



CITY COUNCIL

AGENDA BILL # AB22-0027

**City of Algona
200 Washington Blvd.
Algona, WA 98001**

ITEM INFORMATION

SUBJECT: Equipment Rental and Replacement Fund Ordinance No. 1204-22	Agenda Date: June 27th, 2022		
	Department/Committee/Individual	Created	Reviewed
	Mayor		
	City Administrator		x
	City Attorney		X
	City Clerk		x
	Finance Dept		X
	PW/Utilities		
	Planning Dept		
	Community Services		
Cost Impact:	Police Dept		
Fund Source:	Finance Committee		X
Timeline:	Planning Commission		
	Civil Service Committee		

Staff Contact: Jessica Griess, City Clerk Treasurer; Tara Dunford, CPA
Attachments: Ordinance No. 1204-22

SUMMARY STATEMENT:
 Tara Dunford presented the Equipment Rental and Replacement Fund ordinance. This is the second review. Funding for the Equipment Rental and Replacement Fund was authorized in the 2022 budget. This ordinance is necessary to formalize the purpose of the fund via code. Annual funding for future asset replacement shall be established annually during the budget process. A copy of the 2022 funding, from page 17 of the 2022 budget document, is shown on the next page.

COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION:

RECORD OF COUNCIL ACTION

Meeting Date: *Action:* *Vote:*

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Equipment Replacement Plan

The asset replacement plan includes funding for future replacement of the following assets:

<u>Description</u>	<u>Department</u>	<u>Replacement</u>		<u>Useful Life</u>	<u>Replacement Cost</u>	<u>Allocations</u>					
		<u>Year</u>				<u>Police</u>	<u>Parks</u>	<u>Streets</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>
2015 Chevy Malibu	Police 1	2023		7	47,495	100.00%					
2020 Ford Explorer	Police 2	2027		7	52,872	100.00%					
2018 Ford Explorer	Police 3	2025		7	50,184	100.00%					
2016 Ford Explorer	Police 4	2023		7	47,495	100.00%					
Chevy Tahoe	Police 5	2028		7	54,216	100.00%					
2015 Ford Explorer	Police 6	2022		7	46,151	100.00%					
2020 Ford Fusion	Police 7	2027		7	52,872	100.00%					
2019 Ford Fusion	Police 8	2026		7	51,528	100.00%					
2002 Bearcat chipper	PW 1	2022		15	41,200		50.00%	50.00%			
2003 Ford Ranger - Parks	PW 2	2023		15	31,800		50.00%	12.50%	12.50%	12.50%	12.50%
2008 Ford F250 w/ snow plow	PW 3	2025		15	50,400		20.00%	20.00%	20.00%	20.00%	20.00%
2012 John Deere flail mower	PW 4	2024		10	163,500			100.00%			
2011 Ford F250 utility truck	PW 5	2025		15	39,200		20.00%	20.00%	20.00%	20.00%	20.00%
2009 Kubota 3400 tractor/brush hog	PW 6	2026		15	51,750			100.00%			
2007 New Holland B95 Backhoe	PW 7	2027		10	112,100		20.00%	20.00%	20.00%	20.00%	20.00%
2002 Yanmar track hoe	PW 8	2027		10	70,800		20.00%	20.00%	20.00%	20.00%	20.00%
2000 Freightliner FL70 dump truck	PW 9	2028		15	181,500		20.00%	20.00%	20.00%	20.00%	20.00%
2002 Chevy Bucket Truck	PW 10	2029		15	142,600		50.00%	50.00%			
Riding Lawn Mower	PW 11	2027		6	18,880		50.00%	50.00%			
John Deere Gator 2wd	PW 12	2026		15	15,525		50.00%	12.50%	12.50%	12.50%	12.50%
					<u>1,322,070</u>						

The 2022 charges are as follows:

	<u>Police</u>	<u>Parks</u>	<u>Streets</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>	<u>Total</u>
Starting Transfer	159,000	119,000	253,000	52,000	52,000	52,000	687,000
2022 charge	57,000	16,000	36,000	7,500	7,500	7,500	131,500
2022 budget total	216,000	135,000	289,000	59,500	59,500	59,500	818,500

CITY OF ALGONA, WASHINGTON

ORDINANCE NO. 1204-22

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON, AMENDING CHAPTER 3.32 AMC FUNDS TO ESTABLISH A NEW EQUIPMENT RENTAL AND REPLACEMENT FUND; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City is authorized by state law, including without limitation RCW 35A.37.010 and RCW 35.21.088, to establish and maintain a specific accounting fund be used as a revolving fund for the expenditure of 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; and

WHEREAS, the City Council desires to establish an equipment rental and replacement fund under the auspices of the above-referenced authority, and to codify such fund at Chapter 3.32 AMC; and

WHEREAS, the establishment of an equipment rental and replacement fund as provided herein will facilitate and enhance the City's fiscal stewardship role and its administration and oversight of the City's finances;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALGONA DO ORDAIN AS FOLLOWS:

Section 1. Amendment of Chapter 3.32 AMC. Chapter 3.32 of the Algona Municipal Code Funds is hereby amended by the addition of a new Section 3.32.060 to provide in its entirety as follows:

3.32.060 Equipment rental and replacement fund.

A. *Established.* Pursuant to RCW 35A.37.010 and RCW 35.21.088, there is hereby created and established a special fund to be known and designated as the "equipment rental and replacement fund," to be used as a revolving fund to be expended for operation, maintenance, and replacement of equipment, and for administration of the fund.

B. *Transfer of equipment.* The city council may transfer any equipment, materials or supplies of any department to the equipment rental and replacement fund either without charge, or may grant a credit to such department equivalent to the

value of the equipment, materials or supplies transferred. A department receiving such a credit may use it any time thereafter for renting or purchasing equipment, materials, supplies or services from the equipment rental and replacement fund. The city council may also, from time to time, place money into the fund.

C. *Administration.* The equipment rental and replacement fund shall be administered by the mayor or his/her designee in compliance with applicable state law requirements, including without limitation all applicable rules of the Washington State Auditor.

D. *Purchase, sale and rental of equipment.* Equipment, materials and supplies may be purchased and sold by the equipment rental and replacement fund, subject to any laws governing the purchase and sale of property. Such equipment, materials and supplies may be rented for the use of the various departments of the city, or may be rented by the city to other governmental agencies. The proceeds received by the city from the sale or rental of such property shall be placed in the equipment rental and replacement fund, and the purchase price of any such property or rental payments made by the city shall be made from moneys available in the fund.

E. *Rental schedule.* Annually, the mayor shall recommend to the city council a replacement schedule of equipment in the equipment rental and replacement fund and the reasonable rental terms and charges for the use of such equipment by the departments of the city or by other governmental agencies. Such replacement schedule and rental terms and charges shall be consistent with the financial plan approved by the city council for this fund. The city council may, by resolution, adopt the proposed rental and replacement schedules with such changes as the council may deem necessary. Interim rental rates as to new and replacement equipment may be established by the mayor.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF THIS
_____ DAY OF _____ 20____.

David E. Hill, Mayor

ATTEST:

Jessica Griess, City Clerk

APPROVED AS TO FORM:

J. Zachary Lell
City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.: 1204-22
Date of Publication: