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COUNTY DEPARTMENT AGENDA REQUEST

Department/Division: Finance

Department Head: Mary S. Holland

Presenter, if needed: Toni Jo Howard

Preferred Meeting Date: Wednesday, September 3, 2008

Wording for the Agenda:

Approval of the Finance Department's recommendation that the County's Vehicle Replacement Policy be amended to include an approved color scheme for various types of vehicles, heavy equipment and other assets.

Background/History/Details:

The current policy for replacement of vehicles, heavy equipment, and other assets was adopted by the Board of Commissioners on December 13, 2007. Since that time, there has been a discussion about paint color schemes that will help the public quickly and easily identify various emergency or other vehicles. Custom and past usage of specific colors have accustomed people to associate certain colors of vehicles with certain functions, such as red fire trucks or black Marshal's vehicles.

What action are you seeking from the Board of Commissioners?

Approval of the addition of authorized vehicle color schemes to the policy for replacement of vehicles, heavy equipment, and other assets.

If this item requires funding, please describe:

Has this issue come before the Commissioners in the past? No

If so, when?

Do you need audio-visual for the presentation? No

Back-up Material Submitted? Yes

STAFF USE ONLY

Approved by Finance? Yes

Reviewed by Legal? Yes

Approved by Purchasing? Yes

Approved by Administrative Staff? Yes

Staff Notes

Administrator's Approval Yes

Confirmed Meeting Date Wednesday, September 3, 2008

- ○ Recognition/ Presentation
- ○ Public Hearing
- ○ Old Business
- ◉ New Business
- ○ Consent
- ○ Report
- ○ Other

Fayette County GEORGIA

Where Quality Is A Lifestyle

To: Toni Jo Howard

From: Ted L. Burgess

Date: August 20, 2008

Subject: Revision of Policy for Vehicle Replacement

On December 13, 2007 the Board of Commissioners adopted the county policy for replacement of vehicles, heavy equipment, and other assets (Policy #322.00). Since that time, there have been discussions about the best colors for vehicles with specific functions. The public has become accustomed to associating certain colors with emergency vehicles, and other colors with vehicles used for more routine county business.

It is proposed that the county's policy for replacement of vehicles be updated to provide guidance on colors to be used for departments' on-road vehicles. The proposed updated policy (attached) establishes that the standard color of county vehicles will be white, with the following exceptions:

1. The Sheriff has authority to determine the color(s) of vehicles used by the Sheriff's Office.
2. Vehicles used by the Marshal's Office will be black.
3. Fire and Emergency Medical Services vehicles will be red, or red with white.
4. The vehicle used by the Constable will be beige or a similar color.

Any exception to these colors must be approved by the County Administrator prior to acquisition of the vehicle. When a vehicle is transferred from one department to another, if it is not the authorized color for the receiving department, it must be painted the authorized color.

FAYETTE COUNTY
POLICY: REPLACEMENT OF VEHICLES, HEAVY EQUIPMENT, AND OTHER ASSETS

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PURPOSE

Fayette County owns and uses vehicles, road-construction and other heavy equipment, tractors, trailers, and similar assets in conducting county business. This policy and procedures section is designed to produce the desired outcomes of:

- Predictability in establishing annual budgets for asset replacement.
- Predictability for the Departments in planning replacement and use of assets.
- Minimized wait times between identifying the need to replace an asset and receipt of the new asset.
- Conservation of tax dollars by achieving optimum useful life from each asset.
- Enabling employees to conduct county business by providing appropriate equipment.

POLICY

Vehicles, heavy equipment, tractors, and similar assets will be purchased, maintained, used, and retired in a manner that provides the best return on investment. The policy for replacement of these classes of assets is designed to accomplish this goal, while assuring that appropriate equipment is available to effectively conduct county business.

Note: Except as otherwise noted, this policy does not pertain to assets acquired with federal or state seizure funds, property obtained through the Georgia Emergency Management Agency's 1033 Excess Property Program, or other non-county resources. Assets used by Water System and Solid Waste will be replaced with enterprise funds, but will follow the process set forth in this policy.

PROCEDURES

A. Funding for Asset Replacement

A sinking fund shall be established and maintained for the systematic, timely replacement of vehicles, road machinery, tractors, trailers, and similar assets. This will be a reserve account, with the fund balance carried forward each fiscal year.

As part of the annual budget process, the Finance Department will recommend an estimated amount to be added to the fund. Proposed amounts will be based on an annuity that will enable relatively consistent amounts to be added to the sinking fund each year.

The fund will consist of two amounts:

1) The annuity balance designated to replace vehicles and other assets, as approved by the Board of Commissioners during the annual budget process.

2) An amount to be used for unexpected or infrequent events, such as damaged or wrecked vehicles. This portion of the fund can be used to compensate departments for actual losses sustained, such as insurance deductibles or repairs that insurance has not covered, upon approval of the Board of Commissioners.

B. Criteria for Replacement

County departments should use assets until it is no longer advantageous to keep them, due to economic, obsolescence or other reasons. Guidelines as to expected useful life of assets have been established using age, mileage or both as criteria, as appropriate. The guidelines assume proper maintenance and repair of the assets.

Guidelines for replacement of vehicles are based on mileage and age, as follows:

1. Emergency / pursuit sedans, trucks, & SUV's	100,000 miles or	5 years
2. Other sedans and sport-utility vehicles	150,000 miles or	7 years
3. Pickup trucks, vans	150,000 miles or	10 years
4. Dump trucks	120,000 miles or	10 years
5. Ambulances	250,000 miles or	10 years
6. Fire apparatus (front-line service)		15 years
7. Fire apparatus (reserve – after 15 years front-line)		5 years
8. Brush units / BFP units		10 years
9. Rescue Units		15 years

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Guidelines for other assets covered under this policy are:

10. Backhoes, bush hogs, compactors, drum rollers, hay blowers, loaders, rollers, sand & salt spreaders, tack distributors, track hoes, large tractors, and similar equipment	15 years
11. Dozers, graders, pan scrapers, skid steer loaders, soil compactors, and similar equipment.	20 years
12. Trailers	15 years
13. Grounds equipment, mowers, tractors, attachments	7 years

Replacement guidelines for other assets that do not fit these descriptions will be established on a case-by-case basis as needed.

Assets included in Categories 1-11 above will be placed on consent agendas after consideration and approval by the Vehicle Replacement Committee, as described in Part E below. Assets included in Categories 12-13 will not need to go through the Vehicle Replacement Committee for replacement; instead, they can be replaced as approved in the budget development and approval process.

C. Maintenance and Care of Assets

The department head who is custodian for an asset will be responsible for maintaining it in good repair and working condition until it is replaced. Records should be kept by each department to document regular maintenance and reasonable care that preserve the utility of each asset.

The county's Fleet Maintenance operation is available for most maintenance and many types of repairs. The Sheriff's Department is invited to use this service, especially in instance when they will realize an economic or other benefit. Other departments and offices are to use Fleet Maintenance to repair, maintain and preserve their vehicles or heavy equipment.

D. Authorized vehicle colors

The color of a county vehicle helps citizens to quickly identify its official purpose. All newly acquired vehicles will be white, with the official logo of the acquiring department, with the following exceptions:

1. The Sheriff has authority to determine the color(s) of the vehicles used by the Sheriff's Office.
2. Vehicles used by the Marshal's Office will be black.
3. Fire and Emergency Medical Services vehicles will be red, or red with white.
4. The vehicle used by the Constable will be beige or a similar color.

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Any other color exceptions must be approved by the County Administrator prior to acquisition of the vehicle. When a vehicle is transferred from one department to another, if it is not the authorized color for the receiving department, it must be painted the authorized color.

E. Replacement Planning

The Finance Department will coordinate development of an annual projection of assets that will meet the guideline criteria for the upcoming fiscal year. The Finance Department will prepare a spread sheet that identifies, based on available information within the asset inventory system, all of the assets that will meet replacement guidelines at the beginning of the upcoming fiscal year. The Finance Department will forward the draft document to other departments, who will update mileage or other data as needed, and return it to the Finance Department. The finished document will be used for planning and budget purposes, to increase the level of predictability in establishing annual contributions to the sinking fund, and to assist departments in planning for asset replacement.

Timeframes and deadlines for this document will be established by the Finance Department each year in order to include the information in the overall budget development process.

F. Replacement Process

After an asset meets the guideline criteria for replacement, or when it is expected to do so in the upcoming quarter, the department to which the vehicle is assigned will be responsible for obtaining an inspection by Fleet Maintenance. The Director of Fleet Maintenance will determine if the asset can be economically repaired and returned to duty, or if it should be retired from its present use for safety, economic, or other concerns. If the asset can no longer be appropriately used in its present capacity, the Director of Fleet Maintenance will recommend whether the county should retire the asset, or use it in another capacity. The recommendation will consider the estimated remaining useful life, cost to maintain, anticipated downtime, or any other pertinent facts.

A standing Vehicle Replacement Committee shall consist of:

- the Finance Director or designee(s)
- the Fleet Maintenance Director
- the Chief Marshal
- a representative of the Sheriff's Department
- any other person(s) as decided by the County Administrator

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The Committee shall be chaired by the Finance Director or designee. Its primary purpose will be to recommend replacement, re-assignment, or other disposition of vehicles, heavy equipment, tractors, trailers, and similar assets, as requested by department heads.

The Chair of the Vehicle Replacement Committee will schedule quarterly meetings to consider recommendations for asset replacement. Assets will be considered (1) which have met the criteria for replacement, or are anticipated to do so in the upcoming quarter and (2) which have been inspected by Fleet Maintenance prior to the meeting date. The Committee Chair will consider proposals from the Sheriff's Department, Fleet Maintenance, or others regarding the scheduling of meetings to take advantage of manufacturers' production or delivery schedules, urgency of replacing the vehicles, or other considerations.

The Fleet Maintenance Director will bring documentation to Committee meetings that will facilitate the process of developing recommendations for vehicle replacement. The documentation will include the results of the Fleet Maintenance inspection, plus any other observations or information that will be needed to make a good recommendation. Documentation should also note any attachments or components that can economically be removed from the old asset and reassigned to a new one.

The head of the department that owns the asset, or his / her designee, will be a participant in the called meeting, and will provide information as needed by the Committee. The department's representative will provide a list of proposed purchases to replace the asset(s), including any additional components, attachments, or other add-on equipment.

NOTE: The following distinctions are provided to clarify what types of items should be included in an asset replacement proposal, and what types of items should be a separate purchase decision. For this purpose, two categories of property are considered:

1) **Attachment** – tangible property that is usually actually attached to the "parent" asset (e.g. automobile or truck), and they function as one piece of equipment. In general, an attachment should:

a) Have the same person responsible for the parent asset and the attached item.

b) Be financially depreciated in the accounting records with the parent asset.

c) Plan to be disposed of with the parent asset ***or*** removed and transferred to a different parent asset later.

Examples of attachments would include decals, light bars, push bumpers, headlight flashers, or prisoner cages. Although some of these items are often

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used in more than one vehicle, it is not administratively or financially advantageous to tag, inventory, depreciate and track these items separately.

2) **Component** – tangible property that is related to, but not an integral part of, another asset. Generally, a component will:

a) Be able to function away from the parent asset, either as a stand-alone unit or with another parent.

b) Be financially depreciated (if applicable) separately from the parent asset.

c) Be inventoried and tracked separately from the parent asset.

c) Ordinarily be disposed of separately from the parent asset.

Examples of components include 800 MHz radios, digital video cameras, or shotguns.

The department head should request any *attachment* items along with a new "parent" asset. *Component* items will be part of a separate purchasing decision process and, in general, should be considered as part of the annual budget development process, apart from vehicle or other "parent" asset replacement.

After the Vehicle Replacement Committee has voted to recommend replacement of an asset, the Finance Department will prepare a consent agenda request for the Board of Commissioners' consideration. The request will include the proposed type and cost of the replacement vehicle or other asset, as well as any attachments or other proposed expenditures that are not part of the requesting department's existing Maintenance and Operating budget.

In order to assure that insurance, asset security, and overall accountability are maintained, acquisition or retirement of assets will be addressed by the Board of Commissioners through the consent agenda process as follows:

1. Acquisition of assets:

(a) The Board of Commissioners will give prior approval to the acquisition of any asset that falls within the scope of this policy, whether purchased with county funds, or with enterprise funds such as water system or solid waste disposal revenues.

(b) Assets that are available as a result of federal or state seizure or similar program may be acquired through the court process. To assure that assets are properly insured, registered and titled within timeframes allowed, the Finance Department will need to be notified within two weeks of acquisition.

(c) For the reasons enumerated in (b) above, the Sheriff's Department will need to notify the Finance Department of assets purchased through use of *resources derived* from sources such as federal or state seizure programs

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(e.g. cash or trade-ins) within two weeks of acquisition. This will enable the Finance Department to assure that vehicles are properly insured, registered and titled within time frames allowed.

2. Disposal of assets:

(a) The Board of Commissioners will give prior approval to the disposal of any asset that falls within the scope of this policy, and which was purchased with county funds or enterprise funds.

(b) The Board of Commissioners must authorize the Finance Department to take necessary actions associated with the disposal of assets acquired through federal seizure, state seizure, or similar programs. This includes, but is not limited to, such steps as transfer of confidential license tags from an old vehicle to a new one, removing as asset from the county's inventory records, or properly recording financial transactions (e.g. monthly depreciation schedules). So that the county can properly execute these types of transactions, the Sheriff's Department agrees to notify the Finance Department of disposal of federal seizure, state seizure, or similar assets within two weeks of such disposal.

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