



FLAGLER BEACH CITY COMMISSION

City Manager's Report

Item No. 11

Meeting Date: May 14, 2020

Issue: Resolution 2020-12 a resolution by the City Commission of the City of Flagler Beach, Florida, amending Resolution 2019-17 which adopted the FY 2019/20 Budget, to reflect a budget amendment providing for conflict, providing an effective date hereof – Kathleen Doyle, Finance Director.

From: Fire Chief Bobby Pace

Organization: City of Flagler Beach

RECOMMENDATION: Approve Resolution 2020-12

BACKGROUND: There are two amendments on this resolution,

1. **FIRE TRUCK PURCHASE** Since assuming the responsibilities associated with the chief's office in 2013, I've stressed the importance of having a replacement/depreciation schedule for department equipment:
 - NFPA (National Fire Protection Association) states in NFPA 1901 that fire service leaders should carefully consider the value (or risk) to their firefighters of keeping fire apparatus in first-line services when it's more than 15 years old.
 - When originally requesting that reserves be allocated annually and increased for fire truck replacement, the board posed the question of what was the life span possibilities for Engine 111.
 - 6 to 8 years was the forecast. As of January 2021, Engine 111 will reach the 8-year threshold.
 - Engine 111 is 24 years old, it is completely depreciated and holds no monetary value.
 - In keeping with the depreciation schedule, the department has reached the point of removing Engine 111 from service.
 - Adhering to the department's ISO rating of 3, the city must insure 2 fire engines/pumpers and 1 aerial unit within its fleet.
 - In purchasing a new fire engine, Ladder 11 will still be accessible; however, preservation for this unit can be accomplished at approximately the 7-year mark.
 - Allocations have been set to reserves the last 4 years for the replacement of Engine 111.
 - Research was conducted the last 6 months through 3 manufactures (E-One, Rosenbauer, & Pierce). The department has selected Pierce.
 - With pre-construction beginning in June, the department could expect to take delivery of the new fire engine mid to late winter 2021.
 - The city will receive a \$ 17,000 credit by paying for the engine in full.
 - The fire engine would be built specifically to the needs of the department with room for growth.
 - In addition, the fire engine will be stocked with approximately 75% of required equipment.
 - With the associated warranties the department forecasts less maintenance costs.

- The manufacture will award a credit for Engine 111 upon purchase and the truck will be donated to a volunteer fire department in the name of the City of Flagler Beach.
- The department is currently researching several volunteer departments in the panhandle that were decimated during Hurricane Michael.
- The Purchase Price for the Fire Truck Replacement is ~~\$507,738~~ \$570,738 this includes the \$17,000 credit mentioned above. The City has a balance of \$306,759 in the Fire Truck Reserve; this reserve was built by transferring \$75,000 annually from Infrastructure Surtax Funds. The Balance of the Infrastructure Surtax Fund is \$989,453 with collections received through February 2020. The surtax is paid two months in arrears. The purchase would use \$263,979 from Infrastructure Surtax Funds. A budget amendment is required to show the Cost of the Fire Truck (expense), use of the Fire Truck Reserve (transfer in) and the use of the Infrastructure Surtax Fund (transfer in)

2. PUBLIS SAFETY COMMUNICATIONS NETWORK (PSCN)–

The Intralocal Agreement with Flagler County was approved at the City Commission Meeting on February 13, 2020. The paragraphs below describe the funding for the budget amendment.

The City budgeted reserves for this purchase in prior years. Our total reserve is \$233,334; an amendment to the budget for the difference of \$36,727 from Unrestricted General Fund Reserves. Paying the amount as a one-time rental fee will save the City over \$29,000 in interest. The City will need to rebuild the radio reserve over the next eight years to prepare for future purchases.

The Subscription Fee Charge for the radios will be part of departmental operating accounts; an amendment for the current year will be necessary in the amount of \$11,520. The County provided the City with an estimation for the Subscription Fee over the 10 Year Span; that total is \$167,040. The amounts will be part of the annual budgets for Fire, Police and Ocean Rescue.

An amendment to the budget is required to record the purchase of the radios for public safety (expense). To show the use of the Radio Reserve (transfer in) and to appropriate the use of Unrestricted General Funds.

BUDGETARY IMPACT: For the Fire Truck, the total purchase is coming from Infrastructure Surtax Funds, since the Fire Truck Reserve is a transfer from this restricted fund. A fire truck is an approved purchase per Florida Statute 212.055. Infrastructure Surtax is imposed at 1% in Flagler County and is collected on any item purchased that is subject to sales tax. Therefore, the purchase of the truck is not from ad valorem or property taxes collected by the city; but from the amount of surtax distributed to the City from the County collections of Surtax.

The Radios, PSCN, are leased through Flagler County, the funds that were reserved in previous years were reserved from Unrestricted General Fund dollars; the balance of \$48,247 is also coming from our Unrestricted General Fund.

LEGAL CONSIDERATIONS/SIGN-OFF:

PERSONNEL: Fire Department Personnel for Item 1. Police and Fire Departments for Item 2.

POLICY/REQUIREMENT FOR BOARD ACTION: All purchases in both items will follow the City's Purchasing Policy as described in Article IX, Section 2-290 through 2-396 of the City's Code of Ordinances.

IMPLEMENTATION/COORDINATION:

