

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 08/13/07		Item Number: <u>A-7</u>	
AGENDA ITEM: Approval of a Budget Amendment to the Fiscal Year 2007-08 Equipment Replacement Fund (ERF) in the Amount of \$350,000 for the Purchase of Diesel Emission Control Devices.			
Contact Person/Dept.: Paul Condran or Mary Noller		Phone Number: 310.253.6520 (Paul Condran) or 310.253.6012 (Mary Noller)	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: None Required			
Department Approval: Steve Cunningham (07/30/07)		City Attorney Approval: Carol Schwab (by H. Iker) (08/06/07)	
City Controller Approval: Marlee Chang (08/07/07)		City Manager Approval Jerry B. Fulwood (08/08/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a Budget Amendment to the Fiscal Year 2007-08 Equipment Replacement Fund (ERF) of \$350,000 for the Purchase of Diesel Emission Control Devices. <u>A four-fifths vote is required to approve a budget amendment.</u> <u>BACKGROUND:</u> The California Air Resources Board (ARB) mandates the reduction of harmful emissions (particulate matter (PM) and nitrous of oxides NOx) from diesel engines greater than 14,000 lbs through the use of Best Available Control Technology (BACT) devices. This rule affects all heavy and medium duty diesel powered equipment within this weight classification, and by separate rule, affects all in-service residential and commercial refuse collection vehicles. Refuse collection vehicles have a more stringent mandate whereby these engines must be made compliant by December 2007. The ARB has separated vehicle engines into three groups (depending on the model year) for implementation of emissions reductions requirements. All of our vehicles fall into Group-2. Except for refuse vehicles, the ARB provides for a multi-year implementation compliance schedule (phasing) beginning in 2007 through year 2010, increasing from 20% in the first year to 100% in the final year.			

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DISCUSSION:

During the ERF Sub-Committee meeting on April 25, 2007 held with City Departments and our Council Sub-Committee, Transportation staff discussed in detail the requirements of the ARB rule and identified the estimated costs associated with the mandate. The estimated cost is \$13,000 each (per-vehicle depending on engine type and exhaust temperature). The City has approximately 24 vehicles that are affected under this rule. The ERF Sub-Committee, comprised of Mayor Corlin and Council Member Rose, recommended that Transportation Staff move forward with the acquisition and put all affected vehicles in compliance during the current fiscal year (FY07/08) and not retrofit our equipment under the phased-in implementation schedule because the cost of this equipment is increasing and will be much more expensive in future years. This budget amendment also includes funding for a specially manufactured cleaning machine to maintain these devices.

The \$350,000 in funding for this program was inadvertently omitted when the final ERF budget was forwarded to the City Council for approval.

Transportation staff has identified an opportunity to use cooperative purchase agreements that were competitively bid by other public entities for the acquisition of these specifically designed diesel emission control devices. Cooperative purchase agreements are fiscally responsible and save the City considerable resources.

FISCAL ANALYSIS:

The Equipment Replacement Fund has adequate funding to fully fund this budget amendment. This will be considered a one-time cost and will not be amortized back through City Departments.

MOTION:

That the City Council

Approve a budget amendment of \$350,000 to the Equipment Replacement Fund (account 30764500.732100) for the Purchase of Emissions Control Devices.

A four-fifths vote is required to approve a budget amendment.