

## CITY OF WASHINGTON, ILLINOIS Committee of the Whole Agenda Communication

Meeting Date: Monday November 13, 2023

Prepared By: Brian Rittenhouse – Public Works Director

- Agenda Item: Discussion Street Sweeper Replacement.
- **Explanation:** The street sweeper is an important piece of equipment in the Public Work's fleet. It was mentioned at the February 6 council meeting that Council may want to consider a shorter replacement schedule for the sweeper due to the costly repairs that are occurring as the equipment ages. A couple of options are as follows; staff continues to fund the street sweeper as we currently have been or the possibility of a shorter replacement schedule that factors in an agreed upon 5-year trade in value.

## **Current 10-year MERF Schedule**

Benefits

• Funding – Funding is spread out over 10 years which keeps yearly transfers low.

Drawback

- Aging Unit The sweeper starts to look its age.
- Maintenance Increase in yearly maintenance cost due to age and use.
- Downtime With increased maintenance comes more downtime.

Staff has spoken with EJ Equipment, who reps Tymco, and they have submitted a proposal for a buyback program that would guarantee the City a known trade in value in 5 years as long as the agreed upon maintenance takes place. Please note this would not obligate the City to purchase sweepers from EJ Equipment every 5 years.

## 5-Year MERF Schedule with known Trade Value

Benefits

- New Unit Putting a new unit on the streets every 5 years.
- Warranty Chassis and auxiliary motor 5-year warranty.
- Repairs Avoid repairs that come with long-term use and wear.
- Funding Funding will level off with small increases every 5 years.

Drawback

• Agreed upon price could change if something major occurred.

**Fiscal Impact:** There are sufficient funds available in the MERF Fund for this purchase in Fiscal Year 24-25.

**Staff's Recommendation:** Staff would recommend looking into purchasing a new street sweeper in Fiscal Year 24-25 with the intention of trading it in for a new unit in 5 years for an agreed upon price.

Action Requested: Discussion and direction.

Buy Back 5-Year Replacement Schedule								
FY		Year	Trade-In-Value	Depr %	Depr Amount			
16/17		2016	\$265,000.00	20%	\$53,000.00			
17/18		2017	\$212,000.00	10%	\$21,200.00		Maintenance	
18/19		2018	\$190,800.00	10%	\$19,080.00		\$3,000.00	
19/20		2019	\$171,720.00	10%	\$17,172.00		\$4,000.00	
20/21		2020	\$154,548.00	10%	\$15,454.80		\$12,000.00	
21/22		2021	\$139,093.20	10%	\$13,909.32		\$4,300.00	
22/23		2022	\$125,183.88	10%	\$12,518.39		\$8,600.00	Last 3 Years
23/24		2023	\$112,665.49	10%	\$11,266.55		\$30,000.00	\$42,900.00
24/25		2024	\$101,398.94	Trade				
							Current Funding	\$35,600.00
			\$284,910.27	Funded			Funding Increase	\$12,255.59
			\$386,309.21	Total				
								3.00%
FY	Price Est.	Year	New Price/Trade	Depr %	Depr Amount			1.03
24/25	. ,	2024	\$368,840.00	20%	\$73,768.00			\$47,855.59
25/26		2025	\$295,072.00	10%	\$29,507.20			\$47,855.59
26/27		2026	\$265,564.80	10%	\$26,556.48			\$47,855.59
27/28	\$390,000	2027	\$239,008.32	10%	\$23,900.83		Price	\$47,855.59
28/29	\$395,000	2028	\$215,107.49	10%	\$21,510.75		After Trade	\$47,855.59
29/30	\$400,000	2029	\$193,596.74				\$206,403.26	\$239,277.95
								\$432,874.69
							Over	\$32,874.69
FY	Price Est.	Year	New Price/Trade	Depr %	Depr Amount			
29/30	\$400,000	2029	\$400,000.00	20%	\$80,000.00			\$49,859.91
30/31	\$405,000	2030	\$320,000.00	10%	\$32,000.00			\$49,859.91
31/32			\$288,000.00	10%	\$28,800.00			\$49,859.91
32/33	\$415,000	2032	\$259,200.00	10%	\$25,920.00		Price	\$49,859.91
33/34	\$420,000	2033	\$233,280.00	10%	\$23,328.00		After Trade	\$49,859.91
34/35	\$425,000	2034	\$209,952.00				\$215,048.00	\$249,299.57
								\$459,251.57
							Over	\$34,251.57