



Council Agenda Report - AMENDED

From: Dick McKinley, Public Works Director

Subject: Fleet Replacements for FY 2017-18

Date: October 3, 2017

Facts

1. The City has a fleet of over 200 items of rolling stock, including a wide variety of vehicles and equipment, from fire engines to police cruisers to road graders to turf mowers. The City has a replacement schedule for each item, identifying the year purchased, the planned lifetime, and the year and cost of the expected replacement.
2. The fleet is regularly maintained and repaired, but each vehicle reaches the end of its useful life at some time, when the vehicle becomes unsafe, does not meet federal or standard standards (e.g., for exhaust emissions), or is projected to be more expensive to keep repairing than it is to replace. Vehicle replacement also gives us the opportunity to make sure that we have the correct vehicle for the application. A one-ton truck may be replaced by a half-ton truck, or a police cruiser may be replaced by an SUV.
3. The City sets aside some funding for the fleet replacement program, but following years of recession, that fund has an adequate balance for current replacements, and will need to be reviewed for long-term stability.
4. Any requests for additional pieces of equipment will be processed through the budget request process next spring, with the exception of the skip and drag, which has been substituted for the crack sealer.
5. All equipment on the fleet replacement program for 2017-18 have reached, and in many cases exceeded, the planned lifetime for that equipment. All equipment in the fleet replacement program have been reviewed by the Fleet Maintenance Supervisor and recommended for replacement.

Options

1. Do nothing;
2. Approve the FY 2017-18 Fleet Replacement program (Attachment 1);
3. Approve an amended FY 2017-18 Fleet Replacement program;
4. Direct staff to come back with a different type of Fleet Replacement program.

Analysis and Conclusions

Option 1 – doing nothing – is problematic in this instance because the equipment scheduled for replacement is very expensive to continue to maintain, and in some circumstances can pose a safety or liability threat for the City.

Option 2 – approving the Fleet Replacement program for 2017-18 – is recommended as the vehicles to be replaced are clearly needed. The replacement schedule includes 13 pieces of equipment/vehicles of the 50 pieces of equipment/vehicles that are eligible for replacement. It would generally be more expensive, over time, to keep these and continue to maintain them.

Option 3 – amending the Fleet Replacement program for 2017-18 – means that some vehicles may be removed from the replacement list, and others may be added to the replacement list. Staff has worked diligently to identify only those vehicles that need to be replaced this year, so keeping any of those vehicles longer would by definition cost more in maintenance dollars, and adding vehicles to the replacement schedule would expand the replacement funding beyond the recommended levels.

Option 4 – coming back with a different type of Fleet Replacement program – means choosing a different type of replacement program and funding. If this is desired, it would delay the replacement of some vehicles that are safety hazards, for example, and might be more appropriate to undertake during the 2018-19 budget preparation process in the spring.

Fiscal Impact

Fund 125 – the fleet and equipment replacement fund – has \$3.3 million set aside for fleet replacements. The FY 2017-18 Fleet Replacement program (not including the Enterprise Funds) will cost \$490,725, leaving about \$2.8 million in Fund 125 for fleet replacements. Staff is reviewing Fund 125 and will recommend a method to replenish and stabilize that fund during the FY 2018-19 & 2019-2020 Budget process. There are sufficient funds to complete the replacements for this fiscal year, both for Fund 125 and for the Water and Wastewater Funds (\$33,000 for the Water Fund and \$523,000 for the Wastewater Fund), but will need to appropriate some additional funding as follows: Fund 125 - \$295,225, Water Fund - \$8,000, and Wastewater Fund - \$79,500.

Recommendation

Approve Resolution 17-XXX approving the FY 2017-18 Fleet Replacement program as defined in Attachment 1, and appropriating additional budget funding for the replacements.

Attachments

1. 2017-18 Fleet Replacement program
2. Resolution 17-XXX

2017-18 Fleet Replacement program

Vehicle #	Year	Existing Vehicle / Equipment	Mileage/Status	Policy / Scheduled Replacement	Proposed Vehicle / Equipment	Cost	Funding Source
Police							
698	2008	Crown Vic	74K/over	2015	1/2-ton CSO truck	\$ 42,000	Fund 125/GF
640	2007	Chevy Tahoe	115k/over	2010	3/4-ton Police truck	\$ 40,000	Fund 125/GF
Fire							
200	2008	Crown Vic	75k/over	2015	full size SUV	\$ 50,000	Fund 125/GF
Parks							
560	2000	PBM sprayer	NA/over	2015	sprayer	\$ 7,725	Fund 125/GF
746	2008	Morbark Wood Chipper	not CARB comp	not CARB comp	wood chipper	\$ 82,000	Fund 125/GF
Streets							
N/A	N/A				Skip 'n Drag	\$ 118,000	Fund 125/GF
732	1995	Mauldin paver	NA/over	2015	used paver	\$ 85,000	Fund 125/GF
Buildings							
594	2004	Chevy 1-ton utility	59K/over	2014	1-Ton utility & man lift	\$ 66,000	Fund 125/GF
Water							
302	2011	Chevy 1/2-ton truck	105k/over	2021/ over miles	mid size truck	\$ 25,000	Water Fund
318	1977	U-CART trailer	NA	1997	trailer for shoreing	\$ 8,000	Water Fund
Waste Water							
528	2009	Vac-Con truck	NA/due	2018	Vac truck	\$ 410,000	Sewer Fund
524	2006	Ford F250 utility	81k/over	2016	1-Ton utility truck	\$ 48,000	Sewer Fund
514	1991	Generac generator	NA/over	2011	USED reach lift fork	\$ 65,000	Sewer Fund

Fund 125 \$ **490,725**
Water \$ **33,000**
Sewer \$ **523,000**

RESOLUTION NO. 17-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING THE FLEET REPLACEMENT PROGRAM FOR FY 2017-18 AND
APPROPRIATING ADDITIONAL BUDGETED FUNDS FOR THE REPLACEMENTS

WHEREAS, the City has a fleet of over 200 items of rolling stock, including a wide variety of vehicles and equipment, from fire engines to police cruisers to road graders to turf mowers. The City has a replacement schedule for each item, identifying the year purchased, the planned lifetime, and the year and cost of the expected replacement; and

WHEREAS, the fleet is regularly maintained and repaired, but each vehicle reaches the end of its useful life at some time, when the vehicle becomes unsafe, does not meet federal or standard standards (e.g., for exhaust emissions), or is projected to be more expensive to keep repairing than it is to replace. Vehicle replacement also gives us the opportunity to make sure that we have the correct vehicle for the application. A one-ton truck may be replaced by a half-ton truck, or a police cruiser may be replaced by an SUV; and

WHEREAS, the City sets aside some funding for the fleet replacement program, but following years of recession, that fund has an adequate balance for current replacements, and will need to be reviewed for long- term stability; and

WHEREAS, any requests for additional pieces of equipment will be processed through the budget request process next spring, with the exception of the skip and drag, which has been substituted for the crack sealer; and

WHEREAS, all equipment on the fleet replacement program for 2017-18 have reached, and in many cases exceeded, the planned lifetime for that equipment. All equipment in the fleet replacement program have been reviewed by the Fleet Maintenance Supervisor and recommended for replacement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. The City Council hereby approves the FY 2017-18 Fleet Replacement program (Attachment 1).

Section 3. The City Council hereby appropriates additional funding in the 2017-18 Budget in the following amounts from the following funds:

Fund 125	\$ 295,225
Water Fund	8,000
Wastewater Fund	79,500

Section 4. This Resolution shall take effect on the date approved by the City Council.

APPROVED this 3rd day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk