



COUNCIL STAFF REPORT

TO: City Council

DATE: April 27, 2026

DEPARTMENT: City Manager's Office

PREPARED BY: Isaac Whippy, City Manager

PRESENTER: Isaac Whippy, City Manager

AGENDA TITLE: Transition from Cash Purchases to Fleet Leasing Program with Enterprise Fleet Management

RECOMMENDATION

Adopt a resolution authorizing the City Manager to enter into an agreement with Enterprise Fleet Management to transition from a cash-based vehicle acquisition model to a structured fleet leasing program, and approve the implementation of a citywide fleet replacement strategy.

BACKGROUND

Historically, the City of Fort Bragg has purchased fleet vehicles outright using available capital funds. While this approach avoids interest costs, it has resulted in:

- Irregular and reactive vehicle replacement cycles
- Aging fleet inventory with increasing maintenance costs
- Deferred replacement due to competing capital priorities
- Limited ability to standardize fleet management practices

As the City continues to modernize operations and align with long-term financial planning goals, staff has evaluated alternative fleet management models that provide greater predictability, efficiency, and lifecycle optimization.

Enterprise Fleet Management (EFM) is a nationally recognized provider specializing in municipal fleet leasing and lifecycle management services, currently serving numerous public agencies across California.

DISCUSSION AND ANALYSIS

Transitioning to a leasing model allows the City to shift from a reactive, capital-heavy approach to a proactive, lifecycle-based fleet management strategy.

Key Benefits Include:

1. Predictable Budgeting & Cash Flow Management

- Replaces large, one-time capital expenditures with fixed monthly payments
- Improves long-term financial forecasting and stability
- Frees up capital funds for other strategic priorities (e.g., infrastructure, parks, broadband)

2. Optimized Vehicle Replacement Cycles

- Vehicles are replaced based on mileage, usage, and lifecycle cost—not budget timing
- Reduces costly repairs associated with aging vehicles
- Ensures staff have reliable and safe equipment

3. Reduced Maintenance & Operating Costs

- Newer vehicles improve fuel efficiency and reduce repair frequency
- Enterprise provides maintenance tracking, fuel management tools, and data analytics

4. Fleet Management Expertise & Technology

- Dedicated account management and fleet planning support
- Access to fleet analytics, reporting, and replacement modeling
- Improved asset tracking and utilization insights

5. Operational Efficiency

- Streamlined procurement process
- Reduced administrative burden on staff
- Standardization across departments (Public Works, Police, Parks & Rec, etc.)

FISCAL IMPACT

Current Model (Cash Purchase):

- Requires large upfront capital outlays
- Leads to deferred replacements during tight budget years
- Increased long-term maintenance and repair costs

Proposed Leasing Model:

- Fixed monthly lease payments (operating expense)
- Lifecycle cost approach (vehicle + maintenance + resale value)

- Potential cost neutrality or savings over time when factoring:
 - Reduced maintenance costs
 - Improved fuel efficiency
 - Higher resale values through planned replacement

Enterprise Fleet Management operates under a flexible, open-ended lease structure, allowing the City to retain equity in vehicles and sell them at optimal resale timing.

Staff will return to Council with annual fleet replacement plans and associated budget impacts as part of the regular budget process.

CONSISTENCY

This initiative directly supports the City's Strategic Plan by:

- Ensuring Fiscal Sustainability
 - Enhances long-term financial planning and asset management
- Improving Operational Excellence
 - Provides staff with reliable, modern equipment
- Modernizing City Services
 - Introduces data-driven decision-making and professional fleet management practices
- Supporting Workforce Efficiency
 - Reduces downtime and improves service delivery across departments

IMPLEMENTATION/TIMEFRAMES:

If approved, staff will:

1. Complete the comprehensive fleet assessment with Enterprise Fleet Management
2. Update the multi-year fleet replacement schedule
3. Begin phased transition starting with high-priority and aging vehicles
4. Integrate fleet costs into FY 26-27 annual operating budgets

ATTACHMENTS

Fleet Enterprise Lease Presentation