

It's real.

**MEMORANDUM**

**To:** Mayor and City Councilmembers  
Steve Parker, City Manager

**From:** Susan Caddell  
Director of Finance

**Subject:** Enterprise Fleet System Program

**Date:** July 15, 2021

City staff has been reviewing different ways to improve the quality of our fleet system while keeping costs down. We may keep some of our vehicles 13 plus years causing higher maintenance costs and possibly less fuel efficiency. Staff began meeting with representatives from Enterprise Fleet Management prior to the pandemic to discuss our needs. Their program allows the City to lease the vehicles over a period of three to five years. At the end of the lease, the City has an option to purchase the vehicles with a buy out or Enterprise will then go into the market and sell these vehicles. The City will then receive the funds from the sale of these vehicles. Selling these vehicles that are not 13 plus years old and have lower mileage will result in receiving a higher amount for the sale. Currently, we receive anywhere from \$4,000 to \$7,000 from our online auction. With the leased vehicles, we could get \$10,000 to \$15,000 per vehicle. We reviewed our vehicles and felt it would be more beneficial to just include our administration vehicles rather than to include our field vehicles. The field vehicles tend to be used in more stringent situations and the resale value would not be as beneficial. Staff came up with a list of 48 current administration vehicles that would work with this program. These vehicles include those used by project inspectors, building inspectors, custodial staff, IT staff, police detectives, fire administration and other administration staff. Maintenance costs, other than tires and brakes, can also be included with the lease payments, but staff can do the maintenance in house. Any other major problems that might occur with the vehicles should be covered under the warranty. Staff is recommending beginning this pilot program with the replacement of 11 vehicles and the lease of a new administration vehicle for the Fire Chief over a four-year period. When the Assistant Fire Chief started with the City, he began using the vehicle that was assigned to the Fire Chief.

Other cities involved in this same program include, but are not limited to the Cities of San Marcos, Selma, Cibolo, Boerne and Fredericksburg.

A representative from Enterprise Fleet Management will be at the City Council meeting for the presentation. If you have any further questions, please feel free to contact me or John Donnelly prior to the meeting.