



City Manager
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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: July 27, 2022

RE: **Authorizing Budget Transfer – Public Works-Garage Division Vehicle Maintenance Materials**

The motion detailed below was prepared by Assistant Public Works Director Kara Jurczak, who requested that it be placed before the City Council for consideration at its meeting of August 4, 2022. If adopted, the motion provides for transferring \$85,000 from the Appropriated Reserves of the General Fund to the Public Works-Garage Division's 2022 Vehicle Maintenance Materials account (Account No. 515.01) to cover the unforeseen costs of materials needed to repair and maintain the City's fleet. The rationale for the transfer is detailed in Ms. Jurczak's attached transmittal and requires no elaboration on the part of this office. I concur with the Assistant Public Works Director's recommendation.

Public Works Director Mark Hilson will be attending the City Council meeting of August 4, 2022, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion authorizing the Acting City Manager to transfer \$85,000 from Appropriated Reserves of the General Fund to the Public Works-Garage Division's 2022 Vehicle Maintenance Materials account (Account No. 515.01).

Recommended Motion: I move the City Council authorize the Acting City Manager to transfer \$85,000 from Appropriated Reserves of the General Fund to the Public Works-Garage Division's 2022 Vehicle Maintenance Materials account (Account No. 515.01).

MEMORANDUM

TO: Lacey Simpson, Acting City Manager

CC: Steve Langley, Garage Division Supervisor
Mark Hilson, P.E., Public Works Director

FROM: Kara Jurczak, P.E., Assistant Public Works Director

DATE: July 26, 2022

SUBJECT: Authorize Budget Transfer – Garage Division Vehicle Maintenance Materials

In adopting the General Government Operating Budget, \$154,000 was appropriated to the Garage Division's Vehicle Maintenance Materials account. This account provides for expenditures for vehicle and equipment parts and materials required to repair and maintain the City-owned fleet. As of the writing of this memo, the Division has exhausted the funds in the adopted budget for this year. In comparison, at this time last year, the Garage had expended 50% of their \$150,000 budget. The increased expenses are due to two factors:

1. An unprecedented rise in the cost of parts and shipping during 2022.
2. Deferral of replacement vehicle purchases, mostly within the Streets Division. We have some vehicles that were not taken out of service in order to reduce our budgetary expenses. For instance, both the Fuso flatbed/plow and the Vactor are essential front line vehicles that are currently non-operational and require major repairs to be put back into service. Increased vehicle maintenance costs are likely to continue until we are able to more aggressively pursue replacement vehicle purchases.

With the necessary repairs to the Fuso and Vactor, along with normal maintenance and repairs to the fleet, and inflation continuing, a budget transfer of \$85,000 is necessary to continue to be able to procure repair and maintenance materials and parts.

RECOMMENDATION

It is recommended that the City Council adopt a motion authorizing the Acting City Manager to transfer \$85,000 from the Reserves of the General Fund to the Garage Division's Vehicle Maintenance Materials account.

Recommended Motion: I move the City Council authorize the Acting City Manager to transfer \$85,000 from the Reserves of the General Fund to the Garage Division's Vehicle Maintenance Materials account.