



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: MARCH 1, 2020

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: RON AHLERS, CHIEF FINANCIAL OFFICER
MICHAEL MCCONVILLE, MANAGEMENT ANALYST**

SUBJECT: ADOPTION OF RESOLUTION NO. 2021-1718 AMENDING THE FY 2020-21 BUDGET OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT FUND. AUTHORIZE THE SIX LEASED TOYOTA PRIUS CARS TO BE PURCHASED FROM TOYOTA FINANCIAL SERVICES AND SOLD. AUTHORIZE THE PURCHASE OF THREE SUVs.

MEETING DATE: MARCH 10, 2021

SUMMARY RECOMMENDATION:

City Council authorize: (1) The purchase of the six leased Toyota Prius cars from Toyota Financial Services in an amount not to exceed \$68,000; (2) The subsequent sale of the six Toyota Prius cars for \$84,000; (3) The purchase of three Dodge Durango SUVs in an amount not to exceed \$110,000; and (4) The adoption of Resolution 2021-1718, amending the FY 2020-21 budget of the South Coast Air Quality management District Fund.

BACKGROUND:

In April 2018 the City entered into a 36 month lease agreement for six Toyota Prius cars to be used as the City's fleet vehicles. The Finance Department oversees the lease agreements, while the Public Works Department coordinates vehicle scheduling, use, and maintenance. The annual leasing costs for the fleet is \$25,000, and when including fees, totals \$78,000 at the end of the April 2021 term. The

leases are funded using monies from Fund 12 (South Coast Air Quality Management District).

Information regarding the use of the City’s fleet vehicles is summarized below:

Vehicle	Car #	Department Assignment	Current Odometer Reading	Average Miles Per Year
2018 Toyota Prius	100	General Staff	4,371	1,457
2018 Toyota Prius	101	General Staff	13,765	4,588
2018 Toyota Prius	102	Public Works	5,932	1,977
2018 Toyota Prius	103	Building & Safety	19,621	6,540
2018 Toyota Prius	104	Building & Safety	9,533	3,178
2018 Toyota Prius	105	Building & Safety	12,314	4,105
Totals:			65,536	3,641 (avg.)

Over the course of 36 months, the six vehicles were driven for a combined total of 65,536 miles, with each car averaging 3,641 miles driven annually.

DISCUSSION:

End of Fleet Leases

The term end date for the Toyota Prius leases is April 11, 2021, by which time the City will have spent a combined \$78,000 on payments and fees over the course of 36 months. The City has two actions it may take once the leases reach their end date: (1) return all six vehicles and pay a one-time disposition fee of \$2,000; or (2) purchase all six vehicles for a combined price of \$66,000, or \$11,000 each.

Due to the low mileage and reasonable purchase price of the fleet, staff solicited appraisals for the six vehicles to determine if it would be favorable if the City were to buy-out the leases. After receiving appraisal offers to purchase the six Prius vehicles for a combined total of \$84,000, staff determined that it indeed would be financially advantageous for the City to buy and subsequently sell the leases. Specifically, the City would purchase the six Toyota Prius cars for \$66,000 and immediately sell the same Prius cars for \$84,000, providing the City with \$18,000 in proceeds to be used on future fleet purchases.

Fleet Replacement

After analyzing vehicle use trends amongst the City's current Prius fleet, staff determined that the City was leasing more cars than required and that purchasing a smaller fleet would be optimal due to the City's low mileage requirements. Specifically, staff from Public Works, Building & Safety, and Finance concluded that purchasing three (3) vehicles would suffice to meet the City's fleet requirements. It was also determined that a SUV would be more practical for field staff to use due to their higher ground clearance and larger cargo/storage capacity.

After a comprehensive review using the criteria set by staff, it was determined that the model that best fits the needs of the City is the 2021 Dodge Durango SUV. In addition to having greater cargo space and vehicle clearance, the 2021 Dodge Durango's emission rating is classified as a Level 3 Super Ultra Low Emission Vehicle (SULEV) by the California Air Resources Board, which is defined as producing 90% fewer emissions than the average gasoline powered vehicle for cars released in the same model year.

In a manner consistent with the requirements of the Uniform Public Construction Cost Accounting Act, staff received a quote for three 2021 Dodge Durango vehicles from National Auto Fleet Group, which provides cooperative purchasing pricing for public vehicle fleets sourced by the National Joint Powers Alliance, also known as Sourcewell. The final quote for three 2021 Dodge Durango vehicles totaled \$109,905.

Note: In addition to the three new Dodge Durango SUVs, the City will continue to utilize two vehicles purchased in prior years: one Honda Accord and one Toyota Prius.

FISCAL IMPACT/SOURCE OF FUNDING:

The purchase of the six leased Toyota Prius cars from Toyota Financial Services will decrease the balance of Fund 12 in an amount not to exceed \$68,000.

The subsequent sale of the six Toyota Prius cars will increase the balance of Fund 12 by approximately \$18,000.

The purchase of three 2021 Dodge Durango SUVs will decrease the balance of Fund 12 in an amount not to exceed \$110,000.

REQUESTED ACTION:

City Council authorize: (1) The purchase of the six leased Toyota Prius cars from Toyota Financial Services in an amount not to exceed \$68,000; (2) The subsequent sale of the six Toyota Prius cars for \$84,000; (3) The purchase of three Dodge Durango SUVs in an amount not to exceed \$110,000; (4) The adoption of Resolution 2021-1718, amending the FY 2020-21 budget of the South Coast Air Quality management District Fund. To also authorize the City Manager to sign all documents regarding purchase and sale terms as listed above.

ATTACHMENTS:

1. Resolution No. 2021-1718, Budget Amendment Appropriation
2. Quote from National Auto Fleet Group for three (3) 2021 Dodge Durango SUVs