

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Jeremy Howard, City Manager
Date: November 3, 2022
Regarding: Approval to Purchase and Sell Fire Equipment – Air Compressor

For the Agenda of November 7, 2022

Background. In May of 2022, the City Commission approved the submittal of a grant application to the USDA for the purchase of needed equipment (air compressor) for the Clare Fire Department. The City has been informed the City's grant request was not funded in the last round of grants. Consequently, the Fire Department began looking at other alternatives to replace the current air compressor system at the Fire Station. As you can see in the memo from the Fire Chief (*att'd*) the department has been able to facilitate a conversation to purchase a used air compressor for a heavily discounted rate from Municipal Emergency Services (MES) out of Sanford, MI. As detailed in the memo, this equipment will be able to meet the increased needs and specs for the Fire Department including the ability to fill more bottles at the same time, at a faster speed and a higher psi as is needed by our new tanks. The Fire Department's current air compressor is still viable and well taken care, and can be sold to another fire department or business for use. It is estimated that the sale of the old equipment will almost fully pay for the cost of the discounted equipment that we will be purchasing from MES.

The City Commission is asked to approve the purchase of the air compressor from MES for \$10,000, the installation cost of \$1,500, and authorize the sale of the old compressor when we find an entity that wants to purchase the equipment. The Commission is also asked to approve any and all necessary budget amendments needed for the purchase and sale to be made by the Treasurer/Finance Director.

Issues & Questions Specified. Should the City Commission approve the purchase and sale of fire equipment?

Alternatives.

1. Approve the purchase and sale of equipment.
2. Do not approve the purchase and sale of equipment.
3. Defer decision regarding the matter to a subsequently scheduled meeting.

Financial Impact. As reflected in the memo from Chief Chapman the cost of the air compressor being purchased from MES is \$10,000 and the cost of installation is \$1,500. The sale of the current air compressor should generate \$10,000+ when sold and will be used to offset the cost of the purchase and installation.

Recommendation. I recommend that the City Commission approve the purchase and subsequent sale of fire equipment by adoption of Resolution 2022-094 (*copy att'd*) along with any and all necessary budget amendments needed for the purchase and sale to be made by the Treasurer/Finance Director.

Attachments.

1. Memo from Fire Chief.
2. Resolution 2022-094.



Clare Fire Department

207 W. Fifth Street Clare, Michigan 48617 Ph: (989) 386-2151 Fax: (989) 386-3020

October 27, 2022

Dear Mayor and Commissioners,

I am asking for your approval to purchase a used Bauer Air Compressor from Municipal Emergency Services (MES) in Sanford Mi. Tim Sharrow is one of our firefighters and he works for MES. Tim contacted me and advised that they are selling this unit.

This is a 2017 model year 6000 psi compressor with a 3-bottle fill station rated at 5500 psi. It has just over 600 hrs. on it. Our compressor is a 2015 Bauer 5000 psi with a 2-bottle fill station rated at 4500 psi. It has 180 hrs. on it. We have written a grant with USDA to replace our compressor at a price in area of \$28,000.00. The grant was recently denied. We can purchase the used compressor for \$10,000.00 with and additional \$1,500.00 required for installation and wiring.

I spoke to Breathing Air Systems. They service our Bauer air compressor as well as sell new units. They told me that the used unit sells for around \$50,000.00 new. They have assured me that \$10,000.00 is really good deal. They also said that the 600+ hours on the used unit is not an issue. In closing they have assured me that we should have no problem selling our used unit for \$10,000.00.

Respectfully

James Chapman

RESOLUTION 2022-094

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE PURCHASE AND SALE OF FIRE EQUIPMENT (AIR COMPRESSOR).

WHEREAS, the City of Clare had submitted a preliminary grant application to the United States Department of Agriculture (USDA) for a Rural Development grant to assist in the purchase of Fire Equipment (air compressor); and

WHEREAS, the City has been advised by the USDA that the grant application has not been funded in the current round; and

WHEREAS, after further investigation, the Fire Department has located a used air compressor available at a heavily discounted rate from Municipal Emergency Services (MES) out of Sanford, MI that will meet the needs of the department; and

WHEREAS, the current air compressor being used by the Fire Department can and will be sold for approximately the same cost as the one being purchased; and

WHEREAS, the City Commission and staff has deemed that the purchase and sale of the air compressors are clearly in the best interests of the City and its residents.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the purchase and subsequent sale of said Fire Equipment (air compressor).

BE IT FURTHER RESOLVED THAT, the Treasurer/Finance Director is authorized to apply any and all necessary budget amendments needed for the purchase and sale of the equipment.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of November, 2022.

Diane Lyon, City Clerk