

SPECIAL REVENUE FUNDS
EQUIPMENT REPLACEMENT FUND

GENERAL INFORMATION:

This fund was established in an effort to provide a more systematic method of replacing equipment and leveling the costs of replacing such equipment. This activity provides funding for vehicle and equipment replacements in the General Fund with the exception of those for the Public Works department which are funded from Road Use Taxes. Equipment to be replaced in the Enterprise Funds is funded from each Enterprise activity.

A comprehensive inventory of all equipment currently owned by the City including automobiles, pickup trucks, dump trucks, heavy equipment and other miscellaneous equipment has been completed in an effort to assess the overall condition of the City's inventory. Replacement and cost schedules have been developed by staff for each piece of equipment. This information is maintained on the City's computer system. Equipment maintenance cost records are also on this system. This information is used in conjunction with the replacement schedules to determine the most cost effective and economical time to replace City equipment.

In an effort to properly fund this program, an appropriation has generally been made annually from the General Fund to the Equipment Replacement Fund. The transfers have varied from year by year due to equipment replacement needs and General Fund funding limitations. The 2005/2006 allocation was \$105,000 and the 2006/2007 allocation was \$100,000. Due to revenue shortfalls in the General Fund in 2007/2008, no allocation to the Equipment Replacement Fund was budgeted for 2007/2008 and replacements of vehicles and equipment for 2007/2008 were funded from the city's June, 2008 general obligation bond issue. A funding allocation was reinstated in 2008/2009 in the amount of \$75,000. The funding allocation for 2009/2010 was increased to \$152,300 and further increased to \$200,000 for 2010/2011. The funding allocation for 2011/2012 is \$168,900 and it will increase to \$245,000 for 2012/2013.

In 2012/2013, an additional \$250,000 funding transfer is budgeted with this amount specifically "assigned" to be used for the purchase of a new fire engine in 2013/2014. The estimated cost of the fire engine is \$490,000 and an additional \$240,000 allocation will be needed from the 2013/2014 budget (if this funding is available) to fund this purchase. In prior years sufficient funding would not have been available in the General Fund and this purchase would likely have been funded with bond proceeds.

CURRENT TRENDS AND ISSUES:

For 2011/2012 the funding allocation from the General Fund to the Equipment Replacement Fund was \$168,900. Purchases for 2011/2012 total \$198,600 and include a new supervisor vehicle and a used detective vehicle for the Police department (\$30,100 and \$12,000 respectively), a mini excavator for the Cemetery (\$38,800), a skid steer to be shared by the Cemetery and Park Maintenance (\$45,100), a tractor for Kent Stein Park (\$25,800), and a field painter (\$9,500) and utility vehicle (\$13,400) for the Soccer Complex. The 2011/2012 purchases also include a new police squad car to replace one damaged in an accident (\$23,900 including equipment installation), the cost of which was partially offset by an \$18,300 insurance reimbursement.

Vehicles and equipment items budgeted to be purchased in 2012/2013 total \$277,500 and include five new squad cars for the Police Department (\$165,000), a used unmarked police vehicle (\$15,000), a used four-

wheel drive vehicle for Community Development (\$17,500), a mower for the Cemetery (\$12,000), and a mower (\$51,000) and used pickup truck (\$17,000) for Park Maintenance.

As mentioned above, the 2012/2013 budget also includes a \$250,000 transfer from the General Fund to be “assigned” specifically to be used towards the purchase of a new fire engine. An additional \$240,000 is needed in 2013/2014 to complete the funding for the new fire engine (\$490,000). The balance in this reserve net of the assigned amount is estimated at \$76,461 as of June 30, 2013.

Equipment Replacement Fund

Fund Statement

	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013
Beginning Balance, July 1	\$ 21,556	\$ 90,512	\$ 95,312	\$ 105,561	\$ 101,561
Revenues					
Interest	\$ 99	\$ 273	\$ 100	\$ 200	\$ 200
Lease of Vehicle (Police Grant)	7,200	7,200	7,200	7,200	7,200
Sale of Vehicle	402	5,624	0	0	0
Reimbursement of Damages	0	0	0	18,300 (2)	0
Transfers In					
General Fund Allocation	152,300	200,000	168,900	168,900	245,000
General Fund Allocation for Fire Engi (Approximately 50% of cost)	0	0	0	0	250,000 (1)
Total Revenues	\$ 160,000	\$ 213,097	\$ 176,200	\$ 194,600	\$ 502,400
Funds Available	\$ 181,556	\$ 303,609	\$ 271,512	\$ 300,161	\$ 603,961
Expenditures					
Equipment Purchases	91,044	198,049	183,400	198,600 (2)	277,500
Ending Balance, June 30	\$ 90,512	\$ 105,561	\$ 88,112	\$ 101,561	\$ 326,461
Balance Assigned for Future Fire Engine Purchase					250,000 (1)
Unassigned Balance, June 30					\$ 76,461
Increase (Decrease) in Fund Balance	\$ 68,956	\$ 15,048	\$ (7,200)	\$ (4,000)	\$ 224,900

1. FY 2012/2013 budgeted transfers in from the General Fund include \$250,000 specifically assigned towards the purchase of a fire engine to be purchased in 2013/2014. An additional \$250,000 allocation will be needed in 2013/2014 to complete the funding needed for this purchase.
2. The Revised Estimate revenues include an \$18,300 insurance reimbursement for damages to a police squad car. Revised Estimate expenditures include \$23,800 for the replacement vehicle (including equipment installation costs).

Functions:

Public Safety
 Community and Economic Development
 Culture and Recreation

Departments:

Police
 Community Development
 Parks and Recreation

Activity:
Equipment Replacement

Capital Outlay			
Item	Quantity	Replacement	Amount
Police:			
Squad Cars	5	Yes	\$ 165,000
Used Vehicle (Unmarked)	1	Yes	15,000
Community Development:			
4-Wheel Drive Vehicle (Used)	1	Yes	17,500
Cemetery:			
Mower	1	Yes	12,000
Park Maintenance:			
Mower	1	Yes	51,000
Pickup Truck (Used)	1	Yes	17,000
			<u>\$ 277,500</u>