

From: [Jennifer Ott](#)
To: [CityCouncil-List](#)
Cc: [Erin Smith](#); [Margaret O'Brien](#)
Subject: Fleet Replacement Internal Service Fund
Date: Thursday, May 4, 2023 9:56:43 AM
Attachments: [Fleet Replacement Charges by Dept FY17-25.pdf](#)
[ReplacementListFY2324 FY2425.pdf](#)

Mayor and Councilmembers,

As follow up to Tuesday night's discussion and questions regarding the replacement of City fleet vehicles, I am providing additional information prior to the budget workshop tonight. The internal service fund (ISF) established for the replacement of City vehicles is funded by each vehicle paying in an annual depreciation amount such that the estimated replacement cost at the end of the vehicle's useful life is fully deposited by the estimated year for replacement. The ISF currently uses an estimated 3% annual average inflation rate. The fleet inventory is managed in an asset management database, which allows each vehicle record to have an associated fund/division, purchase price, replacement cost, date of replacement , maintenance work orders, etc.

In preparation for the proposed biennial budget, we total the vehicle depreciation cost by fund/division. The attached shows the deposits to the ISF in the proposed baseline budget for 23/24 and 24/25 and shows a history of those deposits dating back to FY 16/17. As shown, there is marked increase in the amount the Fire Department deposits into the fund starting in FY 21/22. At that time, the Fire Trucks and Fire Engines began paying into the fund. Prior to that, it was determined that sufficient funding was not available for this purpose. We are now depreciating all Fire Department units, which will include the Fire Boat, once received. The costs included for Engines 1 and 4 in Exhibit 2 of Tuesday's agenda are the estimated purchase prices for each truck. As Director O'Brien pointed out, each truck has contributed to the ISF. The amount deposited for each is \$577,532, which leaves the funding need for Engine 1 at \$862,468 and \$922,468 for Engine 2.

Please note that the Sewer Enterprise Fund does not participate in the fleet replacement ISF. As an enterprise fund there are all sorts of rules and regulation about comingling sewer funds with other funds. Instead, the sewer service charge rate study, done once every 5 years, considers the cost of maintaining a sewer fleet, including ongoing replacement, amongst many other costs and sets the rate such that the revenue into the program allows for a pay as you go basis. This is for vehicles, pipes, pumps, etc...

Also attached is the complete list of vehicles proposed for replacement in FY 23/24 and FY 24/25, including the two Engines and Battalion 1. I also want to acknowledge that over the last five years, the City has replaced 180 vehicles across all departments - a notable effort by our Fleet Services Division to renew an aged fleet.

Sincerely,
Jen

Jennifer Ott
City Manager

Expenses Filter

Department	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Revised Budget	2023-24 Budget	2024-25 Budget	# Deprec. in 24-25
Fire	356,816	270,725	242,279	508,421	486,379	1,036,611	1,036,611	1,965,836	1,885,336	52
Police	155,880	730,171	617,833	556,119	556,119	622,146	667,146	743,377	743,377	61
Public Works (no Sewer)	273,420	259,168	219,312	467,055	467,330	247,904	287,248	630,410	630,410	45
Recreation and Parks	90,211	124,345	109,565	131,418	122,116	123,579	123,579	366,698	366,698	64
Planning/Bldg/Transportation	17,112	23,023	19,479	33,593	33,593	20,249	40,905	60,014	60,014	11
Information Technology	0	14,573	12,329	23,769	23,769	15,933	15,933	67,718	67,718	5
Community Development	2,256	2,444	2,063	3,046	3,046	2,865	2,865	8,619	8,619	2
Finance	2,256	2,444	2,063	3,176	3,176	2,865	2,865	4,085	4,085	1
Library	2,100	2,275	1,925	2,646	2,646	2,927	2,927	4,069	4,069	1
City Manager	9,012	2,444	2,063	0	0	0	0	4,341	4,341	1
City Attorney	0	0	0	0	0	0	0	4,458	4,458	1
Total	909,063	1,431,612	1,228,911	1,729,243	1,698,174	2,075,079	2,180,079	3,859,625	3,779,125	244

Fleet ID	Fleet ID	Class Text	Fund-Division	Fund-Division Description
ARPD-15	07 Chevrolet C-3500 (Dump)	Full Size Pickup Truck	10051450	ARPD - Parks Maintenance
ARPD-56	1986 CHEVROLET C-20	Full Size Pickup Truck	10051450	ARPD - Parks Maintenance
ARPD-908	03 John Deere 1445 Terrain Cut (Front Mower)	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-909	00 Scag Tiger Cub Mower	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-910	10 Hustler Z Mower 928630CA	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-912	05 Hustler Z Mower Mini 927285	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-914	06 John Deere 1445 Terrain Cut (Front Mower)	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-917	10 John Deere Gator TX 4x2	UTV	10051450	ARPD - Parks Maintenance
ARPD-923	06 John Deere Gator TX 4x4	UTV	10051450	ARPD - Parks Maintenance
ARPD-928	11 Hustler Trim Star Mower	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-929	11 Turf CAT 628B 4WD Mower	Lawn Care	10051450	ARPD - Parks Maintenance
ARPD-23	07 Chevrolet C-2500	Full Size Pickup Truck	10051450	ARPD - Parks Maintenance
AFD-104	17 Ford Interceptor Utility	(PPV) Mid-Size SUV	10032210	Fire - Emergency Services
AFD-111	19 Chevrolet Suburban	Full Size SUV	10032210	Fire - Emergency Services
AFD-4	12 Pierce Quantum	Fire Pumper	10032210	Fire - Emergency Services
AFD-5	13 Pierce Quantum	Fire Pumper	10032210	Fire - Emergency Services
APD-153	13 Ford Interceptor Sedan	(PPV) Mid-Size Sedan	10031110	Police - Patrol/Traffic
APD-177	18 Ford Interceptor Utility	(PPV) Mid-Size SUV	10031110	Police - Patrol/Traffic
APD-178	18 Ford Interceptor Sedan	(PPV) Mid-Size Sedan	10031110	Police - Patrol/Traffic
APD-179	18 Ford Interceptor Sedan	(PPV) Mid-Size Sedan	10031110	Police - Patrol/Traffic
APD-186	19 Ford Interceptor Utility	(PPV) Mid-Size SUV	10031110	Police - Patrol/Traffic
APD-187	19 Ford Interceptor Utility (Patrol Unit)	(PPV) Mid-Size SUV	10031110	Police - Patrol/Traffic
APD-166	17 Harley Davidson Electra Glide	Motorcycle	10031130	Police - Support Services
APD-181	18 BMW R1200RT-P	Motorcycle	10031130	Police - Support Services
APD-182	18 BMW R1200RT-P	Motorcycle	10031130	Police - Support Services
APD-903T	10 Kendon Duel Rail MC Trailer	Trailer	10031130	Police - Support Services
AFS-19	01 Ford F-350	Full Size Pickup Truck	10041580	PW - Fleet Maintenance GF
AFS-84	07 Chevrolet Colorado	Mid-Size Pickup Truck	10041580	PW - Fleet Maintenance GF
MSC-91	88 Hyster SH-40XL	Forklift	26441610	PW - Storm Drainage Mtce Prog
MSC-12	01 GMC C-3500	Full Size Pickup Truck	26441610	PW - Storm Drainage Mtce Prog
MSC-05	02 Ford F-450 Dump	Full Size Pickup Truck	10041540	PW - Streets/Roads Mtce GF
MSC-65	00 Leaf VA SCL800TM-14	Leaf Vac	10041540	PW - Streets/Roads Mtce GF
MSC-07	01 GMC C3500 Dump	Full Size Pickup Truck	10041540	PW - Streets/Roads Mtce GF
MSC-66	16 Tymco Sweeper 600 4300 SBA 4X2	Street Sweepers 4-Wheel	26441540	Stormwater - Streets/Roads Mtc