



Blakely City Council Minutes

Work Session

September 21, 2021, City Hall, 5:30 P.M.

- I. Todd Liken, from Enterprise Fleet Management, spoke to the Mayor and Council regarding a lease program to more effectively operator fleets of light duty vehicles. He stated that his company works with private and public entities and municipalities. He stated that his company works with municipalities due to them having the unique ability to purchase vehicles much more attractively than a plumbing contractor due to statewide contracts and incentives offered to municipalities. He stated that due to this his company is able to more emulate the business model of Enterprise Rent A Car which is not to buy vehicles and hold on to them forever but to buy a vehicle run it the shortest amount than sell it while it still has significant value on the secondary market. He stated that by doing this, funds are not spent on maintenance and down time and decreased fuel efficiency and other operational expenses. He provided information on a 40-vehicle scenario on the vehicles he had been provided from the City. He found that if the model presented was adopted by the City there could be a savings over the next 10 years of around \$700,00. He stated that if the replacement cycle was aggressive the length of time the City keeps vehicles would decrease but the amount of funds received from liquidating would increase therefore offsetting the cost of trying to run the vehicles forever. Mr. Liken went through the model he presented and how the savings would come about. He stated that they feel the 24 half ton trucks, the City currently owns, would be in the \$250,000 range on market value and if replaced with half ton trucks crew cab vehicles through their service the cost would be around \$179,000 for the year. He stated that the equity gain would be around \$256,000 at a 12 month period which means that the vehicle could be used for 12 months and resold at a value much more than was paid and this would pay for the next set of vehicles. He further explained that no budget funds would be used due to the sale of the current City fleet to pay for the fleet and use those for 12 months and the sale of those trucks would pay for the set of fleet trucks. He stated that this program is not about making money. There was discussion between Mr. Liken and the Council regarding the way the process works. He stated that his company believes the half ton truck market will stay strong. There was then discussion on the type of vehicle. Mr. Liken stated that currently the model presented was the Nissan Titan. He stated that he was presenting these because of the availability. He stated that Chevy closed their ordering in 12 days and Ford could close at any time. The Nissan's were being presented only due to availability. There was discussion about what happens if something goes wrong with the vehicles. There was more discussion about the maintenance cost and how the turn around process would benefit the City regarding the maintenance cost. Mr. Liken stated that there are dealers local that could work on the Nissan's. There was discussion about the value of the vehicles and the turn in value and equipment on the trucks being presented. There was then discussion on Police vehicles through their program. He stated that their cost analysis shows some cost to replace the Police Department vehicles. There was then discussion on what

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pursuit rated vehicles could be gotten for the Police Department. There was discussion on where work could be done on Police vehicles if models were not Chevy or Ford. Chief Caudill stated that he would prefer the interceptor if available to which Mr. Liken stated as far as he knew presently these could still be ordered. Mr. Liken stated that any of these vehicles would not be ready until next year. Mr. Liken stated there was no mileage limitations on any of these vehicles but how resale value could fluctuate do to mileage. As the discussion came to a close the Council discussed starting small by getting four total vehicles through the program to test it and this would be two Nissan Titans and two Ford Interceptors if available. Some of this decision was being based on the possibility of more model availability next year. The time frame on a decision to be made is based on the manufacturers to which Ford is on a short time frame and also on the Nissan Titans due to the non-availability of Ford and Chevy in the City's area. The Mayor asked for pictures and information of what is available for a choice to be made on what the City would move forward with to get into the program.

Travis Wimbush, Mayor