

City of Montgomery
Financial Planning Committee Meeting
April 4, 2022

Present

Brian Riblet, City Manager
Tracy Henao, Asst. City Manager
Katie Smiddy, Finance Director
Connie Gaylor, Clerk of Council
John Crowell, Police Chief
Mike Rogers, Public Works Supervisor

Council Committee Members Present

Ken Suer, Chair
Mike Cappel
Lee Ann Bissmeyer

The Financial Planning Committee of Council convened its meeting for April 4, 2022 at 4:30 p.m. at City Hall with Mr. Suer presiding.

Fleet Management Program Discussion

Mr. Riblet introduced Amanda Ross and Jeremy Baldwin from Enterprise Fleet Management to the meeting.

Mr. Riblet explained that staff has been in the process of conducting a comprehensive analysis that was broken down into three different studies. He stated that the City fleet program and current vehicle replacement schedule was the last of three studies to complete.

Mr. Riblet explained that the first study was the completion of a Capital Needs Assessment Report of all city-owned building and facilities. The report assembled by American Structurepoint included a comprehensive 15-year capital improvement and estimated budgetary considerations to ensure our city facilities will be maintained in an efficient manner. The second study also involved American Structurepoint and included an analysis of current and future staffing levels and current and future space considerations within the Public Works, Safety Center, and City Hall buildings. This report will be beneficial as we work through implementation of the 2022-2026 City Strategic Plan. And the third study, as mentioned above, was to conduct a comprehensive analysis on our city fleet program and current vehicle replacement schedule, more specifically, all police cruisers, unmarked police vehicles, fire support vehicles, public works vehicles, recreation, and community development vehicles. The following is the current rotation schedule:

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|---------------------------------|------------------|
| • Public Works | 10-14-year cycle |
| • Fire Support Vehicles | 10-14-year cycle |
| • Recreation Vehicle | 12-15-year cycle |
| • Community Development Vehicle | 12-15-year cycle |
| • Unmarked Police Vehicles | 10-14-year cycle |
| • Police Cruisers | 5-7-year cycle |

He added that the police cruisers are replaced on an alternating schedule of one cruiser in one year and three cruisers in the subsequent year.

Mr. Riblet stated the City utilizes the Ohio Cooperative Purchasing Program to purchase r vehicles though the state bid process in which we can buy at a cheaper rate than through the open market.

Mr. Riblet explained that in 2020, that along with Katie Smiddy and Chief Crowell, he engaged with representatives from Enterprise Fleet Management, Inc. to conduct a review of our current process and began discussing a different approach to managing our city fleet. Due to the fact the city can purchase vehicles through the state bid process we discovered it would be economically beneficial to replace our fleet on a more frequent basis, in most cases 3-5 years, to take advantage of maximum resale values. This approach will also result in lower fleet maintenance and repair costs that we currently experience with our older fleet. Enterprise Fleet Management, Inc. will also provide a platform to manage routine vehicle maintenance and track vehicle history in addition to managing the purchasing and resale process on the city's behalf. He added that another benefit of this approach is the image and brand of our city fleet throughout community. The city invested a significant amount of time and financial resources in a re-branding campaign and this proposed approach will ensure we have newer fleet representing the city's brand.

Mr. Riblet closed by stating that Staff requests the Financial Planning Committee of City Council consider a motion to authorize staff to continue to engage with Enterprise Fleet Management, Inc. to develop a plan to utilize the funds appropriated in the current 2022-2026 city budget to begin implementing a fleet management plan. This initial plan would not require additional funds, however, would deviate from our current practice and allow us to begin replacing multiple vehicles and utilizing current funding and equity to acquire new vehicles. Ultimately, a final agreement will be presented to full City Council for consideration and approval in the coming weeks.

Mr. Suer stated that he likes the approach of a fleet management program and felt it makes sense. He stated that a rotation as suggested would lessen impact on budgets. Mr. Suer stated that he also liked that it would provide a better handle on maintenance and replacement because of the tracking of the value and projection on when to sell the vehicles to get the best return on them.

Mr. Cappel asked the Enterprise representatives how they account for when to sell vehicles.

Mr. Baldwin explained that because of the volume of vehicles they purchase and sell they can assess trends in the economy to base their recommendations on. He explained that their model is to keep vehicles for an estimated five years. He stated that Enterprise maintains a list of sales agents who only sell vehicles nationwide. He stated that when a vehicle is recommended for sale that they usually sell 10% higher than black book values. He added that in 2022 Nissan and Ford gave government incentives and that it is forecasted that in 2023 their discounts are better based on market rates.

Mrs. Bissmeyer stated that she liked that the management of the vehicles would be under one umbrella and monitored as a package instead of by department. She stated that she also liked that it would be more reflecting of the City brand along with an improved management of funds.

Mr. Riblet explained that this program would not include large vehicles such as a 5-Ton Dump Truck or the large fire apparatus trucks. Mr. Riblet added that while it is hard for staff to predict the availability of the purchase of vehicles from dealerships, Enterprise has a greater purchasing power by purchasing direct from the manufacturer.

Mr. Baldwin explained that Enterprise would help to supply the vehicles based on staff's specifications and to advise on the different trim models. He advised not to wait after October of a given year to order vehicles.

Ms. Ross stated that the City would not pay for a vehicle until delivery.

Mr. Riblet explained that, if approved, he would suggest ordering 2023 budgeted vehicles this year but to combine the 2022 and 2023 funds together.

Mr. Suer stated that he felt in the future there may be a push to transition to electric vehicles as the City spends collectively around \$150,000 on fuel each year.

The Committee asked Mr. Rogers and Chief Crowell what their thoughts were on this program.

Mr. Rogers stated he was in favor of it and thought it made sense to include all applicable vehicles into the program.

Chief Crowell explained that he spoke to other municipalities who were in contract with Enterprise or others who were in the process, and all provided good feedback. He stated that currently when a cruiser goes out of warranty the repair costs greatly increase due to the constant idling of the vehicle. He stated that overall, he thought this was a good idea.

Ms. Smiddy stated that she felt this recommendation would put the City in a good position to get a good return on the investment of purchasing vehicles. She stated that she felt the centralized maintenance is a plus and with Enterprise's oversight it was a win-win.

Mr. Cappel made a motion to move forward with a recommendation to City Council to support staff's recommendation to enter into an agreement with Enterprise Fleet Management. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

March 2022 Income Tax Report

Ms. Smiddy reported for the month of March, the City's total income tax receipts were \$1,074,039, which is an increase of \$266,750 or 33.04% when compared to the 2021 March collections of \$807,289. Business and withholding collections are up year-to-date while Resident revenue is down slightly, however, Staff believes the resident numbers will level out after April returns are posted.

Ms. Smiddy reported in March 2022 withholding collections were \$892,841; an increase of \$265,420 or 42.30% when compared to March 2021 collections of \$627,421. Staff believes this may be due to a greater number of residents working from home; and employers no longer withholding for the city where the company is physically located.

Ms. Smiddy reported in March 2022, net profits from businesses located within or doing business within Montgomery were \$66,619. This is an increase of \$13,608 or 25.67% when compared to March 2021 collections of \$53,011. Year-to-date Business revenue is up 22.07%, possibly a sign of the slowing pandemic.

Ms. Smiddy reported that revenues of \$114,578 were collected in March 2022 from residents living in Montgomery, which is a decrease of \$12,279 or (9.68)% when compared to March 2021 collections of \$126,857. Year-to-date collections on individual accounts are down in comparison

to 2021 and includes total collections and the number of estimated payments. The revenue received from estimated taxes in December 2021 exceed the total amount that has been collected year-to-date 2022 by 7.8%.

Other Business

- Mr. Riblet explained that Senior Staff are working to put together a list of strategic projects that could qualify under ARPA funding. He stated that he would share that list when it is completed.
- Mr. Cappel shared that Greater Cincinnati Water Works had their software hacked and it shut down their online operations for two weeks.

Mr. Riblet shared that he planned to ask Matthew Vanderhorst to attend the next committee meeting to provide an update on the city's cyber security plan.

Minutes

Mr. Cappel moved to accept the minutes of the March 7, 2022 meeting of the Financial Planning Committee as written. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Adjournment

Mr. Cappel moved for adjournment. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 5:25 p.m.



Chair