



Meeting Date: 06/06/2006

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other	<input type="checkbox"/> Other

Prepared By: Dan Berlenbach, Equipment Manager ²⁵⁸ Agenda Item No. 0-5
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) Public Works

DATE: May 22, 2006

TO: City Council

FROM: Michael Henderson, Deputy Public Works Director
Maintenance Services Branch, Public Works Department [Signature]

SUBJECT: Mid-Year Budget Request for Increased Equipment Maintenance Costs

RECOMMENDATION

That City Council approve the appropriation of funds in the amount of \$615,000 from the General Fund Operating Reserve, Gas Tax fund, CDC, CUPA, Water Resources Fund, and Environmental Resources Fund to Equipment Maintenance for increased operating expenses.

DISCUSSION

The Equipment Maintenance Division is responsible for maintenance and fuel billing for the City's fleet of vehicles. Due to record cost increases in fuel and higher maintenance costs, the division is requesting additional funds. This request has two components, a \$265,000 request to accommodate higher workload due to City vehicle fleet growth, and \$350,000 to compensate for rising fuel costs.

Increased maintenance costs are due to City fleet growth, an average 4.5% annually over the last 6 years. As the fleet size has increased, so have expenditures for repair parts, tires, oil and other maintenance activities. The fleet increases in Public Safety and Environmental Resources have strained the division's ability to provide adequate service. More vehicles and equipment in the fleet results in increased breakdowns, increased maintenance and more parts expenditures. The Equipment Maintenance Division received a funding increase of a \$155,000 at the beginning of fiscal year 2005-2006. However, it was not sufficient to cover the cost of an aging fleet or the increase in the number of vehicles.

Increased fuel costs are due to consistent increases in the price of oil as well as continued fleet growth. This has caused a projected shortfall of \$350,000 in the current fiscal year 2005-2006 budget. This year's shortfall is based on average monthly spending of \$61,566 for unleaded gasoline and \$53,505 for diesel fuel. Our fuel costs have risen 51% in the last two years and prices are projected to continue

rising. The Equipment Maintenance Division received a funding increase of \$230,000 at the beginning of fiscal year 2005-2006. However, it was not sufficient given the ongoing turmoil in fuel prices.

The Equipment Maintenance Division is publishing fuel saving tips for City drivers and pursuing policy initiatives to help reduce fuel costs and fleet growth.

FINANCIAL IMPACT

The Special Budget appropriation will recognize revenue and appropriate expenditures of \$615,000 in the Equipment Maintenance operating budget. The following chart is a break down of the distribution of the Internal Service charges.

Fund	Amount
General Fund	\$261,227
Gas Tax	\$27,327
CUPA (Fire)	\$902
CDC	\$198
Water Operating	\$26,309
Solid Waste Operating	\$290,027
Facilities	\$5,438
Equipment Maintenance	\$3,572
Total	\$615,000

At the present time there is \$19,197,365 in the General Fund Operating Reserve. Pending City Council approval of this action, the General Fund Operating Reserve will be as shown on the General Fund Operating Reserve Summary attachment #2.

MH/cli

Attachment #1 – Special Budget Appropriation
Attachment #2 – General Fund Operating Reserve Summary

000102

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager: _____ 24-May-06

Request is hereby made for an appropriation total of \$615,000

Reason for appropriation: *To appropriate funds for increased Equipment Maintenance costs.*

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
General Fund (101)	Finance	
	101-1612-801-8439	718
	Police	
	101-2101-802-8739	116,953
	101-2102-802-8739	19,906
	101-2103-802-8739	2,451
	101-2106-802-8739	4,159
	Fire	
	101-2201-802-8439	22,545
	101-2202-802-8439	1,038
	101-2203-802-8439	104
	Transportation	
	101-3101-803-8439	205
	101-3120-803-8439	5,529
	Engineering	
	101-3201-803-8439	236
	101-3222-803-8439	352
	Public Works Administration	
	101-3301-803-8439	708
	Land Use Plan & Environ. Prot.	
	101-4101-804-8439	194
	Development & Construction Svcs.	
	101-4301-804-8439	3,762
	Human Services	
	101-5302-805-8439	752
	Library	
	101-5402-805-8439	300
	Leisure & Recreation	
	101-5501-805-8439	6,076
	101-5511-805-8439	8,125
	Parks, Public Grounds	
	101-5701-805-8439	35,128
	101-5702-805-8439	6,959
	101-5703-805-8439	9,661
	101-5705-805-8439	15,194
	101-5751-805-8439	172
	Net Estimated Change to General Fund Operating Reserve	261,227

COUNCIL APPROVAL:

REQUIRED

NOT REQUIRED



Director

Disposition	Approved _____ Rejected _____
Transfer by Journal Voucher _____	_____ City Manager

000103

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager: _____ 24-May-06

Request is hereby made for an appropriation total of _____

Reason for appropriation: *To appropriate funds for increased Equipment Maintenance costs.*

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Gas Tax (181)	Traffic Engineering & Signals	
	181-3102-	
	803-8439 - Equipment Maintenance Charges	3,016
	Street Mtnc & Repairs	
	181-3103-	
	803-8439 - Equipment Maintenance Charges	<u>24,311</u>
	Net Estimated Change to Gas Tax Fund Balance	<u>(27,327)</u>
CUPA (370)	CUPA	
	370-2205-	
	802-8439 - Equipment Maintenance Charges	<u>902</u>
	Net Estimated Change to CUPA Fund Balance	<u>(902)</u>
CDC (499)	CDC Administration	
	499-8101-	
	861-8439 - Equipment Maintenance Charges	<u>198</u>
	Net Estimated Change to CDC Fund Balance	<u>(198)</u>
Water (601)	Water Procurement	
	601-6010-	
	847-8439 - Equipment Maintenance Charges	29,881
	Net Estimated Change to Water Fund Balance	<u>(29,881)</u>
Solid Waste (631)	Solid Waste Planning	
	631-6301-	
	847-8439 - Equipment Maintenance Charges	1,407
	Waste Reduction & Education	
	631-6302-	
	847-8439 - Equipment Maintenance Charges	153

COUNCIL APPROVAL:

REQUIRED

NOT REQUIRED



Director

Disposition	Approved _____ Rejected _____
Transfer by Journal Voucher _____	_____ City Manager

000104

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

24-May-06

Request is hereby made for an appropriation total of

Reason for appropriation: *To appropriate funds for increased Equipment Maintenance costs.*

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Solid Waste (631)	Processing & Disposal	
	631-6303-	
	847-8439 - Equipment Maintenance Charges	28,474
	Residential Collection	
	631-6307-	
	847-8439 - Equipment Maintenance Charges	126,652
	Commercial Collection	
	631-6308-	
	847-8439 - Equipment Maintenance Charges	72,495
	Industrial Collection	
	631-6309-	
	847-8439 - Equipment Maintenance Charges	60,699
	Inspection Services	
	631-6310-	
	847-8439 - Equipment Maintenance Charges	147
	Net Estimated Change to Solid Waste Fund Balance	<u>(288,467)</u>
Facilities Mtnce (735)	Maintenance Custodial	
	735-7401-	
	857-8439 - Equipment Maintenance Charges	5,438
	Net Estimated Change to Facilities Mtnce. Fund Balance	<u>(5,438)</u>
Equipment Mtnce (741)	Equipment Maintenance	
	741-7501-	
	656-7761 - Internal Service Charges	(615,000)
	851-8001 - Direct Labor-Regular	193,841
	851-8002 - Direct Labor-Temporary	(40,000)
	853-8121 - Repair Parts Expense	265,000
	853-8236 - Fuel Expenses-Unleaded	200,275
	853-8238 - Fuel Expense-Diesel	149,725
	857-8305 - Maint-Other Equipment	(153,841)
	Net Estimated Change to Equipment Fund Balance	<u>(615,000) 615,000</u>

COUNCIL APPROVAL:

REQUIRED

NOT REQUIRED


Director

Disposition	Approved _____ Rejected _____
Transfer by Journal Voucher _____	City Manager

000105

CITY OF OXNARD
 2005-2006 PROJECTED GENERAL FUND OPERATING RESERVE
 ESTIMATED
 05/16/2006

Operating Reserve

Fund Balance June 30, 2005		
Reserved		4,201,090
Unreserved		19,197,335
Total Fund Balance		23,398,425
 2005-2006 Estimated Revenues & Transfers		 104,500,135
 Est Revenue Adjustments		
BLD Consulting Agreement (1)	267,462	
Dev Permit Center Fee\Civic Center (2)	74,500	
Police Services (Parking Fines) (3)	288,073	
		630,035
Net Adjusted Revenues		105,130,170
 2005-2006 Appropriations		 (104,500,135)
 Appropriation Adjustments		
BLD Consulting Agreement (1)	(267,462)	
Dev Permit Center Fee\Civic Center (2)	(74,500)	
Human Resources (3)	(25,000)	
Graffiti Task Force Outreach (3)	(100,000)	
Equipment Mtnce - Fuel/Parts (3)	(261,227)	
Police Services (3)	(288,073)	
		(1,016,262)
Net Adjusted 2005-2006 Appropriations		(105,516,397)
 Net Change to Operating Reserve		 (386,227)
Reserved		4,201,060
Operating Reserve For Contingencies (18%)		18,810,024
Reserve Balance		387,341
Subtotal of available reserve		19,197,365
Pending Council Action of June 6, 2006		(386,227)
 Estimated Available Operating Reserve 6-30-2006		 18,811,138

- (1) Council Action 07/26/05
- (2) Council Action 11/22/05
- (3) Pending Council Action 06/06/05

000106

ATTACHMENT # 2
PAGE 1 OF 1