

**CITY OF WAUKESHA****Administration**

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<b>Committee:</b> <b>Finance Committee</b>	<b>Date:</b> <b>1/10/2017</b>
<b>Common Council Item Number:</b> <b>ID # 17-0010</b>	<b>Date:</b> <b>1/17/2017</b>
<b>Submitted By:</b> Rich Abbott Fred Abadi Bob Foxx	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator <b>KML</b>
<b>Finance Department Review:</b> Rich Abbott, Finance Director RLA	<b>City Attorney's Office Review:</b> Brian Running, City Attorney <b>BER</b>
<b>Subject:</b> Review and act on a request to amend the 2017 CIP for 1 additional Dump Truck using current budgeted funds and insurance proceeds. This would require a budget amendment for the insurance proceeds portion of the CIP amendment.	

**Details:**

On December 30, 2016 a fire broke out on vehicle 20 (Dump Truck – Year 2006) and it is a total loss. The insurance company has estimated the actual cash value to be between \$50,000 and \$70,000, but that is only an estimate at this time. Additionally, we have just received bids for the chassis, bodies, plows & wings in cooperation with Waukesha County. Those bids came in favorable and without most of the anticipated price increase. It is estimated that the trucks will be between \$160,000-\$165,000. If you combine those bid savings with the insurance proceeds we should be able to replace the truck without any additional borrowed funds.

**Options & Alternatives:**

Option 1 – Order and replace vehicle 20 as described above using the favorable bid pricing and insurance proceeds.

Option 2 – Replace the truck in 2018 and add it to the list. This option is not ideal with the knowledge of the favorable bids and the risk of increasing interest rates. It would also mean that the DPW would be without the use of one vehicle for an additional 12 months.

**Financial Remarks:**

The budget increase would be in fund 0430, account 4305.48440 for whatever the amount of the insurance proceeds were and the expense would be in account 4333.68140. As mentioned, it is estimated that the amount would be between \$50 - \$70K.

**Executive Recommendation:**

Recommend the budget amendment and approve the additional dump truck purchase.

