



AGENDA MEMORANDUM

CONTACT: CLIF CUSTER

SUBJECT: PUBLIC WORKS EQUIPMENT

SUMMARY:

In the upcoming FY 24 Budget, Public Works is submitting a lengthy list of supplemental budget requests to satisfy equipment needs. The request for new and replacement equipment is to provide:

- Public Works with replacement equipment to combat high costs of maintenance and repair of aging equipment.
- Public Works with new equipment to satisfy needs for additional equipment in the field.

This Equipment request is to include:

- 2 - Mini Excavators
- 1 - Compact Dump Truck
- 1 - Equipment Trailer
- 1 - Mosquito Fogger
- 1 – Skid Steer / Track Loader

BACKGROUND INFORMATION:

Aging equipment has put a financial burden upon not only Richwood Residents, but a financial and time resource burden upon the Public Works Dept. Since calendar year 2021 Richwood Public Works has spent a combined amount in excess than \$35,000.00 for repairs on the mini excavator, 1 ton dump truck, and mosquito fogger. The mini excavator was and continues to be the largest financial burden.

Repair costs since July of 2021:

Mini Excavator – \$22,800

1 Ton Dump Truck – \$13,440

Mosquito Fogger - \$2,700

Costs are inclusive of repairs as well as equipment rentals while equipment was being repaired. The repair costs illustrated are most likely low because explanations for credit card purchases are not illustrated in the General Ledger Report and it is believed that some repairs are paid for by credit card especially if those repairs cost less than \$1,000.00.

ISSUE:

Most of the costs illustrated have amassed between mid-2022 to the current date. It was the goal of Public Works to wait until the Budget Meeting with Council in July to present these requests. It was my opinion that to carry on in this manner would be fiscally irresponsible.

Currently, Public Works' greatest concern is the potential financial impacts of Richwood's aging mini excavator. If Council wished to replace Richwood's current mini excavator, Public Works could take possession of the excavator as soon as July of 2023.

I felt it was important to express to Council Public Works' ambitions regarding the replacement of equipment so Council would have a comprehensive understanding of Staff's immediate financial concerns, but also the potential financial impact of all equipment requests in FY 24.

FISCAL IMPACT:

Total Fiscal Impact: \$420,000.00

Fiscal Impact (Mini Excavator): \$125,000.00

RECOMMENDATION:

Council provide direction regarding the replacement of Richwood's mini excavator.