



INFORMAL STAFF REPORT

MEMORANDUM

To: Margie C. Rose, City Manager *MR*

Thru: Sylvia Carrillo-Trevino, Assistant City Manager *ST*

From: Jim Davis, Director of Fleet Maintenance *JD*

Date: June 2, 2017

Subject: Ten Year Fleet Replacement Plan

Issue/Problem

On Tuesday, May 30, 2017. Councilmember Guajardo asked for the basis of the Ten-Year Fleet Replacement Plan. The information and associated attachments are presented below.

Background & Findings

The Fleet Replacement Plan is a data driven plan and constitutes the informational basis for the Fleet Replacement Program. The data within the Plan is constantly evolving, and is resident in Fleet's M5 Maintenance Management System. At this point, the Plan is addressing Department vehicle/equipment acquisitions for Fiscal Year 2018.

As can be seen from the attached data, summarized by fund, the first year shows those vehicles that need replacement have a collective value of approximately \$80 million, of which \$42 million resides in the General Fund and consists of ambulances, fire trucks, police vehicles and other big ticket items. We understand the concept of sticker shock here and recognize that the purchase of a brand-new fleet is unrealistic. To smooth or spread the data, or expense, over future years, an average of \$23.5 million is needed per year to bring the City's fleet up to zero vehicles past their service life in ten years. Individual vehicle performance, maintenance, a Department's available funds, and purchase options are considered when making the final replacement decisions each budget year.

We have also averaged out the ten-year costs of total fleet modernization and they are depicted on the data summary sheet (attached). The key to this program is the using Department's evaluation of the data presented and their subsequent evaluation of what is critical to replacement and associated costs. The data gives the Departments a starting point. It should also be pointed out, in many instances, service lives are exceeded and equipment is successfully and safely operated past their service lives. At the current rate, however, with past and current funding available, we can maintain the Fleet at 45% vehicles past their service life level

Conclusion

The goal is the optimal purchase of vehicles and equipment given the financial posture of a using Department. The Fleet Replacement Program accomplishes this and uses as its basis the Ten-Year Fleet Replacement Program. The program experiences constant updating and data evolution fed from various sources. It is the primary tool we use to formulate our plan for vehicle/equipment acquisition.

Fleet - 10 Year Replacement Program

FUND NAME	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Ten Year Total
1020 General Fund	\$ 42,445,100	\$ 5,914,952	\$ 6,410,453	\$ 10,835,693	\$ 6,101,651	\$ 8,357,763	\$ 5,490,238	\$ 22,770,116	\$ 8,398,429	\$ 9,755,220	\$ 126,479,615
1032 State Beach Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,214	\$ 38,264	\$ -	\$ 36,526	\$ -	\$ -
1041 Street Fund	\$ 9,299,900	\$ 1,633,035	\$ 2,103,761	\$ 598,289	\$ 923,844	\$ 1,119,463	\$ 55,828	\$ 5,173,701	\$ 999,048	\$ 2,290,081	\$ 24,196,950
1059 FedState Grant	\$ 59,000	\$ 90,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,856	\$ 141,377	\$ -	\$ 327,749
1066 FedState Grant	\$ -	\$ -	\$ 8,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,171
1067 Parks Grant	\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,367	\$ 49,118	\$ -	\$ 260,485
4010 Water Fund	\$ 7,800,000	\$ 307,346	\$ 881,180	\$ 1,731,617	\$ 822,212	\$ 593,581	\$ 159,756	\$ 6,947,990	\$ 1,634,242	\$ 834,875	\$ 21,712,799
4130 Gas Fund	\$ 6,366,700	\$ 834,514	\$ 234,201	\$ 824,064	\$ 822,747	\$ 291,327	\$ 745,981	\$ 3,782,673	\$ 2,246,776	\$ 583,291	\$ 16,732,274
4200 Waste Water Fund	\$ 5,990,500	\$ 1,332,929	\$ 1,205,365	\$ 697,639	\$ 567,923	\$ 561,934	\$ 322,718	\$ 5,620,342	\$ 2,160,625	\$ 1,322,247	\$ 19,781,222
4300 Storm Water Fund	\$ 4,316,000	\$ 964,582	\$ 430,945	\$ 868,877	\$ 561,321	\$ 313,073	\$ 1,429,397	\$ 2,551,094	\$ 2,834,801	\$ 336,571	\$ 14,606,661
4670 Dev Services Fund	\$ -	\$ -	\$ 252,900	\$ -	\$ -	\$ 88,481	\$ -	\$ -	\$ -	\$ 305,820	\$ 647,201
4700 Marina Fund	\$ 242,000	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ 41,000	\$ -	\$ 114,740	\$ 492,740
4710 Visitor's Facility Fund	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000
5010 Stores Fund	\$ 68,000	\$ 42,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,160	\$ -	\$ 53,170	\$ 227,700
5110 Maint Svcs Fleet Fund	\$ 1,393,200	\$ -	\$ 86,239	\$ -	\$ 338,950	\$ 109,696	\$ 145,370	\$ 1,022,501	\$ 92,441	\$ 38,774	\$ 3,227,171
5115 Facility Maint Fund	\$ 708,000	\$ -	\$ -	\$ -	\$ 133,547	\$ 36,909	\$ 29,284	\$ 313,338	\$ 286,280	\$ -	\$ 1,507,358
5210 MIS Fund	\$ 553,500	\$ -	\$ -	\$ 32,045	\$ 41,804	\$ -	\$ -	\$ 490,773	\$ 144,153	\$ -	\$ 1,262,275
5310 Engineering Fund	\$ 60,000	\$ -	\$ -	\$ 223,899	\$ 38,091	\$ 346,237	\$ -	\$ -	\$ 70,524	\$ -	\$ 738,751
6060 LEPC	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,554	\$ -	\$ 58,554
9010 Crime Control	\$ 504,000	\$ -	\$ 360,563	\$ 598,632	\$ -	\$ -	\$ 801,848	\$ 34,598	\$ -	\$ 429,045	\$ 2,728,686
9100 Public Health	\$ -	\$ -	\$ -	\$ 40,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,987
Total Replacement Cost	\$ 79,969,900	\$ 11,120,244	\$ 12,068,778	\$ 16,451,742	\$ 10,352,090	\$ 11,855,678	\$ 9,218,684	\$ 48,939,509	\$ 19,125,894	\$ 16,063,834	\$ 235,166,353
										10 Year Avg Cost	\$ 23,516,635