

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Transfer Ownership of Two Fleet Vehicles, One from the Equipment Rental Fund to the Surface Water Utility Fund and One from the Surface Water Utility Fund to the Equipment Rental Fund
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director Nickolas Borer, Parks, Fleet & Facilities Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Staff is requesting City Council approval to authorize the City Manager to transfer ownership of two fleet vehicles; one vehicle from Equipment Replacement Fund 503 to Surface Water Utility Fund 401 and one from Surface Water Utility Fund 401 to Equipment Replacement Fund 503. Council has previously approved the replacement reserves collected for these vehicles to be transferred to the appropriate fund.

Historical accounting practices transferred replacement reserves into the Equipment Replacement Fund for future replacement of fleet vehicles and equipment. A review of this process has determined that specific fleet assets purchased by Surface Water utility funds should be owned and maintained within the respective fund, the Surface Water Utility Fund and Equipment Replacement Fund. This report specifically identifies these two Funds, but this accounting practice will also apply to City's Wastewater Utility Fund.

RESOURCE/FINANCIAL IMPACT: The following provides a list of the fleet vehicles that, if approved, will be owned by the appropriate fund:

1. Public Works Surface Operations Pickup (Veh506) to Surfaced Water Utility Fund (401), value = \$40,988
2. Public Works Street Operations Pickup (Veh169) to Equipment Replacement Fund (503), value = \$29,636

RECOMMENDATION

Staff recommends that Council authorize the City Manager to transfer ownership of vehicles to appropriate funds as designated above.

Approved By: City Manager **JN** City Attorney **MK**

BACKGROUND

In accordance with historical accounting practices, the Equipment Replacement Fund has been the owner of the City's fleet assets. The ownership process has also included the collection and maintenance fleet replacement reserve funds utilized for future acquisitions. Additionally, this process has also included replacement reserves for Surface Water Utility and Wastewater Utility fleet assets.

DISCUSSION

A review of this process has determined that specific fleet vehicle and equipment assets purchased by Surface Water and Wastewater Utility Funds should be owned and maintained within the respective funds. Staff provided an update to City Council on this change in a staff report dated November 1, 2021 (page 14), which can be found here: [2021-2022 Mid-Biennial Budget Update](#).

The specific fleet vehicles in question are as follows:

- Surface Water Operations Pickup: Utilized by Public Works field staff to transport equipment and tools to perform regular inspections and maintenance of surface drainage systems, catch basins, open ditch and culverts, retentions, and meeting with contractors working on surface water drainage systems throughout the City.
- Street Operations Pickup: Utilized by Public Works field staff to transport equipment and tools to perform regular inspections and maintenance of streets and public right of ways, as well as meeting with contractors working on public right of ways throughout the City.

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