



Report to the Village Board

Agenda Item: Discussion and Possible Action: Use of Insurance Proceeds to Purchase of 2020 Ford Interceptor SUV for the Village of Kronenwetter Police Department

Meeting Date: November 13, 2023

Referring Body: Administrative Policy Committee

Committee Contact: President Chris Voll

Staff Contact: Chief Terry McHugh

Report Prepared by: Chief Terry McHugh

AGENDA ITEM: Discussion and Possible Action: Use of Insurance Proceeds to Purchase of 2020 Ford Interceptor SUV for the Village of Kronenwetter Police Department

OBJECTIVE(S): Discuss options in light of the 2024 budget and the current squad car situation.

HISTORY/BACKGROUND: ISSUE BACKGROUND/PREVIOUS ACTIONS:

On Thursday, 10/05/2023, we took the 2019 Dodge Charger squad car (143,780) to Sternot Auto after the engine light came on, the vehicle started riding rough, and there was a ticking sound coming from the engine. Clayton Sternot called me and advised there is a real potential for the engine to need significant repair or replacement (see his appraisal of the vehicle).

Given the high miles, age, and potential cost of repair, we picked the car up, returned it to the municipal center, and took it out of service. Lt. Smart has been in contact with a seller who specializes in used equipment from junk yards (he was looking for equipment for our new squads) and the seller advised he has two 2019 Dodge Chargers with 60k miles for \$18k and a 2020 Ford Interceptor SUV with 3,800 miles for \$25k. The Chargers have the V8 Hemi engine, which is the same engine in the car that might need an engine replacement. Dodge went away from the V8 AWD and switched that to a V6 in 2020 due to issues with the Hemi in the AWD model, so those two Chargers present some risk. The Interceptor is not that much more expensive than the two Chargers, is a year newer, and most importantly, from a mileage perspective, it's virtually new. It also has a warranty left for up to 36,000 miles.

I talked to Administrator Manley on Friday, 10/06/2023, and we discussed the options and best course of action and more specifically, does the Village want to stick up to 8k in a squad car with 143,780 miles? We currently have \$114,000 budgeted for 2024 in the Equipment Replacement Fund (#750), with the Board approving \$82,000 for two squad cars in 2024. The new squads have been ordered; however, there's no indication or guarantee when those will arrive, and we are currently down two cars (2017 Ford SUV and the 2019 Charger).

Options (in no particular order):

1. Repair 2019 Charger, regardless of cost, and put it back in service. Pass on the used vehicles and just keep the two new cars we already have ordered. An 8k replacement would put us roughly 1k over in the maintenance budget; however, we still have three months' worth of vehicle and equipment repair left, so we'll end up farther in the red than that by the end of the year.

2. Don't repair the 2019 Charger, sell it on the auction "as is" and just wait until the two new squads arrive in 2024. This would leave us two cars short until such time as the new squads arrive next year. It would also mean the extra car the Board voted for us wouldn't truly happen because instead of losing one car and gaining two, we'd be losing two cars and gaining two.
3. Don't repair the 2019 Charger, sell it on the auction "as is," and use some of the insurance money to purchase the used 2020 Ford Interceptor. This would give us an immediate, stop gap, squad replacement for the two squads lost and instead of repairing a high mileage vehicle that we've already stuck a bunch of money into, we'd get a virtually new one for literally half the cost of a new 2025 Ford Interceptor. Also, by going with the same make/model as a replacement for the 2017 Ford, we stand a better chance of getting insurance approval for equipment replaced in that car. This option essentially stands up three new squads and with the insurance money, the cost to purchase and outfit per car is significantly less than we'll ever pay for a squad car alone—never mind the install.

I may have missed options, and if so, let's discuss those ideas as well.

PROPOSAL: Recommend using some of the money from the insurance payout for the purchase of the 2020 used Ford Interceptor police squad car.

RECOMMENDED ACTION: To be determined by the Village Board. APC recommended we proceed with the use of the insurance money to purchase and outfit the used Ford Interceptor. Money left over would be moved to 2024 to help offset the cost of the two new squad cars.

FINANCIAL

Financial Consideration/Action: Cost to fix the 2019 Charger is estimated to be 4k-8k. Insurance will pay out just over 50k for the totaled squad car alone and that does not include what they'll pay for damaged equipment, decaling, and squad car build.

FUNDING SOURCE:

Account Number/Title:	#
Current Adopted Budget:	\$
Spent to Date:	\$
Remaining Budget:	\$
Requested Amount:	\$
Remainder of Budgeted Amount, if approved:	

ATTACHMENTS: Estimate from Sternot Auto Repair, e-mail from the insurance company, and an Excel spreadsheet with squad build plans.