ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR THE FISCAL YEAR 2008-09 TO PROVIDE AN ADDITIONAL APPROPRIATION OF $200,000 TO CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT VR-08000, SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS

The Council of the City of Palo Alto does ordain as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 9, 2008 did adopt a budget for fiscal year 2008-09; and

B. In fiscal year 2007-08, the City Council appropriated $2,500,000 for CIP Project VR-08000, Scheduled Vehicle and Equipment Replacements (Project) to cover the costs of replacements of existing City vehicles and equipment for fiscal year 2007-08; and

C. Among the equipment included for replacement in fiscal year 2007-08, is a waste-handling wheel loader that supports the City's composting program. The machine loads greenwaste into a compost grinder and finished compost into trucks. Due to a premature failure of another equipment, compost screener, the amount originally appropriated for wheel loader was used to purchase a new compost screener. Staff planned to defer the replacement of the wheel loader until fiscal year 2009-10, but the equipment failed and is not cost-effective to repair. A new wheel loader is needed for the City composting program; and

D. An additional appropriation of $200,000 is needed for the Project. The Refuse Fund Reserve will provide the necessary funding; and

E. City Council authorization is needed to amend the 2008-09 budget to make available the funds required for CIP Project VR-08000, Scheduled Vehicle and Equipment Replacements.

SECTION 2. The amount of Two Hundred Thousand Dollars ($200,000) is hereby transferred to the Vehicle Replacement Fund and the Refuse Fund is hereby reduced by the same amount.
leaving a remaining balance of Eight Hundred Twenty-Eight Thousand Dollars ($828,000).

SECTION 3. The sum of Two Hundred Thousand Dollars ($200,000) is hereby appropriated to CIP Project VR-08000, Scheduled Vehicle and Equipment Replacements.

SECTION 4. As specified in Section 2.28.080(a) of the Palo Alto Municipal Code, a two-thirds vote of the City Council is required to adopt this ordinance.

SECTION 5. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 6. The Council of the City of Palo Alto hereby finds that this project is exempt from the provisions of the California Environmental Quality Act, and therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:
NOES:
ABSTENTIONS:
ABSENT:
ATTEST: APPROVED:

__________________________
City Clerk

__________________________
Mayor

APPROVED AS TO FORM:

__________________________
City Manager

__________________________
Director of Public Works

__________________________
Director of Administrative Services
EXHIBIT A

CIP SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS (VR-08000)

Description: This project will involve scheduled replacement of existing City fleet vehicles and equipment for the 2007-08 fiscal year.

Justification: The ongoing replacement of City fleet vehicles and equipment is prescribed by City Policy and Procedures Section 4-01. The policy includes guidelines for these replacements based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology.

Supplemental Information: 32 vehicles are scheduled for replacement in 2007-08, including 12 vehicles in the General Fund at a cost of $1,448,000, and 20 vehicles in the Enterprise Funds at a cost of $1,052,000.

The vehicle replacement schedule includes the following quantities and vehicle types: 4 police patrol vehicles; 2 pickup trucks and vans; 1 miscellaneous light truck; 3 fire apparatus; 1 street sweeper; 3 medium/heavy-duty trucks; 6 miscellaneous equipment and 12 trailers.

Significant purchase include: 3 front-line fire engines ($1,200,000); patch truck ($165,000); large wheel loader ($200,000); leaf packer truck ($175,000).

PRIOR YEARS

<table>
<thead>
<tr>
<th>PY Budget</th>
<th>$2,500,000</th>
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<tbody>
<tr>
<td>PY Actuals as of 06/30/2008</td>
<td>$77,584</td>
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FUTURE FINANCIAL REQUIREMENTS

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<thead>
<tr>
<th></th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>Total Funding</th>
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<tbody>
<tr>
<td>Pre-Design Costs</td>
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<td>Design Costs</td>
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<td>Construction Costs</td>
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<tr>
<td>Other</td>
<td>$200,000</td>
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<td></td>
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<td>$200,000</td>
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<tr>
<td>Total Budget Request</td>
<td>$200,000</td>
<td></td>
<td></td>
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<td>$200,000</td>
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<tr>
<td>Revenues</td>
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<tr>
<td>Source of Funds:</td>
<td>Vehicle Replacement Fund with the following reimbursements: Electric Fund($45,000); Gas Fund($265,000); General Fund($1,413,000); Refuse Fund($645,000); Storm Drainage Fund($50,000); Wastewater Collection Fund($172,000); Wastewater Treatment Fund($35,000); Water Fund($75,000)</td>
<td></td>
<td></td>
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<tr>
<td>ITEM</td>
<td>QTY</td>
<td>U/M</td>
<td>DESCRIPTION</td>
<td>Papé Equipment</td>
<td>Peterson Tractor Co.</td>
<td>RGW Equipment Sales</td>
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<tr>
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<td>---------------------</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>EA</td>
<td>New, 2008 model Backhoe/Loaders</td>
<td>$261,180²</td>
<td>$282,600</td>
<td>$313,215</td>
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<tr>
<td>2 - 6</td>
<td></td>
<td></td>
<td>Various backhoe buckets</td>
<td>$9,590</td>
<td>$10,310</td>
<td>$12,015</td>
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<td>7 - 8</td>
<td></td>
<td></td>
<td>Trade-in credit for existing units</td>
<td>$52,000</td>
<td>$40,000</td>
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<td>4</td>
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<td>Sales Tax @ 8.25%</td>
<td>$22,339</td>
<td>$24,165</td>
<td>$26,831</td>
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<td>TOTALS</td>
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<td></td>
<td>$241,109</td>
<td>$277,075</td>
<td>$312,061</td>
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1. A fourth unit will be added to order
2. Item did not meet specifications
CERTIFICATION OF NONDISCRIMINATION

Project: 2008 model Backhoe/loader

Certification of Nondiscrimination: As suppliers of goods and/or services to the City of Palo Alto in excess of $5,000, the firm, contractor or individual(s) listed below certify that: they do not and in the performance of this contract they will not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; and further certify that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

Firm: Peterson Tractor Co  DATE: 5/9/08
Title of Officer Signing: Treasurer
Signature: [Signature]

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