

DEPARTMENT: Public Works

BY:

PHONE: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No_X_)

Discussion and approval to modify tracking of depreciation and replacement funds in the Fleet Operations budget.

During the audit by the State Controller's office, issues regarding tracking of Road fund revenues and costs were addressed. A recommendation was made that these funds need to be completely separate from any other funds. Also, the issue of vehicles and equipment costing more than accumulated funds was raised. Currently, both General Fund and Road Fund vehicles and equipment have exceeded funds available without additional funds from the departments being reimbursed to the replacement funds.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board has not taken previous action on this subject.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

N/A

COSTS: () Not Applicable

A. Budgeted current FY \$ _____

B. Total anticipated costs \$ _____

C. Required additional funding \$ _____

D. Internal transfers \$ _____

SOURCE: () 4/5ths Vote Required

A. Unanticipated revenues \$ _____

B. Reserve for contingencies \$ _____

C. Source description: _____

Balance in Reserve for Contingencies, if approved: \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:

Allan memo dated 4/3/02

CLERK'S USE ONLY:

Res. No.: 02-13 Ord. No. _____

Vote - Ayes: _____ Noes: _____

Absent: Keith Abstained: _____

() Approved () Denied

() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

ATTEST: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:

_____ Recommended

_____ Not Recommended

_____ For Policy Determination

_____ Submitted with Comment

_____ Returned for Further Action

Comment: _____

C.A.O. Initials: AW



COUNTY of MARIPOSA

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DEPARTMENT OF PUBLIC WORKS

Divisions of:

- Design & Construction
- Administration
- Operations

James J. Petropulos
Director

April 3, 2002



TO: Greg Iturria, County Administrative Officer
Board of Supervisors

FROM: Marty Allan, Fiscal/Safety Officer *MA*

SUBJECT: Proposed Changes to the Fleet Operations and Replacement Funds

I have had initial discussions with Ken Hawkins about modifying how we track the depreciation and replacement funds for Fleet. It is our opinion that by taking the revenue and expense for depreciation and replacement out of the operations budget it would give a clearer picture for operations costs and revenue. We would further recommend that the current Funds 703 Vehicle Replacement and 704 Heavy Equipment Replacement be changed to 703 General Vehicle Replacement Fund and 704 Road Vehicles and Equipment Replacement Fund. This would then allow all Road Fund charges to be in one separate fund and would satisfy the recommendation of the State Controller's Office during the recent audit of Road Funds. It would also allow for the rest of the fleet to be tracked separately. The other problem that would be solved is that of higher usage than anticipated which in turn means higher depreciation costs than budgeted. By changing to the proposed scenario, increased depreciation charges would just mean unallocated revenue.

We propose to make the adjustments before the end of this fiscal year in order to start next year with a clean slate. This would involve making many adjustments and adding new line items to funds 703 and 704.

Staff is working to identify the variances in both funds for vehicles and equipment that did not have enough money accumulated in the replacement funds prior to the new purchase. This also includes the problem of vehicle upgrades that were not covered by the department.

It appears that much of the current shortfall in the account is attributed to the above problem.

cc: James Petropulos, Director
Dana Hertfelder, Assistant Director
Ken Hawkins, County Auditor