



Town of Belleair

901 Ponce de Leon Blvd.
Belleair, FL 33756

Meeting Agenda

Finance Board

Monday, February 4, 2019

4:00 PM

Town Hall

Welcome. We are glad to have you join us. If you wish to speak, please wait to be recognized, then step to the podium and state your name and address. We also ask that you please turn-off all cell phones.

ROLL CALL

CITIZENS COMMENTS

(Discussion of items not on the agenda. Each speaker will be allowed 3 minutes to speak.)

GENERAL AGENDA

[19-0019](#) Enterprise Fleet Management - Presentation and Discussion

Attachments: [Belleair Board Packet](#)

OTHER BUSINESS

ADJOURNMENT

ANY PERSON WITH A DISABILITY REQUIRING REASONABLE ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING, SHOULD CALL (727) 588-3769 OR FAX A WRITTEN REQUEST TO (727) 588-3767.



Legislation Details (With Text)

File #: 19-0019 **Version:** 1 **Name:**
Type: Discussion Items **Status:** General Agenda
File created: 1/29/2019 **In control:** Finance Board
On agenda: 2/4/2019 **Final action:**
Title: Enterprise Fleet Management - Presentation and Discussion
Sponsors:
Indexes:
Code sections:
Attachments: [Belleair Board Packet](#)

Date	Ver.	Action By	Action	Result
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Summary

To: Finance Board
From: Stefan Massol, Director of Support Services
Date: 2/4/2019

Subject:
Enterprise Fleet Management - Presentation and Discussion

Summary:
Steven Atwood of Enterprise Fleet Management will be presenting a potential solution that town staff has been considering for the Town of Belleair. Discussion will follow.

Background/Problem Discussion: The Town of Belleair has a fleet of more than 30 vehicles and light equipment. For each item, town staff manages several aspects of the fleet process such as procurement, securing tag and title, controlling maintenance costs, record keeping for vehicle-related expenses and auctioning of old items. Beginning in 2016 the town started to convert its fleet to a five-year replacement cycle to better optimize funds. The town is using increased proceeds from auctioned items to fund future purchases, while making greater benefit of favorable pricing made available to local governments.

Based on conversations with Enterprise Fleet Management staff believes there may be greater optimization of fleet funds possible by leveraging tools currently unavailable to the town. Potential efficiencies exist in strategically selecting vehicles for purchase that will hold better resale value, as well as by working with Enterprise's network of buyers when auctioning the town's vehicles also enhancing resale value. Additionally, Enterprise has negotiated pricing with automotive repair shops that can offer the town low, fixed maintenance costs. Lastly, there would be anticipated savings in terms of staff time related to management of the fleet as some of those functions would become automated, or streamlined by Enterprise.

Financial Implications: See Attachments.

Recommendation: This item is for discussion purposes only.

Proposed Motion: This item is for discussion purposes only.



FLEET MANAGEMENT

FLEET SYNOPSIS | TOWN OF BELLEAIR



Town of Belleair
901 Ponce de Leon Blvd
Belleair, FL 33756

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FLEET MANAGEMENT

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FLEET SYNOPSIS | TOWN OF BELLEAIR



BACKGROUND

Location: Belleair, FL
Industry: Municipal Government
Total vehicles: 21 vehicles

THE SITUATION

The Town of Belleair is looking for a solution to better manage its aging fleet, keeping vehicles on a preventative maintenance schedule while eliminating costly, unscheduled repairs, and limiting administrative tasks associated with fleet of vehicles.

- 38% of the current fleet is over 5 years, the current target age for replacement by the Town.
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable.
- Resale of aged units has shown low equity for the City

THE OBJECTIVES

Enterprise Fleet Management's proposal is to save resources and budget dollars through a managed vehicle program.

1. Utilize an open-end lease* as a funding mechanism, allowing The Town of Belleair to acquire additional vehicles while avoiding a large capital budget outlay.
2. Reduction in maintenance costs by increasing the number of units under warranty and eliminating aged vehicles.
3. To initiate the program Enterprise will be replacing (2) requested vehicles and utilizing funds from sale to completely offset lease cost for the 3 requested units in year.

* An open-end lease means there are no early termination, mileage or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The Town of Belleair receives flexibility of ownership, as well as net equity from sale at time of disposal.

CLIENT TESTIMONIAL

"Enterprise Fleet Management allowed me to save enough money in my first year to lease three pieces of heavy equipment, purchase a tractor and grass spray rig as well as outfitting the new Public Works facility with all new lifts and state of the art equipment. We have sold our most problematic vehicles and in some cases downsized our fleet to meet our needs. Enterprise has truly modernized our fleet and changed the way we do business in our City."

- Joe Corrao, Director of Public Works, Palm Beach Gardens

THE RESULTS

Town of Belleair will see cash-flow back to the Town in the first year. By partnering with Enterprise Fleet Management, it is estimated that The Town of Belleair will reduce maintenance costs by almost 32%. Leveraging an open end lease maximizes cash flow and recognizes equity from vehicles sold. Additionally, will be able to utilize world class fleet software, data warehouse and analytics for proactive vehicle management.

REFERENCES

Grayson Cason, Executive Director, City of Lake City (386) 719-5760
Walt Pierce, Dir. of Finance, City of Madeira Beach, (727) 391-9951
Kingman Schult, Fire Chief, Greater Naples Fire District, (239) 348-7540

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PROJECTED TO SAVE OVER

\$138,066

IN 10 YEARS WHILE PROVIDING
SAFER/MORE EFFICIENT VEHICLES



**REDUCE
MAINTENANCE
COST BY 32%**

**ENHANCED
VISIBILITY**
THROUGH EFM WEBSITE



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SUPPORTING EVIDENCE | TOWN OF BELLEAIR

Town of Belleair - Fleet Planning Analysis

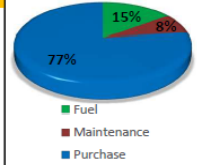
Current Fleet	22	Fleet Growth	0.00%	Proposed Fleet	22
Current Cycle	7.33	Annual Miles	4,800	Proposed Cycle	5.00
Current Maint.	\$28.08	Insurance	\$0.00	Proposed Maint.	\$19.17
Fuel Info		MPG	16	Price/Gallon	\$2.20

Fleet Costs Analysis

Fleet Mix				Fleet Cost							Annual	
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Equity	Fuel	Fleet Budget	Net Cash	Year over Year
Average	22	3.0	22	0	75,135	0	7,413	0	14,520	97,068	0	
'19	22	3	19	3	0	15,351	7,092	-20,900	14,124	15,667	81,401	81,401
'20	22	4	15	7	0	40,277	6,665	0	13,596	60,538	36,530	117,931
'21	22	5	10	12	0	66,410	6,130	0	12,936	85,476	11,592	129,523
'22	22	4	6	16	0	87,578	5,702	0	12,408	105,688	-8,620	120,903
'23	22	6	0	22	0	69,500	5,061	0	11,616	86,176	10,892	131,794
'24	22	3	0	22	0	118,466	5,061	0	11,616	135,143	-38,075	93,719
'25	22	4	0	22	0	70,011	5,061	0	11,616	86,688	10,380	104,100
'26	22	5	0	22	0	85,626	5,061	0	11,616	102,303	-5,235	98,865
'27	22	4	0	22	0	57,682	5,061	0	11,616	74,359	22,709	121,574
'28	22	6	0	22	0	69,500	5,061	0	11,616	86,176	10,892	132,466
10 Year Savings											\$132,466	

A pie chart illustrating the cost breakdown. The largest portion is Fuel at 77%, followed by Maintenance at 15%, and Purchase at 8%.

Category	Percentage
Fuel	77%
Maintenance	15%
Purchase	8%



Current Fleet Equity Analysis

YEAR	2019	2020	2021	2022	2023
QTY	2	4	5	4	6
RESALE	listed above	\$7,650	\$11,660	\$14,800	\$15,900
TOTAL	\$0	\$30,600	\$58,300	\$59,200	\$95,400
Estimated Current Fleet Equity**					\$243,500

Summary

10 Year Savings	\$132,466
Estimated Fleet Equity	\$243,500
Net Cash***	\$375,966

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

Town of Belleair

Fleet Data

Department	Vehicle Type	Year	Make	Model	VIN	Value	Current Odometer	Replacement Year
SOLID WASTE	1/2 Ton Pickup Reg 4x2	2013	FORD	F-150 Regular Cab XL	1FTMF1CM1DKD91397	\$11,000	22,811	2019
ADMINISTRATION	Compact SUV 4x2	2017	FORD	Escape	1FMCU9GD5HUE55876	\$15,500	15,747	2019
WATER	1/2 Ton Pickup Ext 4x2	2007	FORD	F150 Supercab XL	1FTRX12W47FA29566	\$5,400	79,589	2020
RECREATION	Mid Size SUV 4x4	2012	FORD	Explorer 4x4 XL	1FMHK8B82CGB03197	\$11,000	34,587	2020
STREETS	3/4 Ton Pickup Ext 4x2	2013	FORD	F250 Supercab 4x2	1FT7X2A68DEA26475	\$15,500	29,442	2020
WATER	1/2 Ton Pickup Ext 4x2	2013	FORD	F150 Supercab XL	1FTEX1CM1DFB04294	\$12,000	36,441	2020
SUPPORT SERVICES	Mid-size Sedan	2013	FORD	Fusion SE	3FA6P0G7XDR205152	\$8,600	24,163	2021
STREETS	1 Ton Pickup Ext 4x4	2014	FORD	F350 Supercab Dump body	1FD8X3G61EEB20034	\$22,000	33,759	2021
WATER	3/4 Ton Pickup Reg 4x2	2014	FORD	F250 4x4 Utility body	1FTBF2B65EEB09021	\$16,800	41,381	2021
WATER	3/4 Ton Pickup Reg 4x2	2015	FORD	F250 4x2 reg cab XL	1FTBF2A67FEC15683	\$16,500	32,499	2021
WATER	3/4 Ton Pickup Ext 4x2	2016	FORD	F250 4x2 utility body	1FTBF2A69GED28259	\$22,500	7,917	2021
PARKS	3/4 Ton Pickup Ext 4x2	2016	FORD	F250 Utility body w/ pipe rack	1FTBF2A65CED28260	\$22,500	7,514	2022
ADMINISTRATION	Hybrid Sedan	2017	FORD	Fusion Hybrid	3FA6P0LUXHR131152	\$14,000	16,393	2022
ADMINISTRATION	Mid Size SUV 4x2	2017	FORD	Explorer AWD	1FM5K8B83HGD65255	\$21,000	12,800	2022
RECREATION	1/2 Ton Pickup Ext 4x2	2017	FORD	F150 Supercab XL	1FTEX1CF6HKE24435	\$23,500	5,964	2022
PARKS	1/2 Ton Pickup Ext 4x2	2017	FORD	F150 Supercab XL	1FTEX1C86HKE24436	\$23,500	6,837	2023
PARKS	1/2 Ton Pickup Ext 4x2	2017	FORD	F150 Supercab XL	1FTEX1C88HKE24437	\$23,500	7,531	2023
RECREATION	Full-size Van-Passenger	2017	FORD	Transit 350 passenger	1FBZX2YM5HKB38157	\$23,800	6,175	2023
RECREATION	Full-size Van-Passenger	2017	FORD	Transit 350 passenger	1FBZX2YM5HKB42774	\$23,800	6,684	2023
SUPPORT SERVICES	Minivan-Cargo	2017	FORD	Transit Connect	NM0LS7E70H1311355	\$17,900	2,323	2023
WATER	Minivan-Cargo	2017	FORD	Transit Connect XL	NM0LS7E70H1311355	\$16,700	9,599	2023

EFM PROGRAM | TOWN OF BELLEAIR

Resale

GOVERNMENT BUYING POWER



2017 SILVERADO 1500
2WD Crew Cab, Standard Box WT

\$37,225 Net Price ← CHEVY'S WEBSITE

SAMPLE
GOVERNMENT BUY

Price
\$24,658

MANHEIM AUCTION RESULTS

VEHICLE	Avg Odometer	Avg Sale Price	Capital Outlay
2017Chevy Silverado 1500 Crew Cab	9,989	\$26,417	- \$1,759
2016 Chevy Silverado 1500 Crew Cab	17,500	\$22,920	\$1,738

Funding

Flexible Financing Options



Municipal Lease

- Equity lease
- Flexible term
- No mileage restrictions
- No abnormal wear and tear clauses
- Lessee responsible for book value at term
- Lessee keeps vehicle equity at term



100% Capital

- Ideal for clients with strong cash position
- No mileage restrictions
- No abnormal wear and tear clauses
- EFM is title holder until term for vehicle management services



Closed-End Lease

- Walk-a-way lease (Dealer Lease)
- Fixed term
- No responsibility for vehicle resale at term
- Most appropriate for cars and SUV's and mileage predictability

Tracking

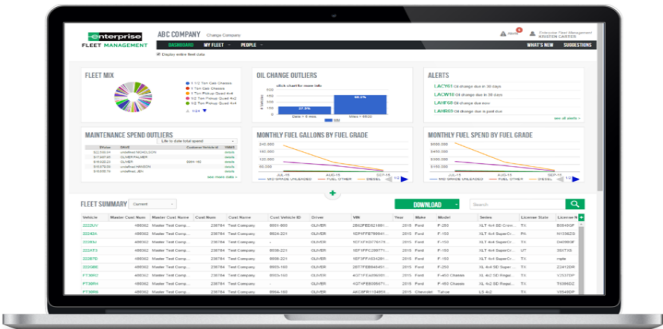
RESOURCES

Fleet Technology



Client Website

- Visibility and tracking of vehicle data
- Customized dashboards with easy reporting
- Real-time alerts
- Simplify accounting processes with vehicle descriptors
- Self-service features including *driver changes, vehicle descriptors, mileage information and more*
- Assign unlimited unique identifiers to each vehicle to simplify routine tasks and vehicle categorization



FLEET MANAGEMENT

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New Vehicles for the Same Old Budget ... or Less

by Joey Nunn
Enterprise Fleet Management



Government leaders nationwide are being challenged to find creative ways to do more with less, while maintaining high standards of quality.

With aging vehicle fleets taking their toll, many local governments are learning that working with a fleet management company provides them with flexibility and control over their assets. They not only can improve the lifecycle of their vehicles, but they also can reduce their total cost of ownership.

FINANCES AND CASH FLOW

Older, high-mileage vehicles often end up being expensive due to frequent maintenance and reduced fuel economy.

To own their fleet, many municipalities pay cash for light-duty vehicles out of their capital budget, which typically limits their ability to replace vehicles to a small percentage annually. This method often results in vehicles remaining in fleet past their recommended replacement policies.

By working with a fleet management company, a municipality can replace more of its fleet on an annual basis while maximizing savings. Fleet management companies assess reliable forward-looking market data to help government agencies implement the mobility solutions that best meet their needs at the lowest cost to the taxpayer.

"With the help of our fleet management partner, we've been able to right size our fleet by removing 51 underutilized vehicles," said **Grayson Cason, assistant city manager for Lake City**. "This has resulted in tremendous cost savings for our city. And our workers are now driving vehicles with the most modern safety features. You simply can't put a price on safety."

Replacing older vehicles with new models automatically improves safety through such features as side airbags, stability control and backup cameras, while also providing a 5 to 10 percent reduction in fleet expenses.



Business Watch connects businesses and local government elected officials, leaders and management, and it provides a unique network to share knowledge necessary to both the public and private sectors.

Together, Business Watch government and corporate members are a powerful coalition to better our economy, influence public policy and strengthen our communities.

Visit businesswatchinc.com to learn more.

TECHNOLOGY AND INNOVATION

Industry-leading cost control and reporting capabilities help customers reduce total cost of ownership, while also improving productivity and providing updates on the latest industry trends.

For example, many fleet management companies offer telematics solutions that provide fleet operators a comprehensive view of the analytics of each vehicle and driver to help them track and evaluate: fuel management strategies; scheduled and preventive maintenance and maintenance alerts; driver performance, accident management and crash avoidance; employee productivity; and data for regulatory compliance.

VEHICLE RESALE

Resale expertise is an important (and often overlooked) element of reducing fleet expenses. The vehicle replacement process is particularly important for governmental entities, as they have a variety of vehicle types and usages.

A fleet management company with remarketing expertise can help maximize vehicle resale value with a rapid sale process and optimal exposure through multiple channels. As a result, governments can focus on more important assignments and allow the fleet experts to put equity back into their investment.

CUSTOMIZED APPROACH

All budgets and fleet needs are different. It's essential to partner with a fleet management company that can provide a customized solution for your agency's needs. You just might find that you have more control over your fleet costs than you thought, without sacrificing on quality or flexibility.


Joey Nunn is government marketing manager for Enterprise Fleet Management. For more information, contact him at joseph.m.nunn@efleets.com or visit efleets.com. 

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SEPTEMBER/OCTOBER 2018 | QUALITY CITIES 55