



Legislation Text

File #: 18-045-O, **Version:** 1

ORDINANCE AMENDING THE BUDGET OF THE CITY OF DULUTH FOR 2018 BY INCREASING THE BUDGET BY \$1,375,000 TO FINANCE THE PURCHASE OF AN AERIAL FIRE TRUCK.

BY

The city of Duluth does ordain:

Section 1. That ordinance 17-062-O passed and approved December 12, 2017, as previously amended by ordinance 18-007-O, is hereby amended by appropriating an additional \$1,375,000 from the city's reserve fund for the purchase of an aerial fire truck as follows:

General Fund

700	Transfers and other Functions	\$11,325,800	<u>\$12,700,800</u>
	Total General Fund	\$85,989,400	<u>\$87,364,400</u>

Section 2. That this ordinance shall take effect immediately upon its passage.

STATEMENT OF PURPOSE: This ordinance transfers \$1,375,000 out of the city's reserve fund into the city's general fund to finance the purchase of a replacement an aerial fire tower truck. A fire to the existing tower truck has taken the rig out of service. After considering the cost to repair, the long lead time for delivery, and the fact that this rig was scheduled for replacement in 2019, it is more cost effective to purchase the aerial tower fire truck now before scheduled price increases take effect later this year due to anticipated increases in the cost of steel and aluminum. The city recommends using reserves rather than bonding to minimize the impact on future tax levies. Reserves currently exceed the maximum amount (ten percent of expenses) specified in the City's reserve policy.