



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: DECEMBER 9, 2025

DEPARTMENT: FIRE DEPARTMENT

FROM: SAMUEL P. KLEMEK, FIRE CHIEF

BY: ESTEFANIA VARGAS, MANAGEMENT ANALYST

TITLE: FIRE APPARATUS PURCHASE AND LEASE FINANCING

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. Authorizing the direct purchase and/or lease financing of two (2) Type 1 Fire Engines, one (1) Tiller Ladder Truck, and one (1) BME Type 6 Wildland Engine from Golden State Fire Apparatus, Inc, including all associated equipment, installation, and performance bonds, in an amount of \$5,404,476.31 and a 5% contingency (\$270,223.82), excluding financing costs;
2. Authorizing the use of proceeds from a sale of City surplus property located at 342 Front Street and 323 California Street to fund a portion of the fire apparatus purchases; and
3. Authorizing the City Manager to execute agreements all related purchase agreements, lease-purchase or financing documents, and any necessary amendments to or change orders required to complete the purchase.

EXECUTIVE SUMMARY:

The Salinas Fire Department is requesting approval to purchase two Pierce Enforcer Type 1 fire engines, one Pierce tiller ladder truck, and one BME Type 6 wildland engine from Golden State Fire Apparatus. The purchases will be made through cooperative contract agreements with Sourcewell and HGAC Buy, in compliance with Salinas City Code Section 12-27. Staff recommends a combination of lease equipment financing and direct purchase, utilizing funds from the sale of City surplus property located at 342 Front Street and 323 California Street and financing \$3,005,730.

BACKGROUND:

The Fire Department has been working diligently to bring its fleet into a state of good repair and maintain a fire apparatus and vehicle replacement program consistent with best practices. To

achieve this goal, the department requires the replacement of two fire engines and one tiller ladder truck, as well as replacing the existing Type 3 wildland vehicle with two Type 6 models to improve access to hard-to-reach wildland areas. One Type 6 unit has already been ordered. The Fire Department's replacement program calls for rotating front-line engines every 8 – 10 years and aerial trucks every 15 years, consistent with use and in line with National Fire Protection Association standards (NFPA).

Staff plans to house one (1) Type 1 Fire Engine at Station 2 and another at Station 3, one (1) Tiller Ladder Truck at Station 5, and one (1) BME Type 6 Wildland Engine at either Station 1 or Station 5. This deployment may change based on operational needs and the utilization of additional engines.

On September 23, 2025, Council approved the sale of City surplus property located at 342 Front Street and 323 California Street to the Monterey County Office of Education in the amount of \$2,500,000. Staff recommends using \$1,656,088 to purchase one Type 1 Fire Engine and the BME Type 6 Wildland Engine. The second Type 1 Fire Engine and the Tiller Ladder Truck will be acquired through lease equipment financing.

On December 2, 2025, this item was presented to the Finance Committee. Committee members asked clarifying questions and moved to recommend the acquisition of the four fire apparatuses to City Council.

Proposals have been obtained from Golden State Fire Apparatus. Delivery is expected within 36 months for the Type 6, up to 51 months for the engines and up to 49 months for the tiller. Purchases will be made through Sourcewell and HGAC Buy cooperative contracts under Salinas City Code §12-27 through the recommended direct purchase and/or lease-purchase financing.

The City modeled three purchase and financing options.

- **Scenario 1** includes a prepayment discount of \$742,658 and the use of surplus land sale proceeds. This scenario has an estimated financing amount of \$3,005,730 and an estimated annual payment of \$378,281.
- **Scenario 2** includes no prepayment discount, the use of surplus land sale proceeds, and requires payment on delivery. This scenario has an estimated financing amount of \$3,748,388 and an estimated annual payment of \$475,878.
- **Scenario 3** includes a prepayment discount of \$742,658 and does not include proceeds from the surplus land sale. This scenario has an estimated financing amount of \$4,661,818 and an estimated annual payment of \$583,294. Financing a larger amount results in higher interest costs which would ultimately reduce the City's general fund capacity in future years.

	Scenario 1: Prepay with Land Sale Proceeds	Scenario 2: Pay on Delivery with Land Sale Proceeds	Scenario 3: Prepay without use of Land Sale Proceeds
Fire Apparatus (4)	5,404,476	5,404,476	5,404,476
Less: Prepayment Discount	-742,658	0	-742,658
Total Vehicle Purchase Costs	4,661,818	5,404,476	4,661,818
Less: Proceeds from Surplus Land Sale	-1,656,088	-1,656,088	
Financed Amount	3,005,730	3,748,388	4,661,818

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

This item achieves the City Council 2025 Strategic Goal of Public Safety.

DEPARTMENTAL COORDINATION:

The Fire Department will collaborate with City Attorney to ensure all contracts comply with applicable laws and ordinances and with Finance to seek the most appropriate direct purchase and/or lease option and while adhering to the City of Salinas procurement policies.

FISCAL AND SUSTAINABILITY IMPACT:

Staff recommends using proceeds from the surplus land sale to purchase two apparatuses and finance the remaining two over a 10-year period, through either a prepayment option (Scenario 1) or a pay on delivery option (Scenario 2), as shown below. Use of the surplus land proceeds is in alignment with this purchase as it would reduce the City's future debt service allowing additional capacity for other important services or projects.

Scenario 3 identifies the estimated annual cost to the City should the surplus land proceeds not be used. As evidenced below, the estimated annual payment for this option is the highest.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
7121	45.4510-66.5500	Capital Outlays Vehicles	N/A	\$1,656,088 (proceeds from surplus land sale)

7121	45.4510-65.1030 45.4510-65.2030	Principal Interest	N/A	\$378,281 Annually (Scenario 1 beginning 6/1/26 – thru 12/31/25)
7121	45.4510-65.1030 45.4510-65.2030	Principal Interest	N/A	\$475,878 Annually (Scenario 2 beginning upon delivery for 10 years)
7121	45.4510-65.1030 45.4510-65.2030	Principal Interest	N/A	\$583,294 Annually (Scenario 3 beginning 6/1/26 – thru 12/31/25)

ATTACHMENTS:

Resolution
Pumper Proposal Package
Type 6 Proposal Package
Tiller Proposal Package