

SPECIAL MEETING
LODI CITY COUNCIL
MAY 8, 1990
7:00 A.M.
305 WEST PINE STREET
LODI, CALIFORNIA

The meeting was called to order at 7:00 a.m. by Mayor Snider.

Roll Call was recorded by the City Clerk as follows:

Present: Council Members - Hinchman, Olson, Pinkerton, and Snider
(Mayor)

Absent: Council Members - Reid

Also Present: City Manager, Assistant City Manager, City Attorney,
Fire Chief, and City Clerk

CONSIDERATION OF PURCHASE
OF REPLACEMENT FIRE
AERIAL LADDER TRUCK

CC-20 The matter was introduced by staff who presented the following report which had been prepared by Fire Chief Hughes.

The Fire Department has requested that a sum of \$400,000.00 be budgeted in the 1990-01 budget for the purchase of a 75 foot aerial ladder truck. Since our preliminary budget hearing, at which the \$400,000.00 was tentatively approved, we have surveyed the market to ascertain the availability of demonstrator ladder trucks which are prevalent this time of year due to the number of conferences being held throughout the country. Our intent in checking the availability of these units was to see if we could save any substantial amount of money through the purchase of a demonstrator. We have looked at two ladder trucks and have received proposals from two manufacturers, Simon LTI in the amount of \$319,836.00, and Golden State Fire Apparatus in the amount of \$315,751.00. It is our recommendation that the City pursue the purchase of a demonstrator ladder truck from Golden State Fire Apparatus, Inc. immediately.

There are several reasons why we are recommending that the City take action on this matter prior to the approval of our 1990/91 budget. They are as follows:

1. Pending California Vehicle Code changes will affect the design of ladder trucks.

On January 1, 1991 the California Vehicle Code will require that all vehicles with rear axle weights in excess of 20,000 pounds be equipped with dual rear axles. This will cause all fire ladder trucks delivered to buyers after December 31, 1990 to be three axle vehicles. This will increase the price somewhere in the neighborhood of \$15,000 and will increase the wheel base and turning radius of the vehicles. All of these are features we would like to avoid if possible. Since delivery of a new ladder truck generally takes 12 to 18 months, any unit we received from a bid process initiated after

July 1990 would not be received prior to December 31, 1990 and would therefore be a three axle vehicle.

2. There are a limited number of 75 foot, two axle demonstrator ladder trucks available.

We found that there are very few of these demonstrators available at this time. Golden States Fire Apparatus has one unit and Simon LTI has two. The Golden State unit is a Pierce Quint and will be sold to a city in Michigan on May 15, 1990 if we do not commit to purchasing it prior to that date. The Michigan city opened bids last week and this unit was the low bid. The Simon LTI unit that we looked at is being demonstrated to a city in Idaho and one in Oregon at this time. We have not been informed of any pending sale on this unit, but the sales price is much lower than a bid price on a new unit and the sales people feel confident the unit will be sold soon.

The only other manufacturers of a 75 foot ladder trucks are Emergency One, who has given us a verbal quote of \$345,000, Seagrave, and Sutphen. Seagrave does not have a West coast repair facility that I am aware of and for this reason we haven't contacted them. Sutphen has an aluminum ladder and we feel is not comparable to the other units. Pierce and Emergency One (E1) are both serviced by Hy-Tech in Oakdale.

3. The cost savings that will result from taking action now is substantial.

The following are recorded bid prices which we have been given by the manufacturers. We have not checked these with those who made the purchases, but feel that the manufacturers have represented the prices as they were bid. We believe this because both manufacturers provided us with some of the same bid results.

4/5/90, Shaker Heights, Ohio:

Pierce = \$386,179
 LTI = \$405,700
 Sutphen = \$360,750

4/12/90, Salem, Ohio:

Pierce = \$369,895 (demonstrator)
 LTI = \$339,846
 Sutphen = \$330,742

1/31/90, St. Louis, MO., (Fire District in the area)

Pierce = \$372,775
 LTI = \$330,945
 E1 = \$381,100
 Sutphen = \$361,501

1/29/90, Maumelle, Arkansas

Pierce = \$383,725
 LTI = \$343,963
 E1 = \$383,725

The average bid by each manufacturer in these examples is:

E1 = \$382,413
 Pierce - \$378,144
 LTI = \$355,114
 Sutphen = \$350,998

A comparison of these average bid prices and the price quotes we have received from Pierce (Golden State Fire Apparatus, Inc.) and LTI indicates a substantial savings.

LTI:

Average bid = \$355,114
 Price quote = \$319,836

Estimated savings \$ 35,278

Pierce:

Average bid = \$378,144
 Price quote = \$315,751

Estimated savings \$ 62,393

In the proposals received from these two manufacturers both offer a lease purchase program. Our review of these indicates that there are some differences in the payment schedules and interest rates. As an example Simon LTI requires a \$100,000.00 down payment and Pierce requires a 20% (approximately \$70,000.00) down payment. It is our recommendation that the Finance Department review and make comments on the proposals for lease purchase if we intend to pursue their use.

Pierce will accept a letter of intent to purchase to allow the City time to consummate financing arrangements and will negotiate a time frame for holding the unit for the City.

The cost savings potential of acting now coupled with the potential cost increases which will result from the new California Vehicle Code requirement and the negative design and operational factors associated with the three axle vehicle form the basis for our recommendation to purchase the Pierce at this time. We are prepared to assist in whatever way necessary to accelerate the process of acquiring this equipment and think that the cost savings alone warrants quick action.

Following discussion with questions being directed to staff, Council, on motion of Council Member Pinkerton, Olson second, authorized the lease purchase of a Pierce Quint 75 Aerial Ladder Fire Truck in the amount of \$315,751 and appropriated the necessary funding from the appropriate fund.

TAXI CAB SERVICE

CC-33 Assistant City Manager Glenn addressed the City Council regarding this
 CC-50(b) matter indicating the City Cab Company's wishes to discontinue Taxi Cab Service in the City of Lodi.

Mr. Don York spoke on behalf of the permit holder who had laryngitis. Mr. York indicated that the taxi service is a non-profitable operation due primarily to the cost of insurance and dispatch. The following Financial Statement for January 1990 - March 1990 was submitted for City Council review.

LODI CITY CAB (LODI CITY CAB)
INCOME STATEMENT

for 3 months ending March 31, 1990

	DIAL-A-RIDE	LODI CITY CAB
INCOME	64,461.00	1,161.98
COST OF SALES:		
FUEL COSTS	1,761.35	0.00
VEHICLE MAINTENANCE	<u>2,596.48</u>	<u>0.00</u>
TOTAL COST OF SALES	<u>4,357.83</u>	<u>0.00</u>
GROSS PROFIT	60,103.17	1,161.98
OPERATING EXPENSES:		
ADVERTISING	109.00	109.00
ACCOUNTING	470.00	470.00
CONTRIBUTIONS	0.00	0.00
DUES & SUBSCRIPTIONS	0.00	0.00
EMPLOYEE MEDICAL EXPENSES	0.00	0.00
INSURANCE-GENERAL	0.00	2,400.00
INSURANCE-WORKMANS COMP	5,054.77	96.86
INTEREST	961.37	0.00
LEGAL	0.00	0.00
LICENSE	10.00	10.00
OFFICE SUPPLIES	70.00	70.00
PROMOTION	45.30	45.30
REPAIRS & MAINTENANCE	15.00	15.00
SHOP SUPPLIES	0.00	0.00
PAYROLL TAXES	3,714.09	1,591.74
TELEPHONE	211.97	211.98
UTILITIES	526.60	526.61
SALARIES & WAGES	26,954.63	8,984.94
TIPS	0.00	0.00
OUTSIDE SERVICES	36.00	36.00
TOTAL OPERATING EXPENSES	<u>38,178.93</u>	<u>14,602.45</u>
INCOME FROM OPERATIONS	21,924.24	(13,440.47)
OTHER EXPENSES:		
DRAWING- RAYMOND NEEL	8,034.50	0.00
PAYMENTS- RAE MARGRAVE	<u>5,532.73</u>	<u>0.00</u>
NET INCOME	8,357.01	(13,440.47)
TOTAL NET INCOME (LOSS)- DIAL-A-RIDE AND LODI CITY CAB		(5,083.46)

PREPARED WITHOUT INDEPENDENT VERIFICATION

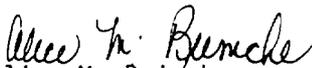
Mr. York proposed that a \$1.00 increase be imposed on all Dial-A-Ride tickets sold which funds would be used to subsidize the City Cab Company operation. A lengthy discussion followed with questions being directed to staff, to Mr. York and to the permit holder.

On motion of Mayor Snider, Hinchman second, the City Council indicated its interest in continuing some type of transportation services during the hours Dial-A-Ride is not in operation. Further, the City Council directed staff to review the matter and to bring back to the City Council alternative funding selections and to look into other companies who may be interested in taking over this operation.

ADJOURNMENT

The meeting was adjourned at 7:55 a.m. by Mayor Snider.

Attest:


Alice M. Reimche
City Clerk