Pend Oreille County,
Newport Washington

Resolution No. 2018- 29

EQUIPMENT RENTAL AND REVOLVING FUND
Vehicle and Equipment Rates
2019

WHEREAS, R.C.W. 36.33A directs every County to establish, by resolution, an "equipment rental and revolving fund" (ER&R);

WHEREAS, R.C.W. 36.33A directs the County to set rates to cover all costs of maintenance and repair, material and supplies consumed in operating or maintaining the equipment, and the future replacement thereof;

WHEREAS, the Board of County Commissioners has adopted Resolution 2015-29 establishing policy and procedures to set rates in compliance with State law and proper accounting practice;

WHEREAS, the County Engineer is proposing to set the following rates beginning January 1, 2019;

WHEREAS, the Board has extensively reviewed the provided information for ER&R used to establish the following rates;

WHEREAS, the basic ER&R overhead rate is being increased substantially due to a change in cost accounting procedures and non-recurring expenditures related to the fuel system.

WHEREAS, the Board has determined the fund balance for ER&R is less than the amount desired to assure continuity of fund operation;

WHEREAS, the Board would normally make a small adjustment in the overhead charge for 2019 to increase the ER&R Fund Balance;

WHEREAS, the financial testing used may be oversensitive due the unique nature of the ER&R fund;

WHEREAS, the Board would like to defer any corrective adjustment in the 2019 rate until the actual 2018 ending fund status is determined;

NOW, THEREFORE

IT IS HEREBY RESOLVED that the following rates for the 502 - Equipment Rental and Revolving Fund are adopted for use beginning January 1, 2019:

1. ER&R Fleet Vehicles and Equipment
    a. Service and Repairs
        i. Actual labor, equipment, material and outside service and parts at cost
    b. Fuel
        i. Delivered fuel cost
        ii. Fuel Service Charge at $0.0907 per gallon
    c. Capital Replacement
        i. Determined for each vehicle as described in the ER&R Policy and Procedure resolution
    d. Overhead
        i. $157.56 per month for each vehicle
2. County Vehicles other than ER&R Fleet
    a. Service and Repairs
        i. Actual labor, equipment, material and outside service and parts at cost
        ii. Overhead of 11.0% of actual cost
    b. Fuel
        i. Delivered fuel cost
        ii. Fuel Service Charge at $0.0907 per gallon
3. Outside Agency
    a. Service and Repairs
        i. Actual labor, equipment, material and outside service and parts at cost
        ii. Overhead including Indirect cost allocation of 24.9% of actual cost
    b. Fuel
        i. Delivered fuel cost
        ii. Fuel Service Charge including Indirect Cost Allocation at $0.1033 per gallon
4. Withdrawal of a Vehicle
    a. Refund Ratio of 22% of the book value for a vehicle withdrawn from the ER&R fleet;

ALSO BE IT RESOLVED that the actual ending fund balance be reviewed in early 2019 to determine if an additional fund balance correction be included in the 2019 overhead rates;

AND BE IT FURTHER RESOLVED that the respective department heads be advised of the intention to review the 2019 ER&R rates in early 2019 with the possibility to make adjustment in the overhead rate.

ADOPTED this 17 day of July, 2018.

PEND OREILLE COUNTY
BOARD OF COMMISSIONERS

Stephen Kiss, Chair

Mike Manus, Vice-Chair

Absent
Karen Skoog, Member

ATTEST:

Crystal Zieske
Crystal Zieske, Clerk of the Board