



## Council Agenda Report

---

Item 6d

**Department:** Public Works  
**Cost Center:** 5201/5008  
**For Agenda of:** 9/2/2025  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Aaron Floyd, Interim Public Works Director  
**Prepared By:** Alex Fuchs, Mobility Services Business Manager; Travis Gomez, Fleet Maintenance Supervisor

**SUBJECT:** PUBLIC WORKS DEPARTMENT SURPLUS FLEET ASSETS AND EQUIPMENT DISPOSAL

### RECOMMENDATION

Authorize designation and sale of surplus SLO Transit vehicles and surplus Fleet Maintenance equipment in accordance with the City's policies and procedures prescribed in the Financial Management Manual

### POLICY CONTEXT

Sections 405-L, 480-A, and 480-B of the Financial Management Manual (Attachments A and B) prescribe how surplus assets, including fleet vehicles, are disposed of by the City.

The SLO Transit vehicles recommended for surplus have far exceeded their default minimum useful life benchmark of seven years for medium-size, medium-duty buses per Federal Transit Administration [Circular 5010.1F](#) (page 148).

### DISCUSSION

#### Background

The City currently stores two Transit vehicles at the Transit Yard that are not in service, a 2011 Cutaway Bus and a 2006 Replica Trolley. Both have exceeded the Federal Transit Administration's (FTA) default minimum useful life benchmark of seven years. Once a vehicle has reached its minimum useful life benchmark, it becomes eligible for disposal and its replacement can be funded through FTA's financial assistance programs.

The Transit Yard has 24 bus bays for parking of transit fleet vehicles. In May 2025, the City took delivery of six new battery electric buses. Between the existing fleet and the newly arrived buses, the Transit Yard is at capacity. Staff anticipates beginning construction in October 2025 for the installation of charging equipment to support the new electric buses. The construction will require closure of several bus bays, further limiting the Transit Yard's capacity.

SLO Transit has two additional electric buses on order. These buses are scheduled to

begin production in February 2026. Staff anticipates taking delivery of these buses in April 2026, at which time the Transit Yard will be over capacity if vehicles are not disposed of prior to delivery. With these issues in mind, staff has identified and recommends disposal of two vehicles, a 2011 cutaway bus and a 2006 replica trolley, to ensure sufficient capacity is available at the Transit Yard during the pending construction period and post-delivery of additional electric buses. If these two vehicles are not disposed of prior to construction, then off-site storage during the construction period will be required.

In addition to the surplus vehicles, Public Works Department's Fleet Maintenance program recently acquired new tire mounting and balancing machines to replace outdated equipment. With this equipment acquisition, and a minor reconfiguration of the shop layout, staff have identified several pieces of shop equipment that have exceeded their useful life or are no longer used by the program. These include the previous tire machines, a pedestal-mounted bench grinder, and an inoperable hydraulic press.

### **SLO Transit Surplus Vehicles**

#### 2011 Cutaway Bus

In 2015, the City purchased a "cutaway bus" from the San Luis Obispo Regional Transit Authority (RTA). A cutaway bus is a smaller transit vehicle made by using a van or truck, cutting off the back, and adding a larger passenger cabin. This 2011 bus can hold up to 28 passengers. Since 2015, SLO Transit has utilized the vehicle on its tripper services (Highland Tripper, Laguna Tripper, San Luis Tripper) and, occasionally, on fixed-route services with lower ridership levels.

In December 2024, staff was informed that the cutaway bus's engine failed and required replacement to keep the vehicle in service. A local service center quoted \$17,305 for labor and parts to replace the engine (Attachment C). The vehicle is well beyond its minimum seven-year useful life, per FTA Circular 5010.1F, and the recently adopted 2025-2027 Financial Plan includes capital funding to replace the vehicle with a battery electric equivalent. Investing over \$17,000 into the vehicle at this point would not be the best use of funds and disposal of the vehicle will not impact delivery of current service levels.

#### 2006 Replica Trolley

In 2018, the City purchased a replica trolley from the RTA for \$1.00. The vehicle was never put into revenue service by SLO Transit, and no documentation was found indicating what service would be provided by the vehicle. The vehicle's mechanical and cosmetic condition has deteriorated over the last seven years and would require a substantial investment to get the vehicle into revenue service. SLO Transit owns a second replica trolley that is operated on the Old SLO Trolley routes which will remain in service. Photos of the vehicles are included in Attachment D to this report.

*Table 1 - SLO Transit Fleet Asset Specifications*

Asset No.	Make	Model Year	Description	Program
1167	El Dorado	2011	28-foot Cutaway Bus	Transit
N/A	Ford	2006	30-foot Replica Trolley	Transit

## Public Works Fleet Maintenance Equipment

In 2006, Public Works Fleet purchased Coats brand tire mounting and balancing machines to support in-house tire services for the City's fleet. After nearly two decades of use, both machines have been replaced with updated equipment. The new tire balancer includes lift assist functionality, improving operator safety and reducing strain during use, while the new tire changer offers improved reliability and compatibility with modern wheel assemblies. Neither of the original tire machines included lift assist features, and both have surpassed their expected service life. With their replacement now in place, the older units no longer serve an operational purpose. Disposing of the 2006 tire changer and balancer will free up valuable shop space and will not impact Fleet's ability to deliver service.

Public Works Fleet staff have also identified two additional pieces of shop equipment for surplus: a Kan-Dor electric pedestal-mounted grinder (Asset Tag No. 10430) and a Dake hydraulic press (Serial No. 183783). The model years for both items are unknown, but they have been in the shop for decades and have seen minimal or no recent use. The hydraulic press is inoperable, and due to its age, size, and unknown repair history, staff determined that a replacement would be more cost-effective than attempting repair if future needs arise. The grinder, while still functional, is no longer needed for shop operations. Declaring both pieces as surplus will improve shop organization and ensure space is reserved for equipment that actively supports Fleet operations. Photos of assets are included in Attachment E to this report.

*Table 2 - PW Fleet Surplus Asset Specifications*

Asset No.	Make	Model Year	Description	Program
N/A	Coats	2006	Tire Changer	PW Fleet
N/A	Coats	2006	Tire Balancer	PW Fleet
10430	Kan-Dor	Unknown	Pedestal Grinder	PW Fleet
N/A	Dake	Unknown	Hydraulic Press	PW Fleet

## Next Steps

If Council authorizes disposal of the SLO Transit and Public Works surplus assets, staff will proceed with disposal or sale of the surplus assets in accordance with Section 480 of the Financial Management Manual.

## Previous Council Actions

1. On March 21, 2015, [Council approved acquisition of the cutaway bus](#) from RTA.
2. On August 24, 2021, [Council authorized disposal of surplus fleet and equipment](#) for similar reasons as recommended by the Public Works Department.

3. On June 17, 2025, [Council adopted the 2025-27 Financial Plan](#) and the Capital Improvement Plan (CIP). The CIP includes project no. 2000533 for the replacement of the cutaway bus in FY 2025-26 (page 220).

**Public Engagement**

This is an administrative item, so no outside public engagement was conducted. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

**CONCURRENCE**

The City's Finance Department concurs with the recommended action in this report.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report because the sale or surplus of property is not considered a "project" as defined by CEQA Guidelines Section 15378.

**FISCAL IMPACT**

Budgeted: No

Budget Year: 2025-26

Funding Identified: N/A

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Transit Fund	\$ 0	\$ 0	\$ 0	\$ 0
Other:	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

For SLO Transit's assets, it is difficult to estimate how much revenue will be generated from the sale of these vehicles because they are designed and built for specific purposes. Any funds generated after payment of associated advertising and auction fees will be returned to the Transit Fund to support transit-related operations and future capital projects.

For Fleet Maintenance's equipment, it is estimated that the sale will generate approximately \$4,000. This estimate is based on the age, condition, and inoperable status of the equipment, as well as referencing comparable listings from online auction platforms. All items have exceeded their useful life and have either been replaced or are no longer required for operations. Any funds generated, after payment of auction related fees, will be returned to the Public Works Fleet Maintenance program budget to support ongoing Fleet operations and future equipment needs.

Although no specific revenue is budgeted, any proceeds will be deposited into the appropriate fund and used to offset future equipment or operational costs.

## ALTERNATIVES

1. ***Deny designation and sale of surplus transit vehicles.*** Should Council choose this option, staff will need to pursue rental of off-site storage for these surplus vehicles as the Transit Yard has a limited number of parking spaces for fleet vehicles thus incurring additional operating costs.
2. ***Deny designation and sale of surplus Fleet Equipment.*** Should Council choose this option, staff would retain outdated, inoperable, and/or unused shop equipment in the Fleet Maintenance facility. These items no longer support current operations and would continue occupying valuable shop space that could otherwise be used for active equipment, work areas, or storage. Retaining this equipment may also result in increased clutter, reduced efficiency, and diminished shop safety.

## ATTACHMENTS

- A - Financial Management Manual, Section 405-L
- B - Financial Management Manual, Sections 480-A and 480-B
- C - Cutaway Bus Engine Repair Quote
- D - SLO Transit Surplus Fleet Photos
- E - Fleet Maintenance Surplus Equipment Photos