

City of South Lyon
Council Meeting Workshop
March 11, 2021

Mayor Pelchat called the meeting to order at 7:30 p.m.
Mayor Pelchat led those present in the Pledge of Allegiance

Roll Call: Mayor Pro Tem Kivell joined the meeting from South Lyon MI, Councilmembers: Dilg joined the meeting from South Lyon MI, Kennedy joined the meeting from South Lyon MI, Kurtzweil joined the meeting from South Lyon MI, Richards joined the meeting from South Lyon MI and Walton joined the meeting from South Lyon MI

Also, present: City Manager Zelenak, Chief Vogel, Finance and Benefit Administrator Tiernan, and Clerk/Treasurer Deaton

AGENDA

CM 3-1-21 MOTION TO APPROVE AGENDA

Motion by Kennedy, supported by Kivell

Motion to approve agenda as presented

VOTE:

MOTION CARRIED UNANIMOUSLY

PRESENTATION- Fire Department 2021-2022 Aerial Ladder Replacement Presentation

Chief Vogel and Deputy Chief Weir presented the 2021-2022 Aerial Ladder Replacement Project to Council. Chief Vogel stated he is thankful for City Manager Zelenak, Deputy Chief Weir, Patricia Tiernan, the truck committee and his department. He stated he can't stress enough how much work has been put into this. He stated when he started here in late 2017 and he worked on his first budget. He stated one of the first items to do was to refurbish the current ladder truck. We received 3 bids that the previous Chief and mechanic Doug Buers searched out. He stated the red flag to him was the difference in the 3 bids. Two of the bids were close in the \$300,000's and the last one came in at \$178,000. He further stated when he was presenting the budget, he budgeted for \$178,000 which Council approved. After July 1 of that year, he reached out to the vendor, and found out they changed their mind. They refurbished a couple of trucks after the bid was given and discovered that it couldn't be done for that cost. So, they gave us a verbal bid of approximately \$400,000. He turned that down, and then in 2020 with the support of the City Manager, we started a committee to decide if we replace or refurb the current truck. He then stated if we refurbished, it would be \$330,000 plus. By the time it would start and come back to us, it would be about right now. He further stated the truck would then be 23 years old, and by law the life expectancy of the truck is 25 years. We decided that wasn't the way to go. Chief Vogel stated he started doing some research and in 1993 the City was growing and bought their first ladder truck, but it was a 1969 used truck from Flint. Only got about 7 years out of it and as they were responding to a call, the axel literally fell out. The truck was condemned. Then they bought a refurbished Fire Truck, when it arrived it already had a lot of miles on that and it has been a great truck, but it is now becoming very problematic and expensive. He stated that leaves us to where we are today. He stated people are concerned about mutual aid. Lyon Township isn't going to buy one, and Green Oak has a very old one, but he worries about our residents. He stated our current truck went out of the City 8 times in the last year and the ladder went up twice for either a rescue or to fight a fire. He stated in 2019 it left the City 8 times, and the ladder was utilized 4 times. Two of the times were the Lyon Cantina Fire. He stated another concern that was brought up was, are we settling for a truck because it is convenient. He is

extremely confident that the Spartan Steel truck is the perfect truck for the City. It is built for small stations, and we don't have to raise the roof, there are many concerns with that.

Deputy Chief Weir stated we formed a committee last year and we researched replacing our current aerial apparatus. He stated there is limited height on the overhead doors so we reached out to manufacturers to find out the height of their trucks. He stated there are different styles of trucks, but the issue with the rear mount apparatus is the significance difference in height. He further stated Spartan has the truck that would fit in the garage without any work being done to the building. He stated the Pierce truck was a little bit too tall. Without sounding callous, a fire truck is a fire truck and performs the same functions, but there is a difference in the pumps, engines, transmissions and etc. We have had several meetings and he got the spec sheet for a stock model, and we had a second meeting with CSI. He stated there are some things we will want to do with the truck to make it a South Lyon truck as opposed to a stock truck. He stated we are looking to have the new truck as a medical vehicle. Chief Vogel stated they did an excellent job researching and researching the company. Deputy Chief Weir stated the next step will be to have a sit down with CSI and go over the truck step by step. He further stated the vendor stated we are between 1.4 million and 1.5 million with everything we think we need. Finance and Benefit Administrator Tiernan stated we have some funding options if we move forward. All are based on the top-level number, so she is going with 1.5 million. Through her research, she found some viable options. All three will have basic assumptions, such as putting down a down payment. About \$250,000 is what is normally recommended. We are assuming the order date will be July 1st. Any funding will not commence until the next fiscal year. Then the approximate date of truck delivery would be July 2022. Every subsequent payment would be annually, not monthly. After the initial payment, no additional payment until July 2022. Another option is a cash purchase, and another option would be to finance through a municipal government lease purchase through REV Financial Services. This is the financing arm through Spartan. They have a system in place. She stated they would give us a tax-exempt lease purchase with title passing to the City upon final payment. She further stated if Council chooses to go this route, she suggests we do the 5-year term lease with a current interest rate of 2.29%, which could change, then we would put down the down payment, then on July 2022 the payment would be \$267,434.19. After the 5 payments, the cost of the truck would be \$1,587,170.00 She further stated we could also make a larger down payment and that would cut down on the interest that we would pay. The final option is an installment loan through Comerica Bank. They would offer an installment purchase agreement would be 5 years with 2.4% interest which is subject to change. The estimated total would be \$1,650,000. Ms. Tiernan stated all the contracts and agreements would be drafted by our Attorney's and then it would be passed along to their attorney's. She further stated we are talking about General Fund dollars and additional debt. We have long term debt obligations of 8 million dollars and consider that when making the decision.

Councilmember Kurtzweil asked Ms. Tiernan if our legal debt margin is 46 million, and that means we cannot borrow more than that. We already have 8 million, but we will still be well below that legal debt margin. She then asked when the other debt is paid off. Ms. Tiernan stated the 2003 bond will be paid in 2025 and the DWRF will be paid off 2034. Councilmember Kivell asked if the DWRF is coming out of the enterprise fund? Ms. Tiernan stated it is. The other bond comes out of its own fund. Councilmember Kivell stated he is grateful that our Fire Department is so sophisticated and take the pride in what they are doing, but everyone else is balking at this, and they have the same exposures for the vulnerabilities, such as schools, factories, that are all difficult to fight without a ladder truck, and gratefully that doesn't happen very often. He is worried we are missing something, that causes some concern, if it was something that wasn't going to have an effect on our other capabilities of things we are still lacking and this is just one more heavy hit in the big grand of scheme. He then asked if there were no facility pediments, is this the rig you would want to purchase. Deputy Chief Weir stated all manufacturers have their own uniqueness. They are well established and well known and they make a quality piece of

equipment. He further stated we have spoken with firefighters that use this vehicle every day and they are all very happy with it. Councilmember Kivell stated he is glad this vehicle fits our needs and will fit in the firehouse. He then asked about the generator. Deputy Chief Weir stated the new generator won't require the PTO generator that we currently have. Councilmember Kennedy stated you have spoke with other firefighters that currently use this vehicle, did you also ask them about the reliability of the vehicle, the availability of parts. Deputy Chief Weir stated this particular model is pre engineered and will have parts readily available. He stated the people he has spoken with have used newer models. Chief Vogel stated he reached out the Detroit Fire Department that have almost the exact same truck and have had it for almost 3 years. They have had zero downtime, the reliability is great, they are a pretty busy company. He stated they are open to allowing us to come down and see and check out the truck. Mayor Pelchat thanked Deputy Chief Weir on the packet and thanked Chief Vogel as well. Councilmember Richards stated he is in favor of a new truck, but if we could buy a truck that is just a few years old because that would save a lot of money, as well as looking at an aluminum ladder as opposed to a steel ladder. He then stated he trusts Ms. Tiernan's concepts of the financing. He then asked if anyone thought about extending the outside west wall by 8 feet and lowering the floor approximately 4 feet, that would be enough to clear the roof, and you could put a slant roof over the new addition. He then mentioned the bond rating, if we extend ourselves more, will it lower our bond rating and raise the interest rate on everything else. He further stated he would like to be in contact with the committee. Chief Vogel stated looked at the used apparatus option, but with a truck that will fit, we only found a 15 year. There is not much price difference between steel and aluminum ladders. He further stated there are concerns about unstable soil so we can't dig down, and we can't build out the west wall because they use that as a thoroughfare as well as the Police. He further stated raising the roof would be very complicated. Deputy Chief Weir stated we looked at steel versus aluminum and we wanted steel because when you go to an aluminum ladder, you lose weight capacity in the bucket by about 250 pounds. There are a lot of weight calculations that go into that. Ms. Tiernan stated anytime you take out additional debt, it will affect your bond rating, but it will not have a significant impact, but you have to keep that in mind depending on what else the City is looking to do in the future. Councilmember Richards stated if we go with a more expensive truck, and the surrounding communities don't have anything similar, and if we are called to go outside of Ann Arbor or the airport, can we have a service agreement to knock down our debt. Chief Vogel stated we already have that in place, it is called cost recovery. He stated we can bill and we have in the past. When we helped with the recycling fire, 4 or 5 years ago, we billed and we did recover some costs. He stated we would never bill another City. Councilmember Kurtzweil asked about the cost recovery issue, what kind of dollars would that mean? Chief Vogel stated he has gotten pretty good with doing cost recovery and there is a chart on FEMA's website suggesting how much to charge per vehicle and per person. It breaks it down and we have utilized it, such as the significant car crash in Green Oak and they charged a lot of money to the trucking company. Councilmember Kurtzweil stated the cost recovery isn't going to make a payment. She further stated Lyon Township and Green Oak Township are sitting back and making business decisions based on what we are doing. Chief Vogel stated he agrees, but do we not make the purchase because of that. It is frustrating, but he can't sleep at night knowing that we don't have the best service for our citizens. Councilmember Kurtzweil was happy to hear about the PTO generator and they are very popular in the farming industry. They are moving away from them so they don't have to rely on the generators anymore. She is glad they aren't being considered. She then stated the package is we are purchasing a fire and rescue truck. Deputy Chief Weir stated that is correct, the current ladder truck isn't EMS licensed. He wants the new truck to be licensed so it can respond to medical. He stated his intent is to have anything we need on a standard medical truck on our new truck. Councilmember Kurtzweil stated some fire trucks have saws and things like that. Deputy Chief Weir stated this truck will carry that. Chief Vogel stated everything on the old truck will be used on the new

truck, the only thing new will be special compartment for oxygen, splints, band aids and things like that. The two engines carry car crash equipment. He further stated we have a working agreement with DPW. Our current ladder truck has confined space equipment so we can provide standby emergency equipment anytime they have to climb down into a pit or something like that. The ladder truck has specialized equipment like that. Councilmember Kurtzweil stated she is glad it will be medically licensed. She then stated the ladder truck is for rescue, so if you have to rescue a lot of people off a roof, you are able to rescue more people with a steel ladder rather than aluminum. That is the real benefit is you have the maximum ability to rescue. She then stated she watched a lot of videos on ladder trucks and a good suggestion is for you to make a video for the public. Chief Vogel stated that is what they are anticipating along with an open house. He would like everyone to come to the station when it is delivered to see it. He will be making a video and put it on YouTube, it can be used as a recruiting effort as well. Councilmember Kivell asked if there is a melting point for the aluminum versus steel and if that influences how close you can get to a fire. Deputy Chief Weir stated the aerial ladders have sprinkler heads on them so that isn't a problem. Councilmember Kivell stated with everyone being EMT trained, why is it so difficult to get the medical certification. Deputy Chief Weir stated each vehicle is licensed with the State of Michigan. The Inspector comes out and inspect our administrative policies and protocols, etc., and the vehicles, and they are required to carry a certain amount of equipment, it has to be current and not expired, the medication has to be secured in locked boxes, and temperature controlled so you can't just respond to a non-licensed vehicle. Chief Vogel stated the state inspection is stressful. They take hours to look over our paperwork, and then they check all the vehicles as well. He further stated it is a big deal and we felt due to the increased runs, we thought it is important for the truck to be prepared for medicals. Councilmember Kivell stated that makes sense. Councilmember Kivell stated when we are assisting with a fire, if we don't bill the City, would we charge the business? Chief Vogel stated we would be able to charge the facility or the businesses. Chief Vogel stated he would never bill another municipality because he is sure the City would end up being an island and no one would want to come help us. Councilmember Kennedy stated the ladder truck has been used for fighting fires, it isn't only for multistory fires, you spoke of using at the Lyon Cantina fire and he assumes that is to make fighting the fire more safely and more affectively from the air and it gives you more flexibility. Chief Vogel stated for an example, during the Lyon Cantina fire, the center of the building collapsed and it brought down the HVA units so from the outside we couldn't get to the inside of the building, so the ladder went up and we were able to extinguish part of it from above. He further stated on a single dwelling, it would have to be really burning to use on a residential fire, for example the fire on Brookdale last year, it was burning so intensely on the second floor, we used the ladder truck and because of that, we saved half of the duplex. Some discussion was held regarding the Covid relief funds that the State of Michigan will be receiving, which each township and city will also receive. Chief Vogel stated if Council agrees to move forward with this, we will be able to sell the old one. He was surprised to hear that we could possibly get \$100,000 for it. He further stated apparently the southern countries like to purchase the older trucks. Councilmember Kurtzweil stated you have to be conservative on the amount of money the City will receive. The larger cities that have lost populations, and the devastation of their downtown areas, so there is more inclination to give more support to those communities. Councilmember Kivell stated the emission standards have gone crazy with the computer controls that will shut down a rig when it exceeds a certain standard. Chief Vogel stated fire departments and military vehicles are exempted from the shutdown features.

PUBLIC COMMENT- None

ADJOURNMENT

CM 3-2-21 MOTION TO ADJOURN

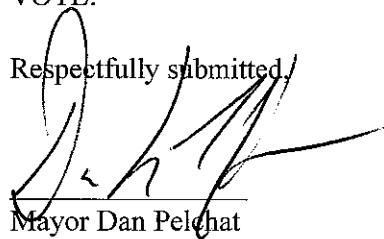
Motion by Kurtzweil, supported by Walton

Motion to adjourn meeting at 7:26 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Mayor Dan Pelchat



Clerk Deaton