



STAFF REPORT

April 19, 2023
File Number 0830-20

SUBJECT

SUBSTANTIAL AMENDMENT TO THE 2020-2024 CONSOLIDATED PLAN AND 2022 ANNUAL ACTION PLAN TO PURCHASE TWO MONARCH FIRE ENGINES FROM SUTPHEN FIRE EQUIPMENT, INC. ("SUTPHEN")

DEPARTMENTS

Development Services – Housing and Neighborhood Services and Public Works - Fleet Services

RECOMMENDATIONS

Request the City Council take the following actions:

- 1) Make a Substantial Amendment to the 2020-2024 Consolidated Plan to add a new public safety goal to the Community Development Block Grant ("CDBG") Program;
- 2) Adopt Resolution No. 2023-50, authorizing payment of \$526,316.81 of unallocated CDBG funds from the 2020, 2021, and 2022 Annual Action Plans for a 25% deposit to Sutphen for two Monarch Fire Engines; and
- 3) Adopt Resolution No. 2023-07, authorizing the Fleet Services Division to purchase two Monarch Fire Engines from Sutphen in the amount of \$2,073,688.23, through a cooperative purchase contract with Sourcewell. The new contract is 113021-SUT. The cooperative purchase price through Sourcewell includes all taxes, delivery, operator and mechanic training, apparatus inspections in Dublin Ohio, and all associated fees.

Staff Recommendation: Approval (Development Services: Andrew Firestine, Director of Development Services and Public Works: Joseph Goulart, Director of Public Works)

Presenters: Holly Nelson, Housing & Neighborhood Services Manager; John Tenger, Deputy Fire Chief; and Joseph Goulart, Director of Public Works

FISCAL ANALYSIS

Two different funding sources will be used to purchase the two Monarch Fire Engines. CDBG, a federal grant allocation from the Housing and Urban Development ("HUD"), will fund the 25% deposit (\$526,316.81) for the Monarch Fire Engines. The remaining balance of \$2,073,688.23 (including sales tax) for the two Monarch Fire Engines will be funded by the Fleet Services Fiscal Year 2023 Operating Budget (Account No. 5208-653-715). Additionally, Sutphen offers a discount of \$31,579.01 on the purchases of the two fire engines for pre-paying the 25% deposit up front.



CITY of ESCONDIDO

STAFF REPORT

PREVIOUS ACTION

On December 1, 2021, the City Council approved Resolution No. 2021-180 for the acquisition of three fire engines from Sutphen. City Council approved a budget adjustment of \$2,650,000 which consisted of using surplus FY 2020-21 funds in the amount \$1,700,000 and \$950,000 in Public Facilities fees to purchase of three Monarch Fire Engines from Sutphen. City staff used Sourcewell's cooperative agreement to purchase the fire engines.

BACKGROUND

The City has a population size of 150,665 people and has seven fire stations located throughout the City of Escondido. Each fire station is equipped with a fire engine and ambulance that serves a designated area also known as a "fire district" (see [Attachment 1](#) to this Staff Report for a map of fire districts). Although each fire engine and ambulance have a designated service area when emergencies arise in the City, the nearest fire engine is deployed to any incident regardless of the district in which the incident may occur. In addition to the seven fire engines at each fire station, the City has three fire engines in reserve in case of an emergency or repairs.

The average fire engine costs one million dollars to purchase and has a lifespan of 15-20 years. Fire engines are traditionally funded from the Fleet Department Budget but, due to the City's financial challenges, this funding source has been historically underfunded. This has had an impact on many vehicles, but Frontline Type 1 fire engines are needed at each of the seven fire stations in the City as they are the primary response apparatus for all emergency responses. Several of the current fire engines have aged beyond their recommended lifespan of 15 to 20-years and have reduced reliability, resulting in more frequent and longer repair times and higher costs to maintain. Older fire apparatus also lack modern safety features and do not meet current emission standards. Should the recommended purchase be approved, two existing 2003 KME Renegade Type 1 fire engines are being replaced due to exceeding their life expectancy of 20 years.

Fire engines are not only costly to purchase, but many manufacturers have faced supply chain issues due to COVID-19 which has slowed down the delivery to 37-43 months. Therefore, City staff is recommending that the most critical fire engines be replaced immediately so that they can be placed in service by 2025.

Given this important unmet need, the City started to explore alternative funding sources. City staff learned that the acquisition and purchase of fire engines is an eligible expense under the federal program, CDBG (24 CFR 570.201(c)). City staff met with HUD leadership multiple times to confirm this information. HUD staff verbally approved the funds, but cautioned the City to use the "minimum amount of funds necessary" to execute the contract. HUD representatives expressed concerns with the City tying up \$2,000,000 in resources for the acquisition of two fire engines that is expected to take three to four years to complete given the City's timeliness issues with CDBG. City leadership have agreed to use CDBG funds to pay for the 25% deposit as discussed above and fund the rest of the proposed purchase with through Fleet Services Fiscal Year 2023 Operating Budget.



CITY *of* ESCONDIDO

STAFF REPORT

The City receives an annual grant allocation of approximately \$1,500,000 from HUD for CDBG Program. All activities using these funds must meet a national objective of benefiting low- and-moderate income households/areas, eliminating slum and blight or addressing an urgent need and align with the City's priorities in its five-year Consolidated Plan. Since the acquisition of fire engines was not previously identified as a priority or need in the plan, the City proposes to add a new goal around public safety to reflect this need.

City staff analyzed the Fire Department's data from 2022 to see which fire stations had the highest call volume and then compared that information to the City's census tracts (see Attachment "2" to this Staff Report for a GIS Map of fire districts with CDBG census data). City staff used the fire station map as a natural boundary to calculate the number of low- and moderate-income residents living in that area to ensure it met HUD's requirement of serving more than 51% low/moderate residents. The two fire stations with the highest calls and the highest percentage of low- and-moderate residents were Fire Station #1 and Fire Station #7.

Table 1: 2022 Call Data with CDBG Block Grant Areas

Fire Station	Calls for Service	Percentage of Low and-Moderate Residents
Fire Station #1 310 N. Quince Escondido, CA 92025	4,141 calls	73%
Fire Station #7 1220 N. Ash Street Escondido, CA 92027	3,932 calls	65%
Fire Station #2 421 Midway Escondido, CA 92027	3,365 calls	51%

City staff recommends amending the 2020-2024 Consolidated Plan and the 2022 Action Plan (see Attachment 3 to this Staff Report for the substantial amendment to the 2020-2024 Consolidated Plan; see Attachment 4 to this Staff Report for the substantial amendment to the 2022 Annual Action Plan). The revised plans were posted on the City's Housing & Neighborhood Services website and a public notice was issued on March 26, 2023 in the San Diego Union Tribune Paper. No comments were received in support or in opposition of this item.



CITY *of* ESCONDIDO

STAFF REPORT

Upon City Council approval of Resolution Nos. 2023-50 and 2023-07, two Type 1 Monarch Fire Engines will be purchased from Sutphen utilizing the Sourcewell Cooperative Purchasing Contract (Contract No. 113021-SUT) as allowed per Chapter 10, Article 5, Section 10-91 of the City of Escondido Municipal Code, authorizing the purchase of supplies and equipment utilizing cooperative purchase programs. This purchase will be funded by \$526,316.81 of CDBG funds and \$2,073,688.23 by the Fleet Services Fiscal Year 2023 Operating Budget (Account No. 5208-653-715).

RESOLUTIONS

- a. Resolution No. 2023-50 Substantial Amendment to the 2020-2024 Consolidated Plan and 2022 Annual Action Plan
- b. Resolution No. 2023-07 Sutphen Fire Engine Purchase

ATTACHMENTS

1. Map of Fire Districts
2. Fire District & CDBG Census Tracts
3. 2020-2024 Consolidated Plan Amendment
4. 2022 Annual Action Plan Amendment