

COUNCIL WORKSHOP ITEM

ITEM: Fleet Replacement Plan – Fiscal 2003/04
DATE: June 3, 2003
PREPARED BY: John J. Bajor, Jr., Public Works Director
Stan Balicki, Support Services Manager
PURPOSE: Discussion and Approval of Plan by Motion

DISCUSSION:

Introduction

The Public Works Department is charged with the responsibility to develop and manage the Village's Fleet Replacement Program as part of the Equipment Replacement Fund Budget. As this function has a direct impact on the service delivery capability of departments such as Public Works, Police and Fire, as well as a significant financial impact on the Village, a collaborative approach has been used to evaluate equipment and establish priorities within fiscal constraints. This approach is especially important in light of the fact that the resources needed for scheduled fleet replacements exceed the funding available.

Goals

The primary goal of this process is to optimize Village resources and to ensure that staff is coordinated with the Village Council as we move forward. A significant amount of work goes into researching equipment, developing specifications and securing bids prior to making recommendations for purchase. Adoption of this plan will serve as staff's blueprint for action and will ensure that staff's efforts are put to their best use. Additionally, moving forward together should streamline the bid recommendation process throughout the year.

Evaluation Criteria

This year's expense budget for vehicle replacement in the Equipment Replacement fund is \$947,000. The staff team consisting of representatives from the Police, Fire and Public Works Departments as well as the Deputy Village Manager of Finance weighed these resources against approximately \$2 million worth of vehicles as replacement candidates. Several factors were considered in selecting vehicles from among the list for replacement such as age, mileage, reliability, structural integrity and known significant repairs that will be necessary. The chief function of the vehicle has also been a main point of consideration. For example, vehicles used in the direct provision of service such as fire trucks, snow plows and police cars have been given priority over staff cars. Whether a vehicle has been deferred previously was also given thought in the matter. Attachment 1 summarizes all of the vehicles considered for replacement with information on usage, condition, function and the planned replacement.

Budget Issues

Staff's recommended replacement vehicles are estimated to cost \$975,382. This is in excess of the adopted budget by \$28,382. However, at the time the budget was adopted staff did not

anticipate netting approximately \$41,000 in revenue from the sale of the old heavy rescue squad. Staff anticipates presenting a budget amendment to the Village Council to reflect the additional revenues and expenses should the Village Council adopt the recommended plan. Attachment 2 is a cash flow analysis showing when payments are anticipated for the recommended vehicles throughout the fiscal year.

Comprehensive Fleet Plan

As we progress, continuing to address a total Village vehicle replacement plan is necessary to ensure an appropriate allocation of resources. At times, this is not easy. With limited resources each department has had to make concessions to each other throughout the process. Recommending a vehicle in one department means that another department will have to make do with what they have. Each department has vehicles and equipment it would like to replace that did not make the recommended list. Our staff team has worked well together and we are continuing to refine vehicle replacement evaluation criteria including a scoring model for a time/mileage total cost approach.

Grant Funding

Departments have also worked with the Village's Grant Coordinator to seek outside funding assistance that may allow more vehicles to be replaced this year. For instance, the Fire Department has already filed a funding application to replace its 1988 Ford E-One pumper. The grant of \$337,500 will require a local match of \$37,500 and permit the Fire Department to upgrade the pumper from the presently available \$283,000 budgeted. If it materializes, this grant will free up about \$245,000 that may be earmarked for additional replacements. Initial discussions have indicated that three Fire vehicles, two Police vehicles and one Public Works vehicle would be considered. Staff expects word on this grant as early as July but possibly not until September. At this point, our planning has been based upon not receiving the grant.

On the opposite side of the equation, bid results that are over budget may cause the plan to be scaled back. Staff will be working to ensure that vehicle purchases are under budget and monitoring the effects of cash flow on the Equipment Replacement Fund. Any significant changes in revenue or expenses that would require modifying the plan will be brought to the attention of the Village Manager and the Village Council.

ATTACHMENT:

- 1) Fleet Replacement Plan for 2003/04
- 2) Equipment Replacement Fund Cash Flow Analysis

RECOMMENDATION:

Staff recommends that the Village Council consider adopting the Fleet Replacement Plan for 2003/04 by motion.

**Attachment 1
Fleet Replacement Plan 2003/04**

Vehicle #	Year	Make	Prefunding Amount	Age	Mileage	Structural Integrity	Known Significant Repair	Chief Function	Previous Deferral	Recommended Replacements	Planned Replacement Vehicle	Planned Cooperative Purchase
Public Works Department												
185	1993	Ford F-150	\$24,190	10	47,000			Staff Car	Yes			
184	1993	Ford F-150	\$56,275	10	50,000			Utility/Plow	Yes			
248	1987	Michigan Loader	\$116,534	16	8,800 (Hours)			Material Handling	Yes	\$ 116,534.00	Caterpillar 938	No
202	1989	Caterpillar Roller	\$47,380	14	1,958 (Hours)			Paving	Yes			
246	1987	Ford 10-Ton	\$119,882	16	89,000	Split Frame Rail	Yes	Snow Plow	Yes	\$ 119,882.00	Freightliner FL80	No
142	1990	Chevy 1-Ton	\$56,275	13	81,000			Utility/Plow	Yes			
247	1987	Ford 10-Ton	\$119,882	16	95,000	Split Frame Rail	Yes	Snow Plow	Yes	\$ 119,882.00	Freightliner FL80	No
129	1986	Chevy Step Van	\$55,364	17	85,000			Traffic Operations	Yes			
238	1984	Chevy 5-Ton	\$100,170	19	41,000			Snow Plow	Yes	\$ 100,170.00	Freightliner FL80	No
84	1991	Air Compressor	\$14,503	12	588 (Hours)			Air Compressor	Yes			
141	1990	Chevy 1-Ton	\$56,275	13	42,000			Utility/Plow	Yes			
226	1993	Arrow Board	\$8,240	10	861 (Hours)			Traffic Control	Yes			
250	1988	Ford 5-Ton	\$100,170	15	60,000			Snow Plow	Yes	\$ 100,170.00	Freightliner FL80	No
870	1991	Chevy Caprice	\$15,450	12	74,000			Staff Car	Yes			
255	1989	Michigan Loader	\$144,909	14	9,400 (Hours)		Yes	Material Handling				
Police Department												
815	1996	Chevy Tahoe	\$29,263	7	106,000			Evidence Tech.	Yes	\$ 29,263.00	Chevy Tahoe	No
827	1998	Ford Crown Vic	\$19,990	5	72,000			D.A.R.E.	Yes			
829	1998	Ford Crown Vic	\$19,990	5	77,000			CSO	Yes	\$ 19,990.00	Ford Crown Vic	Yes
830	1998	Ford Crown Vic	\$19,990	5	64,000			Command	Yes			
832	1999	Ford Crown Vic	\$19,990	4	83,000			CSO	Yes			
834	1999	Ford Crown Vic	\$19,990	4	79,000			CSO	Yes			
837	1999	Ford Crown Vic	\$19,990	4	87,000			Patrol	Yes			
886	1994	Ford Aerostar	\$18,025	9	50,000			CSO	Yes			
845	2000	Ford Crown Vic	\$19,990	3	79,000			Patrol				
846	2000	Ford Crown Vic	\$19,990	3	62,000			Command				
848	2000	Ford Crown Vic	\$19,990	3	74,000			Patrol				
849	2000	Ford Crown Vic	\$19,990	3	85,000			Patrol				
850	2000	Ford Crown Vic	\$19,990	3	42,000			COP				
852	2000	Ford Crown Vic	\$19,990	3	53,000			Patrol				
836	1999	Ford Crown Vic	\$19,990	4	63,000			COP				
838	2000	Ford Crown Vic	\$19,990	3	92,000			Patrol		\$ 19,990.00	Ford Crown Vic	Yes
839	2000	Ford Crown Vic	\$19,990	3	81,000			Patrol		\$ 19,990.00	Ford Crown Vic	Yes
816	1997	Chevy Lumina	\$16,391	6	63,000			Investigations				
817	1997	Chevy Lumina	\$16,391	6	65,000			Investigations				
818	1997	Chevy Lumina	\$16,391	6	67,000			Investigations		\$ 16,391.00	Chevy Impala	Yes
819	1997	Chevy Lumina	\$16,391	6	54,000			Investigations				
Fire Department												
968	1996	Ford Crown Vic	\$20,085	7	92,000			Command	Yes			
969	1996	Chevy Tahoe	\$29,870	7	88,000			Command	Yes	\$ 29,870.00	Chevy Tahoe	No
945	1994	Chevy Caprice	\$15,450	9	95,000			Staff Car	Yes			

<i>Fleet Replacement Plan 2003/04</i>												
Vehicle #	Year	Make	Prefunding Amount	Age	Mileage	Structural Integrity	Known Significant Repair	Chief Function	Previous Deferral	Recommended Replacements	Planned Replacement Vehicle	Planned Cooperative Purchase
964	1993	Chevy Caprice	\$15,450	10	95,000			Staff Car	Yes			
972	1998	Ford Crown Vic	\$19,990	5	74,000			Command				
967	1995	Ford Windstar	\$18,103	8	42,000			Staff Car				
908	1988	Ford E-One Pumper	\$283,250	15	96,000	Frame Separation	Yes	Fire Supression	Yes	\$ 283,250.00	Pierce Engine	No
970	1997	Chevy Lumina	\$15,450	6	33,000			Staff Car				
955	1993	Chevy Pickup	\$23,000	10	13,000			Equipment Handling				
Building Services												
147	1991	GMC Utility	\$55,630	12	46,000			Utility	Yes			
Fleet Services												
140	1991	Chevy Pickup	\$30,000	12	41,000			Service Vehicle	Yes			
898	1996	Chevy Lumina	\$16,000	7	66,000			Staff Car	Yes			
			\$ 2,041,632.00							\$ 975,382.00		

Attachment 2																	
Equipment Replacement Fund Cash Flow Analysis																	
Fiscal Year 2003-04																	
						May	June	July	August	September	October	November	December	January	February	March	April
					Beginning Balance	\$200,000	\$270,256	\$340,512	\$410,768	\$309,490	\$103,385	\$114,508	\$184,764	\$17,020	\$87,276	\$157,532	\$227,788
					Cash In	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256	\$70,256
Department	Vehicle #	Year	Make	Budget													
Public Works																	
	185	1993	Ford F-150	\$24,190													
	184	1993	Ford F-150	\$56,275													
	248	1987	Michigan Loader	\$116,534					\$116,534								
	202	1989	Caterpillar Roller	\$47,380													
	246	1987	Ford 10-Ton	\$119,882						\$60,000			\$59,000				
	142	1990	Chevy 1-Ton	\$56,275													
	247	1987	Ford 10-Ton	\$119,882						\$60,000			\$59,000				
	129	1986	Chevy Step Van	\$55,364													
	238	1984	Chevy 5-Ton	\$100,170						\$40,000			\$60,000				
	84	1991	Air Compressor	\$14,503													
	141	1990	Chevy 1-Ton	\$56,275													
	226	1993	Arrow Board	\$8,240													
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	870	1991	Chevy Caprice	\$15,450													
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	827	1998	Ford Crown Vic	\$19,990													
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	849	2000	Ford Crown Vic	\$19,990													
	850	2000	Ford Crown Vic	\$19,990													
	852	2000	Ford Crown Vic	\$19,990													
	836	1999	Ford Crown Vic	\$19,990													
	838	2000	Ford Crown Vic	\$19,990						\$19,990							
	839	2000	Ford Crown Vic	\$19,990						\$19,990							
	816	1997	Chevy Lumina	\$16,391													
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	818	1997	Chevy Lumina	\$16,391						\$16,391							
	819	1997	Chevy Lumina	\$16,391													
Fire																	
	968	1996	Ford Crown Vic	\$20,085													
	969	1996	Chevy Tahoe	\$29,870								\$29,870					
	945	1994	Chevy Caprice	\$15,450													
	964	1993	Chevy Caprice	\$15,450													
	972	1998	Ford Crown Vic	\$19,990													
	967	1995	Ford Windstar	\$18,103													
	908	1988	Ford E-One Pumper	\$283,250					\$55,000								\$228,250
	970	1997	Chevy Lumina	\$15,450													
	955	1993	Chevy Pickup	\$23,000													
Building Services																	
	147	1991	GMC Utility	\$55,630													
Fleet Services																	
	140	1991	Chevy Pickup	\$30,000													
	898	1996	Chevy Lumina	\$16,000													
					Cash Out	\$0	\$0	\$0	\$171,534	\$276,361	\$59,133	\$0	\$238,000	\$0	\$0	\$0	\$228,250
					Ending Balance	\$270,256	\$340,512	\$410,768	\$309,490	\$103,385	\$114,508	\$184,764	\$17,020	\$87,276	\$157,532	\$227,788	\$69,794