

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: November 5, 2015**

SUBJECT: Budget Transfer for Capital Repair - Excavator

SUBMITTING DEPARTMENT: Utilities Department

PREPARED FOR: Neil Wadsworth, Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: None

SUMMARY BACKGROUND: Every year staff budgets repair money in the amount of \$25,000 under the Recharge Fund Operating Budget to make repairs to the excavator. The excavator is 12 years old and has 5,150 hours of operating time. Normally the repairs consist of routine parts replacement. This year, the Excavator is in need of: a new engine; swing gear bearing; and main wiring harness, costing approximately \$35,000. These repairs will significantly extend the useful life of the equipment and therefore are considered a Capital Repair that can be depreciated. Because of this distinction, the funding for the repair must be made from the Capital Budget, which currently does not have a budget allocation.

Staff is requesting the approval of budget transfers from the Recharge operating fund in the amount of \$25,000 and \$12,000 from the Reclaimed Water Operating fund to cover the cost.

The excavator is a critical piece of equipment that is used to rebuild berms in the recharge channel south of the wastewater treatment plant. This operation allows us to obtain recharge credits from the Arizona Department of Water Resources and to help fulfill our obligation to accrue credits in accordance with our agreement with Water Property Investors.

OPTION ANALYSIS: The Council may vote to:

- 1.) Approve the Budget Transfers, **OR**
- 2.) Not Approve the Budget Transfers, **AND/OR**
- 3.) Direct staff to pursue other options.

ACTION OPTION: Motion to approve Budget Transfers from Operating Funds to Capital Funds for the repair of the Excavator. **VOTE.**

RECOMMENDATION: Town staff recommends approval of the budget transfers, as detailed in the Fiscal Analysis.

FISCAL ANALYSIS: The current budget status and transfer detail for this work in FY 15/16 is outlined as follows:

Transfer from:

Account Code	Description	Fund	Available	Amount to Transfer Out
531-7030-641-4230	General Equipment	Reclaimed Water	\$25,000	\$12,000

	Repairs	Operations Budget		
541-7040-641-4320	General Equipment Repairs	Recharge Operations Budget	\$25,000	\$25,000
			Total	\$37,000

Transfer to:

Account Code	Description	Fund	Available	Amount Transferred In
541-7040-700-7410	Machinery and Equipment	Recharge Capital Budget	\$ 0 Error! Not a valid link.	\$37,000

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____