



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: MARCH 15, 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.

MEETING DATE: MARCH 24, 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 approximately \$84,000; (3) The adoption of Resolution 2021-1718, amending the FY 2020-21 budget of the South Coast Air Quality Management District Fund.

BACKGROUND:

This is continued business from the March 10, 2021 City Council Meeting.

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 disposition fee of \$350 per each vehicle totaling a combined \$2,100; 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 six Toyota Prius vehicles. 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. Finally, staff required that the vehicle had to be certified as a Level 3 Super Ultra Low Emission Vehicle (SULEV) by the California Air Resources Board.

For the reasons stated above, staff recommended the purchase of three (3) 2021 Dodge Durango SUVs during the March 10, 2021 City Council Meeting. City Council did not authorize these purchases and instead directed staff to return with electric vehicle options for consideration.

To properly analyze and respond to City Council requests from the March 10 meeting, staff is now recommending only the authorization to purchase, and the authorization to sell, the six leased Prius vehicles with the April 11 term date. Staff has removed the authorization to purchase replacement vehicles until a final electric fleet option can be thoroughly discussed. This allows ample time to obtain quotes for electric vehicles, assess other local agency fleet electrification efforts, and analyze charging station and infrastructure requirements.

During this time the City will also continue utilizing two vehicles purchased in prior years to ensure that there is no interruption of service.

FISCAL IMPACT/SOURCE OF FUNDING:

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

The subsequent sale of the six Toyota Prius cars for approximately \$84,000.

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 approximately \$84,000; (3) 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