

**CITY OF SULTAN  
BUDGET RETREAT  
STAFF REPORT**

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**SUBJECT: EQUIPMENT REPLACEMENT AND ACQUISITION**

There are two major expenditure categories that the City must deal with each year at budget time – wage/benefit expenses and equipment needs. The need to replace aging equipment does not receive a “high” priority rating when increases in salaries and operation and maintenance become the main focal point of the budget process.

As the equipment used on a daily basis ages it becomes more critical to develop a replacement and acquisition program.

**ISSUES:**

- A. Aging Equipment:  
Attachment A is the Vehicle Schedule for the 9/1/06-9/1/07 insurance year. It does not include the vehicles purchased (police and public works) in late 2006-07. As you will note, the Public Works equipment is 2 to 20 plus years old. The Police Vehicles range from 1 to 6 years in age.
  
- B. Lack of Reserve Funds  
There are two funds established to fund equipment replacement – 104 General Equipment Replacement and 106 Police Vehicle Replacement. The funding source for the 104 General Equipment Reserve is surplus funds from the Street, Water, Sewer, Garbage and General Fund. The funding source for the 106 Police Vehicle Replacement is utility tax revenue on electric, gas and telephone services. Any revenue from sales of surplus equipment is credited to the appropriate fund. Attachment B is a copy of the fund report for Funds 104 and 106
  
- C. Increase in Operation/Maintenance Costs:  
As equipment ages, the annual costs for operation and maintenance increase. The Police Department has completed an analysis of the maintenance needs for their vehicles (Attachment C). This is an exercise that the Public Works department will need to complete.

**PROCESS NEEDS:**

- A. Establish a Maintenance Tracking System:  
There should be an established file for each piece of equipment that details routine maintenance and repairs. The Finance Department maintains a file with all title information that includes date of purchase, costs, sales and any recalls received for each vehicle.

B. Develop a Depreciation Schedule

Attachment D is a sample depreciation schedule for the Public Works and Police Department vehicles. This is presented to illustrate the annual budget needs to cover the cost of replacing existing equipment.

**SOLUTIONS:**

A. Develop a Vehicle Replacement Schedule

This process can be completed by fully developing the depreciation schedule. The existing equipment needs to be assessed to determine its useful life (or lack of) and the replacement costs. The values on the sample schedule are the insured value and using those figures, the City would not place adequate funds in reserve to purchase a new vehicle when it is needed. The City should, as part of the annual budget process, adopt a policy to fund reserves for equipment replacement.

B. Equipment Rental Fund

The purpose of an Equipment Rental Fund is to establish a central agency (or fund) for the control, operation and maintenance of municipal equipment and to provide funds for the acquisition and replacement of equipment. At this time, the City does not have the staff to operate an Equipment Rental fund, however, the preliminary steps to establish the fund in the future can be completed. The development of the operations/maintenance system and a depreciation system will provide the information needed to establish rental rates. The Equipment Rental Fund is established by ordinance (Attachment E)

To establish the Equipment Rental Fund the estimated cost for vehicle replacement reserves would be approximately \$35,000 per year for the Police Department and between \$50,000-\$60,000 for the Public Works Department. This would be an annual appropriation to make sure that there are adequate funds for continued replacement of equipment.

# Vehicle Schedule

## Cities Insurance Association of Washington

City of Sultan  
 P.O. Box 1199  
 319 Main Street  
 Sultan, WA 98294

Date: 9/1/2006 - 9/1/2007

ID	Ins Num	YR	Description	Serial Number	<\$25,000 Value	>\$25,000 Value	SP	CM	CL
1		2006	INTERNATIONAL GARBAGE TRUCK	1HTWGAAR16J304257		\$135,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2		2005	FREIGHTLINER DUMPTRUCK	1FVACXDJ05HU19406		\$71,421	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3		1999	JEEP CHEROKEE 4X4	1J4FF2889YL644275	\$8,000		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4		1998	FORD F150 P/U	2FTDF1720WCA01437	\$12,900		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5		1996	GMC DUMP TRUCK	1GDKC34J46TJ506483	\$15,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6		1996	FORD F150 P/U	2FTEF15N1TCA17711	\$12,700		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7		1995	FORD F-150 PICKUP	1FTEF15Y456B85664	\$9,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8		1993	FORD R-10 P/U	1FTCR10A9PTA43150	\$5,700		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		1993	INT'L. REFUSE	1HTSDPCR0PH494603		\$80,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
10	C-52	1992	FORD TAURUS		\$5,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
11		1989	FORD PICKUP	1FTDF15NOKPA66228	\$5,800		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
12		1989	FORD F250 PICKUP	1FTHF25YXKPA88772	\$5,800		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13		1989	FORD PICKUP	1FTDF15N1KPA78615	\$5,800		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14		1987	FORD VAC TRUCK 36000GVW	1FDYD80U8BVJ32091		\$29,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15		1981	FORD PICKUP 4X4	1FTFF26EXBPA80506	\$5,000		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16		1980	INT'L DUMP TRUCK	5548	\$12,000		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17		1979	FORD 2T FLATBED	K0535	\$12,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Police</b>									
18		2005	HARLEY DAVIDSON MC	1HD1FHW185465370	\$15,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
19		2005	MODEL FLHP MC	1HD1FHW54643417	\$15,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
20		2005	FORD CROWN VICTORIA	2FAHP71W55X118148		\$30,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
21		2005	FORD CROWN VICTORIA	1FAHP71W75X118149		\$30,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
22		2001	FORD CROWN VICTORIA	2FAFP71W11X165436	\$10,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
23		2000	FORD CROWN VICTORIA UNIT #2503	2FAFP71W4YX164808	\$9,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
24		2000	FORD CROWN VICTORIA UNIT #2580	2FAFP71WXYX164831	\$9,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
25		2000	FORD CROWN VICTORIA	2FAFP71W8YX164827	\$9,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		1999	KAWASAKI KZ1000	JKAKZCP20XB517198	\$5,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
27	C-56	1997	FORD EXPLORER	1FMDU34XXUA95810	\$8,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

City of Sultan  
P.O. Box 1199  
319 Main Street  
Sultan, WA 98294

Date: 9/1/2006 - 9/1/2007

ID	Ins Num	YR	Description	Serial Number	<\$25,000 Value	>\$25,000 Value	SP	CM	CL
28		1997	FORD CROWN VICTORIA	134027	\$7,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
29	C-49	1994	FORD CARGOVAN	1FTDA14U9RZB56676	\$14,375		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
30		1990	KAWASAKI KZ1000	JKAKZCP26LB508001	\$2,000		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Trailers-Utility Dept</b>									
31		1983	HM UTILITY TRL	32331	\$700		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32			CARRYALL TILT TRAILER	3106	\$300		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total:</b>					<b>\$219,075</b>	<b>\$375,421</b>			

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# Inland Marine Schedule

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## ***Cities Insurance Association of Washington***

City of Sultan  
P.O. Box 1199  
319 Main Street  
Sultan, WA 98294

**Date:** 9/1/2006 - 9/1/2007

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YR	Description	Serial Number	Value
1	2005 MASEY FERGUSON TRACTOR	98SIEN32070	\$14,322
2	2003 CUB CADET 20 HP MOWER	1E212G20017	\$5,000
3	2000 KUBOTA MOWER (FRONT) 2D18	1A4338	\$15,000
4	1998 580 SUPER L 4WD LOADER/EXRTA HOE		\$74,000
5	1996 SWEEPER ATHEN MGB		\$7,000
6	1994 ATLAS AIR COMPRESSOR	HOL601232	\$4,700
7	1991 JOHN DEERE F725 FRONT MOWER		\$2,000
8	1991 MULTI-GRADER ROAD GRADER		\$20,000
9	1990 FORD TRACTOR ROTARY MOWER		\$27,000
10	1981 KUBOTA TRACTOR B7100	69478	\$1,500
11	1981 CASE BACKHOE 580D	9067612	\$14,000
12	JOHN DEERE F-935 FRONT MOWER	M0F935X150873	\$15,000
<b>Total:</b>			<b>\$199,522</b>

# General Ledger

## Summary Trial Balance

User: laura  
 Printed: 06/20/2007 - 3:57 PM  
 Period 1 to 6, 2007



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund: 104	CR EQUIPMENT FUND					
ASSETS						
104-000-111-10-000	Cash	0.00	56,933.48	190.40	38,709.31	18,414.57
	ASSETS Totals:		56,933.48	190.40	38,709.31	18,414.57
LIABILITIES						
104-000-211-11-000	Warrants Payable	0.00	0.00	30,993.40	30,993.40	0.00
	LIABILITIES Totals:		0.00	30,993.40	30,993.40	0.00
REVENUE						
104-000-308-10-000	Beginning Fund Balance	0.00	(56,933.48)	0.00	0.00	(56,933.48)
104-000-316-41-000	Utility Tax Electrical	0.00	0.00	0.00	0.00	0.00
104-000-316-43-000	Utility Tax Gas	0.00	0.00	0.00	0.00	0.00
104-000-316-47-000	Utility Tax Telephone	0.00	0.00	0.00	0.00	0.00
104-000-361-11-000	Investment Interest	0.00	0.00	0.00	0.00	0.00
104-000-366-10-000	Interfund Interest Payment Rec	0.00	0.00	0.00	0.00	0.00
104-000-367-10-000	WASPC Grant	0.00	0.00	0.00	0.00	0.00
104-000-381-20-000	Interfund Loan Payment Receive	0.00	0.00	0.00	0.00	0.00
104-000-395-10-000	Sale of Fixed Assets - Garbage	0.00	0.00	0.00	0.00	0.00
104-000-395-10-010	Sale of Fixed Assets - Police	0.00	0.00	0.00	0.00	0.00
104-000-395-10-020	Sale of Fixed Assets - Utilit	0.00	0.00	0.00	0.00	0.00
104-000-397-10-010	Operating Transfer In	30,000.00	0.00	0.00	0.00	0.00
104-000-397-10-020	Operating Transfer In	0.00	0.00	0.00	0.00	0.00
104-000-397-10-030	Operating Transfer In	0.00	0.00	0.00	0.00	0.00
	REVENUE Totals:	30,000.00	(56,933.48)	0.00	0.00	(56,933.48)
EXPENSE						
Dept: 104	Cumulative Reserve Equipment					

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Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
104-104-521-60-640	Equipment - Police Vehicles	0.00	0.00	2,055.40	190.40	1,865.00
104-104-537-80-640	Garbage Equipment	0.00	0.00	0.00	0.00	0.00
104-104-538-10-640	Equipment - Vehicles (Utility)	30,000.00	0.00	28,938.00	0.00	28,938.00
104-104-597-55-000	Operating Transfer Out	0.00	0.00	7,715.91	0.00	7,715.91
	Dept 104 EXPENSE Totals:	30,000.00	0.00	38,709.31	190.40	38,518.91
Dept: 900	Ending Fund Balance					
104-900-508-00-000	Ending Fund Balance	0.00	0.00	0.00	0.00	0.00
	Dept 900 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	30,000.00	0.00	38,709.31	190.40	38,518.91
	Fund 104 Totals:	0.00	0.00	69,893.11	69,893.11	0.00
	Report Totals:	0.00	0.00	69,893.11	69,893.11	0.00

B.2

# General Ledger

## Summary Trial Balance

User: laura  
 Printed: 06/20/2007 - 3:57 PM  
 Period 1 to 6, 2007



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund: 106	POLICE EQUIPMENT RESERVE FUND					
ASSETS						
106-000-111-10-000	Cash	0.00	0.00	62,507.38	29,791.30	32,716.08
	ASSETS Totals:		0.00	62,507.38	29,791.30	32,716.08
LIABILITIES						
106-000-211-11-000	Warrants Payable	0.00	0.00	8,270.05	8,270.05	0.00
	LIABILITIES Totals:		0.00	8,270.05	8,270.05	0.00
REVENUE						
106-000-308-10-000	Beginning Fund Balance	0.00	0.00	0.00	0.00	0.00
106-000-316-41-000	Utility Tax - Electrical	23,000.00	0.00	7,200.56	24,446.22	(17,245.66)
106-000-316-43-000	Utility Tax - Gas	8,445.00	0.00	3,215.60	11,774.23	(8,558.63)
106-000-316-47-000	Utility Tax - Telephone	10,610.00	0.00	3,198.78	10,787.61	(7,588.83)
106-000-395-10-010	Sale of Fixed Assets	0.00	0.00	0.00	67.50	(67.50)
106-000-397-10-010	Operating Transfer In	0.00	0.00	0.00	7,715.91	(7,715.91)
	REVENUE Totals:	42,055.00	0.00	13,614.94	54,791.47	(41,176.53)
EXPENSE						
106-000-397-10-000	Operating Transfers In	0.00	0.00	7,715.91	7,715.91	0.00
Dept: 106						
106-106-521-60-640	Capital Equipment Purchase	16,540.00	0.00	8,460.45	0.00	8,460.45
	Dept 106 EXPENSE Totals:	16,540.00	0.00	8,460.45	0.00	8,460.45
Dept: 900						
106-900-508-00-000	Ending Fund Balance	0.00	0.00	0.00	0.00	0.00

B-3

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	Dept 900 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	16,540.00	0.00	16,176.36	7,715.91	8,460.45
	Fund 106 Totals:	25,515.00	0.00	100,568.73	100,568.73	(0.00)
	Report Totals:	25,515.00	0.00	100,568.73	100,568.73	(0.00)

B.4

PRIDE AND SERVICE



WE VALUE KIDS!

## SULTAN POLICE DEPARTMENT MEMORANDUM

DATE: February 7, 2007

MEMORANDUM FOR: Chief Walser

FROM: Cpl. S. Berg #1521

SUBJECT: Vehicle Replacement

*Cost estimates for  
replacement*

The following list consists of vehicles in desperate need of repair or replacement.

The deciding factor in most of the replacement request revolves around the projected cost for repair of the vehicle and the realistic return of monies to the vehicle replacement fund when sold at auction. The other factor is the mileage of the patrol vehicle.

**Vehicle #60 VIN 2FAFP71W11X165433**

This is a 2001 Ford Crown Victoria with 124,569 miles. This vehicle was purchased as a used police car when it originally went into service at the Sultan Police Department. Due to the vehicle's current deteriorated condition and obvious liabilities associated with operation it has been deadline and is **UNSAFE**. It will not be driven on patrol.

**Immediate Repairs Needed**

Front End / Steering Rebuild	\$1000.00 to \$1500.00
Rear End Rebuild	\$800.00
Questionable Transmission, Rebuild	\$1200.00
Tires (4)	\$300.00

**Auction / Surplus Return**

This vehicle will bring approximately \$1500 to \$2200.00 to the vehicle replacement fund from auction sale.

**Recommendation**

Replace this vehicle immediately with a 2007 Dodge Charger.

**Vehicle # 64 VIN 2FAFP71WXYX164881**

This is a 2000 Ford Crown Victoria with 93,499 miles. This vehicle was purchase as a used police car when put into service at the Sultan Police Department.

**Immediate Repairs needed**

Front end / Steering Rebuild	\$1000.00 to \$1500.00
Transmission Rebuild (Trans has failed to shift lately)	\$1200.00
Instrument Cluster bulbs replaced	\$150.00
Headlamp Assembly (Plastic lenses fogged) x2	\$103.00 each

**Repairs Made**

This vehicle has had several major repairs made since 8-06. The cost of those repairs is \$1,520.44. As one can see there are additional repairs needed for 2007.

**Auction / Surplus Return**

This vehicle will bring approximately \$1500.00 to \$2000.00 returned to the vehicle replacement fund after auction.

**Recommendation**

Immediately replace this vehicle with a 2007 Dodge Charger

**Vehicle #61 VIN 1J4FF28S9XL644075**

This vehicle is a 1999 Jeep Cherokee Utility 4x4. This vehicle was purchased new and put into service as a Police Service Vehicle. Vehicle mileage is 49,389 miles.

**Immediate Repairs Needed**

Wiring / Electrical Problems with Emergency Equipment (Unknown cost to troubleshoot)	
4x4 transfer case will not stay in 4 wheel drive	\$300.00 to \$500.00
Windshield Replacement	\$350.00
Replace worn out Ignition Switch	\$200.00
Rear window off track needs repair	\$150.00

**Repairs Made**

Repairs made to the 1999 jeep from 07-05 have been approximately \$2,109.75. There are still issues with this vehicle that need attention. The electrical issues revolve around the emergency equipment working intermittently and sometimes not at all. This type of problem with a police vehicle is not acceptable, this

jeopardizes the Officer's safety and the publics' safety when the Officer is responding to a priority call and the emergency equipment fails.

**Auction Surplus Return**

This vehicle can be stripped out of all emergency equipment and reissued to the city for use by city officials, building department, public works or parks. Transfer of \$3000.00 to \$4000.00 (depending on NADA book) to vehicle replacement fund. Auction return is unknown, estimated at \$2000.00 to \$4000.00.

**Recommendation**

Immediately replace the 1999 Jeep with a 2007 Ford Expedition 4x4. This will ensure the Police Department will have a 4x4 vehicle for use during inclimate weather related incidents.

**Vehicle #56 VIN 1FMDU34XXVUA95810**

This is a 1997 Ford Explorer 4x4. The vehicle currently has 111,122 miles. The vehicle was purchased as a used police vehicle then put into service by the Sultan Police Department in late 1998 early 1999.

**Immediate repairs needed**

Drivers side door handle needs replacement	\$120.00
Steering alignment / Rebuild	\$800.00 to \$1200.00
Headlamp Assembly (lenses fogged) x2	\$69.95 each

**Repairs Made**

Since 07-06 the city has spent \$487.05 on repairs for this vehicle. Recently repaired were the alternator, fold down arm rest, and other minor items. This vehicle will need attention soon on the above items. It is also unknown about the reliability of the vehicle's transmission as it has shown intermittent problems.

**Auction Surplus**

1997 Ford Explorer could bring between \$1800.00 and \$2500.00 at auction.

**Recommendation**

Replace this vehicle as suggested in the "Chief Replacement Vehicle Memo" by purchasing a rental sales vehicle. This route can save the city considerable monies. The Chief vehicle does not need to be a Police Certified / Rated vehicle. The current LED emergency lighting package can be removed from the Ford Explorer and re-installed in a new purchased SUV 4x4 vehicle.

Purchasing a 4x4 vehicle also gives the option for the use of another utility type vehicle if inclimate weather requires for responding to calls.

## Additional Patrol Vehicles

2009

### Vehicle #52 VIN2FAHP71W55X118148

2005 Ford Crown Victoria, 24, 457 miles. Purchased new and put into service Dec 2004.

#### **Immediate Repairs Needed**

Tires needed in early Spring	\$375.11
Repaint rear bumper due to patrol damage	\$875.00 (est)

#### **Repairs Made**

This vehicle has had no major mechanical issues. Regular maintenance costs only.

#### **Recommendation**

Retain and schedule in vehicle replacement rotation for 2009.

2009

### Vehicle #53 2FAHP71W75X118149

2005 Ford Crown Victoria 29, 787 miles. Purchased new and put into service Dec 2004.

#### **Immediate Repairs Needed**

Repair Driver's side window, off track	\$200.00
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Electrical problem, Battery Drain. Unknown cost to troubleshoot and repair.

#### **Recommendation**

Retain vehicle, make necessary repairs and schedule in vehicle replacement rotation for 2009.

2008

### Vehicle #62 VIN2FAFP71W4YX164808

2000 Ford Crown Victoria 79,078 miles. Purchased as a used police car and placed into service by the Sultan Police Department.

#### **Immediate Repairs Needed**

Tires needed in early Spring	\$375.11
Burns Oil, Unknown repair cost	?
Headlamp Assembly x2	\$103.00 each
Steering / Front end work	\$400.00 to \$1000.00

#### **Repairs made**

Since 09-06 this vehicle has had approximately \$760.93 worth of repairs.

#### **Recommendation**

Retain vehicle, make repairs, schedule for vehicle replacement in 2008.

**Vehicle #63 VIN2FAFP71W8YX64824**

2008 2000 Ford Crown Victoria, 71,874 miles. This vehicle was purchased as a used police vehicle then put into service by the Sultan Police Department.

**Immediate Repairs Needed**

Headlamp Assembly x2	\$103.00 each
Rear end rebuild / repair	\$700.00 (est)
Front end rebuild / repair	\$800.00 to \$1000.00
Tires	\$375.11

**Repairs made**

This vehicle has been pretty good however the mileage is getting to the area where the vehicle will begin to show higher cost to operate.

**Recommendation**

Retain vehicle, make repairs. Schedule vehicle for replacement 2008.

2010

**Vehicle #66 VIN 2B3KA43H96H33698**

2006 Dodge Charger Police, 2,389 miles. This vehicle was purchased as a used demo with some police emergency equipment installed. Placed into service 01-2007.

**Immediate Repairs Needed**

Wiring adjustments	\$ 0 Warranty
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**Recommendation**

Retain vehicle and schedule for replacement 2010. Check mileage and alter replacement schedule as needed.

**Vehicle #67 VIN1HD1FHW126Y663855**

2006 Harley Davidson Road King Police FLHPI. This vehicle is a leased vehicle and will be returned in 4-2007 for a 2007 same model motorcycle.

**Lease Conditions**

Refundable / Transferable Damage Deposit	\$1000.00
Lease payment (year)	\$650.00
Transfer of Emergency Equipment (city owned)	\$950.00

**Recommendation**

Continue the current lease agreement for new vehicle.

Jeep?

2007 Capital Asset Depreciation Schedule  
Public Works Department

Year to calculate	2007										
Capital asset classification	Description	Initial cost	Depreciable life (in years)	Date purchased	Accumulated depreciation beginning of year	Number of depreciable months in current year	Current year depreciation expense	Net asset value at beginning of year	Remaining value at end of year		
Equipment	2006 International Garbage Truck	\$135,000	10	01/01/07	\$0	12	\$13,500	\$135,000	\$121,500		
Equipment	2005 Freightliner Dumptruck	71,421	7	01/01/07	\$0	12	\$10,203	\$71,421	61,218		
Equipment	1998 Ford F 150 PU	12,900	7	01/01/07	\$0	12	\$1,843	\$12,900	11,057		
Equipment	1996 GMC Dump Truck	15,000	7	01/01/07	\$0	12	\$2,143	\$15,000	12,857		
Equipment	1996 Ford F 150 PU	12,700	7	01/01/07	\$0	12	\$1,814	\$12,700	10,886		
Equipment	1995 Ford F 150 FMC PU	9,000	7	01/01/07	\$0	12	\$1,286	\$9,000	7,714		
Equipment	1993 Ford R 10 PU	5,700	7	01/01/07	\$0	12	\$814	\$5,700	4,886		
Equipment	1993 International Refuse Truck	80,000	10	01/01/07	\$0	12	\$8,000	\$80,000	72,000		
Equipment	1992 Ford Taurus	5,000	5	01/01/07	\$0	12	\$1,000	\$5,000	4,000		
Equipment	1989 Ford Pickup	5,800	7	01/01/07	\$0	12	\$829	\$5,800	4,971		
Equipment	1989 Ford 250 PU	5,800	7	01/01/07	\$0	12	\$829	\$5,800	4,971		
Equipment	1989 Ford PU	5,800	7	01/01/07	\$0	12	\$829	\$5,800	4,971		
Equipment	1987 Ford Vac Truck	29,000	10	01/01/07	\$0	12	\$2,900	\$29,000	26,100		
Equipment	1981 Ford PU 4 x 4	5,000	7	01/01/07	\$0	12	\$714	\$5,000	4,286		
Equipment	1980 International Dump Truck	12,000	7	01/01/07	\$0	12	\$1,714	\$12,000	10,286		
Equipment	1979 Ford 21 Flatbed	12,000	7	01/01/07	\$0	12	\$1,714	\$12,000	10,286		
<b>TOTAL ANNUAL DEPRECIATION EXPENSE</b>							<b>\$60,132</b>	<b>\$422,121</b>	<b>\$371,989</b>		

2007 Capital Asset Depreciation Schedule  
Police Department

Year to calculate: 2007

Capital asset classification	Description	Initial cost	Depreciable life (in years)	Date purchased	Accumulated depreciation beginning of year	Number of depreciable months in current year	Current year depreciation expense	Net asset value at beginning of year	Remaining value at end of year
Equipment	2005 Harley Davidson MC	\$15,000	5	01/01/07	\$0	12	\$3,000	\$15,000	\$12,000
Equipment	2005 Impel FI-HP MC	15,000	5	01/01/07	\$0	12	\$3,000	\$15,000	12,000
Equipment	2005 Ford Crown Victoria	30,000	5	01/01/07	\$0	12	\$6,000	\$30,000	24,000
Equipment	2005 Ford Crown Victoria	30,000	5	01/01/07	\$0	12	\$6,000	\$30,000	24,000
Equipment	2001 Ford Crown Victoria	10,000	5	01/01/07	\$0	12	\$2,000	\$10,000	8,000
Equipment	2000 Ford Crown Victoria	9,000	5	01/01/07	\$0	12	\$1,800	\$9,000	7,200
Equipment	2000 Ford Crown Victoria	9,000	5	01/01/07	\$0	12	\$1,800	\$9,000	7,200
Equipment	2000 Ford Crown Victoria	9,000	5	01/01/07	\$0	12	\$1,800	\$9,000	7,200
Equipment	1999 Kawasaki	5,000	5	01/01/07	\$0	12	\$1,000	\$5,000	4,000
Equipment	1997 Ford Explorer	8,000	5	01/01/07	\$0	12	\$1,600	\$8,000	6,400
Equipment	1999 Jeep Cherokee	8,000	5	01/01/07	\$0	12	\$1,600	\$8,000	6,400
Equipment	1997 Ford Crown Victoria	7,000	5	01/01/07	\$0	12	\$1,400	\$7,000	5,600
Equipment	1997 Ford Cargo Van	14,375	5	01/01/07	\$0	12	\$2,875	\$14,375	11,500
Equipment	1990 Kawasaki KZ100	2,000	5	01/01/07	\$0	0	\$400	\$2,000	1,600
Equipment				01/01/07	\$0	0	\$0	\$0	0
Equipment				01/01/07	\$0	0	\$0	\$0	0
<b>TOTAL ANNUAL DEPRECIATION EXPENSE</b>							<b>\$34,275</b>	<b>\$171,375</b>	<b>\$137,100</b>

## **Chapter 3.09**

# **EQUIPMENT RENTAL FUND**

Sections:

3.09.010 Fund created.

3.09.020 Purpose.

3.09.030 Administration.

3.09.040 Sources of revenue.

3.09.050 Operation and accounting.

3.09.060 Expenditures – Transfers.

3.09.070 Rental rates.

3.09.080 Transfer of equipment.

3.09.090 Initial financing.

3.09.100 Dissolution of fund.

### **3.09.010 Fund created.**

There is created and established a special fund to be known and designated as the “equipment rental fund” (together with such numerical designation as shall be assigned the fund by the chief financial officer of the city for accounting and budgetary purposes) in accordance with the provisions of RCW 35.21.088 as the same now is or hereinafter may be amended. (Ord. 1079 § 1, 1983).

### **3.09.020 Purpose.**

The purpose of the equipment rental fund shall be to establish a central agency for the control, operation and maintenance of municipal equipment and the rental of such equipment to the various departments of the city and other governmental agencies at rates sufficient to meet costs of operation and to provide funds for the acquisition and replacement of equipment. (Ord. 1079 § 1, 1983).

### **3.09.030 Administration.**

The equipment rental fund shall be administered by the public works director, subject to the general administrative authority of the city manager. (Ord. 1079 § 1, 1983).

### **3.09.040 Sources of revenue.**

The equipment rental fund shall derive its moneys in any of the following ways:

- A. By direct appropriation in the annual budget adopted by ordinance from tax levies or other sources of anticipated revenue;
- B. By appropriation or budgetary transfer made by ordinance from other fund or funds of the city;
- C. From proceeds received from the rental of any of the equipment owned by the fund to other departments, offices or funds of the city or other governmental agencies; this shall include transfers from other funds or direct payment of amounts received for the use of such equipment on reimbursable projects done by the city. (Ord. 1079 § 1, 1983).

### **3.09.050 Operation and accounting.**

The accounts of the equipment rental fund shall be set up and maintained in such a manner as to separately show the rental and other sources of revenues from the various departments and funds of the city, and shall make an allocation of such revenues between that required for operational costs and the amount to be set aside for the acquisition and replacement of equipment. It shall conform as nearly as possible to the uniform accounting system for equipment rental funds for cities of the state, prepared by the State Auditor, Division of Municipal Corporations on January 28, 1965, and as the same may be modified or amended. (Ord. 1079 § 1, 1983).

### **3.09.060 Expenditures— Transfers.**

Revenues received in the equipment rental fund shall be expended for salaries, wages and operations required for the repair, replacement, purchase and operation of equipment, and for the purchase of equipment, materials and supplies to be used in the administration and operation of the fund. Transfers of moneys from the equipment rental fund to the cumulative reserve fund for equipment purchase shall be made periodically from revenues received and allocated for the acquisition and replacement of equipment and from available funds by action of the city council. (Ord. 1079 § 1, 1983).

### **3.09.070 Rental rates.**

The administrator of the fund shall establish a schedule of reasonable rental rates and other charges to be paid by users of the fund's equipment, materials and supplies, which shall take into consideration the costs and expenses of the following: operating supplies, maintenance expenses, insurance, depreciation, and other direct cost items; operational costs of the fund (overhead); a contingency for the acquisition of additional equipment and replacement of old equipment, including shop and administrative equipment; and such other items as may be reasonable or necessary in the proper operation of the fund. The schedule shall be submitted to the city council for its approval and adoption, and

shall be reviewed and updated as necessary to reflect changes in operating, maintenance and depreciation costs. (Ord. 1079 § 1, 1983).

### **3.09.080 Transfer of equipment.**

There shall be transferred to the equipment rental fund those items of equipment from the various funds, department and offices of the city as shown on the "schedule of equipment transferred" without charge or credit given. All future purchases of equipment by the cumulative reserve fund for equipment purchase from revenues received from the equipment rental fund and from other revenues received for such purpose shall be transferred to the equipment rental fund. (Ord. 1079 § 1, 1983).

### **3.09.090 Initial financing.**

The equipment rental fund shall be initially financed from the budget appropriations made for such purpose in the budget. Should financing prove to be inadequate for the fund's current annual outlay requirements, additional transfers of money to the equipment rental fund shall be made from the participating funds and departments until the fund becomes self-sufficient through a rental rate factor. (Ord. 1079 § 1, 1983).

### **3.09.100 Dissolution of fund.**

Should the equipment rental fund established in this chapter be dissolved for any reason, a final disposition of the assets on hand shall be made among the various departments, offices and funds of the city participating in and utilizing the fund, in direct proportion to the amount of such participation and use, taking into consideration the transfer of equipment specially designed for the use of a certain department, office or fund. (Ord. 1079 § 1, 1983).