



Agenda Date: 1/10/2018

Agenda Placement: 7E

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration

REPORT BY: Cyndi Bolden, Senior Accountant - 258-6001

SUBJECT: Approve Amendment to the FY 2017-18 Capital Budget to Include the Purchase of a New Combination Truck in the Collections Department

RECOMMENDATION

Adopt resolution to amend the FY 2017-18 Capital Budget to add a new combination truck for the Collections department.

EXECUTIVE SUMMARY

The current combination truck was purchased in 2011. In the Ten-Year Capital Improvement Plan, the purchase of a new truck is scheduled for next fiscal year. However, with continued maintenance issues that has been occurring with the current truck over the last two years, it has been determined that it is more cost effective to purchase a new truck in this fiscal year instead of paying the maintenance costs on the current truck. The cost for the various maintenance issues has been almost \$50,000 for the current truck. In addition to the high maintenance costs, over the last ten months, the current truck has been unreliable and has been out of service for about 80 working days. Staff has had to periodically rent a truck to perform the day-to-day operations while the current truck was out of service. To date, the rental cost has exceeded \$27,000 and continues to rise.

The cost of a new truck is estimated to be about \$575,000. Staff is requesting to add this amount to the Capital Budget. Currently, the approved Capital Budget is \$33,210,500. The proposed amended Capital Budget will be \$33,785,500 if the amendment is approved.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	No
What is the revenue source?	The funds will come from money budgeted for a new combination truck in FY 2018-19 in the current Ten Year Capital Improvement Plan (CIP).
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The purchase of a new combination truck is a replacement of the current truck that is used to perform day-to-day operations in the Collections department.
Is the general fund affected?	Yes
Future fiscal impact:	A new combination truck was budgeted to be purchased in FY 2018-19; therefore the timing of the purchase is impacted, and the truck will be purchased earlier than anticipated.
Consequences if not approved:	Staff will not have a reliable truck that is equipped to respond to the day-to-day operations of the Collections department. It will incur possible avoidable maintenance and rental costs. It may also affect the ability to provide quality service in a timely manner.
Additional Information:	

ENVIRONMENTAL IMPACT

None.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

A . Resolution

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker