

City of Sedgwick  
City Council Meeting  
December 17, 2025

**TO:** Mayor and City Council

**SUBJECT:** Equipment Replacement Policy

**INITIATED BY:** Administration

**AGENDA:** New Business

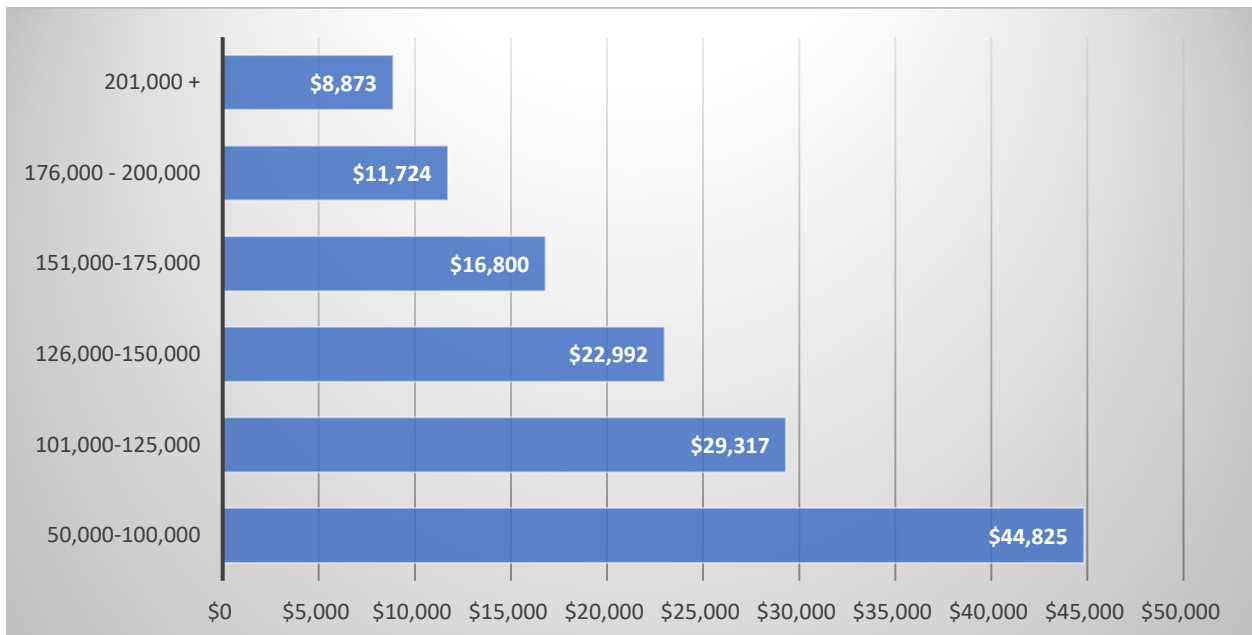
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**Recommendation:** It is recommended that city council approve the policy as presented.

**Background:** Staff presented the first draft of this plan during the November 19<sup>th</sup> workshop, identifying the need to better align our operation with current industry standards regarding asset replacement. During the presentation, council directed staff to research the effects of moving the minimum mileage requirement from 120,000 to 150,000.

**Analysis:** Staff polled sales data from 2023 – Current from Purple Wave of 2500 trucks to analyze the effects of sales price based on condition and mileage. What was found was those vehicles, within this classification and regardless of make, had an average resale value of \$29,317 at the current proposed mileage minimum. As mileage increased, the resale value decreased.

It is therefore recommended that council move forward with the current mileage minimum.



**Financial Considerations:** The implementation of this policy will strengthen the ability of the city to forecast future asset replacements while maximizing their return on investment. Understanding that this model is subject to a multitude of economic conditions, asset sales values may be higher or lower than data utilized.

**Recommendations/Actions:** It is recommended that the governing body adopt the equipment replacement plan as presented.

**Attachments:** Policy

**City of Sedgwick**  
**Equipment Replacement Plan**

**Introduction**

The equipment replacement plan is designed to provide a structured framework for the systematic replacement of equipment within the organization. This plan aims to enhance operational efficiency, maintain safety standards, and optimize financial investment through timely and cost-effective equipment upgrades. The plan covers all major equipment used within the organization, including but not limited to machinery and industrial equipment, vehicles, and specialized tools and instruments.

**Scope**

There are four main categories that help determine if replacement is warranted: age; mileage or meter reading; total work order cost; 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 of a piece of equipment or vehicle will be one of four categories that will be evaluated to determine replacement recommendations. The age will be determined based on asset type. Age requirements are as follows:

Police: 7 years

Fire: 15 years

EMS: 7 years

Light Equipment: 15 years

Light Duty Vehicles: 13 years

Heavy Duty Vehicles: 12 Years

Heavy Equipment: 11 years

**Mileage or Meter Reading:** The mileage or meter reading of a piece of equipment or vehicle will be the second category that will be evaluated to determine replacement recommendations. Mileage requirements gathered from 48 other municipalities across the country were used to develop the mileage requirements that are listed below. The majority of other communities replace vehicles after 100,000 to 120,000 miles have been driven. The meter reading requirement is based on industry standard for different types of off-road equipment. Meter reading requirements are also listed below.

Police: 120,000 Miles for Marked Patrol Units

Fire: No Mileage 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 Equipment: 5,000 to 10,000 Hours for Off-Road Equipment

### **Total Work Order Cost**

The total work order cost for a particular piece of equipment or vehicle will be the third category that will be evaluated to determine replacement recommendations. Replacement will be considered when total work order cost exceeds 75% of asset replacement value. The 75% rule is based on insurance company practice used to determine whether to repair or total a piece of equipment or vehicle.

### **Condition**

Condition is the fourth and final category that will be evaluated to determine replacement recommendations. 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.