



Agenda Item Report

Legislative Board: City Council
Date: March 7, 2023
Contact: Charles Oberrender
Agenda Item ID / Number: 2023-135- / H.2

ITEM TITLE: Presentation and discussion regarding vehicle fleet replacement utilizing a lease program (Police Chief Bo Kidd, Public Works Director Mike Beggs, and Kirby Watson of Enterprise Fleet Management)

1. EXECUTIVE SUMMARY

This presentation will review the potential benefits of utilizing a managed lease fleet program for the City's fleet in lieu of outright purchase. Staff is seeking direction from Council as to whether to consider and gather financial details for this option in preparation of FY24 budget.

2. BACKGROUND/HISTORY

Staff has been researching the option of using a lease program to maintain a suitable fleet for use by City departments, including but not limited to public safety and public works. Representatives from Enterprise Fleet Management will be present to provide information and cost analysis regarding leasing vehicles.

3. ANALYSIS

Not Applicable

4. FINANCIAL IMPACT

This will be presented as part of the presentation.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES WITH A LOW TAX RATE

6. STRATEGIC PLAN OBJECTIVES

Not Applicable

7. PROS AND CONS

Pros: A leased fleet program creates fixed costs for your vehicle program where the cost of the vehicle is spread out over the useful life of the vehicle. It prevents capital cost "jumps" in budgets due to the need to replace vehicles. A company like Enterprise also is able to monitor the used vehicle market and make recommendations on when it is most advantageous to replace a vehicle to maximize the resale value, allowing the funds to go towards the cost of a new vehicle. Vehicles may be able to be replaced more frequently, decreasing vehicle maintenance costs and loss of time for when a vehicle is down for repairs.

Cons: The lease program does not have the ability to guarantee vehicle availability. The lease rates are comparable to rates the City would be able to secure on its own. Because the costs are fixed and ongoing, flexibility is lost in budgeting for or not budgeting for vehicles in a particular year based on the economic conditions of the City at the time.

8. ALTERNATIVES

Not Applicable

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Provide feedback and direction.

Attachments:

[Staff Presentation Mar 7 23.pptx](#)