

# AB 6819

Ordinance No. 25-34

## Fire Apparatus Acquisition & Financing

November 18, 2025



# Agenda

- 1. Background**
- 2. Enforcer Pumper**
- 3. Joint Purchase Agreement**
- 4. Lease Purchase Agreement**
- 5. Budgetary Impacts**

# Background

- Since January 2024, Eastside Fire & Rescue provides fire and emergency medical services on Mercer Island.
  - Per the ILA, City owns its fleet. EF&R maintains and operates the fleet.
- In February 2025, Council approved Ordinance No. 25-04 authorizing the purchase and financing of two fire engines.
  - City unable to agree to manufacturer's open-ended price increases.
  - City Manager placed the purchase on hold.

# Background

- ❑ EF&R and the City regrouped in September 2025.
- ❑ New specifications completed in November 2025 for a new type 1 apparatus to replace one of the City's reserves.
  - ❑ The City's planned purchase of a type 2 apparatus is on hold until it is made available by the manufacturer.
- ❑ EF&R Recommendation:
  - ❑ Pierce Enforcer Pumper (semi-custom).
  - ❑ Less expensive and faster delivery than fully custom.
  - ❑ Model and build meet industry standards, consistent with EF&R's fleet.

# Fire Apparatus Replacement

## Freightliner Pumper Type-2 Fire Engine



- Smaller, more fuel efficient compared to type-1 engines.
- Shorter wheelbase required to navigate narrow driveways, particularly hillside properties.
- Less common apparatus, requires a fully customized build.
- Engine component still under design, anticipated to be finalized in 2026.
- **Not part of current joint purchase.**

# Fire Apparatus Replacement

## Enforcer Pumper Type-1 Fire Engine



- Carries 3-4 firefighters.
- Supports structural firefighting & initial EMS response.
- Contains pump with a 750-gallon tank and 1,500 gallons/min minimum water transfer.
- New apparatus will replace the current primary engine at Fire Station 92. Current primary engine to become reserve engine.
- **Price:** \$1,267,470
- **Delivery Timeline:** 31-36 months

# Acquisition

- ❑ The City proposed a joint purchase agreement to purchase four Enforcer Pumpers (one for City and three for EF&R).
- ❑ New starting point. Equitably shares risk of price increases.
  - ❑ Scaled escalator tied to Producer Price Index mitigates inflation/tariffs risk between the City and manufacturer.
  - ❑ Price changes tied to major third-party-built components capped at 10% of purchase price.
  - ❑ City retains right to review and approve price increases.



# Financing

- Staff requested bids from investors specializing in Fire Apparatus financing.
- Lease purchase agreement is an installment contract with ownership accruing over time.
- Municipal Asset Management, Inc. proposed the most favorable terms.
- After the final lease payment, ownership transfers to the City to be maintained and operated by EF&R.

Final Terms	Amount
<b>Principal</b>	\$1,267,470
<b>Interest Rate</b>	4.76%
<b>Term (years)</b>	9
<b>Annual Debt Service</b>	\$171,566

# Budgetary Impacts

- The Equipment Rental Fund will pay the debt service.
- Staff return to Council during the 2027-2028 biennial budget process with updated funding strategies related to the City's fleet to ensure resources keep pace with equipment replacement forecasts.

# Ordinance No. 25-34

- Authorizes the purchase of one Pierce Enforcer Pumper and authorizes a joint purchase agreement between the City, EF&R, and Hughes Fire Equipment, Inc.; and
- Authorizes a Master Tax-Exempt Installment Purchase Agreement with Municipal Asset Management, Inc. to finance the City's apparatus.

# Recommended Action

1. Suspend City Council Rules of Procedure Section 6.2 requiring a second reading of an ordinance.
2. Adopt Ordinance No. 25-34 authorizing the purchase of one Pierce Enforcer Pumper and authorizing a joint purchase agreement between the City, EF&R, and Hughes Fire Equipment, Inc. and a Master Tax Exempt Installment Purchase Agreement with Municipal Asset Management, Inc. to finance the City's apparatus, substantially in the form of the drafts attached as Exhibits A and B to Ordinance No. 25-34.

# Questions

