

Function:
Transfers

Department:
City Administrator

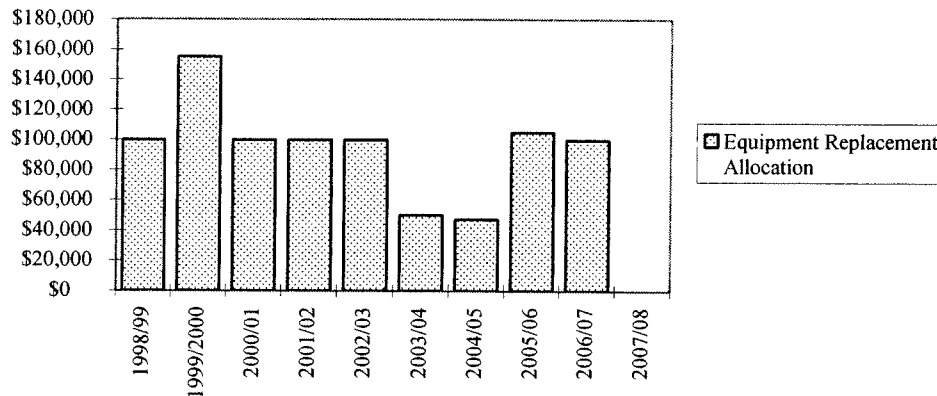
Activity:
Equipment Replacement Subsidy

GENERAL INFORMATION

The Equipment Replacement Special Revenue Fund was established in an effort to provide a more systematic method of replacing equipment and leveling the cost of replacing such equipment. This activity has funded equipment replacements in the General Fund with the exception of equipment eligible for Road Use Tax funding. Equipment to be replaced in the Enterprise Funds is funded directly from each Enterprise activity.

A comprehensive inventory of all equipment currently owned by the City including autos, pickup trucks, dump trucks, heavy equipment and other miscellaneous equipment has been completed in an effort to assess the overall condition of the City's inventory. Staff has developed a replacement and cost schedule for each piece of equipment. An equipment maintenance cost program has also been developed and is used in conjunction with the replacement schedule to determine the most cost effective and economical time to replace City equipment.

Funding transfers have been made annually from the General Fund to fund current requirements and to anticipate and prepare for future equipment replacement needs. Over the last ten years these amounts have ranged from \$47,300 in 2004/2005 to \$155,000 in 1999/2000. A history of funding levels is shown in the following chart:



CURRENT TRENDS AND ISSUES

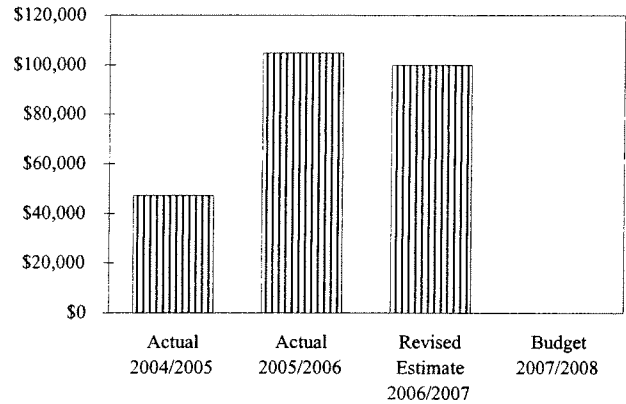
The amount appropriated from the General Fund to the Equipment Replacement Fund for fiscal year 2006/2007 was \$100,000. Due to funding limitations no transfer to this reserve has been included for 2007/2008. For 2007/2008 capital equipment items totaling \$126,700 are budgeted to be funded from the June, 2008 general obligation bond issue. City staff will review available funding in future years to determine if the Equipment Replacement Reserve can again be used to fund General Fund capital equipment needs. Additional information on the Equipment Replacement Fund is included in the Special Revenue Funds section of this document.

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	Actual 2004/2005	Actual 2005/2006	Budget 2006/2007	Revised Estimate 2006/2007	Budget 2007/2008	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Transfers	<u>47,300</u>	<u>104,876</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	-100.00%
Total Expenditures	<u>\$ 47,300</u>	<u>\$ 104,876</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	-100.00%
Funding Sources						
General Revenues	<u>\$ 47,300</u>	<u>\$ 104,876</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	-100.00%



Actual and Projected Expenditures