



Issue: BUDGETARY AMENDMENT ENTERPRISE VEHICLE LEASE

Date: March 8, 2022

Submitted By: Joe Campbell, Chief of Police

Background

As part of the 2022 police department budget process the decision to utilize Enterprise Leasing to acquire new police vehicles was made. A vehicle rotation plan was developed and the decision to lease 12 new police vehicles in 2022 through Enterprise Leasing was budgeted. The total amount of this lease was estimated to cost approximately \$368,838.00.

Because of the major impacts of the pandemic on the automotive industry, particularly microchip shortages, we were informed we would likely not take delivery of our vehicles until the third quarter of 2022. Because our lease was structured in a manner that stated we (the city) would not make a lease payment until we took physical delivery of the fully outfitted vehicle(s), we knew it would not be necessary to budget the total annual lease costs for 2022.

As a result, an estimated cost of the vehicle lease was calculated using the projected third quarter delivery date and \$212,000.00 was budgeted and approved.

As we entered 2022, we continued to be updated by Enterprise Leasing on the status of the automotive industry. Additional delays and vehicle order cancellations were beginning to happen with all the manufacturers. We were informed there was no good timeline on delivery dates of vehicle in 2022 and even told at one point we may not take delivery of any vehicles in 2022.

Our own fleet manager, while at a conference, was able to make a connection and locate a dealership in Kentucky which could fulfill our police vehicle order immediately with in-stock 2022 Chevy Tahoe police vehicles. We put the dealership in touch with Enterprise leasing and an agreement was reached. The fact we were able to locate vehicles that were available was lucky to say the least. We are now looking at a May 2022 date for our first vehicles to be in service. This unexpected option to fill our vehicle order accelerated our vehicle lease payments by several months.

Additionally purchasing through a dealership versus the manufacturer, will cause us pay slightly more for the vehicles mostly in the form of shipping fees to get the vehicles here from out of state. The additional costs total \$19,875.00 for the 12 vehicles we have ordered.

Analysis

By locating these in-stock vehicles, we can ensure we take delivery of much needed police vehicles in 2022 therefore avoiding the potential of being forced to drive an aged fleet which has already costing



the department more than necessary in repair costs to keep them on the road. The additional money we are spending to acquire these vehicles through the dealership has a nominal effect on the overall cost savings originally presented as part of the vehicle lease program.

However, by bringing our police vehicle online much sooner in the year, we will incur a shortfall in the vehicle lease budget line. We anticipate this shortfall to be in the range of \$100,000. We respectfully request a budgetary amendment in the amount \$100,329.00. This will ensure we have enough money budgeted for a May 2022 implementation date for our police fleet.

Recommendation

Staff recommends approval of this budget amendment.

1 **AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING THE 2022**
2 **ANNUAL BUDGET TO APPROPRIATE FUNDS FOR THE LEASE OF POLICE**
3 **VEHICLES.**

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6 **WHEREAS** Section 67.040 RSMo. provides that after a budget has been approved
7 no increase in the revenues or expenditures from any fund shall be made unless the
8 governing body adopts a measure setting forth the facts and reasons making the increase
9 necessary and authorizing the increase; and

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11 **WHEREAS** Section 8.7 of the City Charter authorizes the City Council to amend
12 budgeted revenues and expenditures upon the request of the City Administrator; and

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14 **WHEREAS** the City Administrator has requested a budget amendment in the
15 amount of \$100,329.00 and for the purposes contemplated by this Ordinance; and

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17 **WHEREAS** the City Council desires to amend the City’s 2022 budget for the
18 purposes identified herein.

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20 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
21 **NIXA, AS FOLLOWS, THAT:**

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23 **SECTION 1:** The City of Nixa’s 2022 Annual Budget is hereby amended in the
24 accounts and the amounts as shown on “Council Bill Exhibit A,” which is attached hereto
25 and incorporated herein by this reference.

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27 **SECTION 2:** City Council finds that the budget amendment enacted by this
28 Ordinance has been recommended by the City Administrator. The City Administrator is
29 directed to cause the appropriate accounting entries to be made in the books and records
30 of the City to reflect the budget amendment enacted by this Ordinance.

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32 **SECTION 3:** This Ordinance shall be in full force and effect from and after its final
33 passage by the City Council and after its approval by the Mayor, subject to the provisions
34 of section 3.11(g) of the City Charter.

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37 **[Remainder of page intentionally left blank. Signatures follow on next page.]**
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47 **ADOPTED BY THE CITY COUNCIL THIS 14th DAY OF MARCH 2022.**

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49 ATTEST:

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52 CITY CLERK

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54 **APPROVED BY THE MAYOR.**

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56 ATTEST:

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59 CITY CLERK

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61 APPROVED AS TO FORM:

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63 _____

64 CITY ATTORNEY

PRESIDING OFFICER

MAYOR

DATE OF APPROVAL

City of Nixa, MO
Budget Amendment

<u>Budget Amendment Amount</u>	<u>Fund</u>	<u>G/L Description</u>	<u>G/L Line #</u>	<u>Revenue Source</u>
\$100,329	11	Vehicle Lease	11-200-5184900	Current

Explanation: To amend the current budget of the City of Nixa to appropriate additional funds for the vehicle lease program for the Police Department.

This proposed Budget Amendment has been approved and requested by the City Administrator, pursuant to City Charter section 8.7.

Jimmy Liles, City Administrator

Authorized by Passage of Ordinance No. _____

Date of Passage: _____

Total Budget Amendments by Department Year to Date:

Electric	
Water	
Wastewater	
ARPA	
Admin	\$40,000
Police	
Street	
Park	\$7,500
Planning & Development	
TOTAL	<u>\$47,500</u>