



Legislation Text

File #: 23-0042, Version: 1

Resolution to Amend the Fiscal Year 2023 Council Approved Budget to Appropriate \$3,000,000 from the Equipment Replacement Fund's Unrestricted Net Position to the Equipment Replacement Fund's Operating Budget to Fund Replacement Cost for Emergency Equipment

PURPOSE/BACKGROUND:

During FY 2021, while funds were frozen, the Public Works - Fleet Services Division worked with Newgen Financial to implement an equipment replacement model based on age, mileage, and repair costs. It was determined that the cost of emergency equipment due for replacement for the Fire and Rescue Division, and other needed emergency equipment (the "Equipment"), was more than the budgeted allocation. The higher replacement cost is attributed to, in large part, the impact that the COVID-19 pandemic has had on production, demand, and supply chains. Replacement of this Equipment is critical to the day-to-day operations of the Fire and Rescue Division and their ability to protect and serve the Hampton community. In order to expedite the purchase order of the Equipment, given the anticipated longer than average delivery time (up to 36 months in some cases), a transfer from the Equipment Replacement Fund's Unrestricted Net Position to the Equipment Replacement Fund's operating budget is requested.

Discussion:

The Equipment Replacement Fund was established to manage the replacement of City-owned equipment assets that are necessary for the day-to-day operations of City departments. On-going work is being done with City departments to identify equipment needs based on the mission to maintain City services, as well as the safety of City staff and the citizens being served. The Equipment identified as being critically in need of replacement this year will also produce revenue through services.

Impact:

As of June 30, 2022, the balance of the Equipment Replacement Fund's Unrestricted Net Position is \$15,318,897. After the \$3,000,000 appropriation to replace the Equipment, the balance of the Equipment Replacement Fund's Unrestricted Net Position will be \$12,318,897.

Recommendation:

Approve.

WHEREAS, the Equipment Replacement Fund (the "Fund") was established to manage the replacement of City-owned equipment assets that are necessary for the day-to-day operations of the individual departments and assesses an annual usage/replacement cost based on the value of the equipment at the time of purchase;

WHEREAS, the Hampton Fire and Rescue Division, in collaboration with Hampton Public Works - Fleet Services Division, has identified emergency equipment in the inventory of the Hampton Fire and Rescue Division, which includes Fire & Rescue equipment and other needed emergency equipment (the "Equipment"), that needs to be replaced this year for the continuity of service provision to the Hampton community;

WHEREAS, the replacement cost of the Equipment is \$3,000,000;

WHEREAS, the Fund's Unrestricted Net Position has enough capacity in reserves to cover the cost of the Equipment and will greatly alleviate the replacement needs; and

WHEREAS, the appropriation will expedite the order of the Equipment with the manufacturer who is currently experiencing a longer than average delivery time.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hampton, Virginia hereby amends its Fiscal Year 2023 Council Approved Budget to appropriate \$3,000,000 from the Equipment Replacement Fund's Unrestricted Net Position to the Equipment Replacement Fund's operating budget in order to cover the cost of replacing Equipment for the Hampton Fire and Rescue Division; and

BE IT FURTHER RESOLVED that the City Manager, or her authorized designee, is hereby authorized to take any and all necessary actions to carry out the purposes of this Resolution, subject to the approval by the City Attorney.