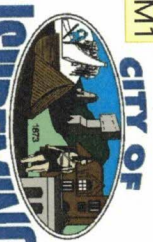




Decision Brief Vehicle Replacement Police Patrol Vehicle

Problem Statement: 2016 Ford Police Interceptor is currently our oldest police patrol vehicle and has 84,000 miles. Its maintenance is increasing and their our some things that are not cost effect to fix or replace. (Seats, interior molding, dent in rear quarter panel, are some).

If this vehicle is replaced, this current vehicle would replace our Code Vehicle a 2013 Chevrolet Impala.



Facts and Assumptions

Facts

- 84,000 miles and about 6 years old.
- These are mostly City miles, very hard on the vehicle.
- Some wear items are not cost effective to repair or replace.
- We put on 60,000 miles per year on all our vehicle. I like to keep miles on each vehicle to around 13,000 spread over 4 vehicles. Because of some maintenance issues, we have not been able to put miles on this vehicle which is increasing miles on newer vehicles, which in turns decreases life expectancy.

Assumptions

- Improved Efficiency
- Reduced Maintenance
- Easier Scheduled Maintenance
- Leasing Option
- Increases live expectancy of current patrol vehicles by spreading around the miles driven
- Fuel Efficiency Increased (assumed old vehicle vs. new)



SHIPENSUNG

Constraints

- SUV or 4WD for the area we are in.
- If we went with a Dodge Durango, it would be our 3rd. Now have a police package, DPW familiar with our uses and needs
- Would also need to purchase new emergency equipment, radar and a on-board computer (Estimated at \$16,000 and included in the total cost of lease)



Pros & Cons

Pros

- Newer fleet
- Increase life for other vehicles
- Factory Warranty

Cons

- Cost



Sources of Funding / Options

- Cash Option – Pay in full \$31,358 plus \$15,000 - \$16,000 in equipment
- Lease Option – Paid over time with some increased cost long term but reduced annually (Initial Buying Power) Past leases are 3 years. Payment would be approximately \$17,000 per year for 3 years, own vehicle at end of lease.



Recommendation (\$48,145.00 Financed)

- Purchase 2021 Dodge Durango from Lafontaine – Lansing. They deal with the State Bid and we have bought the last three Dodge vehicles from them.
- Make the Current Police Unit #2 the New Code Car.
- Use a three year lease through Ford Credit. This is a recommendation from LaFontaine that rates and service is better than Ally which we used before.
- Affect on Budget: Approximately \$17,000 for three years starting this year and last payment in 2023.
- Dodge is ending Production of 2021's soon. Short window to get vehicle. Looking at 12 week window for delivery.



Current Expense Chart Budget FY 21 \$200K

Equipment Item	FY 2021	FY 2020	FY 2022	FY 2023	FY 2024	FY 2025
Holder Sidewalk Plow	Lease Carryover \$0	\$90,000.00	Lease Carryover \$0	Lease Carryover \$0	Lease Carryover \$0	Lease Carryover \$0
Chevy 4500 Dump Trk	\$10,752.00	\$0	\$10,752.00	\$10,752.00	\$10,752.00	\$10,752.00
TextMyGov Software	\$2000.00	\$0	\$2000	\$2000	\$2000	\$2000
PubWorks Software	\$12,775.00	\$0	\$2875	\$2875	\$2875	\$2875
CAT Loader	(\$53,300) TRADE	\$0	\$31,388.00	\$31,388.00	\$31,388.00	\$31,388.00
Flatbed	\$3461.00	\$0	\$0	\$0	\$0	\$0
Peterbilt Snow Plow	\$33,006.00	\$33006.00	\$33,006.00	\$33,006.00	\$16,665.00	\$0
Police Lease 1	\$15,759.15	\$15759.15	\$0	\$0	\$0	\$0
Police Lease 2	\$12,572.09	\$12,572.09	\$12,572.09	\$0	\$0	\$0
Lawn Mower (Cemetery)	\$15,526.00	\$0	\$0	\$0	\$0	\$0
Lawn Mower (P&R)	\$11,293.51	\$0	\$0	\$0	\$0	\$0
Utility Trailer (Parks)	\$389.00	\$0	\$0	\$0	\$0	\$0
Replacement Truck Bed #35	\$2150	\$0	\$0	\$0	\$0	\$0
Retrofit #168 Replacement	\$15,000	\$0	\$0	\$0	\$0	\$0
Police Lease Durango	\$16,968.87		\$16,968.87	\$16,968.78	\$0	\$0
Totals	\$155,162.62	\$151,337.24	\$109,561.96	\$96,989.87	\$63,680.00	\$47,015.00



FORD CREDIT
Municipal Finance

1 American Road, MD 7500
Dearborn, Michigan 48126
1-800-241-4199, press 1

Financing Quote # 101321

May 6, 2021

Municipality: City of Ishpeming
Dealer: LaFontaine CDJR of Lansing

Ford Credit Municipal Finance is pleased to provide the following quote for your consideration.
Expiration Date: 7/5/2021

Description	Unit Price
Durango & Equip	\$47,600.00

Total Asset Cost	\$47,600.00
Underwriting Fee	\$545.00
Amount Financed	\$48,145.00
Number of Payments	3
Payment Timing	Annual
Rate	5.85%
Payment Amount	\$16,968.87

This quote was prepared assuming the lease qualifies for Federal Income Tax Status for Ford Credit Company LLC under Section 103 of the IRS Code and is not a commitment by Ford Credit Municipal Finance. Financing is subject to credit review.

Thank you for the opportunity to provide this quote. If you have any questions, need additional options, or would like to proceed with the application process, please contact by using the information below.

Sincerely,

Janet Doty

Janet Doty
Marketing Coordinator
jdoty@ford.com
1-800-241-4199, press 1

Ford Motor Credit Company ("FMCC") is providing the information contained in this document for discussion purposes only in connection with a proposed arm's length commercial leasing transaction between you and FMCC. FMCC is acting for its own interest and has financial and other interests that differ from yours. FMCC is not acting as a municipal advisor or financial advisor to you, and has no fiduciary duty to you. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. FMCC is not recommending that you take an action and you should discuss any actions with your own advisors as you deem appropriate.

QUOTATION

Date: 2/23/2021
Quote: 022321

Signed: Michelle Deacon