EQUIPMENT ACQUISITION FUND SUMMARY

The Equipment Acquisition Fund (EAF) was created in FY1987 to purchase capital equipment. The EAF acquires the majority of capital equipment for all General Fund departments. Capital equipment eligible for funding in the EAF includes light duty passenger cars, patrol cars, ladder trucks, pumper trucks, refuse trucks, maintenance equipment, furniture, computers, communication equipment, construction equipment and other items that have an average useful life of 3 to 15 years.

In FY1997, City Council approved Ordinance No. 96-1178, which authorizes the issuance of commercial paper to finance the purchase of capital equipment, budgeted in the EAF. This technique provides "on-time" financing (i.e., commercial paper issuance timed to payments to vendors) at traditionally lower interest rates.

FIVE-YEAR REPLACEMENT PLAN

Historically City Council has adopted a five year Equipment Acquisition Plan (EAP) which consisted of three major categories: fleet, technology and other equipment. The EAF has been a major funding source of this plan. Beginning in FY2013, this plan was included as part of the overall Capital Improvement Plan.

At the direction of the Mayor, the Fleet Management Department (FMD) requested each department to prepare a Five-Year Fleet Acquisition Plan. The first step in the development of the fleet plan is a needs assessment. The departments evaluated their fleets based on operational requirements to determine: (a) do they have all the equipment they need, (b) could they remove from their fleet excess vehicles, or (c) do they require additional vehicles to perform their assigned City services? Then, departments reviewed their fleets to determine an optimum replacement schedule for all vehicles and other equipment.

FMD analysts performed a review of the departments' submissions to evaluate the current fleet size, reserve fleet size, maintenance procedures and replacement criteria used by the departments. This independent analysis enabled FMD to develop a logical and supportable plan for vehicle replacement. Department submissions are prioritized and adjusted annually into a five-year plan submission to ensure that the replacement requests were reasonable.

The Information Technology Department worked with all City departments to determine the appropriate number of technology assets needed to perform City business along with maintaining a standard configuration for desktop components. The Chief Technology Officers of the City departments worked together on the Technology Steering Committee (TSC) to identity technology replacement needs (both hardware and software), and establish a list of IT projects that require funding. This process produced a set of guidelines for computer asset replacement and a prioritized list of information and projects for improvements to City's technology infrastructure.

Finance works with various departments to identify other equipment acquisition needs of the City to develop a five-year plan.

APPROVAL PROCESS

All three of these categories was included in the overall Capital Improvement Plan beginning in FY2013. This Capital Improvement Plan is a document passed by resolution and is not an appropriation of funds. The actual purchases of equipment must separately be presented to City Council for an appropriation.

The FY2014-18 Capital Improvement Plan will be presented to Council in early June and is expected to be adopted by the end of FY2013.

EQUIPMENT TYPES

The following is an overview of the categories of equipment in this fund:

Rolling Stock Replacement – the City's rolling stock is comprised of a wide array of equipment ranging from light duty passenger cars, tractors, mowers and trailers to patrol cars, refuse trucks, and fire apparatus. Emphasis is being placed on identifying replacement of vehicles that will cost more to repair than the annual debt service cost if these vehicles are replaced. Solid Waste Management is requesting replacement of side-loader refuse trucks with high maintenance costs. The Police Department is replacing high mileage marked patrol cars and investigative units while the Fire Department is targeting the replacement of ambulances, some fire-fighting apparatus, and squad vehicles for paramedics. Additionally, the City continues its initiative to purchase hybrid alternatives within vehicle categories where there is a financially viable alternative.

Other Equipment – this category is comprised of all items that are not rolling stock or computer equipment. Typically, the Fire Department will request replacement bunker gear and other incidental equipment.

Information Technology (IT) – this category is comprised of all IT hardware and voice/data communications technology. This equipment ranges from network infrastructure enhancements to the replacement of obsolete hardware, software, and data communication components. The replacement of desktop components (computers, printers, scanners, and monitors), servers and data storage arrays will continue as the manufacturer no longer supports the older components, and maintenance costs become prohibitive.