



Folsom City Council Staff Report

MEETING DATE:	2/25/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11332 – A Resolution Authorizing the City Manager to Execute an Agreement with Mobile Modular Management Corporation for a Two-Year Lease of a Modular Trailer Occupied by the Public Works Street Maintenance Division
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11332 – A Resolution Authorizing the City Manager to Execute an Agreement with Mobile Modular Management Corporation for a Two-Year Lease of a Modular Trailer Occupied by the Public Works Street Maintenance Division.

BACKGROUND / ISSUE

The Street Maintenance Division of the Public Works Department is located in the City of Folsom Corporation Yard. Street Maintenance staff work out of a modular trailer originally leased from Performance Modular in 2015. A five-year lease extension was approved by City Council in 2019. Performance Modular was sold to Vesta Modular in 2022. In 2023, Vesta Modular was sold to Mobile Modular Management Corporation (Mobile Modular), who currently owns the building. Following the five-year period of the lease extension, which expired at the end of 2024, the agreement transitioned to a month-to-month rental, which does not guarantee the monthly rate or continued use of the building.

Both parties are interested in entering into an agreement to maintain the current rental rate and secure the building for an additional two years. The short-term lease allows for an easier transition when the Street Maintenance Division is moved to the future location of the Corporation Yard.

This resolution with authorize the City Manager to execute an agreement with Mobile Modular for a two-year lease.

POLICY / RULE

In accordance with Section 2.36.080 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$75,049 or greater shall be approved by City Council.

ANALYSIS

In consideration of the future transition to a new Corporation Yard, the Department recommends a two-year lease on the building the Street Maintenance Division has occupied since 2015. A lease fixes monthly costs and establishes the party responsible for building maintenance and repairs. If the current Corporation Yard were going to be used long-term, a longer-term office solution would be evaluated through a bid process; however, taking into consideration the cost and operational disruption of removing the current building and installing a new building, entering into a new lease to seamlessly continue operations is the most practical course of action.

The monthly rental rate is \$2,378.60 per month, or \$28,543.20 per year (\$57,086.40 for the term of the lease agreement). The city also remains responsible for the final return charges at the end of the lease, which have been estimated at \$6,919.

FINANCIAL IMPACT

The agreement is for two years of rent which equates to \$57,086.40. The lease of the Street Maintenance Division trailer is included in the adopted Fiscal Year 2024-25 Operating Budget and funded through the Public Works Operating Fund (Fund 023). The remaining cost to the Public Works Operating Fund (Fund 023) in Fiscal Year 2024-25 to continue utilizing the building is \$1,046.60, including taxes. Sufficient funds for the additional amount are available in the current fiscal year Public Works Operating fund (Fund 023) and will be made available through the budget process for the remainder of the period of the agreement.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENT

Resolution No. 11332 – A Resolution Authorizing the City Manager to Execute an Agreement with Mobile Modular Management Corporation for a Two-Year Lease of a Modular Trailer Occupied by the Public Works Street Maintenance Division

Submitted,

Mark Rackovan, Public Works Director

RESOLUTION NO. 11332

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH MOBILE MODULAR MANAGEMENT CORPORATION FOR A TWO-YEAR LEASE OF A MODULAR TRAILER OCCUPIED BY THE PUBLIC WORKS STREET MAINTENANCE DIVISION

WHEREAS, the Street Maintenance Division of the Public Works Department currently utilizes a rented modular trailer located at the City of Folsom Corporation Yard; and

WHEREAS, the current modular trailer is meeting the operational needs of the Street Maintenance Division; and

WHEREAS, the lease for the existing modular trailer has expired; and

WHEREAS, the city and Mobile Modular Management Corporation have continued to operate under the terms of the lease; and

WHEREAS, staff has considered the limited term use of the current Corporation Yard in the recommendation to continue leasing the existing modular trailer rather than solicit bids for a replacement modular trailer; and

WHEREAS, a lease agreement secures the modular trailer for use by the Street Maintenance Division over the next two (2) years; and

WHEREAS, staff recommends the agreement with Mobile Modular Management Corporation to continue leasing the modular trailer for two additional years which equates to \$57,086.40; and

WHEREAS, sufficient funds are budgeted and available in the Public Works Operating Fund (Fund 023) in the current fiscal year and will be made available for the remainder of the agreement through the budget process; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with Mobile Modular Management Corporation for the lease of the modular trailer occupied by the Street Maintenance Division.

PASSED AND ADOPTED this 25th day of February, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE