



Shelton City Council  
Study Session Agenda  
January 24, 2023 – 6:00 p.m.  
Civic Center & Virtual Platform

**A. Call to Order**

**B. Roll Call**

**C. Study Agenda**

1. Enterprise Fleet Study – Presented by Finance Director Mike Githens

**D. New Items for Discussion**

**E. Adjourn**

*The City of Shelton is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please call (360) 432-5103 at least 48 hours in advance of the meeting.*



# 2023 Looking Ahead

(Items and dates are subject to change)

|  |                        |   |   |
|--|------------------------|---|---|
| <p>Tues. 2/7<br/>6:00 p.m.</p>             | <p>Regular Meeting</p> | <p>Consent Agenda</p> <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes Presentation</li> <li>• Mason County Historical Society Museum 4<sup>th</sup> Quarter LTAC Report</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li>• Resolution No. 1247-1022 Bostrom Lane Public Utility &amp; Access Easement</li> <li>• Ordinance No. 1996-1022 Council Protocol Manual Revisions</li> <li>• Public Hearing Ordinance No. 1999-1222 Rooming Houses</li> <li>• Public Hearing Ordinance No. 2000-1222 Shoreline Management Program Updates</li> <li>• Public Hearing Ordinance No. 2001-1222 Flood Damage Prevention Standards Update</li> <li>• Public Hearing Ordinance No. 1998-1222 Peacock Ridge Annexation Request</li> <li>• Purchase &amp; Sale Agreement – 13<sup>th</sup> Street</li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>• Resolution No. 1253-1122 Master Fee Schedule Update</li> <li>• Resolution No. 1262-0123 Repealing Resolution No. 1157-0320</li> <li>• Resolution No. 1257-1222 Agreement with FCS Group for Water/Sewer Rate and GFC Study</li> <li>• Resolution No. 1258-1222 Work Order with Williams Architecture for Design of Public Works Laydown Yard</li> <li>• Parks and Recreation Advisory Committee Appointments</li> <li>• Contract with Olympic Health &amp; Recovery Services</li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li>•</li> </ul> | <p>Packet Items Due:<br/>1/27 @ 5:00 p.m.</p> |
| <p>Tues 2/14<br/>6:00 p.m.<br/>No D.P.</p> | <p>Study Session</p>   | <p>Study Agenda</p>   | <p>Packet Items Due:<br/>2/10 @ noon</p>      |
| <p>Tues. 2/21<br/>6:00 p.m.</p>            | <p>Regular Meeting</p> | <p>Consent Agenda</p> <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> <li>• December Financial Status Report</li> </ul> <p>Business Agenda</p>  | <p>Packet Items Due:<br/>2/10 @ 5:00 p.m.</p> |

|                         |                      |  |                                       |
|-------------------------|----------------------|--|---------------------------------------|
|                         |                      | <ul style="list-style-type: none"> <li>Resolution No. 1260-0123 Asphalt Patch Truck Replacement Purchase</li> <li>Resolution No. 1261-0123 Camera Van Replacement Purchase</li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>Resolution No. 1247-1022 Bostrom Lane Public Utility &amp; Access Easement</li> <li>Ordinance No. 1996-1022 Council Protocol Manual Revisions</li> <li>Ordinance No. 1999-1222 Rooming Houses</li> <li>Ordinance No. 2000-1222 Shoreline Management Program Updates</li> <li>Ordinance No. 2001-1222 Flood Damage Prevention Standards Update</li> <li>Ordinance No. 1998-1222 Peacock Ridge Annexation Request</li> <li>Purchase &amp; Sale Agreement – 13<sup>th</sup> Street Administration Report</li> <li></li> </ul> |                                       |
| Tues 2/28<br>6:00 p.m.  | Study Session        | Study Agenda   | Packet Items Due:<br>2/24 @ noon      |
| Tues. 3/7<br>6:00 p.m.  | Regular Meeting      | <p>Consent Agenda</p> <ul style="list-style-type: none"> <li>Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li></li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li>Resolution No. 1260-0123 Asphalt Patch Truck Replacement Purchase</li> <li>Resolution No. 1261-0123 Camera Van Replacement Purchase</li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li></li> </ul>   | Packet Items Due:<br>2/24 @ 5:00 p.m. |
| Tues. 3/14<br>6:00 p.m. | Study Session        | Study Agenda   | Packet Items Due:<br>3/10 @ noon      |
| Tues. 3/21<br>5:45 p.m. | Regular SMPD Meeting | <p>Consent Agenda</p> <ul style="list-style-type: none"> <li>Vouchers/Meeting Minutes</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li></li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li></li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li></li> </ul>   | Packet Items Due:<br>3/10 @ 5:00 p.m. |
| Tues. 3/21<br>6:00 p.m. | Regular Meeting      | <p>Consent Agenda</p> <ul style="list-style-type: none"> <li>Vouchers/Payroll Warrants/Meeting Minutes</li> <li>January Financial Status Report</li> </ul> <p>Business Agenda</p> <ul style="list-style-type: none"> <li></li> </ul> <p>Action Agenda</p> <ul style="list-style-type: none"> <li></li> </ul> <p>Administration Report</p> <ul style="list-style-type: none"> <li></li> </ul>   | Packet Items Due:<br>3/10 @ 5:00 p.m. |

Other – TBD

- UGA/Annexation Policy (Water/Sewer Extensions)
- Water and Sewer Fee Schedule Revisions (Ordinance removing rates from SMC)
- Public Hearing Ordinance No. 1990-0522 Amending SMC 17.12

DRAFT





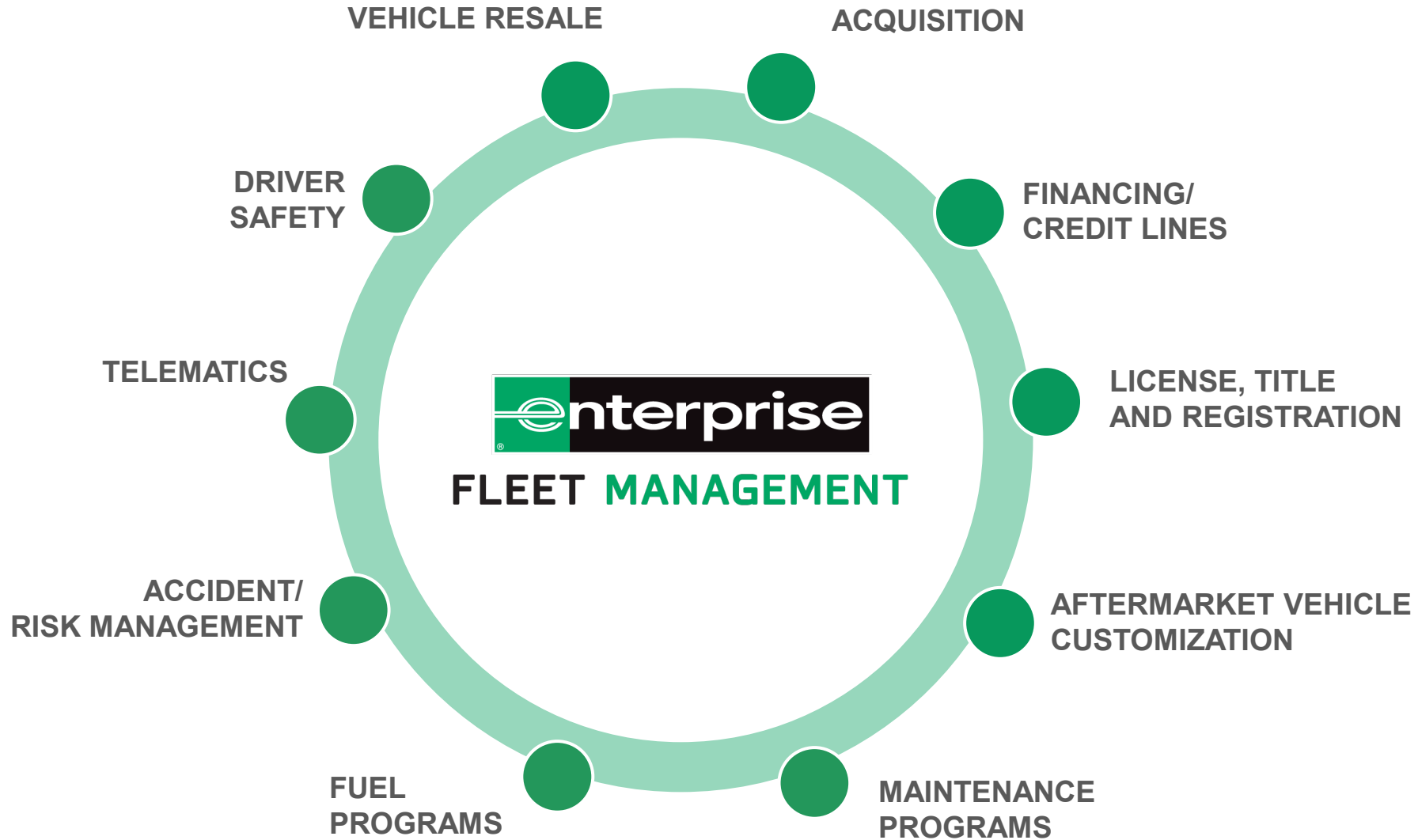
## FLEET MANAGEMENT

Joe Hatcher

425-917-7563

Joe.T.Hatcher@efleets.com







Partnering with Enterprise Fleet Management is one of the smartest things the County has ever done. The most important aspect of the partnership with the Enterprise team is their dedication to providing great advice and a sound economic strategy, along with a valued relationship and quality service, that in my case, is exemplary.”

– Jennifer Beierle, Budget Manager



YELM  
WASHINGTON



BAINBRIDGE  
ISLAND

SCHOOL DISTRICT No. 393

STRONG MINDS, STRONG HEARTS,  
STRONG COMMUNITY



MARYSVILLE  
WASHINGTON

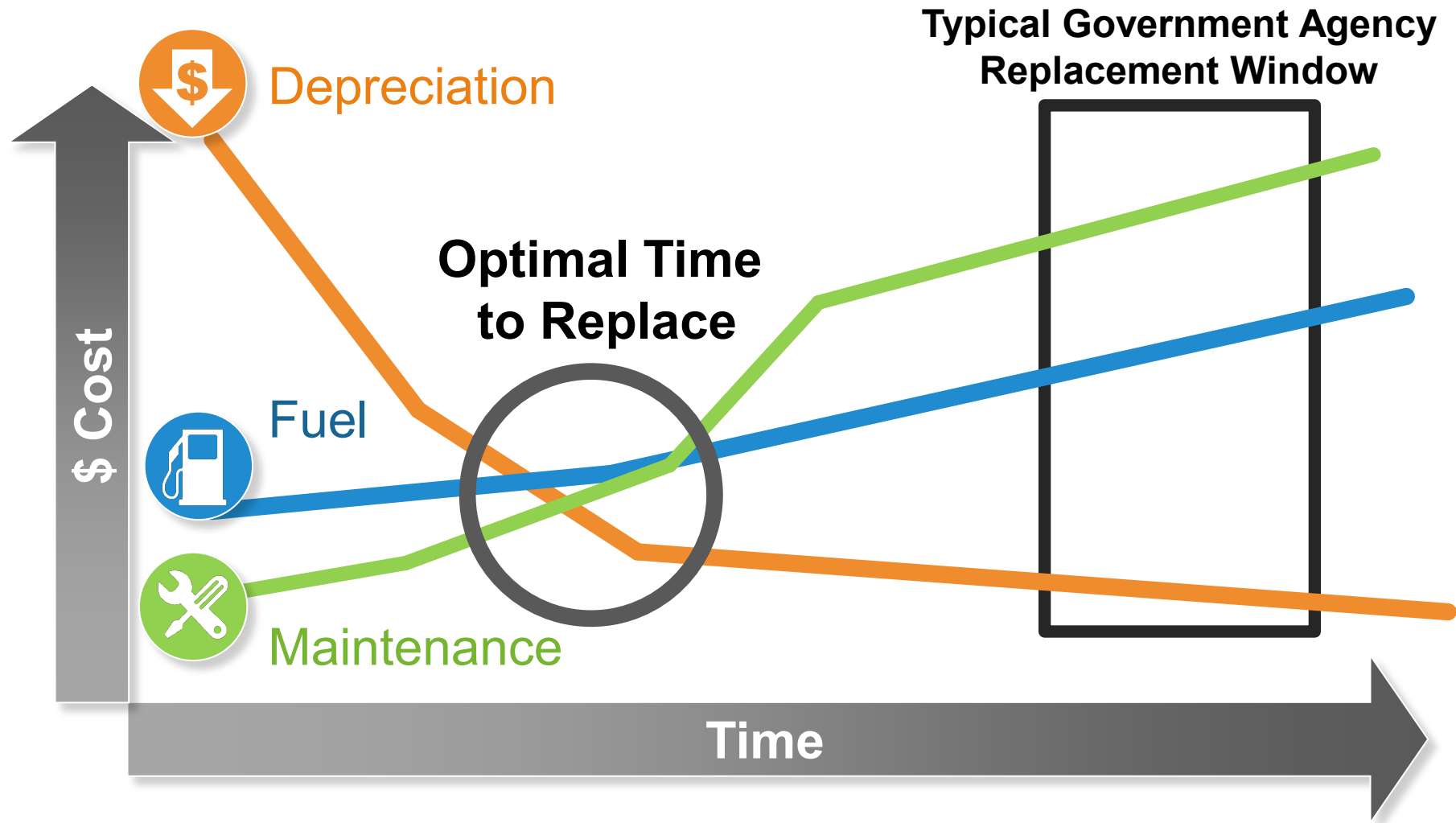




Sourcwell ID # 2438



# Effective Vehicle Lifecycle



## Key Observations

- Maintenance costs are up to 150% higher
- Fuel costs are 25% - 30% higher or more depending on vehicle type
- Resale values are 70% - 80% lower at your typical replacement interval vs. optimal
- Replacing vehicles at optimal time is cost usually neutral or less total cost than to hold

# FLEXIBLE FUNDING OPTIONS

## Cash Purchase

**\$30,000**

Vehicle Cost



**Paid down to \$0**

## Finance

**\$30,000**

Vehicle Cost

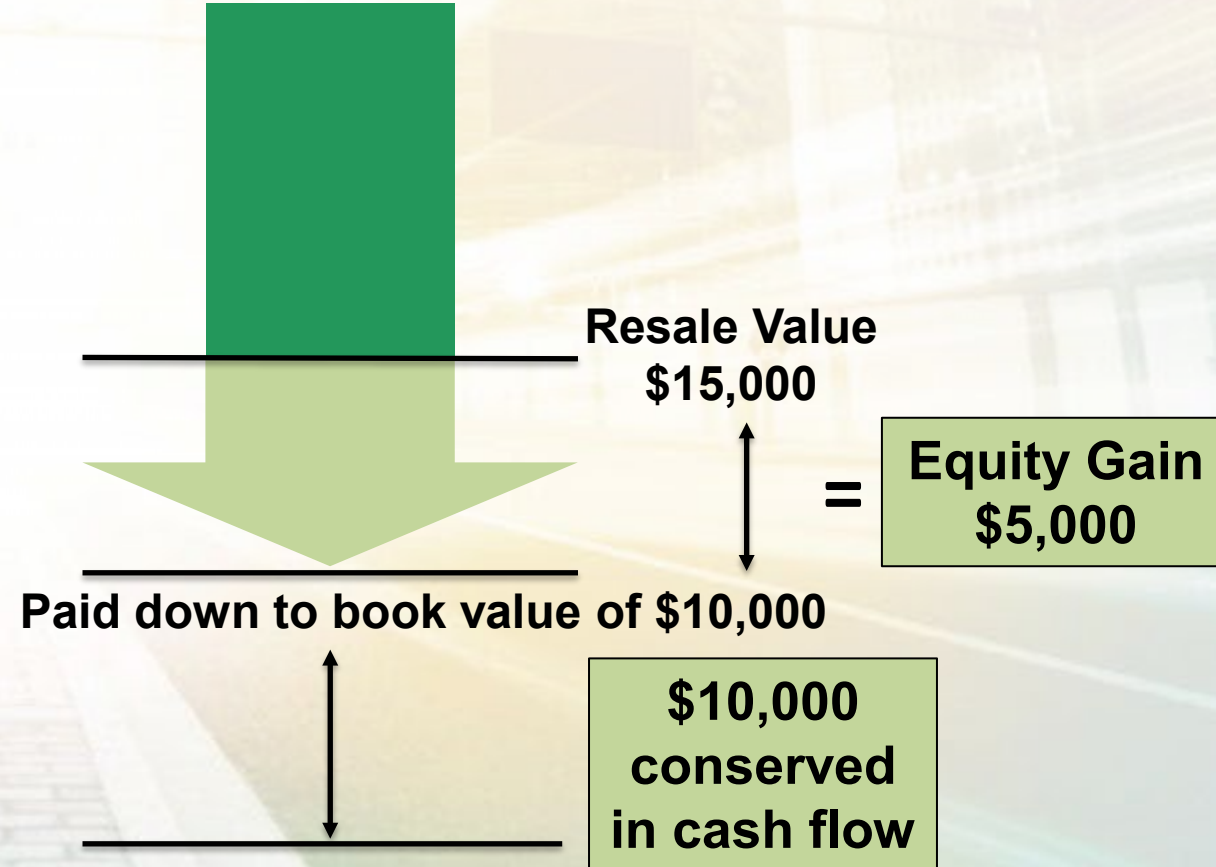


**Paid down to \$0**

## Open-End Equity Lease

**\$30,000**

Vehicle Cost



# Streamline Maintenance

## 274 MAINTENANCE AND REPAIR LOCATIONS NEAR "98584"

Not what you're looking for? [Search again](#)

SHOWING:  Preferred Partner (245)  Partner (29)


Search Service Locations

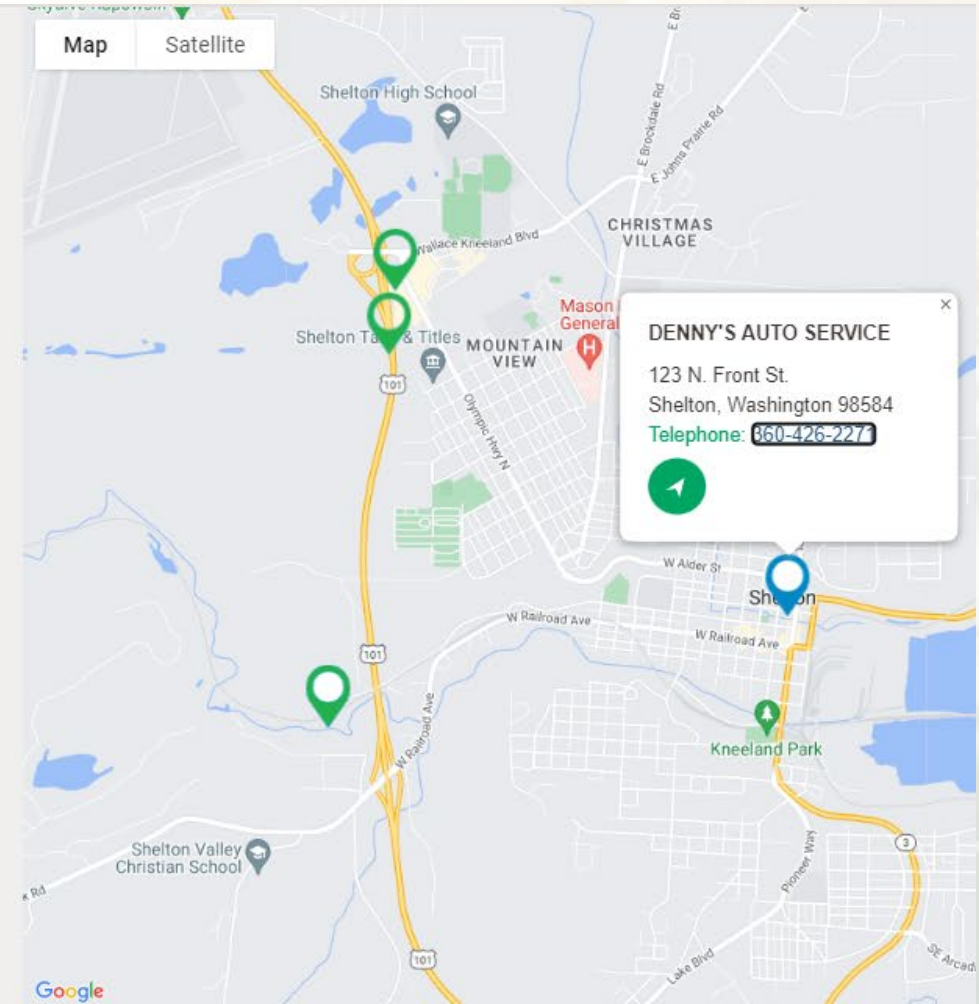
 **SHELTON CHRYSLER DODGE JEEP RAM**  
180 W Hulbert Rd  
Shelton, Washington 98584  
Telephone: 360-426-5585



 **LES SCHWAB TIRE 832**  
2505 Olympic Hwy N Ste 30  
Shelton, Washington 98584  
Telephone: 360-426-3333



 **VALVOLINE INSTANT OIL CHANGE**  
2919 Olympic Highway North  
Shelton, Washington 98584



# City of Shelton - Fleet Profile

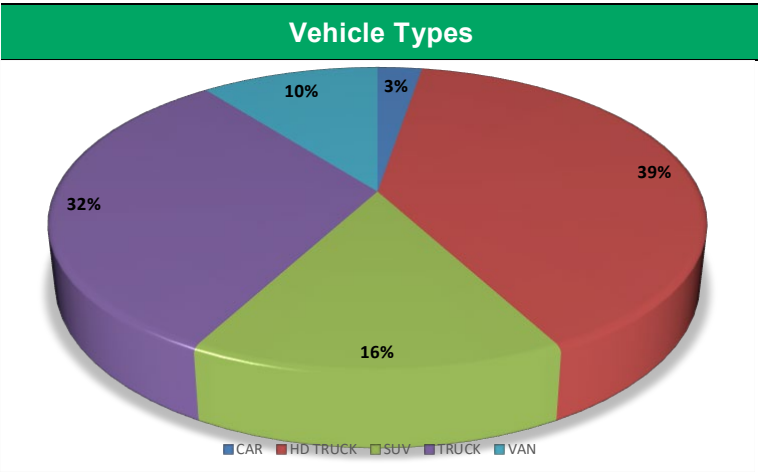
# White Fleet

## Fleet Profile      Fleet Replacement Schedule      Replacement Criteria

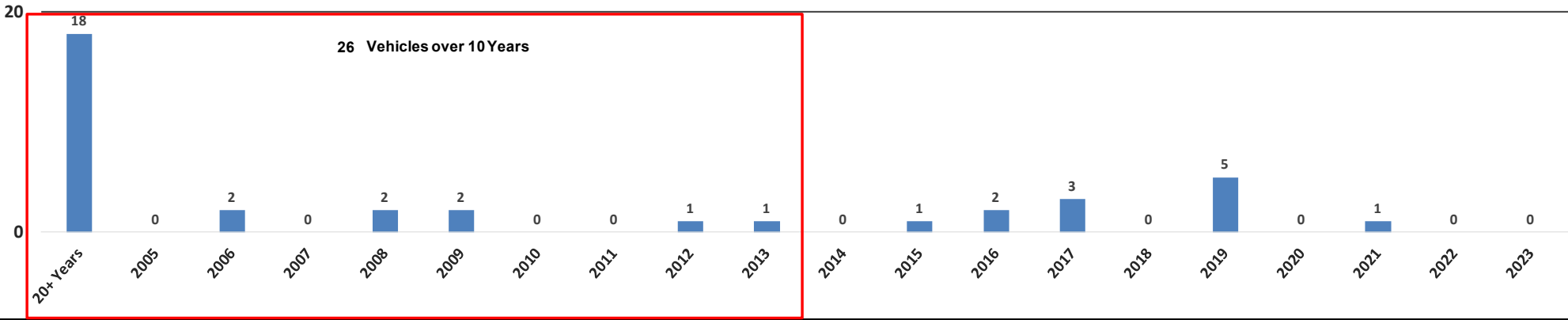
| Vehicle Type            | # of Type | Average Age (years) | Average Annual Mileage |
|-------------------------|-----------|---------------------|------------------------|
| Mid-size Sedan          | 1         | 6.8                 | 2,800                  |
| Full-size Van-Passenger | 1         | 13.8                | 6,300                  |
| 1/2 Ton Van Cargo       | 2         | 26.5                | 1,900                  |
| 3/4 Ton Van Cargo       | 1         | 31.1                | 400                    |
| Compact SUV 4x4         | 4         | 7.3                 | 3,700                  |
| Mid Size SUV 4x4        | 1         | 6.8                 | 4,100                  |
| Full Size SUV 4x4       | 1         | 9.8                 | 4,100                  |
| Compact Pickup Ext 4x2  | 3         | 20.3                | 5,200                  |
| 1/2 Ton Pickup Ext 4x2  | 9         | 18.4                | 5,100                  |
| 3/4 Ton Pickup Ext 4x2  | 13        | 18.6                | 4,000                  |
| 1 Ton Pickup Reg 4x2    | 2         | 3.8                 | 2,700                  |
| Totals/Averages         | 38        | 16.5                | 4,100                  |

| 2023 | 2024 | 2025 | 2026 | 2027 | Under-Utilized |
|------|------|------|------|------|----------------|
| 0    | 0    | 0    | 0    | 1    | 0              |
| 0    | 1    | 0    | 0    | 0    | 0              |
| 0    | 0    | 0    | 2    | 0    | 0              |
| 0    | 0    | 0    | 0    | 0    | 1              |
| 0    | 0    | 0    | 1    | 3    | 0              |
| 0    | 0    | 0    | 0    | 1    | 0              |
| 0    | 0    | 0    | 0    | 1    | 0              |
| 1    | 1    | 0    | 1    | 0    | 0              |
| 3    | 3    | 1    | 0    | 2    | 0              |
| 1    | 2    | 5    | 2    | 3    | 0              |
| 0    | 0    | 0    | 0    | 2    | 0              |
| 5    | 7    | 6    | 6    | 13   | 1              |

- \* Fiscal Year 2023 = 10 years old and older, or odometer over 100,000
- \* Fiscal Year 2024 = 8 years old and older, or odometer over 80,000
- \* Fiscal Year 2025 = 6 years old and older, or odometer over 60,000
- \* Fiscal Year 2026 = 4 years old and older, or odometer over 40,000
- \* Fiscal Year 2027 = Remaining Vehicles
- \* Underutilized = Annual Mileage less than 500



## Model Year Analysis



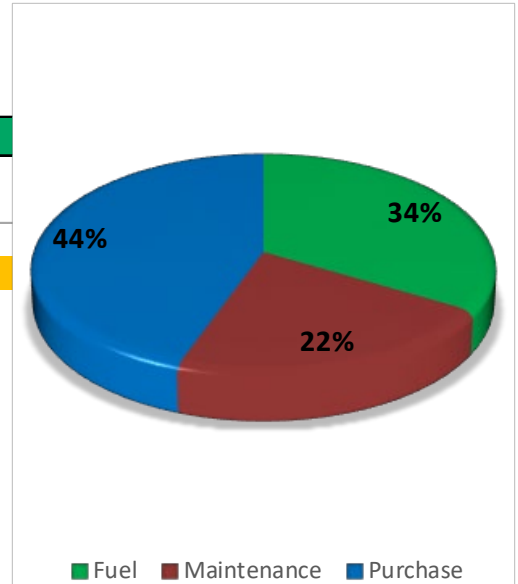


# City of Shelton - Fleet Planning Analysis

# White Fleet

|                       |         |              |        |                 |         |
|-----------------------|---------|--------------|--------|-----------------|---------|
| Current Fleet         | 38      | Fleet Growth | -0.60% | Proposed Fleet  | 37      |
| Current Cycle         | 19.00   | Annual Miles | 4,200  | Proposed Cycle  | 2.24    |
| Current Maint.        | \$75.02 |              |        | Proposed Maint. | \$28.86 |
| Maint. Cents Per Mile | \$0.21  | Current MPG  | 12     | Price/Gallon    | \$4.00  |

## Fleet Costs Analysis



| Fiscal Year    | Fleet Mix  |              |           | Fleet Cost |               |          |                |                 |               |               | Annual         |          |
|----------------|------------|--------------|-----------|------------|---------------|----------|----------------|-----------------|---------------|---------------|----------------|----------|
|                | Fleet Size | Annual Needs | Owned     | Leased     | Purchase      | Lease*   | Equity (Owned) | Equity (Leased) | Maintenance   | Fuel          | Fleet Budget   | Net Cash |
| <b>Average</b> | <b>38</b>  | <b>2.0</b>   | <b>38</b> | <b>0</b>   | <b>68,947</b> | <b>0</b> |                |                 | <b>34,209</b> | <b>51,933</b> | <b>155,089</b> | <b>0</b> |
| '23            | 37         | 5            | 32        | 5          | 0             | 40,664   | -5,500         |                 | 30,539        | 50,530        | 116,233        | 38,856   |
| '24            | 37         | 7            | 25        | 12         | 0             | 98,783   | -14,000        | -53,318         | 26,662        | 48,565        | 106,692        | 48,398   |
| '25            | 37         | 11           | 19        | 18         | 0             | 186,695  | -21,000        | -66,083         | 23,338        | 46,880        | 169,830        | -14,741  |
| '26            | 37         | 12           | 13        | 24         | 0             | 249,377  | -39,000        | -141,706        | 20,015        | 45,196        | 133,882        | 21,207   |
| '27            | 37         | 25           | 0         | 37         | 0             | 313,086  | -110,500       | -99,076         | 12,814        | 41,547        | 157,870        | -2,781   |
| '28            | 37         | 9            | 0         | 37         | 0             | 313,086  |                | -268,499        | 12,814        | 41,547        | 98,948         | 56,142   |
| '29            | 37         | 22           | 0         | 37         | 0             | 313,086  |                | -155,475        | 12,814        | 41,547        | 211,971        | -56,882  |
| '30            | 37         | 15           | 0         | 37         | 0             | 313,086  |                | -230,809        | 12,814        | 41,547        | 136,638        | 18,451   |
| '31            | 37         | 19           | 0         | 37         | 0             | 313,086  |                | -136,766        | 12,814        | 41,547        | 230,680        | -75,591  |
| '32            | 37         | 12           | 0         | 37         | 0             | 313,086  |                | -287,208        | 12,814        | 41,547        | 80,239         | 74,851   |

|                        |                  |                                 |                |
|------------------------|------------------|---------------------------------|----------------|
| <b>10 Year Savings</b> | <b>\$107,910</b> | <b>Avg. Sustainable Savings</b> | <b>\$3,394</b> |
|------------------------|------------------|---------------------------------|----------------|

## Current Fleet Equity Analysis

| YEAR                                    | 2023           | 2024            | 2025            | 2026            | 2027             | Under-Utilized |
|---|----------------|-----------------|-----------------|-----------------|------------------|----------------|
| QTY                                     | 5              | 7               | 6               | 6               | 13               | 1              |
| Est \$                                  | \$1,000        | \$2,000         | \$3,500         | \$6,500         | \$8,500          | \$500          |
| <b>TOTAL</b>                            | <b>\$5,000</b> | <b>\$14,000</b> | <b>\$21,000</b> | <b>\$39,000</b> | <b>\$110,500</b> | <b>\$500</b>   |
| <b>Estimated Current Fleet Equity**</b> |                |                 |                 |                 | <b>\$190,000</b> |                |

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

## KEY OBJECTIVES

### Lower average age of the fleet

68% of the current light and medium duty fleet is over 10 years old

Resale of the aging fleet is significantly reduced

### Reduce operating costs

Newer vehicles have a significantly lower maintenance expense

Newer vehicles have increased fuel efficiency with new technology implementations

### Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets

Currently vehicle budget is underfunded

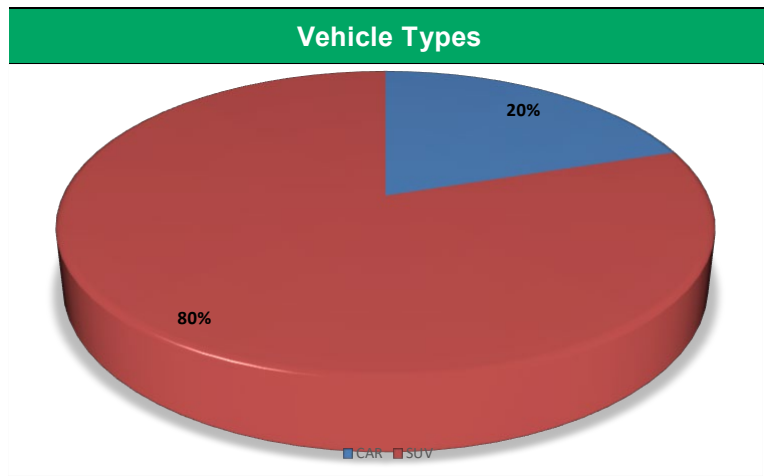


**Fleet Profile      Fleet Replacement Schedule      Replacement Criteria**

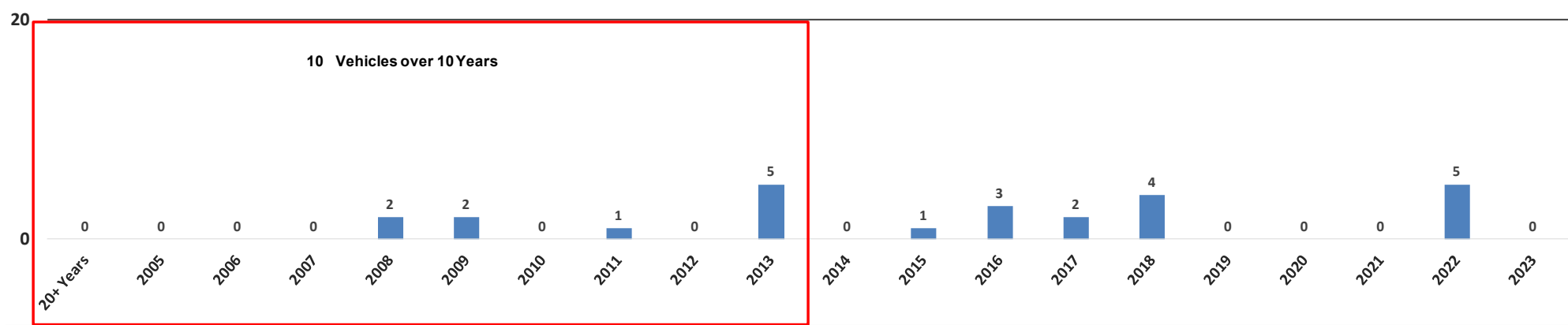
| Vehicle Type           | # of Type | Average Age (years) | Average Annual Mileage |
|------------------------|-----------|---------------------|------------------------|
| Full-size Sedan-ERV    | 5         | 12.0                | 11,500                 |
| Mid Size SUV 4x4-ERV   | 15        | 4.3                 | 11,500                 |
| Full Size SUV 4x4-ERV  | 5         | 11.9                | 11,500                 |
|                        |           |                     |                        |
|                        |           |                     |                        |
|                        |           |                     |                        |
|                        |           |                     |                        |
|                        |           |                     |                        |
|                        |           |                     |                        |
|                        |           |                     |                        |
| <b>Totals/Averages</b> | <b>25</b> | <b>7.3</b>          | <b>11,500</b>          |

| 2023      | 2024     | 2025     | 2026     | 2027     | Under-Utilized |
|-----------|----------|----------|----------|----------|----------------|
| 5         | 0        | 0        | 0        | 0        | 0              |
| 0         | 2        | 6        | 2        | 5        | 0              |
| 5         | 0        | 0        | 0        | 0        | 0              |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
|           |          |          |          |          |                |
| <b>10</b> | <b>2</b> | <b>6</b> | <b>2</b> | <b>5</b> | <b>0</b>       |

- \* Fiscal Year 2023 = 10 years old and older, or odometer over 100,000
- \* Fiscal Year 2024 = 8 years old and older, or odometer over 80,000
- \* Fiscal Year 2025 = 6 years old and older, or odometer over 60,000
- \* Fiscal Year 2026 = 4 years old and older, or odometer over 40,000
- \* Fiscal Year 2027 = Remaining Vehicles
- \* Underutilized = Annual Mileage less than 1,000



**Model Year Analysis**

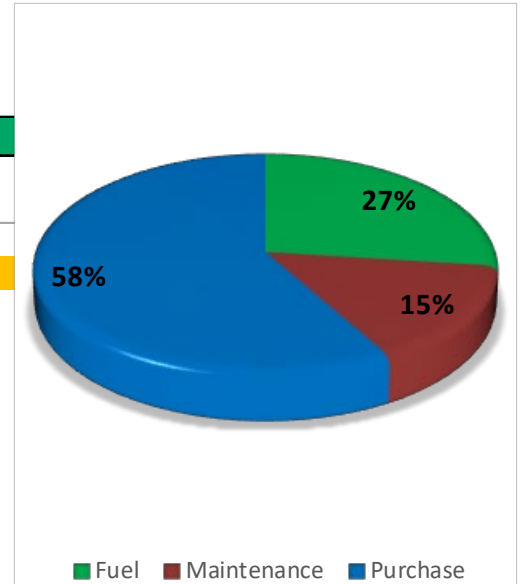


# City of Shelton - Fleet Planning Analysis

# Police Fleet

|                       |          |              |        |                 |         |
|-----------------------|----------|--------------|--------|-----------------|---------|
| Current Fleet         | 25       | Fleet Growth | 0.00%  | Proposed Fleet  | 25      |
| Current Cycle         | 6.25     | Annual Miles | 11,500 | Proposed Cycle  | 5.00    |
| Current Maint.        | \$210.08 |              |        | Proposed Maint. | \$58.00 |
| Maint. Cents Per Mile | \$0.22   | Current MPG  | 10     | Price/Gallon    | \$4.00  |

## Fleet Costs Analysis



| Fiscal Year    | Fleet Mix  |              |       | Fleet Cost |          |         |                |                 |             |         | Annual       |          |
|----------------|------------|--------------|-------|------------|----------|---------|----------------|-----------------|-------------|---------|--------------|----------|
|                | Fleet Size | Annual Needs | Owned | Leased     | Purchase | Lease*  | Equity (Owned) | Equity (Leased) | Maintenance | Fuel    | Fleet Budget | Net Cash |
| <b>Average</b> | 25         | 4.0          | 25    | 0          | 248,183  | 0       |                |                 | 63,024      | 115,000 | 426,207      | 0        |
| '23            | 25         | 10           | 15    | 10         | 0        | 150,978 | -10,000        |                 | 44,774      | 105,800 | 291,553      | 134,655  |
| '24            | 25         | 2            | 13    | 12         | 0        | 180,985 | -4,000         |                 | 41,124      | 103,960 | 322,069      | 104,138  |
| '25            | 25         | 6            | 7     | 18         | 0        | 271,004 | -21,000        |                 | 30,175      | 98,440  | 378,618      | 47,589   |
| '26            | 25         | 2            | 5     | 20         | 0        | 301,010 | -13,000        |                 | 26,525      | 96,600  | 411,135      | 15,072   |
| '27            | 25         | 5            | 0     | 25         | 0        | 376,026 | -42,500        | -129,941        | 17,400      | 92,000  | 312,985      | 113,222  |
| '28            | 25         | 10           | 0     | 25         | 0        | 376,026 |                | -18,531         | 17,400      | 92,000  | 466,895      | -40,688  |
| '29            | 25         | 2            | 0     | 25         | 0        | 376,026 |                | -55,592         | 17,400      | 92,000  | 429,834      | -3,627   |
| '30            | 25         | 6            | 0     | 25         | 0        | 376,026 |                | -18,531         | 17,400      | 92,000  | 466,895      | -40,689  |
| '31            | 25         | 2            | 0     | 25         | 0        | 376,026 |                | -46,326         | 17,400      | 92,000  | 439,100      | -12,893  |
| '32            | 25         | 5            | 0     | 25         | 0        | 376,026 |                | -129,941        | 17,400      | 92,000  | 355,485      | 70,722   |

|                        |                  |                                 |                 |
|------------------------|------------------|---------------------------------|-----------------|
| <b>10 Year Savings</b> | <b>\$387,500</b> | <b>Avg. Sustainable Savings</b> | <b>-\$5,435</b> |
|------------------------|------------------|---------------------------------|-----------------|

## Current Fleet Equity Analysis

| YEAR                                    | 2023            | 2024           | 2025            | 2026            | 2027            | Under-Utilized |
|---|-----------------|----------------|-----------------|-----------------|-----------------|----------------|
| QTY                                     | 10              | 2              | 6               | 2               | 5               | 0              |
| Est \$                                  | \$1,000         | \$2,000        | \$3,500         | \$6,500         | \$8,500         | \$0            |
| <b>TOTAL</b>                            | <b>\$10,000</b> | <b>\$4,000</b> | <b>\$21,000</b> | <b>\$13,000</b> | <b>\$42,500</b> | <b>\$0</b>     |
| <b>Estimated Current Fleet Equity**</b> |                 |                |                 |                 | <b>\$90,500</b> |                |

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

## KEY OBJECTIVES

### Lower average age of the fleet

40% of the current light and medium duty fleet is over 10 years old

Resale of the aging fleet is significantly reduced

### Reduce operating costs

Newer vehicles have a significantly lower maintenance expense

Newer vehicles have increased fuel efficiency with new technology implementations

### Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets

Currently vehicle budget is underfunded







**FLEET MANAGEMENT**

**Questions?**

