

LOCAL GOVERNMENT  
 FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 12, 2003

Agency Submitting: City of Henderson

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2002-03</b>	<b>Fiscal Year 2003-04</b>	<b>Fiscal Year 2004-05</b>	<b>Effect on Future Biennia</b>
Fuel Increase (Expense)		\$25,000	\$25,000	\$50,000
Vehicle Maintenance (Expense)		\$10,000	\$10,000	\$20,000
Cost Differential for Alternately Fueled Vehicle (Expense)		\$600,000	\$600,000	\$1,200,000
Total		\$635,000	\$635,000	\$1,270,000

Explanation (Use Additional Sheets of Attachments, if required)

The proposed legislation has a potential of having a significant fiscal impact on the City of Henderson. The new diesel fuel standards would generate a fiscal impact of approximately \$25,000 for the fuel (250,000 gallons at 10 cents per gallon) and \$10,000 for the cost of maintenance as a result of clogged fuel lines, filters and pumps. In addition, the City of Henderson may not be able to purchase ULEV (ultra low emission vehicle) replacements for the existing fleet resulting in a significant fiscal impact of approximately \$600,000 (75 vehicles at \$8,000 each) per year. Presently we are able to buy vehicles with emission ratings of at least ULEV that allow us to utilize gasoline in lieu of an alternative fuel. The cost savings between the gasoline powered vehicle and an alternatively powered vehicle is about \$8,000 per vehicle. The new emission requirements within this bill may not allow us to purchase this type of vehicle next year. We won't know if the model year 2004 vehicles will qualify for the ULEV rating until probably July of this year.

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