

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
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OFFICE OF THE TOWN ADMINISTRATOR

February 12, 2021

To: Town Council

From: Jamie Hellen, Town Administrator

RE: Borrowing Authorization - Fire Apparatus

The Fire Chief and I are requesting a borrowing authorization for two fire trucks. The details are outlined in the memo from the Chief, but in short these trucks are in stock right now, saving thousands in annual maintenance for the next ten years and setting the community up with proper apparatus for the next decade. Additionally, with COVID-19, there are significant delays in ordered apparatus. The Town may not get many more opportunities like this to set ourselves up for future success. This opportunity has just come our way in recent weeks and I want to take advantage of this now.

The total cost of the trucks is \$1,108,000 (rounded up \$182). \$300,000 will be used from the Fire Truck Stabilization account that has built up over a few years. The Town will borrow \$808,000 and the vehicles will be ours. With the interest rates the Town is receiving, we save money over the long term and have better equipment for our residents and staff.

Please see attached memo from the Chief with further details and a quote from the vendor. The most important document is the anticipated maintenance costs over the next decade, which far exceeds the cost of every one of the new trucks!

If you have any additional questions please feel free to ask.



Tel. (508) 528-2323
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**Town of Franklin
Fire Department**
40 West Central St.
Franklin, Massachusetts 02038

James G. McLaughlin, Fire Chief

Joseph S. Barbieri, III, Deputy Fire Chief
James P. Klich, Deputy Fire Chief

February 11, 2021

Town Administrator Hellen:

The intent of this letter is to make you aware of an opportunity to purchase two new fire pumpers from Greenwood Emergency Vehicles in North Attleboro, MA. While we recognize this may not be the ideal time to be considering a major purchase, my staff and I felt it would be irresponsible on our part not to present this recent development for your consideration.

The opportunity: Greenwood Emergency Vehicles has two identical basic pumpers that were ordered in September 2019, under 2019 pricing rates, that are going to be delivered at the end of April as “demo” trucks for them to sell this year. A backup in production due to the pandemic and large orders from a few large urban departments delayed the production of these two vehicles. As “demos” these trucks are being sold ‘as is’ without any opportunity for further customization. Although ordered in 2019, they will be issued 2021 VIN identification numbers

Whereas trucks normally used to take around 300 days to build, under current pandemic conditions, some fire apparatus vendors today are giving a 360-450 day delivery date for all new orders. Also, if we placed a new order today there would be an 8% increase over the 2019 price for these same two trucks. Subsequent to the September 2019 order there were customary price increases of 2.5 % (Oct 2019), 2.5% (Apr 2020) and 3% (Oct 2020). The cost of purchasing one truck is \$558,909 as opposed to approximately \$604,515. If we purchased both trucks, the cost for the second truck would be discounted at \$548,909 for a combined total of \$1,107,818. As “demos”, these are basic trucks with no additional bells and whistles. They both feature stainless steel bodies with galvanized frames to improve service life and usability in our rough climate. These prices do include some basic equipment such as ladders, foam system, lettering/shelving allowances and four training sessions. As you can see, the combination of a multiple vehicle purchase and 2019 pricing, before current price increases, would result in an approximate \$50,000 discount per truck.

The need: The Franklin Fire Department currently has two reserve pumpers. One is a 2000 E-ONE (from the same manufacturer) that has served this town well but is tired. The other is a 2007 pumper that has a serious issue with a corroded frame rail that may not pass inspection in July of 2021. We were given an estimate of a minimum of \$135,000 to replace the frame rails on the 2007 truck. That level of investment on a truck of that age would not be a wise decision. Unfortunately, over

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the years, I have seen departments spend significant money on older vehicles to keep them in service longer. Often it results in higher equipment costs over the long term. I do not want that to happen in our Town.

After researching the maintenance history of our two reserve pumpers, the Department has the following records:

- For Engine 4 (the 2000 truck) we only have maintenance records going back to 5/17/10. While only being able to go back that far, we see the total cost of repairs is \$107,498 (including \$3,201.35 on 10/29/20 and \$7,384.33 on 12/10/20). The Department received two recent quotes for additional work needed on Engine 4. One repair quote was dated 10/26/20 for \$16,482.62 and the other was on 12/22/20 for \$5,081. Not wanting to waste resources on a truck in this condition and age, we reluctantly opted to only spend as little as necessary from these two quotes. While that work was an absolute necessity, it is not going to address the larger repair issues.
- For Engine 3 (the 2007 truck) our records have a maintenance history from 1/7/13 until the present. Again, with only limited records, we see a total cost of \$192,266.17 for that time period...
- From July 2019 when I became Chief until now the combined maintenance costs for both Engine 3 and Engine 4 is \$82,600.22 which is an average of \$4,588 per month. Predicting future costs for these aging vehicles in the future is a challenge but I believe based on the previous 18 month data that approximately \$5,000 per month in costs going forward would be an accurate estimate. Our future ten year projected maintenance cost of both Engine 3 and Engine 4 is \$762,180 including a frame rail replacement quote on Engine 3 and numerous repair items from our recent quotes on Engine 4 later in 2021.

The impact: I am confident that the purchase of both of these vehicles will put the Department in an excellent position for the next 20 years. Other than the ambulance purchases funded through the ambulance account, we will only have to refurbish the 2008 Tower Ladder in the coming 2-3 years. That refurbishment will be a good investment since, even today, the cost of a new Tower Ladder is now well over \$1 million dollars.

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More importantly, this purchase will allow us to decommission our two current reserve trucks as early as this spring. This will allow us to stop spending resources on repair costs immediately which have been steadily rising - and will continue to rise - in the future. We thought it would be worth a discussion to determine if a financing program combined with our vehicle stabilization fund could make this investment opportunity happen at this time.

If this purchase is approved our plan would be to relocate the current Engine 1 to King Street as a reserve pumper and cross staff it with the ambulance crew as a Heavy Rescue vehicle with all the specialized extrication tools close to the highway. This more limited use of this vehicle will significantly increase the life expectancy of the vehicle in the future as well. Our second reserve pumper stationed at Headquarters would be our current Engine 2.

The decision: Obviously a decision of this magnitude has caused me to have a number of discussions with my staff and to give this matter a lot of thought as Chief of this Department. From the department's perspective, we strongly recommend this purchase since we truly believe it is a prudent financial decision to take advantage of competitive interest rates, two year old pricing and multiple vehicle purchase discounts which will immediately reduce escalating repair costs. It is also a prudent safety decision since it will allow us to address current problematic equipment. The replacement of these trucks will also help enable us achieve a departmental goal of increasing our ISO score to a 1. That being said, we fully understand these are difficult times and that there are many needs from other departments. Greenwood Emergency Vehicles has agreed to put a hold on these vehicles for a short time to allow us the time for the appropriate due diligence and discussion.

Thank you for your time and consideration of this matter. Please do not hesitate to reach out with any questions you may have or to discuss this matter in more detail.

Sincerely,

James G. McLaughlin
Chief of Department

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Danny F Martins

Regional Sales Manager

February 9, 2021

Chief McLaughlin, please accept this letter for the requested information.

In the summer of 2019, we entered a newly instituted program with E-One to provide GEV with custom fire apparatus that fit our region and customer needs. Often "stock" trucks do not suit the needs of our customers in New England. The two engines proposed are the first in this program and are designed to handle the rough demands of our infrastructure and climate. The trucks features include, stainless steel bodies, galvanized frames, subframes and many other improvements that will improve service life and usability.

The two engines that we have proposed were ordered in September of 2019.

Subsequently, we have experienced the customary price increases since the time of the order.

- 2.5% Oct 2019
- 2.5% Apr 2020
- 3% Oct 2020

If you were to elect to forgo these two units there would be an additional cost about \$ 44,000.00/per unit after factoring in the annual increases. Each unit would cost in the area of \$ 600,000.00 if you were to let this opportunity pass.

Please feel free to reach out for any additional information requests that you may have.

Respectfully,
Danny F Martins

Engine 3 & 4 - Ten (10) Year Maintenance Cost Projections

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Engine 3	162,528*	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	437,808
Engine 4	49,092*	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	27,528	324,372
											Total	762,180

* **Engine 3** 2021 Cost
includes the basic
price of frame rail
replacement

* **Engine 4** 2021 Cost
includes the pending
repair quotes

Purchase Price Cost Projections Over the Next 10 Years

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	558,909	581,265	604,515	628,696	653,844	679,998	707,198	735,486	764,905	795,501	827,321	860,414	894,831	930,624



**TOWN OF FRANKLIN
RESOLUTION 21-11**

**Appropriating Funds by Borrowing and Transfer to Pay
Costs of Purchasing Fire Apparatus**

Whereas: The Town Council has been advised of a need to purchase two Fire Pumper Trucks,

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that:

- (1) [\$1,108,000] is appropriated to pay costs of purchasing and equipping two fire pumper trucks, and for the payment of all costs incidental and related thereto, and that to meet this appropriation: (i) \$300,000 shall be transferred from the Fire Truck Stabilization Fund, (ii) and the Treasurer-Collector with the approval of the Town Administrator is authorized to borrow, at one time or from time to time, [\$808,000] under G.L. c. 44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- (2) Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.
- (3) This Resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2021

VOTED:

UNANIMOUS: _____

A True Record Attest:

YES: _____ **NO:** _____

ABSTAIN: _____

ABSENT: _____

**Nancy Danello
Temporary Town Clerk**

**Glenn Jones, Clerk
Franklin Town Council**