



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-216

Meeting Date: 4/7/2026

TITLE:

AUTHORIZE APPROPRIATION FROM THE EQUIPMENT REPLACEMENT FUND 601 FUND BALANCE

DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714)
754-5123

RECOMMENDATION:

Staff recommends the City Council:

Authorize the appropriation of \$275,000 from the fund balance in the Equipment Replacement Fund (Fund 601) to support the maintenance and repair of the City's fleet for the remainder of the current Fiscal Year 2025-26.

BACKGROUND:

The Equipment Maintenance section of the Public Works Department maintains and repairs the City's fleet of over 330 vehicles and equipment including large aerial fire apparatus, police vehicles and motorcycles, maintenance trucks, general use vehicles, trailers, emergency back-up generators, and other miscellaneous equipment.

ANALYSIS:

Equipment maintenance, cost for services, automotive and truck parts have seen a significant increase. The cost of parts has increased by an average of 15% year over year due to several factors, including the rising cost of raw materials, increased demand for parts, freight costs and economic factors.

In addition to the increase in the cost of parts, the City's inventory of equipment and vehicles is aging with many units in service being past their recommended service life. These aging vehicles require more frequent attention in service, parts and repairs.

The Fiscal Year 2025-26 budget of approximately \$0.8 million for equipment parts and repairs has been nearly exhausted with three (3) months remaining in the current fiscal year. Furthermore, there are several emergency-response vehicles that were involved in collisions and are currently out of service and in need of repair including one (1) PD K-9 Unit, four (4) PD Patrol Units, one (1) PD

Traffic Motor and one (1) City ambulance. The absence of these patrol and emergency response units will impact our Police and Fire Departments' operations, and the ability to appropriately provide regular patrols and to respond to emergency situations as they arise. In order to provide maintenance and repairs to vehicles for the remainder of the fiscal year, staff requests an appropriation of \$275,000 from the Equipment Replacement Fund 601 fund balance.

ALTERNATIVES:

The City Council may choose not to approve the appropriation of fund balance. However, this alternative is not recommended as it would severely impact public safety and daily City operations.

FISCAL REVIEW:

The appropriation amount of \$275,000 for the maintenance and repair of the City's fleet is available in the Equipment Replacement Fund (Fund 601), which has an available uncapitalized fund balance of approximately \$4.0 million.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life.
- Maintain and enhance the City's facilities, equipment, and technology.

CONCLUSION:

Staff recommends the City Council:

Authorize the appropriation of \$275,000 from the Equipment Replacement Fund 601 fund balance to support the maintenance and repair of the City's fleet for the remainder of the current Fiscal Year 2025-26.