

A special meeting of the Groves City Council was held July 31, 2024, in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Rhonda Dugas, and Councilmember Paul Oliver in attendance. Councilmember Pete Konidis joined the meeting by Zoom. Mayor Borne called the meeting to order and welcomed the attendees. He then led the prayer and pledge of allegiance.

Mayor Borne asked for reports and citizen comments and there were none.

DELIBERATE AND ACT ON THE FOLLOWING AGREEMENTS WITH ENTERPRISE FLEET MANAGEMENT AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS:

- a. Master Equity Lease Agreement;
- b. Amendment to Master Equity Lease Agreement;
- c. Full Maintenance Agreement;
- d. Maintenance Management and Fleet Rental Agreement;
- e. Agreement to Sell Customer Vehicles;
- f. Consignment Auction Agreement.

Councilmember Dugas made a motion to deliberate and act on the following agreements with Enterprise Fleet Management and authorizing the City Manager to negotiate and execute all necessary documents. Councilmember Oliver seconded.

City Manager Kevin Carruth stated that Jeff Koerner from Enterprise Fleet Management is here and he and staff have talked about the Fleet Vehicle Lease proposal several times. This will be 14 vehicles at first as kind of a pilot project and then seeing how that works out before leasing more vehicles. Mr. Carruth then stated that moving forward with the lease program is an important part of the proposed budget for FY 2024-2025 and has an impact on not only the actual cost of vehicles but also fuel and maintenance expenses. Mr. Carruth also stated that this would also allow us to not fill 2 existing vacancies in the garage which would result in quite a bit of savings on the budget.

City Manager informed Council that all six agreements listed above has been looked at by the City Attorney and everything looked good. Councilmember Dugas asked Mr. Monk about what he said had changed and Mr. Monk stated there was an amendment to the Master Equity Lease Agreement that was Texas specific and it changed provisions that made him more comfortable. City Manager Carruth informed Council that the reason this was brought before Council tonight was because of the budget and there is also quite a bit of lead time in receiving vehicles. If we wait until October 1, 2024 we would be receiving vehicles in late winter or early spring of 2025 which would impact the potential savings we have in the FY 2024-2025 Budget. Mr. Carruth then stated if we act today then we can go ahead and get the ball rolling but we won't actually receive anything until late fall of this calendar year but the financial payments will not start until October 1, 2024.

Councilmember Dugas asked about if 3 employees will be losing their job over this and she wants to make sure that nobody will lose their job over this. Mr. Carruth then stated that there are two vacancies in the garage and the City would just not fill those positions. Mr. Carruth also stated there is a third position that will be discussed in the following Budget workshop but is not part of this agenda item. Councilmember Oliver asked as the new vehicles come in what will happen to our existing vehicles and Mr. Carruth stated that Enterprise will auction them off and the money will come back to us. Mr. Carruth then showed Council a chart that showed Council 19 vehicles will be sold and of those 19 only 14 will be replaced and of those that are sold it is estimated the City will make \$57,712.

Mr. Koerner then informed Council that when they sat down and looked at the Public Works, Police, and Fire Fleets and identified those that were longer than 10 years of age. By doing this they were able to identify the first 14 that would be replaced that had higher operating expenses so it made more sense to

replace those first. Mr. Carruth then stated that he had looked at Enterprise several years ago in his previous City and it was not a good fit for there at that time. He also stated that he has met with Mr. Koerner multiple times in the last several months and is one of those things that seems almost too good to be true. Mr. Carruth along with Public Works Director Troy Foxworth, Finance Director Lamar Ozley, and Interim City Marshal Chris Robin have looked at this every which way to try to figure out the catch and they can't find that gotcha. Mr. Carruth is very confident in this but reiterated that he is wanting to do this at a pilot program.

Mr. Koerner then added that they build long term relationships and their goal is to ultimately earn your business long term. Enterprise will have a client strategy management meeting quarterly to provide analytics along with results.

Mayor Borne asked for any other questions and there were none. Motion passed unanimously.

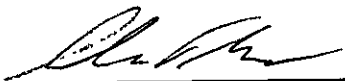
Mayor Borne asked for Councilmember comments and there were none.

There was no further business and Mayor Bailey adjourned the meeting at 5:20 p.m.



Mayor

ATTEST:



City Clerk

