



City of Port LaVaca

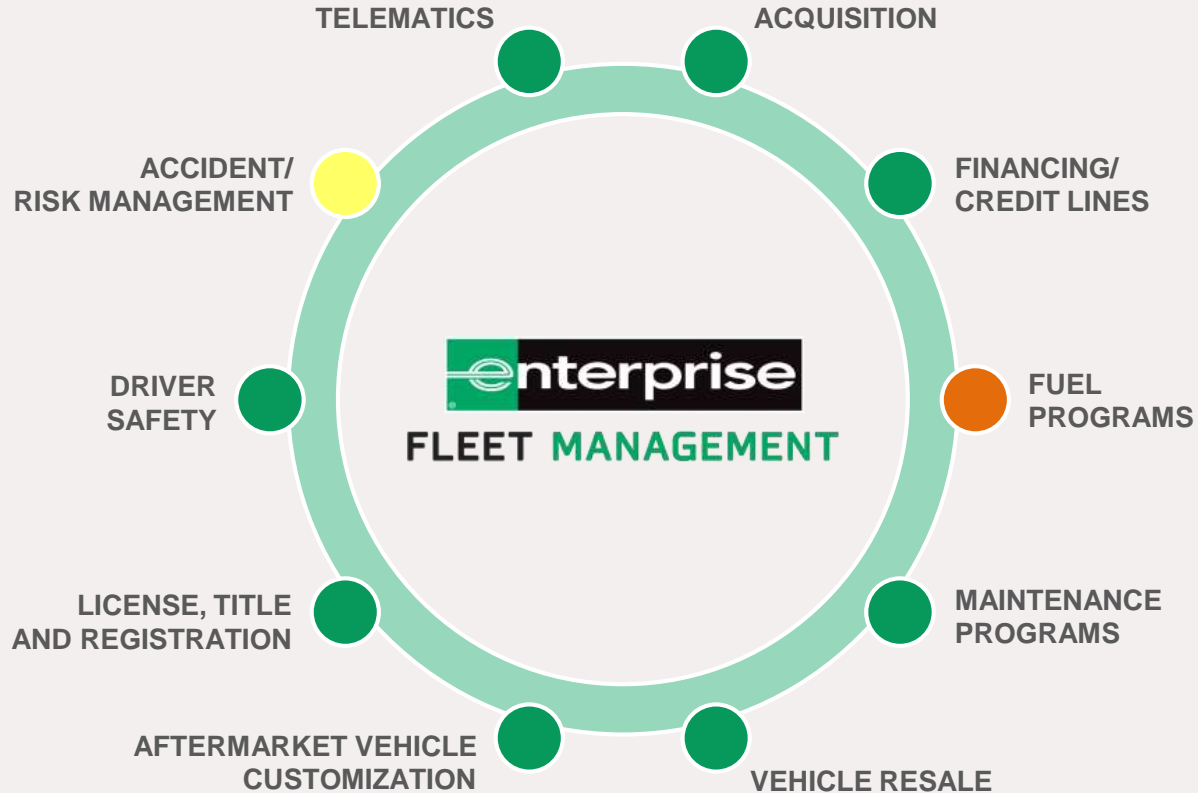
Partnership Update

September 9, 2024



FLEET MANAGEMENT

DELIVERING SOLUTIONS. DRIVING RESULTS.



Effective Vehicle Life Cycle

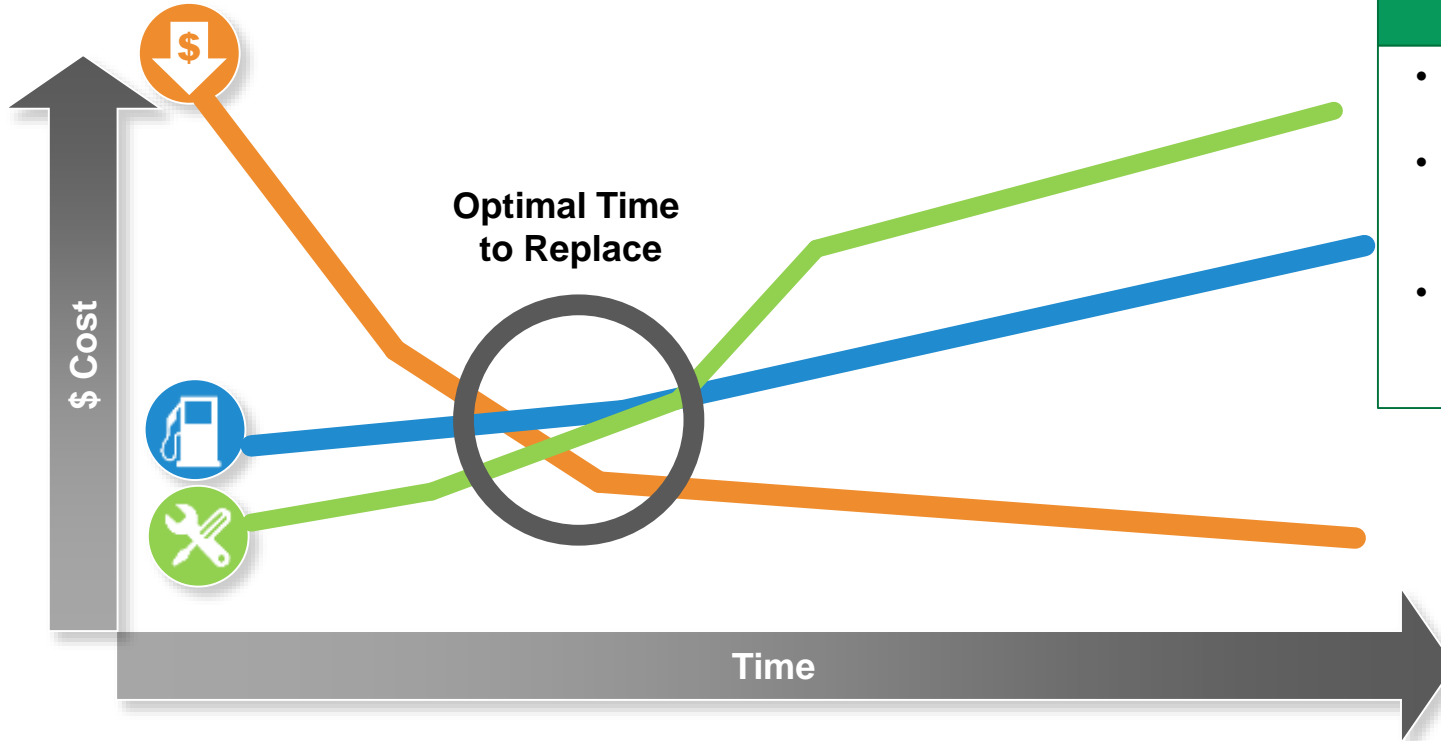
One of the important elements of Fleet Management is knowing the economics of when to replace vehicles

Enterprise analyzes the following items before making recommendations:

- Used vehicle prices / Vehicle resale environment
- Maintenance expenses / downtime
- Fuel and fuel economy standards
- Appearance and branding
- Vehicle incentives



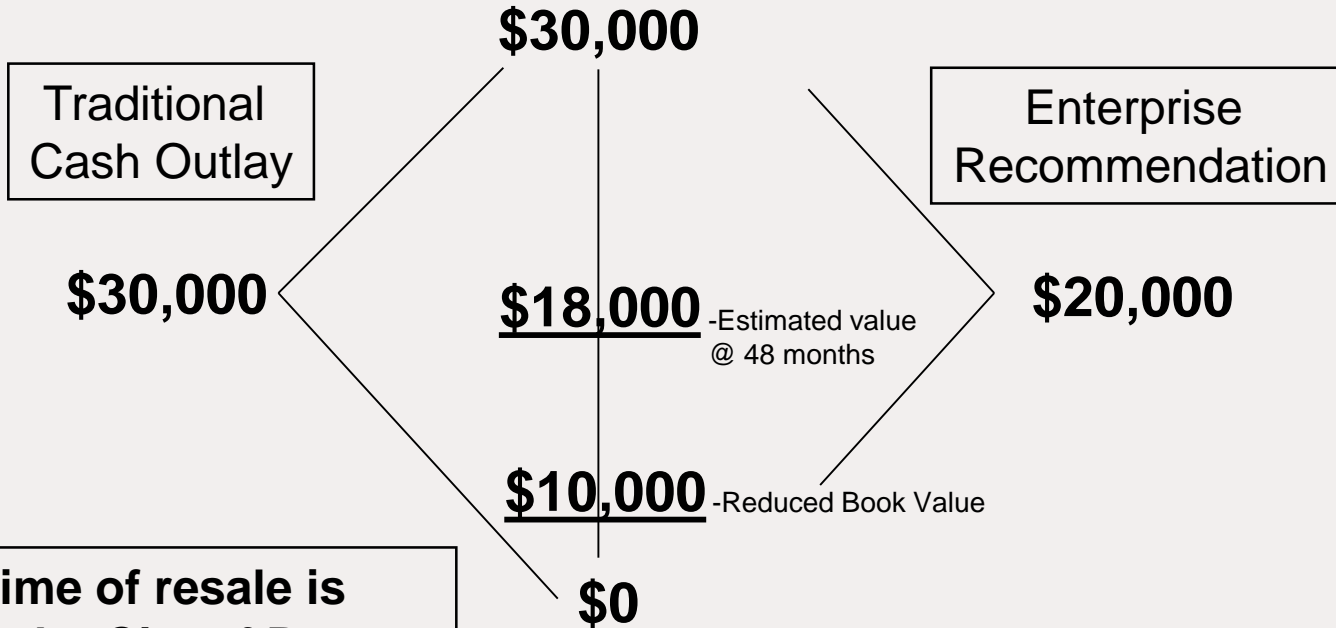
EFFECTIVE VEHICLE LIFECYCLE:



Key Observations

- Depreciation/year declines over time
- Running costs of Fuel and Maintenance increase gradually over time
- Mandated MPG efficiencies reward staying on technology wave

Open-Ended Equity Leasing Model



Equity at time of resale is returned to the City of Port LaVaca or rolled into replacement vehicle, reducing ongoing costs

INDUSTRY UPDATE

A look into Total Cost of Ownership trends since the beginning of Partnership - December 2021



Acquisition

+16

new vehicle prices



Fuel

+0.5% | **-3.5%**
GAS | DIESEL

price per gallon



Funding

+94

BPS

3-year treasury
interest rate



Remarketing

+18%

resale value



Maintenance

+37%

repairs



Insurance

+11%

premium increase

Sources: BankRate, Wards Intelligence, LMC Automotive, Automotive Fleet Magazine, Cox Automotive, Property Casualty 360, WEX

CONFIDENTIAL AND PROPRIETARY

© 2024 Enterprise Fleet Management, Inc.

INDUSTRY UPDATE: INVENTORY SHORTAGE (2021 – 2023)



Operational Challenges

	<u>Pre-Pandemic</u>	<u>Current</u>
Stock Searches	3 Days	3 Weeks
Lead Times	12-16 Weeks	52 Weeks
Inventory Levels	3.75 Million	1.2 Million
Avg Vehicle Cost	\$27,000	\$47,000



Dealers holding vehicles
for retail vs. fleet



Volume incentive
agreements different terms
if at all

VEHICLE INVENTORY CHALLENGES



Where We Started

Fleet Overview– December 2021 at Partnership Closure

Prior to Partnership	
Average Fleet Size:	35
Total Fleet Value:	\$120,788
Different Vehicle Classes	16
Annual Maintenance Expense	\$63,840
Average Monthly Maintenance by Unit	\$162.00
Annual Fuel Expense	\$51,100
Average Annual Miles	8,100
Average Miles Per Gallon	10

Safety Concerns:

- Units predating Anti-Lock Brakes (2007): **2**
- Units Predating Electronic Stability Control (2012): **7**
- Units that predate standardization of back up camera (2018): **29**

On Our Way

Strategic Planning to Push us Forward

Acquisitions

Total Delivered

33

\$114,136 in
Gov't Incentives

Remarketing

Units Sold

24

\$80,825 in
recaptured funds

Telematics - GeoTab

Driver Safety data

Accurate Mileage

GeoTracking

Maintenance Program

Oversight of all
Repairs by ASE
certified
Technicians

No Repair
approved without
Maintenance
Approval

How Far We Have Come

Fleet Overview– End of Fiscal Year 2024

	Prior to Partnership	End of FY24
Average Fleet Size:	35	45
Total Fleet Value:	\$120,788	\$1,405,801
Different Vehicle Classes	16	9
Annual Maintenance Expense	\$63,840	\$75,950.10
Average Monthly Maintenance by Unit	\$162.00	\$140.65
Annual Fuel Expense	\$51,100	\$126,375
Average Annual Miles	8,100	12,980
Average Miles Per Gallon	10	19

2025 FLEET PLAN CONSIDERATIONS

GM Order Banks

Order Banks Open: Open Now

Production has Begun

Forecasted Lead Time: 2-3 months

Replacement Plan

16 Vehicles identified for Cycling

\$185,000 in deployed equity for down payments

Targeting 100% implementation of Program in FY25

Operational Goals

Department Heads taking Fleet Roles

Deviceless GeoTab Transition

WEX Fuel Card Program – Discuss Option through Sourcewell

Contribute Resale Units to City Auction

Plan in Action

6 Leases Sold Early to Decrease Cost of 3 Add'l Leases

Unit	Monthly Payment	Maintenance Cost	Government Incentives	Available Equity	New Payment w/ Maintenance
ANIMAL	\$0.00	\$270.00	\$3,400.00	\$10,000.00	\$812.78
CODE	\$0.00	\$787.87	\$3,400.00	\$10,000.00	\$812.78
UTIL BILL	\$0.00	\$708.52	\$3,400.00	\$10,000.00	\$812.78
PARKS	\$934.72	\$489.96	\$3,400.00	\$10,000.00	\$812.78
STREETS	\$934.72	\$489.96	\$3,400.00	\$10,000.00	\$812.78
UTIL MAINT	\$925.76	\$477.58	\$3,400.00	\$10,000.00	\$812.78
Public Works	\$935.26	\$489.96	\$3,400.00	\$10,000.00	\$812.78
PORT COMM	\$934.72	\$489.96	\$3,400.00	\$10,000.00	\$812.78
UTIL BILL	\$931.17	\$473.60	\$3,400.00	\$10,000.00	\$812.78
TOTAL	\$5,596.35	\$4,677.41			\$7,315.02

Replacing 6 Leased Units in addition to the 3 City Owned Vehicles will save **\$35,504.88** for the City in FY25



FLEET MANAGEMENT

Anastacia V. Maples

Anastacia.V.Maples@efleets.com

210.710.3833