

RESOLUTION 21-17
A RESOLUTION OF THE SOUTH WEBER CITY COUNCIL
ADOPTING A VEHICLE REPLACEMENT POLICY

WHEREAS, equipment and vehicles are essential for day to day operations within the city; and

WHEREAS, replacement for equipment and vehicles is a major operational expense; and

WHEREAS, the city is currently developing a ten year capital plan to create a consistent budget which can anticipate upcoming expenses; and

WHEREAS, one portion of that capital plan is a vehicle replacement policy to guide decisions regarding city-owned vehicles and equipment; and

WHEREAS, the Administration and Finance Committee researched alternatives and drafted the attached policy; and

WHEREAS, Council has reviewed the policy in an open and public meeting and supports its adoption;

NOW THEREFORE BE IT RESOLVED by the Council of South Weber City, Davis County, State of Utah, as follows:

Section 1. Adoption: The South Weber City Vehicle Replacement Policy is hereby adopted as contained in Exhibit 1.

Section 2: Repealer Clause: All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

PASSED AND ADOPTED by the City Council of South Weber, Davis County, on the 23rd day of March 2021.

Roll call vote is as follows:		
Council Member Winsor	<input checked="" type="radio"/>	AGAINST
Council Member Petty	<input checked="" type="radio"/>	AGAINST
Council Member Soderquist	<input checked="" type="radio"/>	AGAINST
Council Member Alberts	<input checked="" type="radio"/>	AGAINST
Council Member Halverson	<input checked="" type="radio"/>	AGAINST


Jo Sjoblom, Mayor




Attest: Lisa Smith, Recorder

EXHIBIT 1

VEHICLE REPLACEMENT POLICY

Equipment and vehicles are an integral part of the day-to-day operations of the city. They are also a major operational expense, especially as they age, and maintenance costs increase. This policy establishes a long-term funding source for this expense and addresses the several challenges all cities face with these capital expenditures. This policy is designed to create a consistent, year to year budget program with level payments that can be anticipated and planned for.

There are several challenges specific to South Weber City.

1. Lack of in-house mechanics.
2. Budgeting for uneven, yearly capital expenditures which cause spikes in the budget.
3. Establishment of 10-year capital needs.
4. Cost-effective use of State Purchasing contracts.

Fleet Internal Service Fund

A Fleet Internal Service Fund for the replacement of vehicles and equipment will be established. This fund will purchase/lease all vehicles and major equipment according to specific, predetermined schedules. The fund will be supported by yearly transfers from the various city departments paying their relative portion of the vehicle/equipment costs. The cash assets of the fund will be used annually for municipal leases and accumulate until there is enough to acquire the larger, longer-term replacement vehicles/equipment.

Equal Yearly Operating Transfers

Each year departments will budget a set amount to be transferred to the Fleet Internal Service Fund. This amount should be the same year after year with minor adjustments as needed. This changes the vehicle costs from varying capital expenditures to a consistent, yearly operational cost. Previously the yearly operational cost was reflected on the income statements as depreciation. Budgeting for this cost becomes consistent and foreseeable.

State of Utah Purchasing Contracts

The purchasing contracts available through the State of Utah provide the most cost-effective means of acquiring vehicles and equipment. These contracts will be used whenever available.

Purchase/Lease

A combination of purchasing vehicles and municipal capital leases will be used to acquire new replacement vehicles. Equipment that is retained for 10 to 20 years will generally be purchased outright while municipal leasing and frequent rotation of vehicles such as pickup trucks has been researched and determined to be more cost-effective than direct purchase. These types of equipment will be replaced on a 2–5-year schedule while resale value is high and maintenance costs are low.