


City Council Regular Meeting

DEPARTMENT: Finance
FROM: Mark Davies, Director of Finance
MEETING: May 18, 2026

SUBJECT:

Consider and take possible action to approve a resolution declaring intention to reimburse an amount not to exceed \$2,652,000 for certain capital expenditures with proceeds from debt; and placing time restrictions on the issuance of tax-exempt obligations. *(Staff Contact: Casey Davis, Fire Chief and Mark Davies, Director of Finance)*

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
 <p>High Performing City Organization Providing Exceptional, People Focused Services</p>	<p>1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers</p>

SUMMARY:

On September 8, 2025, the Council approved the final reading of the City's FY 2025-2026 annual budget and capital improvement plan (CIP). The approved budget includes the City's capital improvement plan. This reimbursement resolution will give the City the ability to begin the order process for four replacement ambulances which takes approximately 30 months for them to come on-line. The intent is to reimburse the cost incurred with proceeds from bonds to be issued at a future date.

After adoption of the reimbursement resolution, the debt is typically expected to be issued within 18 months of the later of (1) the date the expenditure was paid or (2) the date the related project is placed into service, but in no event more than three years after the original expenditure was incurred. These timelines are established under Treasury Regulation §1.150-2 and are intended to preserve the tax-exempt status of the future debt while providing municipalities flexibility to advance projects prior to permanent financing.

This resolution supports the planned replacement of four frontline ambulances placed in service in October 2023 and operating in a high-utilization, fire-based EMS system.

Based on current utilization trends, these units are projected to reach approximately six years of service by FY2029, with 129,000–160,000 miles and 9,300–12,300 engine hours. This exceeds recommended replacement benchmarks of five years or 150,000 miles. Additionally, the units will have greater than 8,000 hours of engine time. For context, one engine hour equates to roughly 30 miles of wear, further illustrating the accelerated lifecycle of these units.

Due to continuous EMS deployment and dual Fire/EMS use, these units experience above-average wear. The department is already observing early lifecycle issues with the Demers units, including suspension failures, increasing maintenance demands, and parts delays. Delaying replacement increases the risk of mechanical failure, reduces system reliability, and impacts both EMS response and fireground staffing.

The FY2028 CIP includes funding for ambulance and associated equipment replacement. With current ambulance build times at approximately 30 months, advance procurement is necessary to maintain the replacement schedule and avoid service gaps.

RECOMMENDATION:

Staff recommends approval of the resolution.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On September 2, 2025, the City Council held a public hearing and conducted the first reading of the City's FY 2025-2026 annual budget with the five-year Capital Improvement Plan (CIP).

On September 8, 2025, the City Council approved the second reading of the City's FY 2025-2026 annual budget with the five-year Capital Improvement Plan (CIP).

On September 8, 2025, the City Council approved a reimbursement resolution declaring the intention to reimburse an amount not to exceed \$82,500,000 for certain capital expenditures with proceeds from debt.

On September 8, 2025, the City Council approved a reimbursement resolution declaring the intention to reimburse an amount not to exceed \$16,500,000 for certain capital expenditures with proceeds from debt.

On October 20, 2025, the City Council approved a reimbursement resolution declaring the intention to reimburse an amount not to exceed \$6,750,000 for certain capital expenditures with proceeds from debt.

REFERENCE:

CSO#5910-09-2025

FISCAL IMPACT:

Proposed Expenditure not to exceed: \$2,652,000

STAFF CONTACT:

Mark Davies
Director of Finance
mdavies@burlesontx.com
817-426-9607