

Memo

To: Bill McDonald, Interim City Manager
From: Colleen Corcoran, Finance Director
Date: November 20, 2017 (updated)
Re: Comparison 7 year Life 5 Vehicles to 10 Year Life 8 Vehicles

This information assesses the impact of both an increase in size of fleet and a ten year replacement schedule.

Please reference the attached spreadsheets.

The ERR replacement contribution net effect of going from a 7 year life with 5 vehicles to a 10 year life with 8 vehicles (one vehicle kept as a spare not being funded for replacement), for a time span of ten years, is an increase of \$70,876.

The salary difference for the term of the contract (5 years) is a decrease of \$12,842.

The capital outlay to increase the fleet by an additional three vehicles is \$153,223.

The total cost to the City over a ten year period is \$211,257.

This information assumes implementing the new schedule with the 2019 ERR budget. The 2018 ERR budget was based on a seven year schedule.

UPDATED

POLICE 7 YEAR LIFE 5 VEHICLES SCHEDULE REPLACEMENT COSTS

CURRENT (5 Vehicles) 7 YEAR LIFE	Purchase	replacemen	Balance													TOTAL
	Cost	Est	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
2009 Crown Victoria #1																0
2009 Crown Victoria #2																0
2011 Crown Victoria #3		44,802	35,904	8,898												44,802
2011 Crown Victoria #4		44,802	35,904	8,898												44,802
2015 SUV #5		50,425	14,405	7,840	7,045	7,045	7,045	7,045								50,425
2016 SUV #6		51,655	7,379	7,380	7,379	7,379	7,379	7,379	7,380							51,655
2016 SUV #7		51,655	7,379	7,380	7,379	7,379	7,379	7,379	7,380							51,655
2018 SUV #3 (Replaces Crown Vic #3)	48,600	59,772			P	8,539	8,539	8,539	8,539	8,539	8,538					59,772
2018 SUV #4 (Replaces Crown Vic #4)	48,600	59,772		P	8,539	8,539	8,539	8,539	8,539	8,539	8,538					59,772
2022 SUV #5 (Replaces 2015 SUV #5)	54,700	67,274						P	9,611	9,611	9,611	9,611	9,611	9,611	9,608	67,274
2023 SUV #6 (Replaces 2016 SUV #6)	56,341	69,292							P	9,899	9,899	9,899	9,899	9,899	9,899	59,394
2023 SUV #7 (Replaces 2016 SUV #7)	56,341	69,292							P	9,899	9,899	9,899	9,899	9,899	9,899	59,394
2026 SUV #3 (Replaces SUV #3)	59,772	73,512									P	10,502	10,502	10,502	10,502	42,008
2026 SUV #4 (Replaces SUV #4)	59,772	73,512									P	10,502	10,502	10,502	10,502	42,008
2029 SUV #5 (Replaces 2022 SUV #5)	67,274	82,739													P	0
TOTALS			100,971	40,396	38,881	38,881	38,881	38,881	41,449	46,487	46,485	50,413	50,413	50,413	50,410	632,961

POLICE 10 YEAR LIFE SCHEDULE REPLACEMENT COSTS-9 VEHICLE FLEET (funding to replace 8 vehicles)

Vehicles 10 YEAR LIFE	Purchase	replacemen	Balance													TOTAL
	Cost	Est	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
2009 Crown Victoria #1				*	surplus											
2009 Crown Victoria #2				*	surplus											
2011 Crown Victoria #3		48,956	35,904	8,898	*		*	Keep as spare vehicle until 2025		surplus						44,802
2011 Crown Victoria #4		48,956	35,904	8,898	*	*		surplus								44,802
2015 SUV #5	44,468	59,761	14,405	7,840	6,754	6,754	6,754	6,754	6,754	6,754	6,750	surplus				69,519
2016 SUV #6	45,802	61,555	7,379	7,380	5,849	5,849	5,849	5,849	5,849	5,849	5,849	5,853	surplus			61,555
2016 SUV #7	45,802	61,555	7,379	7,380	5,849	5,849	5,849	5,849	5,849	5,849	5,849	5,853	surplus			61,555
2018 SUV #8 (purchase with 2011 \$) adds	48,600	65,314		P	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,535	surplus	65,314
2018 SUV #9 (purchase with 2011 \$) adds	48,600	65,314		P	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,535	surplus	65,314	
2019 SUV #1 (replaces 2009 #1) Gen EFB	50,058	67,274			P	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,731		67,274
2019 SUV #2 (replaces 2009 #2) Gen EFB	50,058	67,274			P	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,731		67,274
2021 SUV #3 (replaces 2011 #3) Gen EFB	53,107	71,371					P	7,137	7,137	7,137	7,137	7,137	7,137	7,137		57,096
2025 SUV #5 (replaces 2015)	59,772	80,329								P	8,033	8,033	8,033	8,033		32,132
2026 SUV #6 (replaces 2016)	61,565	82,738									P	8,274	8,274	8,274		24,822
2026 SUV #7 (replaces 2016)	61,565	82,738									P	8,274	8,274	8,274		24,822
2028 SUV #8 (replaces 2018)	65,314	87,777											P	8,778		8,778
2028 SUV #9 (replaces 2018)	65,314	87,777											P	8,778		8,778
2029 SUV #1 (replaces 2019)	67,273	90,409												P		0
2029 SUV #2 (replaces 2019)	67,273	90,409												P		0
TOTALS		1,219,507	100,971	40,396	31,514	44,968	44,968	52,105	52,105	52,105	52,101	53,392	58,234	58,242	62,736	703,837

Cost to the City for going from a 7 year life to a 10 year life and a 5 vehicle fle	0	-7,367	6,087	6,087	13,224	10,656	5,618	5,616	2,979	7,821	7,829	12,326	70,876
Salary COLA Savings per contract for 2016 & 2017 (see attached spreadsheet)													-12,842
Cost to purchase 4 additional vehicle using General EFB													153,223
TOTAL COST TO THE CITY (2018-2029)													211,257

ASSUMPTIONS

This assumes going from a 5 to a 9 vehicle fleet but only funding 8 for replacement
 This assumes all vehicles on a ten year life
 This assumes a 3% inflationary factor per year
 This includes the purchase of two SUV's in 2018 using ERR funds accumulated for the 2011 Crown Vics.
 This assumes purchase of two SUV's in 2019 using General Fund Undesignated Fund Balance and transferring to ERR.
 This assumes purchase of one SUV's in 2021 using General Fund Undesignated Fund Balance and transferring to ERR.
 P-Vehicle Purchased-Contributions begin the year following purchase.

UPDATED

UPDATED

POLICE CONTRACT SALARY SAVING 2016-2020

	<u>FULL COLA</u>		<u>CONTRACTED COLA</u>		<u>DIFFERENCE</u>		
	<u>Wage</u>	<u>COLA</u>	<u>Wage</u>	<u>COLA</u>	<u>Wage</u>	<u>COLA</u>	
2016 Total Police Payroll	809,373		809,373		0		
2016 CPI-W	<u>1.10%</u>	8,903	<u>0.00%</u>	0		8,903	
	818,276		809,373				
	818,276		809,373		8,903		
2017 CPI-W	<u>2.00%</u>	16,366	<u>1.67%</u>	13,517		2,849	
	834,642		822,890				
	834,642		822,890		11,752		
2018 CPI-W	<u>3.00%</u>	25,039	<u>3.00%</u>	24,687		353	
	859,681		847,576				
	859,681		847,576		12,105		
2019 CPI-W	<u>3.00%</u>	25,790	<u>3.00%</u>	25,427		363	
	885,471		873,004				
	885,471		873,004		12,468		
2020 CPI-W	<u>3.00%</u>	<u>26,564</u>	<u>3.00%</u>	<u>26,190</u>		374	
Difference	912,035	102,662	899,194	89,821	<u>45,228</u>	<u>12,842</u>	58,069

UPDATED