

RESOLUTION 23-11175

**A RESOLUTION ADOPTING THE FY 2025 EQUIPMENT
REPLACEMENT PLAN**

WHEREAS, the Equipment Replacement Plan (ERP), is a financial tool adopted by the City Council as an indication of its priorities for funding projects in future budget years; and

WHEREAS, the City Council of the City of Billings was presented on November 20, 2023 with staff recommendations for the Fiscal Year (FY) 2025 ERP.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA, AS FOLLOWS:

Section 1: The FY 2025 ERP is hereby adopted as approved by Council on December 11, 2023.

Section 2: City staff is hereby directed to utilize the adopted plan to prepare the FY 2025 departmental budgets that will be incorporated into the comprehensive FY 2025 City of Billings budget, which will be presented for City Council review and approval at a future City Council meeting.

ADOPTED AND APPROVED by the City Council of the City of Billings, Montana, on the 11th day of December, 2023.

CITY OF BILLINGS



ATTEST:

By: William A. Cole
William A. Cole, Mayor

By: Denise R. Bohlman
Denise R. Bohlman, City Clerk

City Council Regular

Date: 12/11/2023
Title: Resolution approving FY25 Equipment Replacement Plan
Presented by: Andy Zoeller, Finance Director
Department: Finance
Presentation: No
Legal Review: No
Project Number: N/A

RECOMMENDATION

Staff recommends approval of the FY2025 Equipment Replacement Plan

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

In 2000, the City developed an equipment replacement program to monitor and plan for all equipment replacement at the City. All vehicles and non-stationary equipment with a useful life of greater than 3 years and a cost of \$5,000 or more is included in the plan. The program has criteria and guidelines to identify when equipment should be considered for replacement, as well as allow the City to make intelligent investments in equipment into the future. The plan covers a 20-year time period and is reviewed annually. Annually, every piece of equipment that is eligible for replacement is reviewed by a committee made up of representatives from across all city departments. The committee makes replacement recommendations to City Administration and City Council for annual adoption. Once the plan is adopted, the replacement costs are included in the next fiscal year budget.

All City equipment is included in the plan, which is used to budget and make sound financial decisions for equipment replacement. The City uses the plan to set aside money for replacements. Governmental fund departments, Parks, Code Enforcement, Police, Fire, Planning, and Library, contribute annually to a separate fund to ensure funds are available when equipment is in need of replacement, while Enterprise and Internal Service departments maintain reserves within their departmental funds for equipment replacement.

ALTERNATIVES

City Council may:

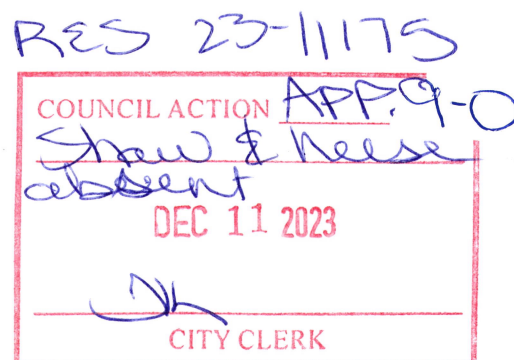
- Approve; or,
- Modify; or,
- Not Approve

FISCAL EFFECTS

The FY25 ERP replacements total \$11.5 million. This includes \$9.6 million of planned replacements, with an additional \$1.9 million in additional requests for added equipment costs related to upgrades and inflationary increases. The FY25 ERP estimates that annual contributions for Governmental Funds into the Equipment Replacement Fund will total \$1.63 million, a reduction of \$26,668 from FY24,

Estimated Contributions by Fund

	2024	2025	Difference
Parks & Recreation	364,546	352,555	(11,991)
Code Enforcement	23,079	25,191	2,112
General Fund Total	387,625	377,746	(9,879)
Animal Shelter	22,498	12,212	(10,286)
Fire	648,955	686,949	37,994
Police	574,433	519,299	(55,134)
Public Safety Total	1,245,886	1,218,460	(27,426)
Planning	2,497	2,414	(83)
Community Development	1,116	1,080	(36)
Library	22,876	33,632	10,756
Total Governmental	1,660,000	1,633,332	(26,668)



CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION PRPL/PARKS DEPARTMENT PRIORITY 2 TOTAL COST \$61,000

\$ AMOUNT IN PLAN \$ 41,536

REQUEST TITLE Replace unit 1675 Ditch witch trencher with a new Vac-trailer

DESCRIBE THIS REQUEST

Replace Ditch Witch trencher with a Vac-trailer that is safer and more efficient.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Low demand in PRPL for the use of this unit. Replacing it with a Vac-trailer would provide PRPL with a piece of equipment for safely exposing irrigation lines and digging around gas and power lines, as well as cleaning out wet wells for the pump stations. Parks has rented these in the past but the availability is limited. A vac trailer would be a crucial piece of equipment in the day to day operations of the parks.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>8730-51120-402290</u>	<u>Other operating supplies</u>	<u>\$19,500</u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

Note: Division requests should be prioritized with 1 being highest priority project.
Attach Personnel request form for added positions and put account totals above.
Additional justification may be sent to finance, be sure to put request title on additional information. If added lines for account numbers are needed, use a second form and mark "continued" in Total Cost space on second sheet, filling in division, priority & title.

CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION POLICE DEPARTMENT PRIORITY 1 TOTAL COST: \$ 104,000

\$ AMOUNT IN PLAN: \$ 67,573

Requested Amount: \$ 36,427.00

REQUEST TITLE (2) Animal Control Vehicles

DESCRIBE THIS REQUEST

This SBR is for vehicle replacements under the 2025 ERP. The ACO vehicles are in excess of serviceable years and mileage.

Vehicles include: 1010/1011

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ 0

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Vehicle is at mileage and year limitations. Initial replacement cost projections were short because of the increased costs fueled by inflation.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
1500-21130-409440	Transportation Equipment	\$ 36,427.00

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CITY OF BILLINGS
FY 25 SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION POLICE DEPARTMENT PRIORITY 1 TOTAL COST \$ 270,000
AMOUNT IN PLAN \$ 241,505
Requested Amount: \$28,495.00

REQUEST TITLE (3) Police Patrol/(4) Detective Vehicles

DESCRIBE THIS REQUEST

This SBR is for vehicle replacements under the 2025 ERP. These are patrol fleet vehicles that are in excess of serviceable years and/or mileage.

Vehicles include:

1439/1442/1446 fully marked patrol vehicles @ \$46,000 per vehicle (\$138,000)

1492/1494/1495/1511 are unmarked detective cars @ \$33,000 per vehicle (\$132,000)

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ 0

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Vehicle is at mileage and/or year limitations. Initial replacement cost projections were short because of the increased costs fueled by inflation.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>1500-21130-409440</u>	<u>Transportation Equipment</u>	<u>\$ 28,495.00</u>

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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION PRPL/PARKS DEPARTMENT PRIORITY 4 TOTAL COST _____

\$ AMOUNT IN PLAN _____

REQUEST TITLE Retain 3617—2015 Toro 4100D trim mower 10'

DESCRIBE THIS REQUEST

Parks would like to retain unit #3617 to use as a spare mower for the parks. After recent repairs, and with minimal use as a back-up, staff believes unit can provide several more years of service.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ _____

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

With keeping unit 3617 as a back-up mower the parks dept. would be able to stay on schedule with mowing the parks when another mower goes down for repairs. At this time the parks dept. doesn't have a back-up mower for bigger parks

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION PW D&C DEPARTMENT PRIORITY 1 TOTAL COST \$82,000

\$ AMOUNT IN PLAN \$56,205

REQUEST TITLE Change 4x4 to 1-ton 4x4 regular cab with flatbed, snowplow, and sander.

DESCRIBE THIS REQUEST

Change existing unit to a 1-ton 4x4 regular cab flatbed with snowplow and sander. Increase budget amount for unit.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Increased veratility with fleet.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>5030-75910-409440</u>	<u>Water - Transportation Equipment</u>	<u>\$12,897.50</u>
<u>5130-85910-409440</u>	<u>Wastewater - Transportation Equipment</u>	<u>\$12,897.50</u>
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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION PW D&C DEPARTMENT PRIORITY 1 TOTAL COST \$50,000

\$ AMOUNT IN PLAN \$7,522

REQUEST TITLE Heavy load flatbed trailer.

DESCRIBE THIS REQUEST

Heavy load flatbed trailer. Unit 7908 to go to Street/Traffic Division.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Allow for excavator transport. Eliminate the need to hire transport of SW excavator when it is needed to complete work for D&C.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>5030-75910-409410</u>	<u>Water - General Purpose Machinery/Equipment</u>	<u>\$21,239</u>
<u>5130-85910-40910</u>	<u>Wastewater - General Purpose Machinery/Equipment</u>	<u>\$21,239</u>

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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION Airport DEPARTMENT PRIORITY _____ TOTAL COST \$42,500
\$ AMOUNT IN PLAN \$45,812

REQUEST TITLE Upgrade Unit # 1702 - to a 4 wheel drive SUV

DESCRIBE THIS REQUEST – When we replace our 2007 Crown Victoria Police Car we would like the ability to upgrade to a 4 x 4 SUV unit.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ _____

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

This patrol car that is scheduled for replacement is currently being used by our Airport Police Officers to respond to emergencies, security issues, perform perimeter inspections, patrol the Aircraft Operations Area (AOA), monitor vehicle traffic, respond to incidents/accidents and many other police responsibilities. Many responses require the patrol car to operate in all terrain conditions during inclement weather and during the winter months to different locations surrounding the airport. Additionally, this vehicle also regularly operates on aircraft ramps, in parking lots, etc. and it is imperative that this vehicle be able to maneuver appropriately during the winter on snow and ice without getting stuck or impacting aircraft or vehicle operations. A 4 wheel drive vehicle would allow us to safely maneuver and complete work during inclement weather conditions. Additionally, most police departments have transitioned from patrol cars to SUV's for a number of reasons. We estimate that the additional cost to upgrade to a 4 x 4 SUV will remain below the amount that is budgeted and available.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
563-7122-711-9490		\$45,812

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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION Parking DEPARTMENT PRIORITY 1 TOTAL COST \$6,249

\$ AMOUNT IN PLAN \$25,081

REQUEST TITLE Upgrade for John Deere Tractor

DESCRIBE THIS REQUEST

Requesting upgrade for John Deere Tractor. The current cost of equipment is \$31,330.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ N/A

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Our Maintenance staff sweeps/plows the snow on the sidewalks around Park I, 1st Ave N Garage and Park III; however, in deeper snow the current equipment has difficulty maneuvering, especially when crossing the intersections. Although the staff may no longer be tasked with removing the snow from the sidewalks at Park 3 due to new ownership, the staff may be responsible for removing the snow from the sidewalks around the Stillwater Building and possibly the Stillwater Garage, if Parking gains ownership of it in the future. The Maintenance staff requests equipment that has better power to remove snow from the sidewalks and can safely navigate across intersections as they move from property to property.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>5210-15230-409440</u>	<u>Transportation Equipment</u>	<u>\$31,330</u>

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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION Street/Traffic DEPARTMENT PRIORITY _____ TOTAL COST \$370,000

AMOUNT IN PLAN \$ 343,756

REQUEST TITLE ERP Shortfall

DESCRIBE THIS REQUEST

Offset rising cost of equipment for units 1233-1235-1343-1366-1393

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$ _____

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

ERP plan not keeping up with unusually high increases in costs of equipment.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
<u>2110-31320-409420</u>	<u>Transportation Equip</u>	<u>\$26,244</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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CITY OF BILLINGS
SUPPLEMENTAL BUDGET REQUEST DECISION PACKAGE

DIVISION PRPL/PARKS DEPARTMENT PRIORITY 1 TOTAL COST \$336,000

\$ AMOUNT IN PLAN \$309,276

REQUEST TITLE PRPL Mowers (3)

DESCRIBE THIS REQUEST

SBR for mower replacement in FY25 ERP. Amount allocated in EPR has not kept pace with equipment cost increases. Current shortfall to replace units 3615, 3616, 3617 is \$26,724.

IF THIS REQUEST WILL GENERATE ADDITIONAL REVENUE, HOW MUCH? \$

WHAT IS THE JUSTIFICATION FOR THIS REQUEST?

Equipment is at hour and/or year limitations. Initial replacement cost projections were short due to increased costs due to inflation.

LIST THE INDIVIDUAL LINE ITEM ACCOUNTS IMPACTED BY THIS REQUEST.

<u>ACCOUNT #</u>	<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
8730-51990-403990	Other Contract Services	\$26,724

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