

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Ad Hoc Committee – Equipment Replacement
DATE: November 16, 2004

Needs: Appoint a Council ad hoc committee to consider request by Public Works to early retire Unit #519 and accelerate the replacement of Unit #709.

Facts:

1. Unit # 519 is a 1995 Case tractor used at the wastewater plant to turn sludge. It is undersized for its function and is in need of approximately \$17,000 in repairs. It has a salvage value of \$10,000.
2. Unit #709 is a 1989 Case loader used in the streets division that was purchased used and is scheduled for replacement in fiscal year 2008.
3. It is the desire of the Public Works Department and it is recommended by the Fleet Superintendent that unit #519 be declared surplus and be sold for its salvage value, transfer unit #709 to the wastewater division and replace unit #709 in the Streets Division with a new like unit.
4. Transferring unit #706 to the wastewater division to turn sludge would extend its useful life by five years.
5. There would be an exchange of book value between the vehicle replacement fund and the Sewer Operations Fund for the transaction
6. A budget appropriation is needed for the exchange in value and purchase of the a replacement for unit #519.

Analysis
and
Conclusion:

It is desirable that the Council appoint an ad hoc committee to review said request and make recommendation to full City Council given its budget implications.

Fiscal
Impact:

None at this time.

Options:

- a.** Appoint a two-member ad hoc committee to consider request by Public Works Fleet Superintendent to early retire one piece of equipment and accelerate the replacement of a different piece of equipment; and to report back to the full Council by January 18, 2005.
- b.** Amend, modify, or reject the above option.