

First Reading	05/16/2001
Second Reading	05/30/2001
Public Hearing	06/13/2001
Third Reading	06/25/2001

ORDINANCE NO. 409

AN ORDINANCE TO ESTABLISH THE FAIRFIELD COUNTY VEHICLE/EQUIPMENT REPLACEMENT FUND; TO ESTABLISH CRITERIA AND SCHEDULES FOR THE REPLACEMENT OF VEHICLES AND EQUIPMENT IN THE FAIRFIELD COUNTY FLEET; TO ESTABLISH GUIDELINES FOR THE ADMINISTRATION OF THE FUND; TO ESTABLISH THE FAIRFIELD COUNTY VEHICLE/EQUIPMENT REPLACEMENT COMMITTEE; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

Section 1. Legislative Findings. The Fairfield County Council finds that the ownership and maintenance of a functional, economical and safe fleet of vehicles and equipment is necessary in order to permit Fairfield County to provide an adequate level of governmental services to its citizens. The County Council further finds that it is prudent and advisable for the County to establish methods and procedures for the orderly replacement of county vehicles and equipment.

Section 2. Creation of the Vehicle/Equipment Replacement Fund.

(A) The purpose of this section is to create and establish the "Fairfield County Vehicle/Equipment Replacement Fund" ("the fund") to provide for the timely replacement of county vehicles and equipment in order to maintain a highly functional, efficient and safe fleet of vehicles and equipment. There is hereby created such a fund, which shall be administered, invested and disbursed as provided herein. Replacement rates shall accrue to the fund on the basis of an annual appropriation in the county budget.

(B) The fund shall be the source of capital for all necessary replacement for inventory items. The fund shall not be used for the purchase of additional inventory items. Subject to the exceptions contained herein, the fund shall be administered, invested and balanced as a separate single fund, rather than on an item basis related to replacement of individual items. If, at the time of replacement of any item, a surplus or deficit exists in the replacement fund for that item, such surplus or deficit shall be reconciled within the fund.

Section 3. Creation of the Vehicle/Equipment Replacement Committee. The final decision to replace or retain vehicles and equipment shall lie with the County Council. To aid in this process, a Vehicle/Equipment Replacement Committee shall be established by the County Administrator. The committee shall consist of the Equipment Maintenance Supervisor, the Public Works Director, a representative from the Sheriff's Office, the Director of Procurement, and the County Administrator or his/her designee. The committee shall meet no less than annually to review Fairfield County's fleet and make recommendations to the County Administrator for use in budget preparation.

Section 4. Vehicle/Equipment Replacement Criteria. It is hereby declared to be the policy of Fairfield County to maintain its vehicle and equipment inventory so as to allow its utilization in an optimum manner. In determining the useful life of vehicles and equipment, the following factors will be considered:

- (1) Costs of operation.
- (2) Reliability (amount and frequency of down time; safety).
- (3) Job performance capability (including applicability).
- (4) Capability to meet standards and regulations (e.g. EPA, NHTSA, DOT, etc.)
- (5) Costs to repair relative to replacement (due to accident or breakdown).

Each of the factors enumerated above shall be considered in reaching a decision to replace or retain an item. Each factor enumerated above is directly affected by the degree and nature of utilization. Accordingly, utilization shall be used as the basis for projecting useful life for replacement planning purposes.

Section 5. Replacement Rates. A replacement rate shall be established for each inventory item in order to accrue funds for the timely replacement of the item. This replacement rate shall be established by the Office of the County Administrator and the Vehicle/Equipment Replacement Committee on the basis of the following formula:

$$R = \frac{C-S}{P}$$

Where:

R = Annual Replacement Rate

C = Estimated cost of a like item at the time of replacement
(including make ready costs)

S = Estimated salvage value of the existing item at time of
Replacement

P = Estimated period of use in years

This rate will be applied to each vehicle or item of equipment covered by the fund and shall be used annually to determine the required appropriation to the fund to cover replacement costs. Replacement rates may also be adjusted independently of the above formula to allow for balancing of the fund as necessary. An estimated period of use shall be developed for each inventory item by the Vehicle/Equipment Replacement Committee and the Office of the County Administrator.

Section 6. Replacement Costs. Replacement costs shall be established for each inventory item at the time of purchase. This cost shall be the estimated purchase cost of an equivalent item at the appropriate end of its estimated period of use. The basis for determining an equivalent unit shall not include allowances for extras or upgrading. Included in the replacement costs shall be make-ready costs, which include such items as transfer of radios, installation of decals and special equipment such as hoists, tanks, etc.

These costs will be borne by the fund if the replaced unit was so equipped. Additional or new capital items shall require an additional appropriation to the using department to cover these expenditures.

It is recognized that some degree of speculation is involved in estimating future replacement costs particularly for items having an estimated period of use of more than three (3) years. Factors such as inflation, more stringent federal/state guidelines and regulations, technological advances, and product availability all can generate significant fluctuations in such costs. To achieve some level of uniformity and consistency in projected estimated replacement cost, an inflationary factor of five (5%) per annum will be applied for each year of the estimated period of use.

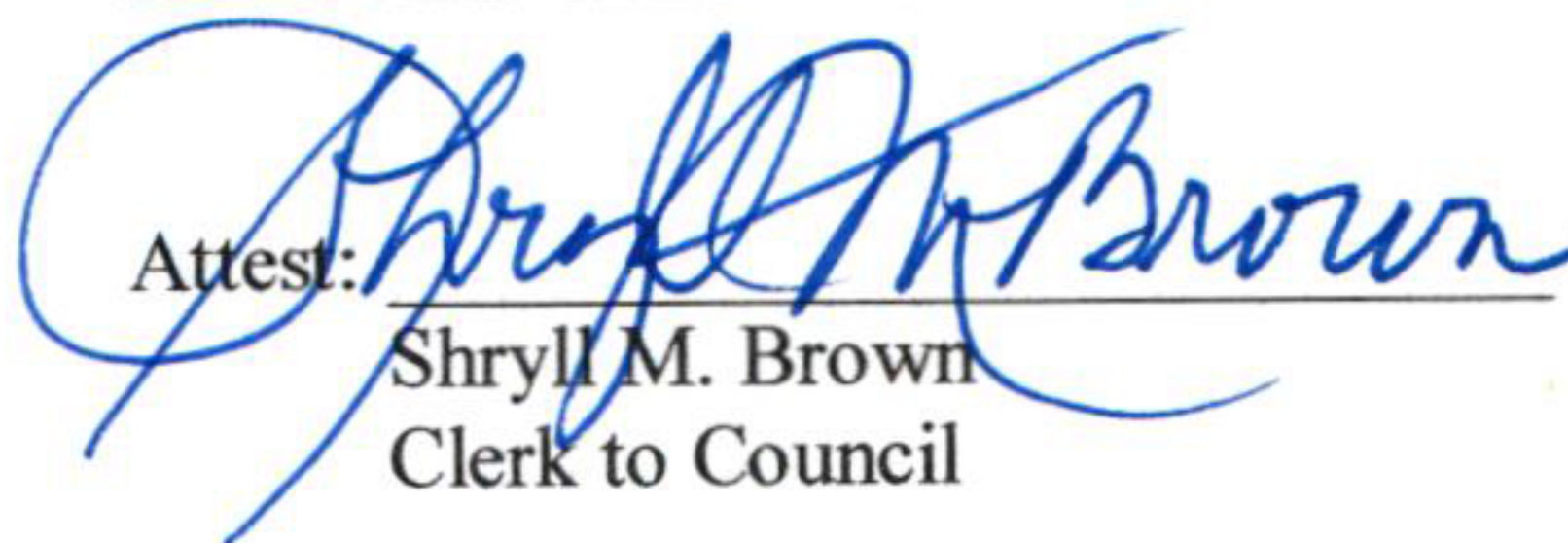
Section 7. Salvage Values. Salvage values shall be established for each inventory item at the time of purchase. This value shall be the estimated worth of the item at the appropriate end of its period of use. The Vehicle/Equipment Replacement Committee shall annually review values obtained for inventory items at auction and is authorized, as appropriate, to adjust estimated salvage values for current model year replacement items.

Section 8. Authorization to Transfer Funds. The Treasurer of Fairfield County is hereby authorized, empowered and directed to transfer from the undesignated reserves of Fairfield County to the Fairfield County Vehicle/Equipment Replacement Fund the sum of \$2,300,000 in order to provide initial funding for the fund. The fund shall be administered, invested and disbursed as provided in this section. The Treasurer of Fairfield County shall hold, administer, invest and re-invest all funds transferred to the County Vehicle/Equipment Replacement Fund as a fund separate from all monies or accounts held by the County; provided, however, that all funds deposited or accruing to the account of the County Vehicle/Equipment Replacement Fund may be invested jointly with other county funds to obtain the optimum return on such funds. Further, all interest earned on funds within the Vehicle/Equipment Replacement Fund, when jointly invested with other county funds, shall be allocated to the fund in proportionate share to the total. The County Treasurer shall have all powers and authority to invest and re-invest monies, funds or assets transferred to the Vehicle/Equipment Replacement Fund as are generally conferred upon county treasurers by statute, law, ordinance or regulation.

Section 9. Effective Date. This ordinance shall become effective on July 1, 2001.

ADOPTED THIS THE 25th DAY OF JUNE 2001.

Attest:


Shryll M. Brown
Clerk to Council

BY:


David L. Ferguson
Chairman