

MEMORANDUM

February 9, 2023

TO: Public Safety Committee

FROM: Susan J. Farag, Legislative Analyst

SUBJECT: Worksession: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-57 to the FY23 Capital Budget Montgomery County Government
Montgomery County Fire and Rescue Service
Apparatus Replacement Program (No. 451504), \$4,234,000

PURPOSE: Vote to recommend approval on this supplemental appropriation

Today the Committee will hold a worksession on a proposed amendment to the CIP for the Apparatus Replacement Program under Montgomery County Fire and Rescue Service (MCFRS). Those expected to attend today's worksession include:

Chief Scott Goldstein, MCFRS
David Dise, Director, Department of General Services (DGS)
Division Chief Charles Bailey, Operations, MCFRS
Greg Ossont, Deputy Director, DGS
Assistant Chief Alan Butsch, Fleet, MCFRS
Captain Ben Holmquist, MCFRS

This \$4.2 million appropriation is needed to ensure the replacement of fire and rescue vehicles in a timely manner. Due to ongoing supply chain issues, build times for these vehicles have increased from the traditional 10-14 months to 18-30 months from date of order. In addition, cost inflation for replacement vehicles has greatly exceeded prior levels over the past year. Advance appropriation of approved funding will allow the County to encumber funds for vehicles with long lead times as well as to minimize cost increases through early orders. The source of funds is current financing.

Background: Apparatus Replacement is an ongoing project. It provides for ongoing replacement of fire apparatus and EMS vehicles. The intention is to provide a steady and continuous flow of funding for minimum replacement needs, and it uses a mix of current revenue and short-term financing.

Current Fire Operational and Capital Needs: The following units are anticipated to be replaced over the six-year period: seven aerials, 46 EMS units (ambulances), 18 engines, one brush/AWD engine, four rescue squad/hazmat units, two tankers, two air supply units, two boat support units, one passenger bus, four box trucks, one medical care support unit, two medical ambulance buses, and three fleet service trucks. These are approximate quantities and may require slight adjustment as costs and departmental needs are determined on an annual basis.

According to MCFRS, all aerials, ambulances, and pumpers funded in FY22-23 are either delivered or on order. The FY23 air unit project is currently in the specification phase. While the planned replacement schedule remains unchanged, MCFRS will revisit FY25-28 funding during the next full CIP cycle to accommodate cost increases.

Supplemental Appropriation: This supplemental appropriation appropriates funding in FY23 so that the Department may order the FY24 aerials to prevent further budgetary escalation due to inflation, and to ensure that the delivery date for these vehicles does not increase even further from the present expected three years. **Council staff recommends approval as submitted.**

This staff report contains:

County Executive Transmittal Memo
Draft Resolution
Recommended Apparatus Replacement Project
Approved Apparatus Replacement Project

Circle #

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

January 17, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-57 to the FY23 Capital Budget
Montgomery County Government
Montgomery County Fire and Rescue Service
Apparatus Replacement Program (No. 451504), \$4,234,000

I am recommending an amendment to the FY23-28 Capital Improvements Program and supplemental appropriation to the FY23 Capital Budget in the amount of \$4,234,000 for Apparatus Replacement Program (No. 451504). Appropriation for this project will provide advance funding for approved FY24 expenditures to replace fire and rescue vehicles in advance.

This increased appropriation is needed to ensure the replacement of fire and rescue vehicles in a timely manner. Due to ongoing supply chain issues, build times for these vehicles have increased from the traditional 10-14 months to 18-30 months from date of order. In addition, cost inflation for replacement vehicles has greatly exceeded prior levels over the past year. Advance appropriation of approved funding will allow the County to encumber funds for vehicles with long lead times as well as to minimize cost increases through early orders.

I recommend that the County Council approve this supplemental appropriation in the amount of \$4,234,000 and specify the source of funds as Short-Term Financing.

I appreciate your prompt consideration of this action.

ME:gn

Supplemental Appropriation #23-57 to the FY23-28 Capital Budget

January 17, 2023

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Enclosure: Supplemental Appropriation #23-57

cc: Marlene Michaelson, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Ken Hartman, Director of Strategic Partnerships, Office of the County Executive
Jennifer R. Bryant, Director, Office of Management and Budget
Scott Goldstein, Chief, Montgomery County Fire and Rescue Service

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #23-57 to the FY23 Capital Budget
Montgomery County Government
Montgomery County Fire and Rescue Service
Apparatus Replacement Program (No. 451504), \$4,234,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Apparatus Replacement Program	451504	Other	\$4,234,000	Short-Term Financing

3. This increased appropriation is needed to ensure the replacement of fire and rescue vehicles in a timely manner. Due to ongoing supply chain issues, build times for these vehicles have increased from the traditional 10-14 months to 18-30 months from date of order. In addition, cost inflation for replacement vehicles has greatly exceeded prior levels over the past year. Advance appropriation of approved funding will allow the County to encumber funds for vehicles with long lead times as well as to minimize cost increases through early orders.
4. The County Executive recommends a supplemental appropriation in the amount of \$4,234,000 for Apparatus Replacement Program (No. 451504), and specifies that the source of funds will be Short-Term Financing.
5. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY23 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Apparatus Replacement Program	451504	Other	\$4,234,000	Short-Term Financing

This is a correct copy of Council action.

Judy Rupp, Esq.
Clerk of the Council



Apparatus Replacement Program (P451504)

Category	Public Safety	Date Last Modified	01/05/22
SubCategory	Fire/Rescue Service	Administering Agency	Fire/Rescue Service
Planning Area	Countywide	Status	Ongoing

Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	8	8	-	-	-	-	-	-	-	-	-
Other	126,610	40,172	25,051	61,387	7,980	10,504	9,869	9,364	11,666	12,004	-
TOTAL EXPENDITURES	126,618	40,180	25,051	61,387	7,980	10,504	9,869	9,364	11,666	12,004	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: Fire	58,045	11,669	10,328	36,048	4,723	6,270	5,886	5,483	6,817	6,869	-
Short-Term Financing	68,573	28,511	14,723	25,339	3,257	4,234	3,983	3,881	4,849	5,135	-
TOTAL FUNDING SOURCES	126,618	40,180	25,051	61,387	7,980	10,504	9,869	9,364	11,666	12,004	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	7,635	Year First Appropriation	FY15
Appropriation FY 24 Request	10,504	Last FY's Cost Estimate	101,500
Supplemental Appropriation Request	4,234		
Cumulative Appropriation	65,576		
Expenditure / Encumbrances	51,619		
Unencumbered Balance	13,957		

PROJECT DESCRIPTION

This project provides for ongoing replacement of fire apparatus and Emergency Medical Service (EMS) vehicles. The following units are anticipated to be replaced over the six year period: seven aerials, 46 EMS units (ambulances), 18 engines, one brush/AWD engine, four rescue squad/hazmat units, two tankers, two air supply units, two boat support units, one passenger bus, four box trucks, one medical care support unit, two medical ambulance buses, and three fleet service trucks. These are approximate quantities and may require slight adjustment as costs and departmental needs are determined on an annual basis. The regular acquisition of replacement fire apparatus is an integral component of the Montgomery County Fire and Rescue Service (MCFRS) Master Plan, MCFRS Accreditation, and National Fire Protection Association (NFPA) 1901 Annex D.

ESTIMATED SCHEDULE

Apparatus Replacement is an ongoing project. The intention is to provide a steady and continuous flow of funding for minimum replacement needs.

COST CHANGE

FY23-28 costs have been revised to reflect an anticipated inflation factor as well as additional vehicles requiring replacement, many of which were originally grant-funded.

PROJECT JUSTIFICATION

The 2016 edition of the NFPA 1901 Standard for Automotive Fire Apparatus advises the following: "changes, upgrades, and fine tuning to NFPA 1901, Standard for Automotive Fire Apparatus, have been truly significant, especially in the area of safety. Fire departments should seriously consider the value (or risk) to firefighters of keeping fire apparatus older than 15 years in first-line service." Regular apparatus replacement is identified in the current "Fire, Rescue, Emergency Medical Services, and Community Risk Reduction Master Plan," as approved by the County Council. It is also a requirement of the Commission on Fire Accreditation International. Replacement fire apparatus includes enhanced safety features as well as decreased downtime for maintenance and repairs.

FISCAL NOTE

This project will be funded with short term financing and the Consolidated Fire Tax District Fund which includes Emergency Medical Service Transport (EMST) revenue. Fire Consolidated current revenue shown above reflects the outright purchase of some apparatus and required non-financeable equipment. Debt service will be paid for in the operating budget with EMST revenue as a primary funding source. FY23 supplemental in Short-Term Financing for the amount of \$4,234,000.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

Local Volunteer Fire and Rescue Departments.



Apparatus Replacement Program (P451504)

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Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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