Jefferson County
Board of Commissioners
Agenda Request

To: Board of Commissioners
Mark McCauley, County Administrator

From: Monte Reinders, Public Works Director/County Engineer

Agenda Date: December 23, 2024

Subject: Legislative Adoption of 2025 ER&R Equipment Rates (Roads)

Statement of Issue:

Washington Administrative Code (WAC) 136-600 requires that the County's legislative authority adopt the Equipment Rental and Revolving (ER&R) fund rates for the county road program each year. Note that while the Fleet Division rents vehicles to many other county programs including Solid Waste, Sheriff, Health, DCD, and various other departments, this requirement only applies to the equipment used by the County's road program.

By April 1st of each year, the county engineer must submit the following documents to the County Road Administrative Board (CRAB):

- Adopted ER&R rates for county roads equipment and vehicles for the current year;
- The resolution of the legislative authority adopting said rates;
- The ER&R fund management policy

These submittals are part of the requirements for the County to maintain its certificate of good practice which in turn enables the county to receive motor vehicle fuel tax (MVFT) revenue. MVFT provides approximately $1.5 million to Jefferson County each year for road purposes.

In mid-2024, the County Administrator determined that ER&R and Fleet program should be moved back into the Public Works Department under the supervision of the Public Works Director/ County Engineer. This helps ensure that the requirements of WAC 136-600 will be met.

Analysis/Strategic Goals/Pro's & Con's:

Pursuant to WAC 136-600-050, equipment rental rates shall be set by the County Engineer and reviewed annually by the Board. The county engineer shall certify to the legislative body that the proposed rates are an appropriate use of county road funds as required by RCW 36.80.030.

As prescribed by WAC 136-600-050, the rates for the rental of equipment owned by the fund incorporate (1) estimated service life in years and service life remaining; (2) replacement cost; (3) salvage value; (4) estimated operating and maintenance costs; (5) direct and indirect cost of maintaining and operating facilities specific for ER&R equipment; and (6) ER&R program administration.

Fiscal Impact/Cost Benefit Analysis:

The Road Fund will expend $1,784,000 on equipment rental rates through ER&R in 2025.

Recommendation:

The legislative authority is asked to approve the 2025 equipment and vehicle rental rates for the county roads program by enacting the attached resolution.

Department Contact: Monte Reinders, Public Works Director/County Engineer

Reviewed By:

Mark McCauley   12/18/24

Mark McCauley, County Administrator   **Date**

JEFFERSON COUNTY
STATE OF WASHINGTON

In the Matter of Approving the Equipment Rental and Revolving Fund Rental Rates for the 2025 Calendar Year	**RESOLUTION NO.________________**

WHEREAS, pursuant to section 36.33A.040 RCW, every county shall establish, by resolution, an "equipment rental and revolving fund", hereinafter referred to as "the ER&R Fund", in the county treasury to be used as a revolving fund for the purchase, maintenance, and repair of county road department equipment; for the purchase of equipment, materials, supplies, and services required in the administration and operation of the fund; and for the purchase or manufacture of materials and supplies needed by the county road department; and

WHEREAS, Jefferson County established an ER&R fund by Resolution No. 88-77; and

WHEREAS, pursuant to RCW 36.33A.040, rates for the rental of equipment owned by the fund shall be set to cover all costs of maintenance and repair, material and supplies consumed in operating and maintaining the equipment, and the future replacement thereof; and

WHEREAS, pursuant to RCW 36.33A.040, rates shall be determined by the county engineer or other appointee of the county legislative body and shall be subject to annual review by the legislative body; and

WHEREAS, in mid-2024 the County Administrator determined that the ER&R/Fleet program should be under the supervision of the Public Works Director/County Engineer; and

WHEREAS, chapter 136-600 WAC, Equipment Rental and Revolving (ER&R) Fund, was established to clarify duties, responsibilities, submittal requirements related to the administration of an equipment rental and revolving fund; and

WHEREAS, the Fleet Services Division of the Public Works Department manages the Equipment Rental and Revolving Fund in accordance with chapter 36.33A RCW as a revolving internal-service fund for road-maintenance vehicles, equipment, and supplies as well as the vehicles and equipment of other County departments that participate in the program; and

WHEREAS, the Fleet Services Division of the Public Works Department abides by the internally-adopted "Equipment Rental & Revolving (ER&R) Fund Management Policy" attached hereto; and

WHEREAS, the rental rates have been prepared by the County Engineer; and

WHEREAS, as prescribed by 136-600-050 WAC, the rates for the rental of equipment owned by the fund incorporate: (1) estimated service life in years and service life remaining; (2) replacement cost; (3) salvage value; (4) estimated operating and maintenance costs; (5) direct and indirect cost of maintaining and operating facilities specific for ER&R equipment; and (6) ER&R program administration; and

WHEREAS, pursuant to WAC 136-600-050, rental rates of equipment shall be reviewed and set annually by the county engineer, and the county engineer shall certify to the legislative body that the proposed rates are an appropriate use of county road funds as required by RCW 36.80.030; and

WHEREAS, pursuant to WAC 136-600-050, ER&R rates shall be reviewed and adopted annually by the county's legislative authority; and

WHEREAS, pursuant to title 136 WAC, the Washington State County Road Administration Board (CRAB) requires that all counties make certain reports each year to ensure they are in compliance with the Standards of Good Practice; and

WHEREAS, WAC 136-600-070 requires the County Engineer to submit to CRAB by April 1st of each year: (1) the adopted county road rental rates effective January 1st of that year; (2) the resolution of the legislative authority adopting said rates; (3) the ER&R management policy; and

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above "Whereas" clauses as Findings of Fact.

Section 2. Purpose. The purpose of this Resolution is to approve and adopt the Jefferson County, Washington, Equipment Rental and Revolving (ER&R) Fund Rental Rates for the 2025 Calendar Year.

Section 3. Adoption of the ER&R Fund Rental Rates for the 2025 Calendar Year. Jefferson County Board of Commissioners hereby approves and adopts the Equipment Rental and Revolving Fund rental rates for the 2025 calendar year, which are reflected in the "Asset Info" attached hereto and incorporated herein by reference.

Section 4. Severability. If any section, subsection, sentence, clause, phrase or section of this Resolution or its application to any person or circumstance is held invalid, the remainder of this Resolution or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 5. SEPA Categorical Exemption. This Resolution is categorically exempt from the State Environmental Policy Act under WAC 197-11-800 (19).

Section 6. Effective Date. The hereto attached Equipment Rental and Revolving Fund rental rates for the 2025 calendar year shall become effective January 1, 2025.

(SIGNATURES FOLLOW ON NEXT PAGE)

ADOPTED and APPROVED this ____ day of _________, 2024.

JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS

SEAL:

____
Kate Dean, Chair

____
Heidi Eisenhour, Member

ATTEST:

____
Greg Brotherton, Member

____
Carolyn Gallaway, CMC Date
Clerk of the Board

____
Monte Reinders, P.E., Date
Public Works Director/County Engineer

Asset Info					Monthly	Annually
Unit #	Year Make Model	Category	Status	Department	Total	Total
000047	1980 Miller 650S	Equip-PW-CurbMachine	Active	County Roads	$50	$600
000092	1953 Beall Tank	Trailer-Semi-Tank	Active	County Roads	$100	$1,200
000211	1987 International 1954	C8-StraightTruck-Tanker	Active	County Roads	$550	$6,600
000367	B/M 830	Trailer-Flatbed-<6000GVW	Active	County Roads	$50	$600
000400	1989 Caterpillar D4C	Equip-Tracked-Dozer	Active	County Roads	$525	$6,300
000482	1991 Frink 3910	Equip-Attach-Snow-Plow-10'	Active	County Roads	$350	$4,200
000483	1991 Frink 3910	Equip-Attach-Snow-Plow-10'	Active	County Roads	$350	$4,200
000484	1991 Frink 3910	Equip-Attach-Snow-Plow-10'	Active	County Roads	$350	$4,200
000485	1991 Frink 3911	Equip-Attach-Snow-Plow-11'	Active	County Roads	$350	$4,200
000513	1993 Frink 3911	Equip-Attach-Snow-Plow-11'	Active	County Roads	$350	$4,200
000521	1993 Walton Ramp Trailer	Trailer-Flatbed-<6000GVW	Removed	County Roads	$0	$0
000525	Roads Radio System	Roads Radio System	Removed	County Roads	$0	$0
000547	1994 Stow Cutter 1	Equip-PW-Pavement-PavementSaw	Active	County Roads	$25	$300
000549	1994 Hamm GRW5	Equip-PW-Roller-Rubber	Active	County Roads	$550	$6,600
000551	1994 Hamm GRW5	Equip-PW-Roller-Rubber	Active	County Roads	$550	$6,600
000591	1995 Swenson EV100-15-54	Equip-Attach-Snow-SpreaderInsert	Removed	County Roads	$0	$0
000603	1996 Tenco TC132TE	Equip-Attach-Snow-Plow-11'	Active	County Roads	$350	$4,200
000606	1996 Swenson EV100	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$350	$4,200
000610	1996 International F2674	C8-StraightTruck-Tanker	Active	County Roads	$650	$7,800
000619	1997 Case 621B	Equip-Wheeled-Artic'dLoader-2-4yd	Active	County Roads	$1,000	$12,000
000623	1997 Onan 40DGBC	Equip-Stationary-Generator-<100kW	Active	County Roads	$210	$2,520
000644	1999 Frink 3911	Equip-Attach-Snow-Plow-11'	Active	County Roads	$350	$4,200
000652	2000 International 4900	C8-StraightTruck-PW-AsphaltDstbtr	Active	County Roads	$1,450	$17,400
000663	2000 Northend 2-axle	Trailer-Dump->10,001GVW	Active	County Roads	$250	$3,000
000664	2000 Northend 2-axle	Trailer-Dump->10,001GVW	Active	County Roads	$250	$3,000
000667	2000 Layton PT505	Trailer-Flatbed-<6000GVW	Active	County Roads	$200	$2,400
000668	2000 Patch King Hot Box		Removed	County Roads	$0	$0
000669	2000 Layton F525	Equip-PW-Paver-Wheeled	Active	County Roads	$500	$6,000
000670	2000 Case 621C	Equip-Wheeled-Artic'dLoader-2-4yd	Active	County Roads	$1,000	$12,000
000672	2000 Aquatech SJ600P	Equip-TrailerMtd-Sewer-JetRodders	Active	County Roads	$100	$1,200
000673	2001 International 2674	C8-StraightTruck-DumpBed-2-axle	2nd Life	County Roads	$1,600	$19,200
000682	2001 Ingersoll-Rand DD24	Equip-PW-Roller-Steel	Active	County Roads	$425	$5,100

Asset Info					Monthly	Annually
Unit #	Year Make Model	Category	Status	Department	Total	Total
000715	2004 Trail King TK110HDG	Trailer-Semi-Flatbed	2nd Life	County Roads	$250	$3,000
000717	2004 International 7600	C8-StraightTruck-PW-AsphaltDstbtr	Active	County Roads	$1,650	$19,800
000722	2004 Frink 3910	Equip-Attach-Snow-Plow-10'	Active	County Roads	$350	$4,200
000732	2004 Toyota 7FGU30	Equip-MaterialHndl-Forklift	Active	County Roads	$225	$2,700
000748	2005 Ingersoll-Rand SD77DX	Equip-PW-Roller-Steel	2nd Life	County Roads	$200	$2,400
000766	Monroe Spreader	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$350	$4,200
000773	2007 Olympic 20TDT-2	Trailer-Tiltbed->10,001GVW	Active	County Roads	$550	$6,600
000783	1999 PB 220-PT	Equip-VehMtd-TarPot	Active	County Roads	$100	$1,200
000795	2009 Leeboy 3000	Equip-MaterialHndl-MaterialLoader	Active	County Roads	$1,300	$15,600
000812	2011 Brush Bandit 250XP	Equip-Grounds-WoodChipper	2nd Life	County Roads	$450	$5,400
000814	2011 Elgin Cross-wind J	C7-StraightTruck-PW-SweeperAir	Active	County Roads	$2,600	$31,200
000815	2012 Ford Escape	C1-Auto-Midsize-Sedan	Removed	County Roads	$0	$0
000824	2012 Ford Focus	C1-Auto-Midsize-Sedan	2nd Life	County Roads	$250	$3,000
000825	2013 Monroe MV-120-78-	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$400	$4,800
000827	2012 Rosco Challenger	Broom	Removed	County Roads	$0	$0
000829	2013 Ford F-250	C1-Pickup-3/4Ton-4WD	Removed	County Roads	$0	$0
000830	2013 Ford F-250	C1-Pickup-3/4Ton-4WD	Removed	County Roads	$0	$0
000833	2013 Ford Escape	C1-SUV-Compact-4WD	Active	County Roads	$300	$3,600
000834	2013 Ford Trasit Connect	C1-Van-Cargo-Mini	Removed	County Roads	$0	$0
000867	2015 New Holland T4.85	Equip-Grounds-UtltyTractor-70-100hp	Active	County Roads	$925	$11,100
000868	2015 US Mower HS60FSM	Equip-Attach-Grounds-ShoulderMower	Active	County Roads	$250	$3,000
000869	2015 Caterpillar 140M3	Equip-Wheeled-Grader	Active	County Roads	$3,200	$38,400
000874	2015 Freightliner 108SD	C8-StraightTruck-DumpBed-1-axle	Active	County Roads	$2,850	$34,200
000875	2015 Flink 10PA38CT	Equip-Attach-Snow-Plow-10'	Active	County Roads	$325	$3,900
000876	2015 Flink HG085184S40004	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$525	$6,300
000877	2015 Freightliner 114SD	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,800	$45,600
000878	2015 Flink 11PA48CT	Equip-Attach-Snow-Plow-11'	Active	County Roads	$575	$6,900
000879	2015 Flink HG145782S40002	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$600	$7,200
000881	2015 Olympic 30TDT-3SC	Trailer-Tiltbed->10,001GVW	Active	County Roads	$525	$6,300
000882	2015 Caterpillar 430F2	Equip-Wheeled-BackhoeLoader-Heavy	Active	County Roads	$1,300	$15,600
000889	2015 Eagle EFB712TA2	Trailer-Flatbed-6001-10,000GVW	Active	County Roads	$275	$3,300
000890	2016 Ford Explorer Base	C1-SUV-Compact-4WD	Active	County Roads	$625	$7,500

Asset Info					Monthly	Annually
Unit #	Year Make Model	Category	Status	Department	Total	Total
000891	2014 Caterpillar 938K	Equip-Wheeled-Artic'dLoader-2-4yd	Active	County Roads	$2,150	$25,800
000892	2015 New Holland T6.155	Equip-Grounds-UtltyTractor->100hp	Active	County Roads	$1,300	$15,600
000893	2015 US Mower 135MM23-GG	Equip-Attach-Grounds-BrushCutter	Active	County Roads	$250	$3,000
000898	2015 Ace Roto Mold	??	Active	County Roads	$250	$3,000
000899	2015 Olympic 30TDT-3SC	Trailer-Tiltbed->10,001GVW	Active	County Roads	$550	$6,600
000900	2016 Morbark M15RX	Equip-Grounds-WoodChipper	Active	County Roads	$950	$11,400
000901	2015 New Holland T4.85	Equip-Grounds-UtltyTractor-70-100hp	Active	County Roads	$1,050	$12,600
000902	2015 US Mower HS-60FSM	Equip-Attach-Grounds-ShoulderMower	Active	County Roads	$450	$5,400
000904	2014 Caterpillar A26B	Equip-Attach-Construction-Auger	Active	County Roads	$150	$1,800
000906	2012 Rosco Sweep Pro	Broom	Removed	County Roads	$0	$0
000908	2017 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,300	$15,600
000909	2017 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,300	$15,600
000912	2016 Ford F150	C1-Pickup-HalfTon-4WD	Active	County Roads	$1,200	$14,400
000913	2017 Ford Explorer Interc	C1-SUV-Compact-Pursuit4WD	Active	County Roads	$550	$6,600
000917	2017 Ford F450	C5-StraightTruck-FlatBed	Active	County Roads	$2,050	$24,600
000918	2017 Caterpillar CS44B	Equip-PW-Roller-Steel	Active	County Roads	$850	$10,200
000919	2017 Freightliner M2-106	C8-StraightTruck-Utility-InsAerial	Active	County Roads	$3,400	$40,800
000920	2017 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,700	$20,400
000921	2017 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,700	$20,400
000925	2017 New Holland T4.90	Equip-Grounds-UtltyTractor-70-100hp	Active	County Roads	$2,125	$25,500
000926	2017 US Mower HS-60FSM-XHD4VB	Equip-Attach-Grounds-MowerDeck	Active	County Roads	$350	$4,200
000927	2018 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,550	$18,600
000932	2017 Shark HPB353007A	Equip-Stationary-PressureWasher	Active	County Roads	$100	$1,200
000933	2010 Volvo ET-16	C8-SemiTruck-Conventional	Active	County Roads	$1,350	$16,200
000934	2017 Leeboy CSV816	Equip-PW-ChipSpreader	Active	County Roads	$2,500	$30,000
000937	2017 Contec Pavement Grinder	Equip Attach - Grinder	Removed	County Roads	$0	$0
000939	2017 Steel inc. Express Snow Pu	Equip-Attach-Construction-Paver	Active	County Roads	$260	$3,120
000942	2018 Buffalo Mega BT	Equip-TrailerMtd-Blower	Active	County Roads	$100	$1,200
000944	2017 Freightliner 114SD	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,750	$45,000
000948	2018 Ford F550	C5-StraightTruck-FlatBed	Active	County Roads	$2,350	$28,200
000949	2018 Ford F550	C5-StraightTruck-FlatBed	Active	County Roads	$2,350	$28,200
000950	2018 Tailgate Spreader	Equip Attach - Sand/Salt	Active	County Roads	$30	$360

Asset Info					Monthly	Annually
Unit #	Year Make Model	Category	Status	Department	Total	Total
000952	2017 Freightliner 114SD	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,550	$42,600
000953	2018 Flink Spreader HG14578	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$450	$5,400
000954	2018 Flink Spreader HG14578	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$450	$5,400
000955	2018 Freightliner 114SD	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,700	$44,400
000960	2020 Olympic 30TDT-3	Trailer-Tiltbed->10,001GVW	Active	County Roads	$600	$7,200
000961	2018 Freightliner 108SD	C8-StraightTruck-DumpBed-1-axle	Active	County Roads	$3,050	$36,600
000962	2018 Freightliner 108SD	C8-StraightTruck-DumpBed-1-axle	Active	County Roads	$3,050	$36,600
000963	2018 Flink H6085184S40007	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$600	$7,200
000964	2019 FORD F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,450	$17,400
000965	2019 FORD F650	C5-StraightTruck-FlatBed	Active	County Roads	$2,900	$34,800
000966	2019 CASE CX145D	Equip-Tracked-Excavator	Active	County Roads	$1,750	$21,000
000969	2019 MB-Co TKH-TR	Equip-Attach-Construction-Other	Active	County Roads	$150	$1,800
000971	2019 FLINK 201	Equip-Attach-Snow-Plow-11'	Active	County Roads	$425	$5,100
000972	2019 Auto Flagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000973	2019 Auto Flagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000980	2020 International HX520	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,800	$45,600
000981	2020 Monroe 15'	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$550	$6,600
000983	2020 Case CX80C	Equip-Tracked-Excavator	Active	County Roads	$1,950	$23,400
000984	2020 John Deere 325G Track	Equip-Tracked-SkidSteerLoader	Active	County Roads	$750	$9,000
000985	2020 Autoflagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000986	2020 Autoflagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000987	2020 Autoflagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000988	2020 Autoflagger AF-54	Equip-TrailerMtd-Safety-Auto Flagge	Active	County Roads	$310	$3,720
000989	2020 Kohler 10KW Generator	Quilcene Generator	Active	County Roads	$80	$960
000990	2020 Caterpillar HMF210	Equip-Attach-Grounds-BrushCutter	Active	County Roads	$300	$3,600
000995	2021 Ver-Mac PCMS548	Equip-TrailerMtd-Safety-Message Boa	Active	County Roads	$325	$3,900
000996	2021 Ver-Mac PCMS548	Equip-TrailerMtd-Safety-Message Boa	Active	County Roads	$325	$3,900
000997	2021 Ver-Mac PCMS548	Equip-TrailerMtd-Safety-Message Boa	Active	County Roads	$325	$3,900
000998	2021 Ver-Mac PCMS548	Equip-TrailerMtd-Safety-Message Boa	Active	County Roads	$325	$3,900
000999	2022 Ford F450	C5-StraightTruck-FlatBed	Active	County Roads	$2,200	$26,400
001001	2021 John Deere Auger	Equip Attach	Active	County Roads	$35	$420
001002	2021 Forks Attachment	Equip Attach	Active	County Roads	$20	$240

Asset Info					Monthly	Annually
Unit #	**Year Make Model**	**Category**	**Status**	**Department**	**Total**	**Total**
001004	2022 Monroe MCV-180-84-56-W	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$600	$7,200
001005	2023 International HX520	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,750	$45,000
001006	2022 John Deere 672G	Equip-Wheeled-Grader	Active	County Roads	$3,200	$38,400
001007	2021 Case CX80	Equip-Tracked-Excavator	Active	County Roads	$2,000	$24,000
001008	2021 Olympic OM14-2E	Trailer-Tiltbed->10,001GVW	Active	County Roads	$300	$3,600
001009	2022 Case CX80	Equip-Tracked-Excavator	Active	County Roads	$2,050	$24,600
001010	2021 US Mower EX50HDR	Equip-Attach-Grounds-BrushCutter	Active	County Roads	$550	$6,600
001012	2022 US Mower EX50HDR	Equip-Attach-Grounds-BrushCutter	Active	County Roads	$550	$6,600
001013	2022 Olympic 33TDT-3AFW	Trailer-Tiltbed->10,001GVW	Active	County Roads	$700	$8,400
001014	2022 Olympic 20TDT-2	Trailer-Tiltbed->10,001GVW	Active	County Roads	$650	$7,800
001015	2022 Case SC-60	Equip-Attach-Construction-Tamper	Active	County Roads	$100	$1,200
001016	2022 Case SC-80	Equip-Attach-Construction-Tamper	Active	County Roads	$100	$1,200
001017	2024 International HX520 SFA 6X4	C8-StraightTruck-DumpBed-2-axle	Active	County Roads	$3,600	$43,200
001018	2023 Monroe 15'	Equip-Attach-Snow-SpreaderInsert	Active	County Roads	$700	$8,400
001021	2023 Ford F150	C1-Pickup-1/2Ton-4WD	Active	County Roads	$1,700	$20,400
001022	2023 Ford F150	C1-Pickup-1/2Ton-4WD	Active	County Roads	$1,700	$20,400
001023	2023 Ford Mini Connect	C1-Van-Cargo-Mini	Active	County Roads	$825	$9,900
001024	2022 MB HLP/HTP	Equip-Attach-Grounds-Sweeper	Active	County Roads	$550	$6,600
001030	2023 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,550	$18,600
001031	2023 Ford F250	C1-Pickup-3/4Ton-4WD	Active	County Roads	$1,550	$18,600
001033	2023 Bomag BT65	Equip-Other-PortableTool-Powered	Active	County Roads	$85	$1,020
001034	2023 Bomag BVP/18/45	Equip-Other-PortableTool-Powered	Active	County Roads	$60	$720
001035	2023 Morbark 1621X	Equip-Grounds-WoodChipper	Active	County Roads	$1,375	$16,500
001048	2024 Ford F350	C1-Pickup-1Ton-4WD	Active	County Roads	$1,950	$23,400
001049	2024 TrailKing Tilt Trailer	Trailer-Tiltbed->10,001GVW	Active	County Roads	$450	$5,400
001055	2024 Ford Bronco	C1-SUV-Compact-4WD	Active	County Roads	$575	$6,900
001056	2024 Falcon 4Ton	Equip-TrailerMtd-Pavement-Hotbox	Active	County Roads	$510	$6,120
001061	2023 Ford Mach-E	C1-SUV-Compact-EV-4WD	Active	County Roads	$525	$6,300
001066	2023 Supierior Broom	Broom	Active	County Roads	$1,900	$22,800
001067	2025 Superior Broom	Broom	Active	County Roads	$2,050	$24,600
001069	2024 John Deere Grinder	Cold Planer	Active	County Roads	$350	$4,200
007785	2008 John Deere 410J	Equip-Wheeled-BackhoeLoader-Heavy	2nd Life	County Roads	$750	$9,000

Asset Info					Monthly	Annually
Unit #	Year Make Model	Category	Status	Department	Total	Total
007796	2010 Ford F150	C1-Pickup-1/2Ton-4WD	Removed	ER&R	$0	$0
007801	2011 Ford F 450	C5-StraightTruck-FlatBed	2nd Life	County Roads	$900	$10,800
					$0	$0
					$148,725	$1,784,700

JEFFERSON COUNTY DEPARTMENT OF PUBLIC WORKS POLICY

TITLE: EQUIPMENT RENTAL & REVOLVING (ER&R) FUND MANAGEMENT POLICY

EFFECTIVE DATE: December 16, 2024

Section 1, Purpose

1.1 To provide funds for timely and efficient replacement of materials, vehicles, and equipment; and systems and equipment used for maintaining vehicles and rental equipment

1.2 To formalize a policy consistent with applicable statutes on the level and components of Unrestricted Net Current Assets and to outline the formula to be used in determining rental rates to assure compliance with the desired level of Unrestricted Net Current Assets.

1.3 To maintain customer-department rental-rate stability.

1.4 This policy shall be signed and approved by the Public Works Director and County Engineer and may be updated at any time as authorized by the Public Works Director and County Engineer.

Section 2, References

2.1 Revised Code of Washington, Chapter 36.33A, "Equipment Rental and Revolving Fund"

2.2 Revised Code of Washington, Chapter 43.09 Section 210, Local Government Accounting

2.3 Budgeting Accounting Reporting System (BARS) Manual, Office of State Auditor, Volume 1, Part 3, Chapter 7

2.4 Miller Comprehensive Governmental GAAP Guide, current edition.

2.5 Equipment Rental & Revolving Fund Guidance, Washington State Auditor's Office

2.6 GASB Codification of Governmental Accounting and Financial Reporting Standards. Section 1300.104.

Section 3, Definition of Terms:

3.1 "Fleet", "Fleet Services" or "Fleet Services Division" is the Fleet Services Division of the Public Works Department, sometimes known as "ER&R" due to its management of the Equipment Rental and Revolving Fund.

3.2 "ER&R Fund" or the "Fund" is the revolving fund managed by the Fleet Services Division in accordance with RCW 36.33A to provide for the operation, maintenance and replacement of certain fleet equipment.

3.3 "Unrestricted Net Current Assets" means the difference between the total current assets and total current liabilities of the fund. It represents the balance of all financial resources available for current appropriation and expenditure after all revenues and expenditures have been accounted for at the end of a given period. Unrestricted Net Current Assets shall contain three components:

3.3.a "Assets Earmarked for Parts, Supplies and/or Materials Inventories" means the amount set aside and available for the replacement of parts, supplies and/or materials in the Supplies Inventory asset account.

3.3.b "Assets Earmarked for Equipment Replacement" means the amount set aside and available for planned capital improvements and replacements of existing systems and equipment used in maintaining vehicles and equipment, such as automotive test equipment, shop hoists, car wash facility, steam cleaner facility, etc.

3.3.c "Assets Earmarked for Capital Replacement and Improvement" means the amount set aside and available for the replacement of vehicles and equipment.

3.4 "Rental Rate" means the amount charged to the using agency for the use of Equipment Rental and Revolving Fund vehicles or equipment. The rentals may be charged to user agencies on an hourly, daily or monthly basis consistent with RCW 36.33A. Rental Rates include, but are not limited to, charges for maintenance and operating costs, overhead costs, equipment replacement, non-operating revenues, and other adjustments.

3.5 "Maintenance and Operating Costs" means the costs of keeping the vehicle or equipment in operation. It includes, but is not limited to, the costs of fuel, oil, tires and tubes, batteries, and all other parts and labor expended in order to maintain and operate the fleet.

3.6 "Overhead Costs" means the costs expended for providing general management, administrative activities, insurance, rent, utilities, support services in managing the fleet and County-wide central service charges.

3.7 "Replacement Factor" means the amount charged in order to accumulate the anticipated cost of replacing vehicles and equipment at the end of their economic life.

3.8 "Sale Proceeds" means the proceeds from the sale of surplus vehicles and equipment.

3.9 "Other Adjustments" are amounts added to or credited to the rental rate to cover deficiencies or surpluses in the prior year's operations.

Section 4, Operation of the ER&R Fund

4.1 The ER&R Fund is a revolving fund. Moneys paid to the fund each year in the form of rent, replacement factor, sale proceeds and other adjustments total a small percentage of the cost of replacing all assets owned by the fund; these moneys are then used each year, in sum, to provide for the replacement of the percentage of the assets owned by the fund for which replacement in that year is necessary.

4.2 Each asset owned by the fund either must have itself been funded in full by its customer department or must be a Fund-provided replacement for an earlier asset that was funded in full by its customer department. The rent and other moneys paid to the fund by the customer department following the provision of that asset are for the operation, maintenance, repair and replacement of the asset (strictly excluding repayment of any first costs of procuring the asset).

4.3 Sufficient ER&R Fund balance must be maintained to provide for emergency and other contingency situations and to provide stability and fluidity of asset replacement throughout each year. The Fund balance will vary within each year as assets are replaced, put into service and removed from service. The Fund balance will vary from year to year as assets of greater than average capital cost are replaced or retained.

4.4 Assets comprising approximately 10.5% of the Fund's Equipment Replacement value should be replaced annually, on average, given the asset inventory and lifecycle schedules in place at the time of the adoption of this policy. The amount expended in any given year will depend heavily on whether assets of greater than average capital cost are scheduled for replacement that year.

4.5 Rental rates shall cover all costs of maintenance and repair, material and supplies consumed in operating and maintaining equipment, administrative and central services overhead and future replacement.

4.6 The rental rate for each asset shall be charged beginning on the date the asset is issued to the customer department and accepted by that department as properly configured for its use and ending on the date the asset is surrendered to ER&R for disposal.

4.7 Hourly labor rates and mark-up rates on the supply of supplies, parts, fluids, fuel and any other service or material furnished by the ER&R Fund shall cover all costs associated with the provision of those services or materials. However, to provide budget stability for customer departments, labor and mark-up rates may lag actual costs by the time sufficient to analyze a fiscal year's operations and to prepare rates for approval by customer departments prior to their formation of their next budget. Further, rates may be adjusted so as to include temporary or one-time costs or profits over the course of more than one fiscal year so as to lessen variation in rental rates from year to year.

Section 5, Unrestricted Net Current Assets

5.1 Unrestricted Net Current Assets must be no less than 25% of the lifetime accumulated depreciation for all assets currently owned by the fund, as determined by the Working Capital Reserve Recommendation for Each County Fund as adopted by the Board of County Commissioners (County Resolution 65-13 or subsequent resolutions as replace it).

5.2 Unrestricted Net Current Assets and the lifetime accumulated depreciation for all assets currently owned by the fund will be measured on the last day of each year for purposes of determining compliance with Subsection 1 of this Section.

5.3 Fund assets are stored and invested under the control of the Jefferson County Treasurer.

Section 6, Agreements with Customer Departments

6.1 The manager of the Fleet Services Division shall annually propose to each customer department head an agreement for services for the coming year. The agreement shall be signed by both parties following negotiation and agreement as necessary.

6.2 Each agreement will detail the following:

6.2.a Fleet inventory assigned to the customer department;

6.2.b Rental rate or reimbursement terms for each assigned asset;

6.2.c Services to be provided by Fleet Services for each assigned asset;

6.2.d Costs and mark-up rates for anything provided by Fleet Services beyond the terms of the agreement or provided in the case of any asset for which it is agreed the customer will pay costs only;

6.2.e The assigned assets to be replaced during the year and the revised rental rate of each replacement asset; and

6.2.f A summary of this policy as it applies to the relationship between Fleet Services and the customer department.

6.3 The agreements will be reviewed and revised as needed during the year by mutual agreement of both parties.

Section 7, Equipment Purchase

7.1 Fleet Services will purchase replacement and additional fleet assets after consultation with each respective customer department.

7.2 Asset purchases will prioritize, roughly in order of important, the following considerations:

7.2.a Safety of operation in intended application;

7.2.b Suitability for intended application;

7.2.c Anticipated efficiency in intended application

7.2.d Projected rental cost based on all known factors;

7.2.e Ability to reduce petroleum usage; and

7.2.f Availability of existing contract usable for purchase.

7.3 Replacement units will be purchased according to schedules determined by Fleet Services with the concurrence of each respective customer department; the impact to the customer department's operating budget must be considered, and the manager of Fleet Services shall estimate during each budgeting process the estimated changes to rental rates for each customer department during the next budget year as a result of planned asset replacements in accordance with Subsection 6.2.e.

7.4 Any asset that would be an addition to the fleet rather than a replacement of an existing unit to be removed from service must be funded in accordance with Subsection 4.2 or 4.3. Any department requesting such an addition must have sufficient approved capital and ongoing funding to finance the initial and ongoing costs of the additional asset.

Section 8, Rental Plan Options

8.1 **Costs only:** No regular rental will be billed. Maintenance, repair and/or fuel costs must billed at mark-up rates as established and revised. Unit replacement at end of life is not provided. Resale proceeds are returned to owning department. The availability of this type of rental plan is limited to those units owned by customer departments and not by the ER&R fund.

8.2 **Full rental:** Periodic rental rate will be billed to cover depreciation, replacement factor, maintenance, repair and fuel costs. Rental rate must be adjusted annually to keep pace with changes in replacement cost or lifecycle and to reflect actual operational costs. Costs of major accidents may be paid separately by the customer department or may be included in the revised rental rates.

8.3 **Hybrid rental plans:** Unique and legacy rental arrangements may be mutually agreed upon by Fleet Services and the customer department.

Section 9, Determination of Rental Rates

9.1 The following costs shall be included in the rental rate, where applicable to the chosen rental plan option (see Section 8):

9.1.a Operating and maintenance costs shall be determined by using the most recent cost information available for the preceding twelve months plus a factor using comparable data, if available, for any anticipated increase in costs due to increasing asset age. For vehicles or equipment with no cost history, the manager of Fleet Services shall develop an estimate using whatever indices or comparable data are available.

9.1.b Fuel costs shall be determined by using the most recent usage information available for the preceding twelve months and multiplying it by anticipated per-gallon costs for the coming year (available from U.S. DOE EIA or commercial sources). For vehicles or equipment with no usage history, the manager of Fleet Services shall develop an estimate using comparable data or the usage history of the asset replaced by the one in question. A similar methodology will be employed to calculate the "fuel" costs for electric vehicles.

9.1.c Initial periodic replacement charges for vehicles and equipment shall be computed by dividing asset purchase cost by the projected number of periods in the life of the asset. Asset replacement cost shall be updated to current actual cost annually, and periodic replacement charges adjusted accordingly. For all future purchases, asset purchase cost shall include all costs of obtaining the asset and configuring it for service as required by the customer department, including customization and upfitting.

9.2 The following costs shall be excluded from the rental rate, not charged to the ER&R fund nor paid by Fleet Services, and instead shall be paid directly or charged to the respective customer department:

9.2.a Traffic and parking fines;

9.2.b Parking fees;

9.2.c Tolls and ferry fees;

9.2.d Collision insurance;

9.2.e Replacement and repair costs due to major damage; and

9.2.f Costs due to loss, fraud, waste, misuse or abuse on the part of any customer department's employee where such cost results from failure on the part of the customer department to monitor and control its employee's usage of fleet assets or supplies or where the loss of any key, access card or PIN used to perpetrate the loss or fraud is not immediately reported to Fleet Services.

9.3 The residual or resale value of any asset shall be included in the rental rate as a deduction. This value shall be estimated initially and revised at the time of the equipment's disposal or removal from the fleet inventory and may also be revised periodically if conditions warrant. The initial estimate may be any reasonable figure, typically 10% of the original purchase cost.

9.4 The replacement factor shall be added to the rental rate. This factor should, in general, account for inflation of approximately 2%, compounded annually, on the initial purchase cost of the asset. The replacement factor may also be revised periodically if conditions warrant, such as when the customer department chooses a different type of replacement or in the case of very long lifecycles where such a blanket estimate is inadequate.

9.5 The manager of the Fleet Services Division shall periodically estimate end-of-life profit or loss for each asset and propose adjustments to rental rates as necessary to ensure the ER&R Fund is neither accumulating excess rental revenue nor suffering a shortfall for any asset.

9.6 Rental rates established pursuant to this policy shall be subject to annual review by the County Commission; this typically occurs through the County's normal annual budgeting process.

Section 10, Options for Normal Termination of Rental

10.1 **Unit no longer needed and no replacement needed:** The unit to be retired will be disposed of. Assuming depreciation and replacement costs were paid during the rental of the unit, rental income in excess of operational costs shall be returned to the original customer department. Asset files will be marked with a clear indication that the unit was not replaced and that the funds allocated for replacement had been returned to the customer department.

10.2 **Replacement of like kind needed:** Replacement unit will be procured; retired unit will be disposed of. Settlement of the assets accounts will occur between Fleet Services and the customer department. Both asset files will be marked with a clear indication that the unit was replaced by the replacement unit, including both asset numbers.

10.3 **Replacement of non-like kind needed:** Fleet Services will prepare an estimation of the Replacement unit will be procured; retired unit will be disposed of. Settlement of the assets' accounts will occur between Fleet Services and the customer department.

Section 11, Options for Early Termination of Rental

11.1 **Unit no longer needed or its operation no longer funded and no replacement needed:** Another customer department may assume the rental and use of the unit, or the unit may be sold at surplus auction. Settlement of the assets accounts will occur between Fleet Services and the customer department.

11.2 **Unit damaged beyond repair and no replacement needed:** Same as Subsection 1 of this Section.

11.3 **Unit damaged beyond repair and replacement needed:** Customer department may pay separately the sudden depreciation and additional replacement factor necessary to replace the vehicle. Instead, customer may choose to continue after the replacement of the vehicle paying the depreciation and replacement factor left deficient at the time of the vehicle's damage. In no case shall outstanding depreciation and replacement costs be added to the rental rate of the replacement or any other vehicle; however, the option of the customer department continuing to pay the capital costs of a vehicle that is no longer in operation has much the same budgetary impact.

Section 12, Equipment Disposal

12.1 **Public surplus auction:** Sale proceeds used in place of projected residual value to determine lifecycle costs and profit/loss of the replaced vehicle.

12.1.a In no case will any surplus asset be sold to the manager of Fleet Services, to any county employee responsible for administering the sale of the asset, nor to any immediate family member thereof.

12.1.b No surplus asset will be sold to any employee of Fleet Services, to any county employee who was a regularly assigned driver or operator of the asset, to any county employee who was the manager or supervisor responsible for the use of the asset, nor to any immediate family member of any of the above, except if the following conditions are met:

(i) a full and accurate accounting of all maintenance, repair, upgrades and all other actions taken within the twenty-four months preceding the County's offering of the asset for sale must be clearly detailed in writing and available for inspection by any interested buyer at all times the asset is otherwise available for inspection; and

(ii) the sale of the asset must be clearly advertised in the same manner as other assets of its type during any given offering for sale.

12.2 **Second use:** Sale to customer department (first right of refusal) or to another customer department. Settlement of lifecycle costs with original customer department will use published index based on condition or actual sale prices from similar units to determine residual value. Rental to new customer department will consist either of a one-time payment of that residual value or a short-term rental contract based on that residual value if part of a rotating cycle of second-life vehicle rentals. Transfer to any subsequent department will follow the same procedure. Provided this procedure has been followed and the preceding department(s) compensated for the residual value of the unit at the time of transfer, the sale proceeds after the final assignment of the unit will be designated to the final department assigned the unit for purposes of asset account settlement.

Section 13, Settling Asset Accounts

13.1 The amount of rental income allocated to an asset shall be settled or balanced to ensure the ER&R Fund neither gains nor loses funding through its providing and managing the asset in accordance with RCW 43.09.210, which requires, in part, that "...All service rendered by ... one department ... to another, shall be paid for at its true and full value by the department ... receiving the same, and no department ... shall benefit in any financial manner whatever by an appropriation or fund made for the support of another...."

13.2 The manager of the Fleet Services Division and the customer department head may find that the adjustment of rental rates has been neglected in the case of one or more assets assigned to that department, causing those assets to accumulate considerable life-to-date or projected end-of-life loss or gain. If this loss or gain is greater than what can be negated reasonably and quickly through the adjustment of rental rates, one or more of the following actions should be taken:

13.2.a In the case of life-to-date or projected end-of-life loss by the ER&R Fund for any one asset, the customer department may provide a one-time transfer of funds to balance the account, with or without an accompanying increase in rental rate;

13.2.b In the case of life-to-date or projected end-of-life gain by the ER&R Fund for any one asset, the ER&R Fund may provide a one-time transfer of funds to the customer department to return the excess, with or without an accompanying decrease in rental rate; or

13.2.c In the case of life-to-date or projected end-of-life gains and losses by the ER&R Fund for a group of assets in any one customer department where the sum gain or loss is relatively minimal, the assets showing gains may be debited and the assets showing losses credited in equal amounts so that each asset's account is balanced.

13.3 This settling shall occur at the end of each asset's life following disposal and may also occur periodically if conditions warrant.

13.4 In the case of accident or other unusually expensive damage causing a one-time loss for any one asset, the customer department may provide a one-time transfer of funds to balance the account. (See Subsection 7.3 and Subsection 9.3 for additional detail.)

13.5 At the time an asset is retired, removed from service and disposed of, the manager of Fleet Services shall prepare a report of the asset's fund credits and debits and shall furnish the report to the customer department head. The asset's account shall be settled as close to $0.00 as reasonably possible (without needlessly costly accounting exercises) using one of the methods described in Subsections 2.a through 2.c of this Section.

13.6 At the time an asset is sold or otherwise transferred to another customer department, the manager of Fleet Services shall prepare a report of the asset's fund credits and debits and shall furnish the report to the customer department head. The asset's account shall be settled as close to $0.00 as reasonably possible (without needlessly costly accounting exercises) using one of the methods described in Subsections 2.a through 2.c of this Section.

Section 14, Fleet Services Operations and Billing

14.1 All time for which Fleet Services Staff are compensated, all parts issued and all fuel and fluid dispensed will be billed to the appropriate accounting codes, whether to individual fleet assets, to departmental asset accounts or to indirect codes internal to Fleet Services funds. Rates will reflect the following additional costs:

14.1.a Labor rates billed will be at a rate that includes all benefits, indirect time, facility costs, mechanical shop and service costs, administrative and support services and other overhead costs attributable in general to the services provided by Fleet Services;

14.1.b Parts mark-up rates will be calculated to include all costs incumbent in ordering, stocking and dispensing stocked and special-order parts; and

14.1.c Fuel mark-up rates will be calculated to include all costs of operation of the fuel sites.

14.2 Fleet Services shall evaluate general work categories and individual instances of repair work and will either perform the tasks in house or outsource them, whichever is, in the judgment of Fleet Services, most economical, efficient and effective.

14.3 Fleet Services will strive to consolidate orders of vehicles, equipment, fuels, fluids, parts and services, and to limit diversity within the fleet to the minimum necessary to support customer operations, preserve competition and maintaining a diverse, competitive and flexible supplier base. Fleet Services' goal in this area shall be to enhance consistency within the fleet.

14.4 While complying with all applicable purchasing laws, Fleet Services will use the most economical and competitive methods of procuring vehicles, equipment, fuels, fluids, parts and services. Such methods may include use of Washington State Department of Enterprise Services contracts, cooperative procurement with other county or municipal entities and the standard procurement processes of Jefferson County.

14.5 Fleet Services will maintain and operate a data system designed for and capable of tracking, monitoring and reporting comprehensive information on the costs and usage of all fleet assets.

Fleet Services will make such information and analysis as is requested available to its customer departments upon request.

APPROVED BY: ______________________ 12·16·24

Public Works Director/County Engineer Date