

Resolution 75 -09

To Authorize Borrowing For Highway Trucks

WHEREAS, the projected repair and maintenance costs over the next three years of the highway tandem trucks are significant; and

WHEREAS, additional costs for emissions equipment will be incurred on these trucks if purchased after approximately 3/2010 and annually over the next three years per the CIP budget; and

WHEREAS, additional ongoing costs of urea and required support equipment will be incurred related to the emissions equipment; and

WHEREAS, the repair and maintenance costs of replacement vehicles are projected to be substantially less over the next three years; and

WHEREAS, emissions equipment and related expenditures will not be required if replacement vehicles are purchased prior to the cutoff date of approximately 3/2010;

WHEREAS, the total expected savings of replacing these vehicles immediately is at least \$247,000

WHEREAS, the offsetting interest costs of a three year loan of approximately \$966,000, is expected not to exceed \$91,000 yielding a net savings of at least \$156,000,

NOW, THEREFORE, BE IT RESOLVED, the Polk County Board of Supervisors hereby directs the Finance Committee to obtain a loan not to exceed \$1,050,000 to be paid off over the next three years with proceeds used to purchase the 6 replacements trucks currently planned to be purchased under the CIP budget in years 2010, 2011 and 2012.

Funding Amount: Not to exceed \$1,050,000

Funding Source: Loan proceeds

Date of County Board Action: Failed

Approved as to Form: Jeffrey B. Fugate

Date Submitted to County Board: 10-20-09

Submitted By: Nancy P. Reapstone

Effective Date: Upon Passage

Polk County
Vehicle Maintenance Analysis
10/7/2009

An analysis of the average repairs and maintenance cost per truck is as follows:

Repairs and Maintenance cost <i>per existing truck</i> for the next 3 years =	51,020
Repairs and Maintenance cost <i>per replacement truck</i> for the next 3 years =	<u>20,211</u>
Difference	30,809
Emissions Equipment for Trucks purchased after 3/31/2010 (Per Truck)	9,600
Three year cost of urea per truck	<u>810</u>
Total Savings per Truck	41,219
Total Savings for all six trucks	\$ 247,314
Interest cost for 3 year loan	<u>90,084</u>
Total Net Savings	<u><u>\$ 157,230</u></u>

Note:

Loan for six vehicles is \$966,000 (With Trade In's)