

MINUTES OF THE STUDY SESSION OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, AUGUST 18, 2020 AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Seymore called the meeting to order at 6:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Daryl Seymore and Council members Brandt Clark, Brent Hatch, John Leech, Jr., Connie Kakavas, and Gene Kelley.

COUNCIL MEMBERS ABSENT: Vice Mayor Mike Allsop.

STAFF PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Bill Kopp, Public Works Director; Rachael Hall, Deputy City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Dawn Wilson, Sharon Stone, Jon Adams, Renee Milum, and Evan Paur.

3. Discussion of Enterprise Lease Proposal.

Mr. Johnson said staff discussed a potential leasing option for the City's fleet from Enterprise during the FY 20/21 budget discussion with the Council. He introduced Renee Milum, Enterprise Fleet Management Account Executive and Evan Paur, Area Sales Manager. Ms. Milum gave information regarding Enterprise's Fleet Management program, which was a program for government partners that currently worked with 280 entities within the state and had three national cooperative purchasing contracts. Each partnership was a specific program to meet the needs of each entity.

Ms. Milum gave an overview of the products and services that Enterprise Fleet Management offered, which include vehicle acquisition, financing and credit lines, aftermarket vehicle customization, maintenance programs, fuel programs, accident and risk management, driver safety, and vehicle resale analytics to capitalize on equity.

Mr. Paur said the City's current situation was negatively impacting the overall budget and fleet operations. The current average age of the fleet was 15 years old, 2004 was the average model year of the fleet, and the average fuel economy was projected at 10 miles per gallon. Enterprise's objectives were to identify an effective vehicle life cycle that would maximize potential equity at time of resale creating an overall cost savings for the fleet and to increase employee safety with

newer vehicles. He shared a budget model for the City and fleet planning analysis over the next seven years.

Mr. Paur said the Enterprise Fleet Management program would dedicate a team to meet regularly with City staff to discuss current fleet mileage and fuel to evaluate and give their best recommendations based on the City's budget. He said there was an ideal time to replace vehicles to acquire as much equity out of each vehicle as possible while helping the municipality with budgeting costs. Enterprise would run an analysis on the many factors of each vehicle for the City to know the prime time to resell their vehicles in the fleet and replace with a new one.

Ms. Milum said there were many funding options that could help the City replace older vehicles with newer models that had updated safety features with less of a budget.

Councilman Leech said the City benefited when vehicles were bought from local dealerships due to sales tax. He said supporting local businesses was important because they supported the community. He asked if Enterprise would work with local dealerships to purchase vehicles.

Mr. Muder said staff met with Enterprise and discussed the importance of purchasing vehicles locally. Mr. Paur said Enterprise would work with local dealerships to purchase vehicles through them but would also work with outside dealerships to find the best options for the City. It would ultimately be up to the Council on where they would prefer to purchase the vehicles. He said Enterprise could also bring business from outside agencies as potential buyers to the local dealerships.

Councilwoman Kakavas asked staff to contact local dealerships to make sure they could take advantage of selling through Enterprise. Mr. Muder said staff had contacted local dealerships to participate in the state contract so it could be easier to purchase vehicles from them. He said they would stay in contact with the local dealerships.

Councilman Leech asked how Enterprise would resell the City's vehicles. Mr. Paur said Enterprise had marketing specialists that would market the vehicle and create a competitive bidding market for it to provide the most equity back to the partner.

Councilman Hatch asked if Enterprise tracked vehicle recalls. Mr. Paur said yes, Enterprise had an award winning website that kept track of recalls. Notices would be sent out to the City to have the recall fixed, and the website would send out reminders until the work was completed.

Councilman Clark asked if there was an opportunity to incorporate energy efficient vehicles into the fleet. Mr. Paur said yes, Enterprise could evaluate and work with different types of vehicles based on the City's needs.

Mayor Seymore asked staff to continue working with Enterprise. Mr. Muder said staff would continue to meet with Enterprise and bring a contract to the Council at an upcoming meeting.

4. Adjournment.

There being no further discussion, **MAYOR SEYMORE ADJOURNED THE STUDY SESSION OF THE SHOW LOW CITY COUNCIL OF AUGUST 18, 2020 AT 6:48 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead, City Clerk

Daryl Seymore, Mayor

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **STUDY SESSION** of the City Council of Show Low held on August 18, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Tamra Reidhead, City Clerk