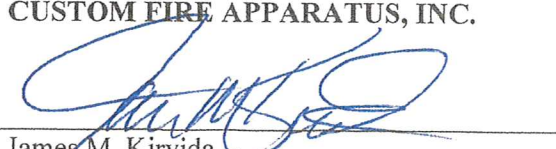
PROPOSAL VALIDITY

30 Calendar Days

DELIVERY SCHEDULE

160-Working Days or Less.

Respectfully Submitted,
CUSTOM FIRE APPARATUS, INC.


James M. Kirvida
President of the Corporation

City of Cannon Falls
General Obligation Equipment Certificates of Indebtedness, 2017A
(Fire Truck financing scenarios)

Information Provided for Financing Planning Purposes - Rates and Terms are Preliminary and May Change Based on Final Pricing

Scenarios	Scenario Description	Par Amount	Total Interest	Total Principal & Interest	Average Annual Payment	Cash Contribution from Issuer*	Average Coupon
A	\$358,000 Issue with 5 Year Term	\$358,000	\$24,784	\$382,784	\$76,557	\$150,000	2.000%
B	\$408,000 Issue with 5 Year Term	\$408,000	\$28,187	\$436,187	\$87,237	\$100,000	2.000%
C	\$358,000 Issue with 8 Year Term	\$358,000	\$43,565	\$401,565	\$50,196	\$150,000	2.400%
D	\$408,000 Issue with 8 Year Term	\$408,000	\$49,640	\$457,640	\$57,205	\$100,000	2.400%
E	\$358,000 Issue with 10 Year Term	\$358,000	\$55,473	\$413,473	\$45,941	\$150,000	2.750%
F	\$408,000 Issue with 10 Year Term	\$408,000	\$63,177	\$471,177	\$52,353	\$100,000	2.750%

