



MEMORANDUM

To: Mayor and Members of the City Council

From: Rich Olson, City Manager
Anthony Pollard, Electric Superintendent

Date: June 5, 2018

Re: Underground Trencher – Vermeer RTX750 with trailer

BACKGROUND:

The Electric Distribution Department owns a Vermeer RT55 trencher that is currently inoperable. The trencher is approximately 13 years old and is leaking oil through the exhaust which is making the unit inoperable. This type of equipment is needed to dig trenches to run underground electrical power and is a much needed piece of equipment for the department. The trencher that the City currently owns is the only one the department has had in several years.

ANALYSIS:

In recent years, the trencher has been in the shop more than it has been running and it can take a month or more to get the correct parts in so the repairs can be completed. The total cost to repair the unit is \$20,000 or more due to the age of the equipment. Contractors can be hired to do the work, but the cost is \$4 a trench foot plus set up fees since none of the contractors are local. Contracting out the projects remaining this year and upcoming next year would exceed the cost of a new trencher. Several years ago we had two trenchers and could have one repaired while using the second. However, when the City didn't have as many trenching projects, one trencher was replaced with a mini excavator, which has been useful for large dig jobs.

The electric department has received two quotes which include the trencher and a new trailer to haul the trencher. A new trailer is needed as the old trailer is not rated to carry the weight of the proposed new trencher. Both quotes are for a unit that is comparable with the current damaged unit. The quotes are as follows:

Vermeer RTX750 with trailer: \$153,782.00

Ditch Witch RT80QA with trailer: \$162,998.06

FINANCIAL:

The Finance Committee discussed this matter during their June 7, 2018 meeting. Upon motion made by Councilwoman Young, seconded by Councilwoman Hummer, the Committee unanimously recommended approval by the City Council.

STAFF RECOMMENDATION:

By motion, approve the purchase of the Vermeer RTX750 and trailer and approve the associated budget amendment.



BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for fiscal year ending June 30, 2018:

SECTION I. That the Electric Fund Capital Outlay (308300.7400) be increased by \$153,782.

That the Electric Fund Retained Earnings Appropriated (303990.0000) be increased by \$153,782.

(To amend budget for purchasing new trencher and trailer.)

This amendment will decrease Electric Fund Balance by \$153,782.

ADOPTED, this 11th day of June 2018.

Bettie J. Parker
Mayor

Attest:

April Onley
Interim City Clerk