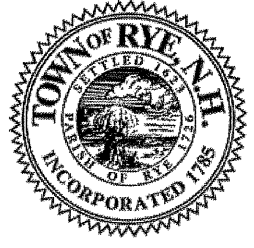




RYE FIRE RESCUE

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Fire Chief Eric Lambert

MEMORANDUM

Date: October 13, 2026

To: Select Board Members, CC, Town Administrator

From: Eric Lambert, Fire Chief

Subject: Capital Improvement Plan (Light), 2027–2035

Purpose

This memorandum presents the Rye Fire Department's proposed capital replacements for 2027 through 2032 and the anticipated funding sources for each item. This document outlines capital items currently under consideration and reflects ongoing research to build a comprehensive, long-term plan.

Note: This plan may not include projects developed before my tenure as Fire Chief.

Proposed Capital Schedule & Detailed Project Descriptions

2027 Projects (Funded By Fire/Ambulance Vehicle or Equipment Fund)

- **Engine 5 and Utility 1 Replacement:** Replace Engine 5 and Utility 1 with a forestry truck, a UTV outfitted with skid units, and a transport trailer for the UTV and supporting equipment. The estimated cost is \$204,000, funded by the remaining balance in Fund 14 (Fire/Ambulance Vehicle or Equipment) without adding to the taxpayer burden. This proposal aligns with past CIP planning from 2023 that did not come to fruition.
- **Cardiac Monitor Replacement:** Replace the department's cardiac monitors, which are currently 7 and 10 years old, have exceeded their service lives, and are experiencing unrepairable motherboard failures. Estimated at \$145,000, this will be funded through cell phone tower revenue / Fund 14 (Fire/Ambulance Vehicle or Equipment) without adding to the taxpayer burden.
- **Radio Coverage Improvements:** Install repeaters on four apparatus lacking them to reduce communication dead spots during critical incidents (especially ocean rescues) and replace the aging shoreline repeater to ensure full coastline coverage. The estimated cost of \$55,000 will be funded through taxes and cell phone tower revenue / Fund 14 (Fire/Ambulance Vehicle or Equipment) without adding to the taxpayer burden. (*Note: The apparatus-mounted repeaters will be classified as equipment.*)

2028 Projects

- **Stair Chairs:** Replace the department's two stair chairs used to safely move patients from homes and reduce personnel back injury risks. Estimated at 13,000 *total* (~6,500 each), the department will seek to encumber residual 2026 funds for this purchase; otherwise, replacement funding will be requested in 2028.
- **Jet Ski Replacement:** Replace the current Jet Ski after seven years of intensive use. As the primary vehicle for the Ocean Rescue program—which required multiple repairs in 2026—the estimated replacement cost is \$43,000, to be determined via standard CIP allocation.
- **LUCAS CPR Devices:** Replace both aging LUCAS CPR devices for an estimated total of 40,000 (~19,000 each). If voters approve the proposed revolving fund in March 2027, this purchase will be made from that account.
- **Car 2 Replacement:** Replace Car 2, a 2018 vehicle assigned to the Deputy Fire Chief that supports fire-prevention activities, inspections, and other duties, due to age, wear, and mileage. The estimated replacement cost, including upfitting, is \$85,000 to \$90,000, funded through standard CIP allocation.
- **Staffing Expansion via Assistance to Firefighters Grant (AFG):** Apply for federal funding through the Assistance to Firefighters Grant (AFG) program—specifically the Staffing for Adequate Fire and Emergency Response (SAFER) framework administered by FEMA—to add four (4) new Firefighter/EMTs to department staffing. (Would not take budgetary effect until 2029)

Program Explanation: The AFG/SAFER program is a competitive federal grant designed to assist local fire departments in increasing frontline staffing, ensuring compliance with national safety standards, and providing 24/7 operational readiness. If awarded, the grant covers a substantial portion of salary and benefit costs over a multi-year performance period, significantly reducing immediate local tax impact.

Operational Rationale & Revenue Impact: This expansion is directly driven by rising emergency call volume resulting from the planned expansion of two local assisted living facilities. These expansions will markedly increase medical response calls, overlapping incidents, and transport requirements. Currently, when the department is not staffed at a minimum of four personnel per shift, we lack the capacity to handle simultaneous calls or transports, forcing us to rely on mutual aid and effectively giving away vital transport revenue (between \$500 to \$2500 per incident) to our surrounding

communities. Maintaining four personnel per shift ensures we can capture most of this revenue locally while providing reliable emergency service.

2029 Projects

- **Ambulance 2 Replacement:** Begin the planning and build process for replacing Ambulance 2, which will be 14 years old and three years past its planned service life. Because call volume continues to rise and delivery generally takes over a year, a dependable second ambulance is essential. Replacement may exceed \$500,000 and should be funded via the proposed revolving fund if established.

2035 Projects

- **Engine 3 Replacement:** Replace Engine 3 (the reserve engine) and transition Engine 2 into reserve service. Engine 3 is already over 20 years old and will exceed 25 years of age by 2032, placing it beyond its useful service life. A new engine is projected to cost over \$900,000 (funded via proposed Revolving Fund), though a used vehicle no more than five years old may provide a lower-cost alternative. Engine 3 was held onto to meet the recommendation of the Insurance Standards Organization regarding reserve engines.

Funding Strategy & Financial Outlook

Cell phone tower revenue / Fund 14 (Fire/Ambulance Vehicle or Equipment) is projected to fall by as much as 60% as AT&T leaves the tower. To retain Fire and EMS revenue and maintain a stable 20-year capital improvement plan, the department proposes creating a **Fire and EMS Emergency Services Revolving Fund** to replace this fund for future Capital Reserve spending. This fund would not solely cover all of any specific budget; however, it would offset the burden to the taxpayer.

Right now, the revenue goes into the general fund and cannot be used to offset any of the tax rate until the following year. With the amount of households in Rye, this amounts to roughly .04 per thousand and equates to about \$40.00 on a million dollar home or 1.85% over all budget offset.

However, when using the proposed fund, the money saved could potentially offset large purchases like a ladder truck, providing relief to taxpayers by not having to fund this from the tax base. Diverting these funds into a revolving fund sets the town up to save money to purchase (lease, bond or outright purchase) apparatus where the insurance companies foot the bills. In one budget cycle alone, when purchasing a large apparatus like a fire engine, this could offset capital costs up to approximately 6.25% based on the purchase price.

In New Hampshire, a **Fire and Ambulance Revolving Fund** (governed at the municipal level under **NH RSA 31:95-h**) is a dedicated municipal account used by towns and cities to isolate revenues generated by fire, emergency medical, and ambulance services (such as patient transport billings, insurance reimbursements, or service contracts). Rather than these funds flowing into the municipality's General Fund, they are "revolvers"—meaning unexpended balances automatically carry over year after year without reverting back to the general tax pool.

Key Benefits of the Revolving Fund

1. Financial Self-Sustaining Operations & Offsetting Tax Impact

- **Reduces Reliance on Property Taxes:** Income generated through ambulance billing or fire service fees directly funds the fire and emergency medical services (EMS) budget rather than pulling from general property tax revenues.
- **User-Pays Model:** Costs associated with specialized emergency care and transport are largely covered by third-party insurance payers or direct service users, offsetting operational expenses for local taxpayers.

2. Multi-Year Planning & Capital Reserves

- **Non-Lapsing Balances:** Unlike general budget line items that expire at the end of a fiscal year, money in a revolving fund carries over, allowing departments to save over multiple years for major capital purchases without needing to take out loans or issue municipal bonds.
- **Facilitates Equipment & Fleet Replacement:** Funds can be saved and earmarked specifically for replacing high-cost capital assets—such as ambulances, fire engines, extrication equipment, or Advanced Life Support (ALS) medical devices—on a predictable replacement schedule.

3. Operational Flexibility & Emergency Readiness

- **Timely Upgrades:** Because the funds are dedicated to fire/ambulance operations, departments can replace aging or failing emergency equipment promptly without waiting for the next annual Town Meeting or city budget cycle to request a tax-funded appropriation.
- **Covers Lease and Debt Payments:** Municipalities often use these revolving funds to service multi-year leases or debt payments specifically tied to new emergency apparatus and apparatus outfitting.

4. Direct Reinvestment in Fire & EMS Services

- **Guaranteed Revenue Stream for Emergency Services:** Ensuring that revenues generated by EMS and fire responses are legally protected for department use prevents municipal leaders from diverting emergency service revenues to fund unrelated municipal projects.
- **Supports Specialized Training & Outfitting:** Funds can often be utilized to support medical equipment restocking, specialized firefighter/EMT gear, and ongoing paramedic certification needs.

How It Works in Practice Under NH Law

1. **Establishment:** The town's legislative body (Town Meeting or City Council) votes under RSA 31:95-h to establish the revolving fund for ambulance/fire services.
2. **Revenue Collection:** Payments received from health insurance companies, Medicare/Medicaid, or patient billing for EMS calls are deposited directly into this fund.
3. **Governance & Oversight:** Disbursements are overseen by local government officials (such as the Select Board or City Manager) in coordination with the Fire Chief, adhering to municipal procurement policies and public meeting approval thresholds.

In short, leveraging that ~1.85% slice of revenue transforms lumpy, high-cost capital expenses into a predictable, user-supported model that protects taxpayers from sudden, dramatic tax rate hikes.

A comprehensive proposal detailing the fund structure, projected revenue, and the associated capital plan will be presented at an upcoming budget hearing.

Chief Lambert