

City of Sedgwick  
City Council Meeting  
June 3, 2026

**TO:** Mayor and City Council

**SUBJECT:** Equipment Replacement Plan

**INITIATED BY:** Administration

**AGENDA:** New Business

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**Background:** The Equipment Replacement Plan was developed pursuant to the City's Asset Replacement Policy that was adopted by City Council on December 17, 2025. The plan serves as the operational implementation document identifying anticipated equipment replacements, funding schedules, and reserve planning over a 14- year period.

**Analysis:** The Equipment Replacement Plan establishes a comprehensive and sustainable framework for the management, replacement, and funding of the City's capital equipment. This plan is designed to support the continued delivery of reliable public services while ensuring fiscal responsibility and long-term operational stability. Following the framework set forth by the City's Asset Replacement Policy, this plan is evaluated annually to adjust for inflation and changes in operational needs.

**Financial Considerations:** Capital equipment is defined as tangible assets, including vehicles, machinery, apparatus, technology systems, and operational equipment that are used in City operations, have a initial acquisition value of \$5,000 or greater, and possess an expected useful life of more than five (5) years.

The annual contribution amount to the Capital Equipment Fund (CEF) is estimated at \$165,000 and is evaluated on an annual basis to ensure fiscal healthiness of the organization. Funding amounts may be adjusted periodically based on financial analysis completed by the City Administrator. Equipment purchases will be procured following established procurement policies as adopted by City Council.

**Recommendation:** It is recommended that the City Council approve and adopt the Equipment Replacement Plan as presented.

# Equipment Replacement Plan

2027-2040

**SEDGWICK**  
KANSAS



The Equipment Replacement Plan (ERP) is developed pursuant to the City's Asset Replacement Policy that was adopted by City Council on December 17, 2025. This plan serves as the operational implementation document identifying anticipated equipment replacements, funding schedules, and reserve planning over a rolling 14-year period.

## **EQUIPMENT REPLACEMENT PLAN**

The Equipment Replacement Plan establishes a comprehensive and sustainable framework for the management, replacement, and funding of the City's capital equipment. This plan is designed to support the continued delivery of reliable public services while ensuring fiscal responsibility and long-term operational stability. Following the framework set forth by the City's Asset Replacement Policy, this plan is evaluated annually to adjust for inflation and changes in operational needs.

Capital equipment is defined as tangible assets, including vehicles, machinery, apparatus, technology systems, and operational equipment that are used in City operations, have an initial acquisition value of \$5,000 or greater, and possess an expected useful life of more than five (5) years.

## **ASSET REPLACEMENT POLICY**

City Council adopted the Asset Replacement Policy on December 17, 2025. This policy was designed to provide a structured framework for the systematic replacement of equipment within the organization. The policy aims to enhance operational efficiency, maintain safety standards, and optimize financial investment through timely and cost-effective equipment upgrades. The policy was designed to work in conjunction with the Equipment Replacement Plan which covers all major equipment used within the organization, including but not limited to machinery and industrial equipment, vehicles, and specialized tools and instruments.

There are four main categories that help determine if replacement is warranted: age, mileage or meter reading; total work order costs; and condition. If a piece of equipment or vehicle has accumulated the necessary hours or miles and meets the age requirement, then (funds permitting) replacement can be scheduled. Replacement may be considered if total work order costs to date are greater than or equal to 75% of asset replacement value. Replacement may also be considered due to overriding issues related to the condition of the piece of equipment or vehicle, such as in the event of an accident where considerable damage occurs.

### **AGE**

The age will be determined based on asset type. Age requirements are as follows:

- » Police: 7 years
- » Fire:
  - Fire Apparatus: 25 years
  - Fire Rescue Vehicle: 15 years
- » EMS:
  - Ambulance: 25 years
  - Response Vehicle: 7 years
- » Light Equipment: 15 years
- » Light Duty Vehicles: 13 years
- » Heavy Duty Equipment: 12 years
- » Heavy Duty Vehicles: 11 years

**MILEAGE**

Mileage requirements are as follows:

- » Police: 120,000 miles for Marked Patrol Units
- » Fire: No Mileage/Hour requirements for heavy apparatus
- » Light Equipment: No meter requirement for equipment such as air compressors and mowers
- » Light Duty Vehicles: 120,000 miles for vehicles with a GVWR up to 10,000
- » Medium Duty Vehicles: 120,000 miles for vehicles with a GVWR between 10,001 and 19,500
- » Heavy Duty Vehicles: 120,000 miles for vehicles with a GVWR above 19,500
- » Heavy Duty Equipment: 5,000 to 10,000 hours for off-road equipment

**TOTAL WORK ORDER COST**

Replacement based on total work order costs will be considered when the cost exceeds 75% of asset replacement value.

**CONDITION**

The condition of a piece of equipment or vehicle will be evaluated based on several quality factors such as paint, interior, electronic systems, body damage, recent history of accidents, and mechanical soundness. Each condition will be rated as good, fair, or poor. If the average condition is determined to be poor, then the vehicle or equipment may be considered for replacement.

**FUNDING**

Historically, capital equipment purchases have been funded through a combination of annual budget allocations, departmental capital outlay accounts, and at times, debt financing. While this approach has allowed the City to meet immediate needs, it has also created variability in annual expenditures and increased reliance on reactive decision-making.

This plan transitions toward a consolidated funding model and reflects the City's commitment to improved financial planning, transparency, and consistency in capital investment. The City conducted a long-term analysis of anticipated replacement schedules, projected equipment costs, reserve sustainability, and operational funding capacity. Through this evaluation, it was determined that an annual contribution target of \$165,000 provides the most sustainable long-term funding strategy for the City's equipment replacement plan. The City shall target an annual contribution sufficient to maintain long-term equipment replacement sustainability while preserving a strategic reserve balance generally targeted at approximately \$500,000.

Annual contributions at this level allow the fund to maintain adequate solvency while supporting planned equipment purchases and minimizing the likelihood of significant funding shortfalls. Under projected replacement scenarios, the funding model maintained reserve balances at levels sufficient to absorb fluctuations in replacement timing and unexpected equipment needs while avoiding excessive accumulation of idle funds and sudden shifts in budgetary requirements.

Projected replacement costs were escalated using estimated annual inflation factors prior to calculating annual savings targets. Once the projected future replacement value was established, the total replacement cost was allocated over the anticipated service life of the asset to determine the annual contribution necessary to support replacement at the end of the lifecycle.

The contribution amounts and replacement schedules established within this plan will continue to be reviewed annually as part of the City's budget and capital planning process. Adjustments may be made based on updated equipment inventories, market conditions, operational needs, or change in financial capacity.

## **REPLACEMENT SCHEDULE**

The Equipment Replacement Schedule serves as the City's long-term planning framework for forecasting the anticipated replacement timing of major capital assets. The schedule is intended to provide a structured and proactive approach to equipment planning by identifying projected replacement horizons, estimated acquisition costs, and annual funding needs associated with maintaining operational readiness across all departments.

The replacement timelines identified within the schedule are primarily based upon the anticipated useful life of each asset. Useful life reflects the estimated period in which an assets can reasonably perform its intended operational function under normal service conditions before replacement would typically be considered.

Because factors may evolve over time, assets may be replaced earlier or later than the year identified within the schedule. For example, an asset that remains in excellent condition with acceptable maintenance costs may have its service life extended beyond the projected replacement horizon. Conversely, an asset experiencing excessive downtime, safety concerns, or escalating repair costs may warrant accelerated replacement prior to the scheduled year.

The replacement schedule should therefore be viewed as a living planning document designed to supported informed decision-making, long-term financial sustainability, and proactive asset management. The schedule will continue to be reviewed and updated periodically to reflect changing operational conditions, inflationary impacts, technological advancements, service level expectations, and evolving equipment inventories across the organization.



Asset	Department	2027	2028	2029	2030	2031	2032	2033
2006 Ford Ranger	PW & Utilities			\$44,706				
2021 Dodge Durango #2	Police				\$59,396			
2021 Dodge Durango #3	Police					\$59,396		
1996 F350 (Dumpbody)	PW & Utilities					\$70,000		
2014 Dodge Ram 2500	PW & Utilities						\$47,982	
2023 Dodge Durango #1	Police						\$59,400	
2016 F450 Ambulance (HV32)	Fire/EMS							\$299,950
2017 Ford Explorer	Admin							\$50,000
Total				\$44,706	\$59,396	\$129,395	\$107,382	\$349,950

Asset	Department	2034	2035	2036	2037	2038	2039	2040
2019 Dodge Charger	Police	\$59,200						
2012 F250 Response Vehicle	Fire/EMS	\$70,000						
2008 F450 Ambulance (HV31)	Fire/EMS		\$301,500					
2015 F550 (S36)	Fire/EMS			\$225,000				
Replacement Unit #2	Police			\$67,000				
2022 Dodge Ram 3500	PW & Utilities				\$65,868			
Replacement Unit #3	Police				\$69,000			
Replacement Unit #1	Police					\$71,000		
Replacement Admin Vehicle	Administration						\$62,000	
2026 Chevy 2500	PW & Utilities							\$44,800
Replacement Response Vehicle	Fire/EMS							\$76,000
Replacement Charger	Police							\$75,000
Total		\$129,200	\$301,500	\$292,000	\$134,868	\$71,000	\$62,000	\$195,800

## FUND BALANCE

The following chart illustrates the projected annual Capital Equipment Fund balance from 2027 through 2040 based upon a consistent annual transfer of \$165,000 into the fund while accounting for all planned expenditures identified within the City's Equipment Replacement Schedule.

The projection demonstrates the long-term sustainability of the City's replacement funding model and reflects the cyclical nature of capital equipment replacement. During the early years of the program, annual contributions are projected to exceed replacement expenditures, allowing the fund balance to grow and establish a strong financial reserve. This reserve accumulation is intentional and is designed to position the City to absorb future periods of increased replacement activity without creating substantial fluctuations in annual departmental budgets or requiring reliance on short-term financing.

As major replacement cycles occur throughout the planning horizon, the fund balance is projected to gradually decline as accumulated reserves are utilized to support planned purchases. These fluctuations are expected and reflect the operational purpose of the Capital Equipment Fund as a long-term stabilization tool rather than a static reserve account. The model demonstrates the City can continue funding planned replacements while maintaining a substantial reserve balance throughout the planning horizon.

The projections represented within the chart are based upon currently identified replacement schedules, estimated acquisition costs adjusted for inflation at the beginning of each funding cycle, useful life assumptions, and planned annual contributions. Actual future balances may vary as equipment inventories evolve, operational demands change, inflation fluctuates, or replacement schedules are adjusted based upon condition, operational necessity, or financial considerations.

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
\$364,118	\$529,118	\$649,412	\$755,016	\$790,621	\$848,239	\$663,289	\$699,089	\$582,589	\$455,589	\$485,721	\$579,721	\$682,721	\$696,721

