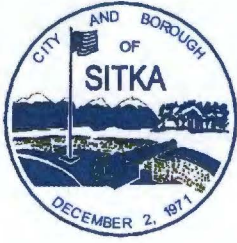


Sponsors: Knox, Paxton, Bean

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-55
on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Assembly Members
Keith Brady, Municipal Administrator

From: Kevin Knox, Mayor Paxton and Aaron Bean

Date: December 4, 2018

Subject: Approval of Budget Appropriation supporting Senior Care-A-Van

In partnership with the City of Sitka, Catholic Community Services (CCS) has provided transportation to Sitka seniors who have limited access to personal transportation. Over the past several years CCS has been working to replace its aging fleet of vans with funding from an Alaska DOT grant and matching funds including appropriations from the CBS. The Alaska DOT grant requires a 20% match for each vehicle and CCS has secured \$8,500 of the required \$16,500 match for the final purchase.

Alaska DOT and matching funding for replacements of three of the aging vans:

- 2016 \$93,800
- 2017 \$75,000
- 2019 Final delivery planned for March \$82,500

The Senior Care-A-Van provided over 8,600 rides last year to seniors throughout our community.

- Care-A-Van provides transportation for people with disabilities who are unable to ride the public bus and for anyone age 60 or older.
- Care-A-Van takes passengers anywhere they would like to go: to the doctor's office, the store, friend's house, post office, prescription pickup, grocery store and the bank.
- Drivers are trained and offer assistance to riders from door to bus and bus to door.

City of Sitka contribution to repairs, maintenance, and fuel are major components of making this operation viable for our community. CBS budget line items for Senior Transportation and Maintenance:

- 2015 Total spending \$32,637
- 2016 Total spending \$27,800
- 2017 breakdown- Fuel \$23,966, Parts/Labor/oil \$10,725

- 2018 Budget- Transportation/vehicles \$38,000 (initial overview will reflect a larger need for service for those older vans over 2017 service).

As vehicles age the frequency of maintenance intervals increase, many times regardless of how big or small the fix may be, though the frequency of larger fixes obviously increases with age. As vehicles age the availability of parts sometimes becomes an issue, as these vehicles are specially built year by year. Older vehicle parts are often only available as non-OEM and are many times not covered under any warrantee.

CBS standards are to plan to replace vehicles at 10-year /100k miles and only allow vehicles to extend to 15-years if they show no major maintenance issues and are low mileage light duty use.

Industry Standards on mileage/years for fleet replacement generally ranges from 8 to 10 years and 100k miles. Beyond that on average you will be paying more in maintenance per year than the value of the vehicle. It is better to have a more sophisticated replacement approach that tracks cost including fuel relative to depreciating value and advancements in technology that yield reduced cost/fuel.

The following is an overview from Public Works and Central Garage:

Big Picture:

- The subject third replacement vehicle should be #934 (2011) with 64,254 miles which has about four more years until it reaches 100k miles (@9,000 miles per year)
- The cost to central garage to maintain the same level of service is not projected to change in a meaningful way in terms of this agenda item. This is based on a comparison of CBS maintaining the subject vehicle until it is red-tagged (increased cost in a few years from now) or CBS paying upfront capital of \$8,000 to avoid this scenario.
- There has only been one vehicle replaced at this point and we will be well into 2019 before the second vehicle is replaced (#982) which has elevating maintenance problems. This is the biggest risk to rising cost right now.
- Based on the prior vehicles long lead time, it seems unlikely the third vehicle will be replaced in the FY19 budget.
- Central Garage would benefit from vehicle replacement prior to 100k miles to avoid tying up the shop for constant repairs. We need to focus on the CBS fleet especially emergency vehicles.
- Timely replacing the vehicle would improve reliability of service for senior programs.
- If the vehicle is not replaced and ultimately red tagged that may lead to a long-term loss of service for seniors

CITY AND BOROUGH OF SITKA

**ORDINANCE NO. 2018-55
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2019
(SENIOR CITIZEN VAN MATCH DONATION)**

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for Fiscal Year 2019.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriations for the budget period beginning July 1, 2018 and ending June 30, 2019.

<u>FISCAL YEAR 2019 EXPENDITURE BUDGETS</u>
GENERAL FUND
Other Expenditures – Donations: Increase appropriations in the amount of \$8,000 to help fund a Grant match to the Catholic Community Services to purchase a Senior Citizen Van.

EXPLANATION

Necessary revisions in the FY2019 budget were identified. These changes involve the increase of expenditure accounts. A short explanation is included.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 20th Day of December, 2018.

ATTEST:

Gary L. Paxton, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 12/11/18
2nd and final reading 12/20/18

Sponsors: Knox, Paxton, Bean