
MEMORANDUM

TO: STEPHEN GIESBRECHT, MANAGER

FROM: KARL HAGERMAN, MOTOR POOL *KH*

SUBJECT: PARKS AND REC MINIVAN – SUPPLEMENTAL BUDGET REQUEST

DATE: 9/28/2016

CC: BOROUGH ASSEMBLY
JODY TOW, FINANCE DIRECTOR
CHANDRA THORNBURG, PARKS AND REC DIRECTOR
FILE

It has taken a while to regroup following the tragic accident of July 4th, which you know about more about than anyone else unfortunately. One of the items that was left unattended was the disposition and replacement of the parks and recreation van that is unusable after the accident.

As the department needs a vehicle such as this for various P&R events and programs, I had been working on researching pricing for a minivan for the department and was going to come to you and the Assembly with a request once all costs were known.

However, an opportunity presented itself recently for the purchase of a locally owned minivan at a somewhat reasonable cost. The van is a 2004 Toyota that will hold seven passengers. These vans are known for their build quality and longevity and the van was in very good condition even considering that it had high mileage (191,000). Since it had spent its life in dry New Mexico and just recently driven to Petersburg, it has no rust and was maintained by a dealership for its lifetime I felt comfortable in recommending a purchase. The asking price was \$8,000.

I presented this possibility to yourself and Chandra Thornburg and, with approval from your office, offered the owner \$7,500 for the van. The offer was accepted and the van was purchased under your authority. The van was put into use just before the Alaska Recreation and Parks Association conference was held and was very useful during the conference.

However, this purchase put the cart before the horse somewhat and we need to acknowledge that this was not in the FY17 budget and therefore requires that a supplemental budget be approved by the Assembly. This is thankfully not a normal situation or occurrence and the Assembly will hopefully understand and acknowledge this fact and approve this expense at their next meeting.

The funding for the purchase currently existed in the replacement account for the van that was in the accident. Replacement contributions were being made to replace the old van by the year 2025 so there was an adequate balance in place. We will plan on keeping the same replacement year for this minivan. This is an unfortunate reason for a purchase to say the least, but one very positive aspect of the replacement program is that savings do exist for unplanned purchases due to unforeseen circumstances such as this.

The motor pool recommends approval of a supplemental budget in the amount of \$7,500 for purchase of a used minivan for the Parks and Recreation department.

Thank you for your consideration.