



Department of Administration
Budget and Management Division

Cavalier Johnson
Mayor

Preston Cole
Administration Director

Nik Kovac
Budget and Management Director

October 19, 2023

MEMORANDUM

To: Finance and Personnel Committee Members
From: Bryan J. Rynders, Budget & Fiscal Policy Operations Manager
Subject: Police Fleet Information

The 2024 Proposed Budget includes \$4.0 million dollars for hybrid police vehicle replacement. It is anticipated this funding will replace 60 gasoline-powered police vehicles.

Replacement History: Below is a table of annual replacements starting in 2013. The 2013 budget was the first budget that dramatically reduced the annual amount of replacement vehicles. Prior to 2013, at least 50 vehicles were replaced annually. Beginning in 2018 vehicle replacements were moved from the operating budget to the capital budget funded with borrowing authority instead of cash funding. This allowed the City to increase the annual replacement rate.

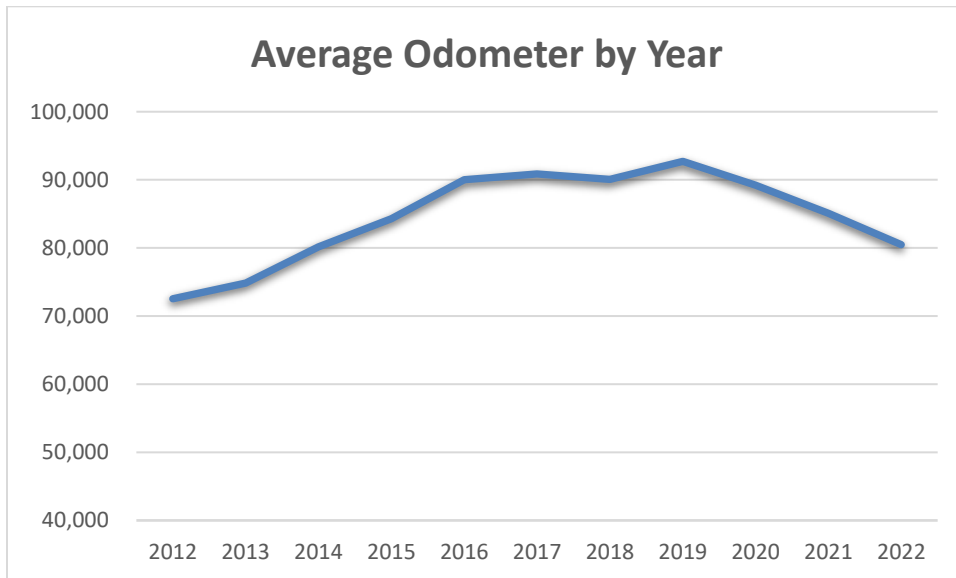
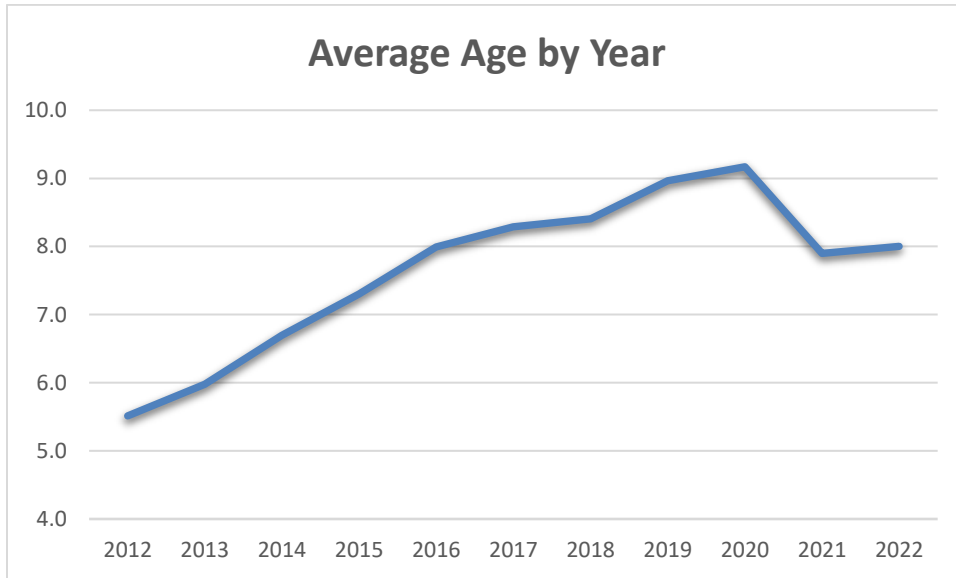
Budget Year	Replacement Vehicles
2013	22
2014	22
2015	22
2016	25
2017	32
2018	50
2019	50
2020	45
2021	52
2022	60
2023	60
2024 Proposed	60

Fleet metrics: Since 2012, the last normal year of annual replacements before significant reductions, the age and mileage of the fleet has steadily increased as shown in the table below:

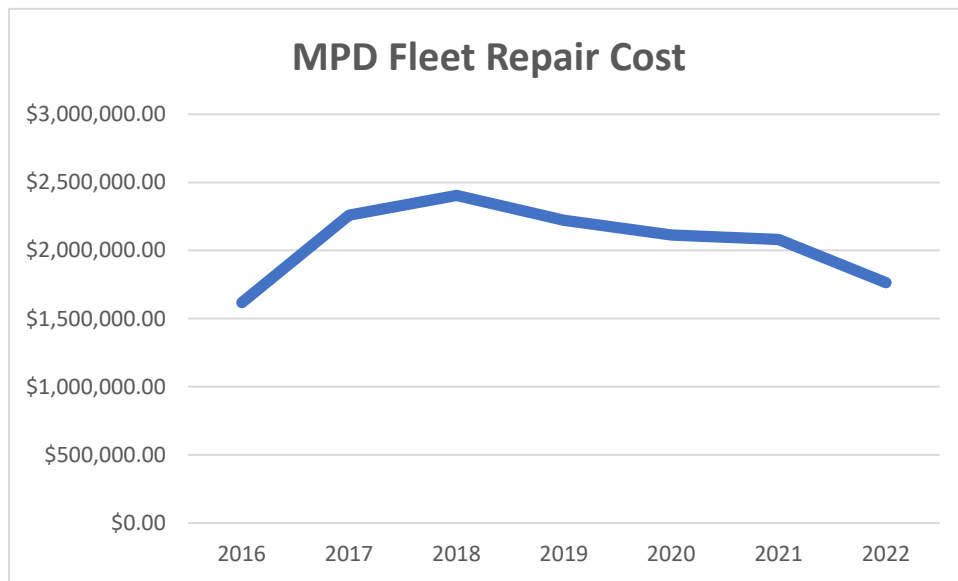
	2012	2022	Percent Change
Average Age	5.5	8.0	45.1%
Average Mileage	72,541	80,494	11.0%



The below charts spanning 2012 – 2022 also show the steady increase in average age and average mileage until the City began increasing funding for replacements.



Repair Costs: The repair costs to maintain the fleet also increased as the age of the fleet increased. In 2016, repair costs were approximately \$1.6 million. Repair costs increased to \$2.5 million by 2018. Once the City transitioned replacement vehicles to the capital budget and began reinvesting in the fleet annual repair costs began to reduce. In 2022, repair costs were \$1.75 million. The chart on the following page shows annual repair costs from 2016 – 2022.



Fuel Savings: Based on MPD’s experience over the last several years with hybrid vehicles, it is expected that hybrid vehicles use 48% less fuel than comparable gasoline-powered vehicles, which means that each new hybrid vehicle will use about 576 fewer gallons of fuel per year than the vehicles they are replacing.

Purchase Timing: It is likely that the new vehicles ordered with the 2024 appropriation will not be received until early 2025 due to supply chain issues. However, that does not mean the 2024 allocation will go unspent. Once the appropriation is approved the department will be able to place an order with the manufacturer which will encumber the funds and guarantee the price of the vehicles. If the vehicles are not received until early 2025 the encumbered funds will be rolled over into 2025 through the Comptroller’s purchase order rollover process.

Cheapest Option: Funding police vehicle replacements with cash is the cheapest option available to the City. Using borrowing was only done after the negative impacts of reducing annual replacements became impossible to sustain. Using borrowing increased the City’s cost for vehicle replacement due to the interest costs associated with borrowing.

BJR