



FRESNO COUNTY FIRE

PROTECTION DISTRICT

Honor, Integrity, Cooperation & Professionalism

MEMORANDUM

Date: 04/12/2018

To: Board Directors

Attn: Mike Del Puppo
President

From: Fire District Staff

Subject: Execution of 5 Year Lease Purchase Financing for a Replacement Ladder Truck and Type I Fire Engine as approved on November 15, 2017.

BOARD OF DIRECTOR'S BRIEFING PAPER

ISSUE:

Staff has finalized the Pre-Construction process and ordered the previously approved Ladder Truck and Fire Engine Purchase and determined the final financing package for formal adoption.

BACKGROUND:

The Board of Directors approved the purchase of a new 105' Quint Ladder Truck and a Type I Fire Engine from Smeal Fire Apparatus at the November 2017 Board Meeting. The purchase approval also authorized staff to enter into a 5 Year Lease Purchase Financing Agreement with Community Leasing Partners of Manhattan Kansas.

DISCUSSION:

Staff has been working diligently since November to finalize the specifications for the purchase of these apparatus to determine the final pricing for the financing application. Concurrently, staff has worked closely with Community Leasing Partners to complete and submit the financing application package during the pre-construction process period. Staff was recently notified that the District's financing application was approved for the desired amount and 5 Year leasing term as

requested. The total financing amount for this purchase is \$1,568,890. The annual payment for this financing will be \$358,475.10. The first payment is due on January 31, 2020 and the last payment will be January 31, 2024. As directed by the Board, the financing for this purchase: will not go into effect until after our current fire engine financing payments end, the payments for this purchase will be \$7,554 less per year than our current apparatus financing payments, and the payment schedule has been moved from July to January to better align with the District's property tax revenue schedule.

ALTERNATIVES:

1. The Board votes to formally approve the 5 Year Lease Purchase with Community Leasing Partners.
2. The Board votes to not approve the Lease Purchase Agreement and authorize this purchase to be made with cash reserves instead.

IMPACTS *(Consider potential consequences related to each of the following areas of concern for proposed alternatives):*

- Fiscal – The annual payment for this financing will be \$358,475.10. The funding source for this project would come from annual fiscal year budgets during the amortization period, Capital Equipment #0401 Account.
- Operational – This purchase financing will allow the District to continue with its fleet replacement goals while curbing inflationary costs.
- Legal – No known impact.
- Labor – No known impact
- Sociopolitical – No known impact.
- Policy – No known impact.
- Health and safety – No known impact.
- Environmental – No known impact.
- Interagency – No known impact.

RECOMMENDATION:

Staff is recommending that the Board of Directors approve the formal acceptance and execution of this 5 Year Lease Purchase Agreement with Community Leasing Partners.

APPROVED:



Josh Chrisman, District Admin Chief

4/13/2019
Date

EXECUTIVE STAFF