



TOWN OF HIGHLAND BEACH AGENDA MEMORANDUM

MEETING TYPE: Commission Meeting
MEETING DATE November 19, 2024
SUBMITTED BY: Chief Craig Hartmann
SUBJECT: Police Assigned Vehicle Program

SUMMARY:

Overview: In our ongoing efforts to meet industry standards in law enforcement and stay competitive in the recruitment and retention of top-tier police officers, we are proposing the implementation of a Police Department Assigned Vehicle Program. The majority of police departments across the county and state already provide each sworn officer with an assigned vehicle. This program would ensure that each officer is given a vehicle to use during their shifts, as well as for commuting to and from work. The assigned vehicle would be the officer's responsibility, with the officer being the sole driver and accountable for the car's care, maintenance, and condition.

The primary benefit of an assigned vehicle program is that it increases the vehicle's lifespan by eliminating the need for "hot seating" — the practice of rotating vehicles between officers on consecutive shifts. Research shows that when a single officer is responsible for a vehicle, it is better maintained and kept in superior condition compared to a pool car. Additionally, wear and tear on the vehicle is reduced, and engine idle time is minimized, which helps extend the life of the vehicle.

Assigned vehicles also serve as a crucial operational asset during emergency situations, such as storms or large-scale deployments when all officers are called in to duty. During these events, additional marked vehicles are vital, as there are often not enough available to meet operational needs. The extra vehicles enable a more efficient response to emergency situations.

Furthermore, having an assigned vehicle streamlines an officer's shift by reducing the time spent loading, unloading, and inspecting equipment at the start and end of each shift. Without the need to perform these tasks repeatedly, officers can spend more time "in service" and focus on their duties, which increases overall productivity.

For officers, an assigned vehicle becomes their "office" for the duration of their shift. The car is set up specifically to accommodate the officer's personal and professional gear, allowing them to store and access equipment without the need to load and unload it each day.

To support this initiative, the implementation of a formal Highland Beach Police Department policy will be necessary. This policy will define the roles, responsibilities, and operational procedures for managing the assigned vehicle program.

Program: Implementation of an Assigned Vehicle Program requires the acquisition of 11 vehicles and expansion fleet management expenses (fuel, insurance, maintenance, etc.) Staff evaluated the two options for funding the eleven police department vehicles through the Enterprise Leasing Program (which includes the Maintenance & Management Program.) The two options were: (1) Full (and/or partial) Financing with Maintenance and Management Program and (2) Direct Cash Purchase with Maintenance and Management Program.

Given the essential role of reliable and well-maintained vehicles in law enforcement operations, the department seeks an optimal balance between upfront investment, ongoing costs, and operational support.

Vehicle Cost: The cost of police vehicles in terms of MSRP (Manufacturer's Suggested Retail Price) has seen a steady increase over the past five years due to several factors, including inflation, advancements in technology, and rising material costs.

The Ford Police Interceptor, one of the most popular police vehicles in the U.S., has experienced such a cost increase. For example, in 2019, the base MSRP for a Police Interceptor Utility started at around \$37,500. As of 2024, the base model is priced around \$42,000 to \$45,000, reflecting an approximate 12% to 15% increase over five years.

Selected Vehicles:

Vehicle Type	Estimated MSRP	Estimated Dealer Markup	Quantity Needed
2025 Ford Police Interceptor	\$48,817	\$5,000	9
2025 Ford F150	\$47,334	\$3,000	1
2024 Ford Explorer XLT	\$40,251	\$3,000	1

Upfit Costs: The average cost to upfit a police vehicle typically ranges from \$8,300 to \$25,200+, depending on the level of customization and equipment added. Upfitting a police vehicle involves equipping it with specialized gear necessary for law enforcement operations.

Below is a breakdown of common components and their associated costs:

Up Fit Category	Estimated Cost Range
Lighting and Sirens	\$1,500 - \$3,500
Vehicle partition	\$800 - \$1,200
Camera Systems	\$1,000 - \$5,000
Radio and Communication	\$1,500 - \$5,000
Weapon and Equipment Mounting	\$500 - \$1,500

Computer and Console Mounting	\$2,000 - \$6,000
Other Accessories	\$1,000 - \$3,000
Total	\$8,300 - \$25,200

Total Vehicle Cost Structure: We have estimated that the cost of 11 additional police vehicles with complete upfit packages would cost approximately \$820,000.

Vehicle	Cost	Dealer Markup	Upfit Cost	Total Unit Cost	Qty	Total Cost
2025 Ford Police Interceptor Utility	\$48,517	\$5,000	\$25,730	\$79,247	9	\$713,226
2025 Ford F-150 SL	\$47,334	\$3,000	\$6,500	\$56,834	1	\$56,834
2024 Ford Explorer XLT	\$40,251	\$3,000	\$6,500	\$49,751	1	\$49,751
Total					11	\$819,812

Management & Maintenance Agreements: The two agreements—Full Maintenance Agreement and Maintenance Management and Fleet Rental Agreement—both involve Enterprise Fleet Management, Inc. (EFM) but serve different purposes and cover varying responsibilities. Both agreements for service with assist the Town will the expanded fleet management duties and responsibilities.

Here are the key differences:

Full Maintenance Agreement: Primarily focuses on comprehensive maintenance coverage for vehicles. EFM is responsible for covering most of the maintenance and repair costs, excluding specific exceptions like fuel, tire replacements, or damages due to accidents

Maintenance Management and Fleet Rental Agreement: In addition to maintenance management, this agreement also includes provisions for fleet rental services. The EFM Card is used for authorizing maintenance costs and managing vehicle rentals, offering discounted rental rates for short-term vehicle needs

While both agreements manage vehicle maintenance, the Full Maintenance Agreement provides comprehensive maintenance services for leased vehicles with limited focus on rental needs, whereas the Maintenance Management and Fleet Rental Agreement offers broader management services, including both vehicle maintenance and fleet rental, with more reliance on the company for direct payments and responsibilities. Over the five (5) year program, the annual cost is estimated to be \$15,480.

Vehicle	Mgt Fee	Maint Fee	Total	Months	Qty	Total Costs
2025 Ford Police Interceptor Utility	\$118	\$6	\$124	12	9	\$13,392

2025 Ford F-150 SL	\$86	\$6	\$92	12	1	\$1,104
2024 Ford Explorer XLT	\$76	\$6	\$86	12	1	\$984
Total					11	\$15,480

Interest Rate Costs: Enterprise provided an estimated lease rate of 7.98%. In addition, Synovus Bank provided a loan rate of 4.98% for the same term of 60 months. We also assumed our saving rate based on our historical data was 5.25%. We calculated the estimated dollar variance between the two offers at various costs depending on how much the town would like to contribute to cash as follows:

Estimated Enterprise			
Cost	\$ 825,000	\$ 625,000	\$ 425,000
Term (mo)	60	60	60
Int Rate	7.98%	7.98%	7.98%
Int Rate (Mo)	0.67%	0.67%	0.67%
Pmt(Mo)	\$16,720	\$12,667	\$8,613
Pmt(Yr)	\$200,642	\$152,001	\$103,361
Total Int	<u>\$ 178,208</u>	<u>\$ 135,006</u>	<u>\$ 91,804</u>

Estimated Synovus Bank			
Cost	\$ 825,000	\$ 625,000	\$ 425,000
Term (mo)	60	60	60
Int Rate	4.98%	4.98%	4.98%
Int Rate (Mo)	0.42%	0.42%	0.42%
Pmt(Mo)	\$15,561	\$11,789	\$8,016
Pmt(Yr)	\$186,735	\$141,466	\$96,197
Total Int	<u>\$ 108,673</u>	<u>\$ 82,328</u>	<u>\$ 55,983</u>

\$Δ Int Cost	<u>\$ 69,535</u>	<u>\$ 52,678</u>	<u>\$ 35,821</u> *
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* Add'l Cost of Financing using Enterprise over the live of the period

2. Full (and/or partial) Financing with Maintenance and Management Program

Program Scenarios: We evaluated this program based on two (2) scenarios and provide an advantage/disadvantage based on the data we were provided, as follows:

1. Direct Cash Purchase with Maintenance and Management Program

Scenario	Pros	Cons
1. Direct Cash Purchase w/ Maintenance Management Program	- No interest Costs - Maintenance Management: Provides support for repairs,	- Large outlay of cash.

	<p>reducing downtime and increasing efficiency.</p> <ul style="list-style-type: none"> - Vehicle Refresh Cycle: Vehicles are replaced before major depreciation, potentially maximizing resale value. - Ownership of vehicles - Maintenance Management Program provides logistics for seamless upfit and reduced vehicle lead times on future purchases. - Cancel the Maintenance Management Program after first year. 	
2. Full (and/or partial) Financing with Maintenance and Management Program	<ul style="list-style-type: none"> - Lower Upfront Costs: Leasing allows vehicle acquisition with minimal initial investment, preserving cash flow. - Maintenance Included: Lease typically includes a maintenance package, reducing administrative load on the department. - Vehicle Refresh Cycle: Leasing makes it easy to upgrade to newer models, maintaining a reliable fleet. - Higher Re-Sale Value: Vehicles are replaced before major depreciation, potentially maximizing resale value. 	<ul style="list-style-type: none"> - Higher Long-Term Costs: Leasing can be more costly overtime as continuous payments are required without gaining ownership. - Interest Rates: Lease interest rates may be higher than financing rates, raising long-term costs further. - Locked into Maintenance Management Program for the duration of lease

Recommendation: Staff recommends the Direct Cash Purchase option for the acquisition additional vehicles whereby eliminating the interest cost while maximizing the Management/Maintenance of the Enterprise/Sourcwell program.

The estimated budget impact (Increase) for implementation is \$675,641. This figure Includes additional insurance, general maintenance and fuel costs as well as accounts for the \$210,000 currently budgeted for police vehicle acquisition. The revenue sources needed to cover the \$675,641 will come allocating \$461,324 of remaining ARPA dollars and transferring \$215,317 from general fund reserves. The ARPA funds can be allocated to this project as the sanitary sewer lining project will now be completed under the Clean Water Act SRF program and the ARPA funds need to

be used prior to December 2025. It is important to note that as of 11/06/2024 the FY 2023/2024 General Fund Surplus is \$992,456.

FISCAL IMPACT:**Budget Amendments:**

Type	Account Number	Description	Amount	Notes
Revenues	001-310.000-389.900	Approp from Reserves	\$214,317	FY2024 Surplus
Revenues		ARPA	\$461,324	ARPA Funds
Total			\$675,641	
Expenditures	001-521.000-564.000	Mach & Equipment	\$615,000	Vehicles
Expenditures	001-521.000-534.000	Other Contractual Svcs.	\$15,637	Mgmt. & Maint.
Expenditures	001-521.000-545.000	Insurance	\$12,004	Add'l Ins.
Expenditures	001-521.000-552.400	Operating Supplies-Gas	\$18,000	Add'l Gas
Expenditures	001-521.000-546.100	Repairs & Maint.	\$15,000	Add'l Maint.
Total			\$675,641	

ATTACHMENTS:

N/A

RECOMMENDATION:

Approval of the Police Department Assigned Vehicle Program and authorizing the Town Manager to execute all agreements related to Direct Cash Purchase with Maintenance Management Program from Enterprise Fleet Management, Inc option and authorizing the necessary budget amendments.