



CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: March 17, 2026

TO: City Council

FROM: Michelle Gonzalez, Finance Director

RE: ADOPTION OF CAPITAL EQUIPMENT AND VEHICLE REPLACEMENT POLICY

RECOMMENDATION

Adopt Resolution No. 26-38 approving the City of Angels Capital Equipment and Vehicle Replacement Policy and establishing a Capital Equipment and Vehicle Replacement Fund to provide a structured funding mechanism for future replacement of City vehicles and major equipment.

BACKGROUND

City departments rely on vehicles and specialized equipment to deliver essential services including public safety, public works operations, water and wastewater utilities, and administrative functions. These assets have finite service lives and require periodic replacement to maintain safe and reliable operations.

Historically, the replacement of vehicles and major equipment has occurred on an as-needed basis, which can create significant one-time budget impacts when major equipment reaches the end of its useful life.

Establishing a formal replacement policy allows the City to proactively plan for these expenditures by setting aside funds annually over the life of each asset. This approach is widely used by local governments to stabilize budgets, improve long-term financial planning, and ensure that critical equipment can be replaced when needed.

DISCUSSION

The proposed Capital Equipment and Vehicle Replacement Policy establishes a structured program to fund the future replacement of City vehicles and major equipment.

Key elements of the policy include:

- Establishment of a Capital Equipment and Vehicle Replacement Fund dedicated to funding equipment replacement.
- Annual contributions from departments based on the estimated replacement cost and useful life of each asset.
- Development of a 10-year equipment replacement forecast to assist with long-term financial planning.
- Standard replacement cycles for common equipment types used by the City.
- Annual reporting to City Council regarding fund balance, planned replacements, and funding status.

Departments included in the program will include:

- Administration
- Fire
- Police
- Public Works
- Water/Wastewater

The annual contributions will be incorporated into the City's regular budget process and transferred into the replacement fund. When equipment reaches the end of its useful life, replacement purchases will be funded from the replacement fund, subject to Council approval through the budget process.

This approach allows the City to spread equipment costs over multiple years rather than absorbing large expenditures in a single fiscal year.

FISCAL IMPACT

Implementation of the policy will require annual contributions from departmental operating budgets into the Capital Equipment and Vehicle Replacement Fund.

Initial funding levels will be determined through the development of a comprehensive asset inventory and replacement schedule. Establishing this program will improve the City's ability to plan for future capital expenditures and reduce the need for unplanned budget adjustments or emergency financing.

ENVIRONMENTAL REVIEW

This action is administrative in nature and is not considered a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5).

ATTACHMENTS

1. Resolution No. 26-38 – Capital Equipment and Vehicle Replacement Policy
2. Capital Equipment and Vehicle Replacement Policy