

STAFF REPORT

MTG. DATE:	January 4th, 2023
TO:	Public Works & Properties Committee
FROM:	Brian Peterson – Deputy Director of Public Works & Utilities
RE:	2023 Equipment Purchase

BACKGROUND

Purchasing and receiving vehicles especial plow trucks has changed over the last several years due to supply chain issues. It currently takes 18 months from the time you tell them you want a truck to the point you take ownership. There will be surcharges that will be added that are out of ours or the dealership's control and could be roughly estimated at \$10,000.

OVERVIEW

OPTION 1

2023 budgeted equipment - Plow Truck \$211,000 budgeted, actual cost \$240,000 (roughly)

¾ ton pickup \$55,000 budgeted actual cost \$56,500

Hybrid vehicle \$80,000 budgeted actual cost N/A

OPTION 2

2023 equipment purchase - Plow Truck \$211,000 budgeted actual cost \$240,000 (roughly)

2 ¾ ton pickup \$55,000 budgeted actual cost \$56,500 = \$113,000

Total Budgeted for 2023 equipment purchases \$346,000. Purposed spending \$363,000. Most of the funds will not be paid until 2024 with the intention of selling the plow truck that is being relaced to cover the short fall in the budget. My intention would be to sell the plow truck we are replacing at the end of the 2023-2024 plow season to have the funds available.

RECOMMENDATION

Approve option 2. We will not take ownership until mid-2024