



MEMORANDUM

TO: Mayor Prussing and Members of the City Council
FROM: Ron Eldridge, Comptroller
Bill Gray, Public Works Director
Mike Brunk, City Arborist-
DATE: September 19, 2008
RE: Budget Amendment for Purchase of Chipper Truck, PW29

Brief Description of Item. The attached budget amendment ordinance authorizes the expenditure of an additional \$15,583.00 above the present budgeted amount of \$56,830 for purchasing a new forestry chipper truck in this current fiscal year. The total cost to the City for the new truck will be \$72,413. This will allow the City to replace the current chipper truck this fiscal year as planned rather than delay replacement of a truck that has been extended 5 years over its 10 year replacement cycle.

Recommendation. Approval of the attached ordinance.

Background Information.

PW 29 is one of two forestry trucks that are used for tree trimming and hazard tree abatement work. Forestry's other truck is an aerial bucket truck with a chipper box also. Both vehicles pull a chipper and support separate tree trimming/removal crews.

The City has already saved more than the additional funds requested by extending the life of PW 29 to 15 years when it was scheduled to be replaced at 10 years of age in 2003. A quality truck purchase in 1993 and superior maintenance since has made this possible. PW 29 was budgeted for \$56,830 on a ten year replacement cycle which set aside \$5,683 each year for its purchase. Therefore the additional five years has saved the City \$28,415 of which only \$15,583.00 is needed above the budgeted amount for a new truck purchase. By extending the life of the current PW29 for an additional 5 years the City has saved enough to increase the budget now for a new truck replacement and add close to an equal amount to the Vehicle Equipment Replacement Fund (VERF) for the next replacement.

The new truck was specified with several changes from its current configuration. The new truck was specified with a "Arbortech" box covering (see attached photos) which is specifically designed to carry forestry tools and have a removable top which allows top loading of logs or young tree saplings. This change added approximately \$2,000 to cost. Also a 4000 lb. crane was added to the truck bed configuration in place of the current lift gate. This change saved approximately \$1,000 as the crane was \$1,000 less than the current lift gate system. PW 29 was also specified to have a Gross Vehicle Weight (GVW) rating of 26,000 lbs as compared to the current 21,500 lb. GVW. This change increased costs \$2,000 and was necessary in order to be sufficiently sized for forestry's chipper units which through

have increased in size and weight. The total of these specification changes amounted to approximately \$3,000.

The majority of the cost increase is due to three things as per Prairie International and confirmed by our Fleet Manager. Reduced emission standards has increased the cost of the mid sized trucks approximately \$5,000. The cost of steel has increased by 35+% over the last two years and this value equates to another \$6,000 for the cab alone. Shipping costs (fuel) and manufacturing costs have also dramatically risen since the beginning of this year. Prairie International stated the entire truck package had risen \$13,000-\$15,000 dollars, depending on options, over that last two years.

Picture shows Arbortech chipper box with removable top as specified for PW 29



Fiscal Impact.

The fiscal impact will be a decrease of \$15,583 in this fiscal years equipment budget. However a savings of \$28,415 has been achieved through 5 extended years of use with our present truck. Also, considering this new truck is the same manufacturer as our present chipper truck it is reasonable to expect similar costs savings through an extended working life.

ORDINANCE NO. 2008-09-119

**AN ORDINANCE
REVISING THE ANNUAL BUDGET ORDINANCE
(Chipper Truck Purchase)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2008, and ending June 30, 2009, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND:	Vehicle and Equipment Replacement Fund	
INCREASE EXPENSE:	Chipper Truck	\$15,583
DECREASE:	Fund Balance	\$15,583

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor