

Mayor and Council Communication

DATE: 06/09/26

M&C FILE NUMBER: M&C 26-0466

LOG NAME: 21VEHICLE AND EQUIP REPLACEMENT FUND ADDITIONAL APPROPRIATION

SUBJECT

(ALL) Adopt Appropriation Ordinance Increasing Estimated Receipts and Appropriations in the Vehicle and Equipment Replacement Fund in the Amount of \$2,900,862.11, from Available Proceeds Resulting from Interest Earnings, Sale of Capital Assets and Salvage Sales, for the Purpose of Replacing Vehicles and Equipment for General Fund Departments and Amend the Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Vehicle and Equipment Replacement Fund, General VERF project (City Project No. P00097) in the amount of \$2,900,862.11, from available proceeds from Interest Earnings, Sale of Capital Assets and Salvage Sales within Unspecified – All Funds (City Project No. UNSPEC), for the purpose of replacing vehicles and equipment that meet the replacement criteria for General Fund departments; and
2. Amend the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to appropriate additional funding in the Vehicle and Equipment Replacement Fund (VERF) from available proceeds from Interest Earnings, Sale of Capital Assets and Salvage Sales for the purpose of replacing vehicles and equipment that meet the replacement criteria for General Fund departments.

The VERF was established in Fiscal Year (FY) 2014 to stabilize budgeting for major purchases of vehicles and equipment. The creation of the VERF provides a systematic, citywide approach to procurement and disposition of fleet, as well as ensuring adequate funds are available for the purchase of vehicles and equipment.

The Property Management Department (PMD) manages the VERF and allocates funding to General Fund departments on an annual basis based on the adopted budget for vehicle replacement. Allocations are determined based on the number of units that are eligible for replacement for each department. In addition, PMD auctions vehicles and equipment that are no longer in working condition or have reached the end of their useful life. The proceeds from the sale of these units are returned to the originating Fund where the asset was purchased from, to be appropriated at a later time.

Since the creation of the VERF, the proceeds from auctioned vehicles and equipment have accumulated and now total \$2,900,862.11. PMD proposes to use these funds to purchase vehicles and equipment that are eligible for replacement, in addition to the FY2026 budgeted amounts.

In FY2026, the adopted budget for the VERF totaled \$3,400,000.00 in PayGo funds and an additional \$3,000,000.00 in tax-notes funds, but a total of \$29,266,674.00 was needed to replace all vehicles and equipment that were eligible for replacement.

The allocation of the additional \$2,900,862.11 will be distributed as indicated below:

Department Name	Amount	Number of Units
Transportation & Public Works	\$1,297,759.11	3
Park & Recreation	\$709,134.00	6
Fire	\$150,000.00	2
Code Compliance	\$43,130.00	1
Property Management	\$258,906.00	3
Municipal Court	\$109,468.00	1

Development Services	\$187,622.00	4
Environmental Services	\$144,843.00	3
TOTAL	\$2,900,862.11	23

The \$2,900,862.11 in additional funding was not included in the Fiscal Year 2026-2030 Capital Improvement Program (CIP). The action in this M&C will amend the FY2026-2030 Capital Improvement Program as approved in connection with Ordinance 27979-09-2025 as follows:

Capital Fund Name	Project Name	FY2026 CIP Appropriations	Authority	Additional Appropriations	Project Total
30200 - Vehicle and Equipment Replacement	P00097 - General VERN	\$3,400,000.00	This M&C Rec 1	\$2,900,862.11	\$6,300,862.11

Funding is budgeted in the Vehicle and Equipment Replacement Fund from the Property Management Department for the purpose of funding the General VERN project.

This will service ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UNSPECIFIED – ALL FUNDS project within the Vehicle And Equip Replacement Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Vehicle And Equip Replacement Fund for the General VERN project. Prior to any expenditure being incurred, the Property Management Department has the responsibility of verifying the availability of funds.

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