



Legislation Text

File #: 20-0302, **Version:** 1

Summary

To: Town Commission
From: Stefan Massol, Director of Support Services
Date: 1/5/2021

Subject:
Vehicle Replacements Approval

Summary:

Town staff is recommending replacement of several vehicles in multiple departments using funding previously set-aside for vehicle and equipment replacement.

Background/Problem Discussion: For some time the Town has budgeted for funds to be set-aside for future vehicle replacements. In the General Fund, these amounts are transferred each year into the Capital Equipment Replacement Fund while in Water and Solid Waste Funds the vehicles are depreciated each year and the funds are carried into reserves.

This past year the Town began leasing two vehicles through Enterprise Fleet Financing. Enterprise is able to provide analytics to help the Town select those vehicles with the greatest government rebate incentives and highest resale value. They also assist with reselling the Town's vehicles through their large network of secondary market suppliers.

Working with Enterprise Fleet, Town staff has identified several vehicles that we recommend be sold and replaced. The list of vehicles is provided in the attachment. The fleet size would be growing by one vehicle in the Public Works Department to avoid situations where employees are traveling together in the cab. This additional truck is estimated to actually recover more in salvage value than the Town would pay each year based on salvage value assumptions for the Chevrolet Silverado. This would result in a net budgetary savings of \$1,200 if the estimated sales price is achieved at the end of the lease term.

The Police Department is seeking a replacement interceptor for B-25 which has 90k miles and has significant mechanical failures. They have located a 2020 model at Billy Howell Ford for \$36,097.88, which is about \$600 cheaper than the Florida Sheriff's Association Contract pricing. Due to the six month delay in build times to order a replacement staff is recommending the purchase of this vehicle. The purchase does have the appropriate amount of replacement funds set aside.

Financial Implications: These vehicles can be leased at a rate of 3% + current 3-Year Treasury Note, or 3.21% per year as of 12/9/2020. Including all interest charges and other related financing fees with Enterprise Fleet, the Town is estimating a net annual cost of less than \$22,000 for leasing these 12 vehicles, valued at just over \$322,000. While most of the trucks to be ordered are estimated to be cost neutral with a 12-month hold time, others with utility body upgrades are expected to have a higher net cost and will be best to hold for a 60-month duration.

The General Fund's Capital Equipment reserves are roughly \$540,000. Additionally, the town expects to receive roughly \$100,000 in auction proceeds from sale of the existing vehicles.

Recommendation: Approval of vehicle replacement lease agreements in the enclosed schedule. As well as the purchase of the Police Interceptor

Proposed Motion: I move approval of vehicle replacement lease agreements in the enclosed schedule, either from Enterprise Fleet or another vendor based on eligible government contract pricing. Further, I move approval of the purchase of the Police Interceptor from Billy Howell Ford.