



Legislation Text

File #: 15-1352, **Version:** 1

Community Development Agency, Transportation Division, recommending the Board authorize the Road Fund to purchase the County fueling facilities from Fleet Services, an Internal Service Fund, for \$104,665.

FUNDING: Road Fund.

DEPARTMENT RECOMMENDATION

The Community Development Agency, Transportation Division recommends the Board authorize the Road Fund to purchase the County's fueling facilities at the Transportation Division's shop yards in Placerville, Meyers, and Tahoma from Fleet Services, an Internal Service Fund, at a cost of \$104,665.15.

DISCUSSION / BACKGROUND

Between 1988 and 1998, fueling facilities consisting of fuel tanks, pumping equipment, canopies and the associated plumbing were installed at the County's maintenance yards in Placerville, Meyers and Tahoma. These facilities were originally purchased as expenditures in Fleet Services, an Internal Service Fund, and were booked as assets of Fleet Services, but these systems have in more recent years been used exclusively as diesel fueling systems for Transportation-owned vehicles and equipment and rental equipment used on Transportation projects. The cost of the fuel stored in the tanks as well as the periodic monitoring cost has been borne by Transportation. Fleet Services has no use for the facilities as Fleet vehicles are fueled at contracted vendor fueling sites.

The fueling systems are currently in need of repair and updating of equipment to maintain safety, to provide more accurate recording of fuel usage, and to be in compliance with Environmental Protection Agency regulations. In order for the Transportation Division to be able to make and fund such repairs and improvements to these fixed assets, the fuel facilities need to be under the ownership of Transportation. These repairs/updates are planned to be performed as soon as possible on the facilities at Headington (Placerville), and before the end of the fiscal year at the Shakori (Meyers) facilities.

In order to determine the value of the assets being transferred, a valuation was provided by Tait Environmental Services, a company that engineers, designs and constructs fuel systems for retail and fleet operations (Attachment C). Community Development Agency (CDA) staff compared this to the book value established by the County Auditor's office (Attachment B) for each of the assets and determined a fair transfer cost would be the lesser of the Tait valuation or the actual book value. The total value of all three facilities was determined to be \$104,665.15, as shown on the attached journal entry (Attachment D) that will facilitate the transfer of funds from the Transportation Road Fund to Fleet Services. A property transfer form has been prepared and signed by the CDA Director which will update the County's fixed asset assignments moving the fueling systems from Fleet Services to the Road Fund (Attachment A).

ALTERNATIVES

If the transfer of ownership is not approved, Fleet Services would need to fund any necessary maintenance and improvements, and the costs would need to be billed to the Road Fund as the fueling system is only for the benefit of the Road Fund.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

Chief Administrative Office recommends moving staff's recommendation.

FINANCIAL IMPACT

There is no impact to Net County Cost; this transfer is wholly funded by the Road Fund. Appropriations are currently budgeted in the Fiscal Year 2015-16 Community Development Agency, Transportation Division budget and were specifically listed in the table of changes made to the CDA budget during the budget addenda process in September.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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Transportation Division Director