



11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-8145
Fax: 262-242-9655

www.ci.mequon.wi.us

Public Works Department

PUBLIC WORKS COMMITTEE

Tuesday, May 10, 2022

6:15 PM

South Conference Room

Agenda

1) Call to Order, Roll Call

2) Approval of Minutes

a. April 12, 2022 Minutes

3) Resolutions

Action requested: review and recommend approval

a. **RESOLUTION 3950** A Resolution Authorizing the City to Enter Into a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management of the Passenger Vehicle Segment of the City's Fleet

b. **RESOLUTION 3951** A Resolution Authorizing an Application Submittal for Wisconsin Department of Transportation 2022 Surface Transportation Program - Urban (STP) Funding for Road Replacement Along Mequon Road, North Lake Shore Drive and Zedler Lane

c. **RESOLUTION 3952** A Resolution Awarding the 2022 County Line Road Box Culvert Replacement Contract to C.W. Purpero, Inc., of Oak Creek, Wisconsin, in an Amount Not-to-Exceed \$300,000

4) Discussion Items

Discussion and Possible Action

a. Prairie View Lane Drainage CIP Status Update

b. 2022 Work Plan (5.10.22)

5) Adjourn

Dated: May 10, 2022

/s/ Dale Mayr, Chair

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the Public Works Department at 262-236-2913, Monday through Friday, 7:00 AM – 3:30 PM.



11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-8145
Fax: 262-242-9655

www.ci.mequon.wi.us

Public Works Department

PUBLIC WORKS COMMITTEE

Tuesday, April 12, 2022

5:45 PM

South Conference Room

Minutes

1) Call to Order, Roll Call

Present:

Chair Dale Mayr
Alderman Brian Parrish
Alderman Andrew Nerbun

Also present were Director of Public Works/City Engineer Lundeen, Deputy Director of Public Works Weyker, Parks and Forestry Superintendent Gies, Fleet Superintendent Zeller, and Administrative Assistant Deuster

2) Approval of Minutes

a. March 8, 2022 Minutes

RESULT: **Approved [Unanimous]**

MOVED BY: Alderman Parrish

SECONDED BY: Alderman Nerbun

AYES:	Mayr, Parrish, Nerbun
--------------	-----------------------

3) Resolutions

Action requested: review and recommend approval

- a. **RESOLUTION 3943** A Resolution Approving a Contract for Baseball Field Management Services During the 2022 Season with SMB Landscape Contractors, Thiensville, Wisconsin, in the Amount of \$35,000

Alderman Parrish inquired how in future budgeting it would be included for the \$35,000 and asked if it currently does not include it.

Director of Public Works/City Engineer Lundeen clarified the budget does include a field maintenance contract fee but it did not include enough funding for the additional fees added.

RESULT: **Approved [Unanimous]**

Attachment: 04-12-2022 Mins_Public Works (7332 : April 12, 2022 Minutes)

MOVED BY: Alderman Parrish
SECONDED BY: Alderman Nerbun

AYES: Mayr, Parrish, Nerbun

- b. **RESOLUTION 3945** A Resolution Approving the Purchase of a CAT Excavator from Fabick Cat, Milwaukee, Wisconsin and Six-Year Financing by Port Washington State Bank/BB Community Leasing Services for a Total Amount of \$306,468

Alderman Mayr inquired on how many appraisals did the city get on our current one.

Fleet Superintendent Zeller stated the City received one specific from Fabick Cat based on the Wisconsin Surplus consumer site.

RESULT: **Approved [Unanimous]**

MOVED BY: Alderman Nerbun

SECONDED BY: Alderman Parrish

AYES: Mayr, Parrish, Nerbun

- c. **RESOLUTION 3950** A Resolution Authorizing the City to Enter Into a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management of the Passenger Vehicle Segment of the City's Fleet

Director of Public Works/City Engineer Lundeen stated last month staff introduced the idea of a lease agreement with Enterprise with unanimous approval of the Committee of the Whole to move forward with the agreement and structure. Staff understands there were some concerns, so staff was here to answer questions the Committee had before moving it to Council for approval. This included the memo from the Finance Department.

Alderman Nerbun stated the general concern was is it financially beneficial and the Finance Director addressed in a memo. The City could do this themselves as well.

Director of Public Works/City Engineer Lundeen stated previously she indicated if we were funded the City could do this ourselves. Typically when we trade vehicles or sell them they are significantly older with a lower resale value. This would allow us to sell fleet at a higher rate to take more advantage. The City is restricted on our own financial policies and how we can sell our own vehicles which Enterprise is not. This allows for the potential of more profit than our policies do.

Alderman Parrish stated they seemed to be a short term benefit and then there is an uncertainty based on the market and interest rates.

Director of Public Works/City Engineer Lundeen stated she did reach out to Ben from Enterprise on how to unwind ourselves from the agreement if the City would choose to not fund this. Each year there would be a review to decide how rates and the market are doing.

The Committee discussed the enterprise program stating they would like a comparison on Enterprise and a conventional lease. Also the Committee discussed the concern of paying a lot of money up front and leaving it wide open at the end of the lease.

City Attorney Sajdak stated he would work with Finance to have the comparison set with more details.

Ben Walljasper of Enterprise Fleet Management was in attendance to answer questions the Committee had.

4) Discussion Items

Discussion and Possible Action

a. Prairie View Lane Drainage CIP Status Update

Director of Public Works/City Engineer Lundeen provided a status update on the Prairie View Lane Drainage and would answer any questions from the Committee.

b. 2022 Work Plan (4.12.22)

Director of Public Works/City Engineer Lundeen provided an update for the 2022 Work Plan.

5) Adjourn

a. Motion to Adjourn at 6:29 PM.

RESULT: **Approved by Voice Acclamation [Unanimous]**

MOVED BY: Alderman Nerbun

SECONDED BY: Alderman Parrish

AYES:	Mayr, Parrish, Nerbun
--------------	-----------------------

Respectfully Submitted,

Casey Deuster
Administrative Assistant

Attachment: 04-12-2022 Mins_Public Works (7332 : April 12, 2022 Minutes)



11333 N. Cedarburg Road
 Mequon, WI 53092
 Phone: 262-236-2913
 Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Public Works

TO: Public Works Committee
FROM: Tim Weyker, Deputy Director of Public Works
DATE: May 10, 2022
SUBJECT: RESOLUTION 3950 A Resolution Authorizing the City to Enter Into a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management of the Passenger Vehicle Segment of the City's Fleet

Background

At the March 8, 2022, meeting of the Committee of the Whole, Enterprise Fleet Management gave a presentation on the advantages of using Enterprise Fleet Management. The discussion at the Committee of the Whole was generally positive and the committee was in favor of moving forward and bringing it to the Common Council for future action. Subsequently, the Master Lease Agreement and analysis went to the Public Works Committee in April for review and discussion. Please see the attached documents. This packet includes additional analysis as a result of the April discussion.

At its base, the Enterprise program functions as follows:

1. City of Mequon approves Master Lease Agreement
2. Department of Public Works finalizes new vehicle orders for 2023 Model Year with Enterprise
3. While vehicles are on order, DPW will finalize aftermarket equipment needs for any necessary units
4. Vehicles are estimated to deliver in the spring of 2023, old vehicles will be sold by Enterprise once new vehicles are set up and ready for use by the City. The City of Mequon is responsible for titling, licensing, registration, and insurance of the vehicles as stated in the Master Lease Agreement.
5. Enterprise will meet with the City of Mequon twice per year based on manufacturer timelines and budget approval timelines to evaluate both owned and leased vehicle values and replacement strategies. Vehicles can be replaced at any point within the lease term, the City of Mequon has full control based on use and financial implications in doing so.
6. Owned or leased resale equity is the full right of the City of Mequon and can be used to reduce future lease payments by rolling such into down payments for replacement vehicles or can be used to pay for future lease payments separately.

Analysis

The current Department of Public Works equipment replacement process for this segment of the fleet is to order a replacement car or truck from the State Contract vendor (currently Ewald

Automotive). Depending on when manufacturers are taking orders for State Contract vehicles, the wait time for a new vehicle has recently been as much as 8 months. Enterprise Fleet Management utilizes the same State Contract ordering system, but because of the volume of vehicles they are ordering, they monitor the manufacturers' order dates closely and would keep the City informed of key order dates.

The Master Equity Lease Agreement is not for a specific number of vehicles. It is the master agreement allowing Enterprise Fleet Management to lease vehicles to the City and manage the fleet replacement cycles for those vehicles.

The City of Mequon will have a dedicated, local account team from Enterprise to proactively manage and develop the program for this segment of the City's fleet including meeting 2-3 times a year for both financial and strategic planning, providing on-going analysis including the most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

The 2018 Mercury Associates Fleet Rightsizing & Replacement Study noted an advantage of using a loan, lease, or reserve fund to finance fleet replacement costs: it facilitates the timely replacement of vehicles and equipment. As explained at the beginning of the study, if assets are replaced in a timely manner based on economically optimal replacement cycles, the result is lower operating costs and higher residual values (to say nothing of the indirect cost savings associated with less downtime, greater reliability, etc.). Should loan payments prove too high over the long term, there is nothing preventing the City from reevaluating its replacement financing method. However, if the City continues to underspend on fleet replacement, the replacement backlog will grow, pushing the problems associated with an aging fleet onto future decision makers.

The 2018 Mercury Associates Fleet Rightsizing & Replacement Study also recommended specific replacement cycles for all vehicles in the fleet based on the asset type. For pickup trucks, Mercury recommended an 8 to 10-year replacement cycle. The current average age of pickup trucks in the DPW fleet is just over 12 years. The passenger car recommended replacement cycle is 5 years or 100,000 miles. Excluding the 4 new pool vehicles recently leased, the average age of the remaining passenger cars is 10 years with an average of 105,000 miles.

Staff has contacted several of the reference communities including West Bend, Wausau, and Oak Creek. West Bend is early in the program, and to this point has received a positive response from their community on having nicer looking vehicles. Wausau has been in the program 5 years with 50 vehicles and is pleased with the lower replacement costs they have realized with the Enterprise program. Wausau's vehicle mechanics has been able to catch up on other deferred maintenance because of the newer vehicles in the fleet. Oak Creek has been in the Enterprise program for 3 years with 25 vehicles and are happy with the program which also frees up their mechanics to work on other equipment.

State contract price discounts are realized through purchasing/leasing the vehicles in the State VendorNet contracts which include cars, trucks, and sport utility vehicles from Chevrolet, Ford, Chrysler/Jeep/Ram, Hyundai, Kia, and Nissan. These vehicles also include green vehicle options

such as electric vehicles and hybrids.

Fiscal Impact

The current capital budget is not sufficient to fund timely replacement of vehicles and equipment. Please note that this memo relates only to a small portion of the 160 pieces of equipment in the Department of Public Works fleet. It is also not sufficient to allow for level funding, whereby balances would roll over from one year to the next, allowing savings for larger equipment purchases. Given the current budget constraints, staff is reviewing alternatives to direct purchase. Recently, the City utilized both leasing and financing as options. While both result in additional fees to the City for interest and finance charges, it allows the capital budget to be stretched further to make more purchases than achieved through direct purchasing.

When Enterprise initially introduced the program, staff indicated that with sufficient funding, the City could take advantage of the same philosophy. Reducing the average years of service per vehicle increases the resale value, providing additional funding through resale that goes beyond that provided through capital funding. However, it significantly increases both the average annual cost and the total cost to the City. Enterprise, leasing, and financing all provide those benefits related to reducing the average years of service per vehicle, but range in both annual and total cost to the City.

A summary of the various financing options and the basic assumptions are summarized below:

	Enterprise	Standard Lease	Standard Financing	Direct Purchase
<i>Average Annual Cost</i>	\$19,278	\$97,964	\$127,980	\$45,400
<i>Total Cost</i>	\$192,786	\$979,638	\$1,279,800	\$454,000
<i>Average Years of Service per Vehicle</i>	2.8	5	5	10
<i>Assumptions</i>	Replacing 15 Vehicles in 2023 and Utilizing Enterprise Fleet Management for Next 10 Years. $\frac{3}{4}$ tons set up on 5-year lease, $\frac{1}{2}$ tons set up on 18-24 month lease.	Leasing 15 Vehicles every 5 Years. Auction of Existing Vehicles on Wisconsin Surplus (\$143,000 from Enterprise Data). Ewald $\frac{3}{4}$ Chevy Silverado	Financing 15 Vehicles for a 5 Year Term. First term uses \$9,533 average down payment. Second Financing Term Assumes Trade-in Value of \$30,780. Used Edmunds.com for values & $\frac{3}{4}$ Chevy Silverado @ 2.99%	Purchasing 2 Vehicles/Year on State Contract (actual replacement with similar vehicle) and Auctioning Off the Old Vehicles on Wisconsin Surplus at \$9,533 ave.

Enterprise Fleet Management charges a management fee on a monthly basis that is included in each vehicles' monthly payment. The monthly fee is 0.12% of the vehicle's delivered price.

Recommendation

It is staff's recommendation that the Public Works Committee favorably endorse, and the Common Council approve the attached resolution authorizing the execution of a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management for the Passenger Vehicle Segment of the City's Fleet.

Staff also recommends that upon execution of the Master Equity Lease Agreement, staff be authorized to work with Enterprise to put orders in for replacement vehicles within the passenger vehicle segment of the fleet in the 2023 order banks opening in June 2022 and in subsequent order banks.

Staff also recommends establishing a separate capital fleet leasing account to better track the costs and savings for this program.

Attachments:

Master Equity Lease Agreement - City of Mequon (PDF)

Finance Director Position on Enterprise Fleet Management Program (PDF)

City of Mequon Enterprise Fleet Synopsis (DOCX)

City of Mequon Fleet Analysis - 1 Year Implementation Plan Updated 4.5.22 (PDF)

Public Works Packet (4.12.22) (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 3950

A Resolution Authorizing the City to Enter Into a Master Equity Lease Agreement with
Enterprise Fleet Management for Subsequent Leasing and Fleet Management of the Passenger
Vehicle Segment of the City's Fleet

RECITALS

A. The Department of Public Works Fleet Division has been exploring how to lower annual capital outlay and maintenance costs, improve safety and efficiency of the City's vehicles, and reduce the replacement cycle across the fleet to be more in line with the recommendations of the 2018 Mercury Associates Fleet Rightsizing and Replacement Study.

B. The Enterprise Fleet Management Program projects significant capital outlay savings for the City of Mequon in the passenger vehicle segment of the fleet and accomplishes 3 to 5 year replacement cycles for these vehicles.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the
Common Council of the City of Mequon, Wisconsin that:

1. The Master Equity Lease Agreement with Enterprise Fleet Management, Inc. in the form attached hereto is approved subject to any clerical, technical and/or legal changes deemed necessary and appropriate by the City Attorney.

2. The Mayor, City Clerk, and Director of Finance are authorized and directed to execute and deliver the same.

Approved by: Andrew Nerbun, Mayor

Date Approved: May 10, 2022

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on May 10, 2022.

Caroline Fochs, City Clerk

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this _____ day of _____, 20____, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms and conditions set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and various Schedules and addenda to this Master Equity Lease Agreement, each of which are incorporated herein as part of a single, unitary Agreement. Lessor on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor shall remain the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subsidiary, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days between the Delivery Date and the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term, subject to Lessor's right to recoup any amounts Lessor would owe to Lessee under this Section 3(c) against any obligations of Lessee to Lessor under this Agreement. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage by any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (i) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to and recouped against any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence of any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances (including without limitation such federal, state and local laws, statutes, rules, regulations and ordinances governing autonomous vehicles and automated driving systems and any parts, components and products related thereto) and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. In connection with autonomous vehicles and automated driving systems and the parts, components and products related thereto, Lessee agrees to comply with all applicable guidance, professional standards issued, released or published by governmental and quasi-governmental agencies, including without limitation the federal guidance for automated vehicles published by the Department of Transportation and the Federal Automated Vehicle Policy issued by the U.S. Department of Transportation and the National Highway Traffic Safety Administration. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessee additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal state income taxes on the income of Lessor) incurred in connection with the titling, licensing, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled, registered and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessee owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permit inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling, licensing and registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for proper operation and maintenance of the Vehicles. Lessee will not make (or cause to be made) any alterations, upgrades, upfitting, additions or improvements (collectively, "Alterations") to any Vehicle which (i) could impact or impair the "motor vehicle safety" (as defined by the Motor Vehicle Safety Act) of the Vehicle or (ii) could impact, impair, void or render unenforceable the manufacturer's warranty. Without the prior written consent of Lessor, Lessee will not make (or cause to be made) any Alterations to any Vehicle which (i) detracts, impairs, damages or alters the Vehicle's nature, purpose, economic value, remaining useful life, functionality, utility, software or controls, or (ii) subjects the Vehicle or any part or component of such Vehicle to any lien, charge or encumbrance. Alterations of any nature to a Vehicle are made at Lessee's sole cost, risk and liability, including without limitation, any such Alterations approved by, or made with the assistance or at the direction of Lessor. Any replacement parts added to any Vehicle shall be in at least as good an operating condition as the prior parts before the replacement (assuming such part was, at the time of the replacement, in the condition required by the terms of this Agreement). Any Alterations to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4 and shall be free of any liens, charges or encumbrances; provided, however, Lessor shall have the right at any time to require Lessee to remove any such Alteration at Lessee's sole cost, expense and liability. In no event or instance shall the value of any Alterations be regarded as rent. Lessee and Lessor acknowledges and agrees that Lessor will not be required to make any repairs, replacements or Alterations of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any such Vehicle(s) or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs or expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, neither Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessor if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

(d) In no event shall Lessor, Servicer or any other agent of Lessor or their respective affiliates be liable for consequential, indirect, incidental, special, exemplary, punitive or enhanced damages, lost profits or revenues or diminution in value, arising out of or relating to this Agreement, including, without limitation, any breach or performance of this Agreement, regardless of (i) whether such damages were foreseeable, (ii) whether or not Lessor, Servicer or any other agent of Lessor or their respective affiliates were advised of the possibility of such damages and/or (iii) the legal or equitable theory (contract, tort or otherwise) upon which a claim, action, cause of action, demand, lawsuit, arbitration, inquiry, proceeding or litigation is based, and notwithstanding the failure of any agreed or other remedy of its essential purpose.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against damage, claim, suit, action or liability, and that Lessor will suffer immediate and irreparable harm if Lessee fails to comply with such obligations:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage per accident with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage per accident - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage per accident or \$100,000 Bodily Injury Per Person Per Accident, \$300,000 Per Accident and \$50,000 Property Damage per accident (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage per accident or \$100,000 Bodily Injury Per Person Per Accident, \$300,000 Per Accident and \$50,000 Property Damage per accident (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$1,000 per accident - Collision and \$1,000 per accident - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the highest insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to or loss of any parts, accessories or components added to a covered Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent replacement vehicle which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charge payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, tort or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering the Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall be deemed to be in default.

this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in such guaranty; (f) the occurrence of a material adverse change in the financial condition, a going concern audit comment of Lessee or any guarantor (Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated whole value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay all indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability in whole or in part, howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if made by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice made to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency, liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: _____	LESSOR: Enterprise FM Trust
Signature: _____	By: Enterprise Fleet Management, Inc. its attorney in fact
By: _____	Signature: _____
Title: _____	By: _____
Address: _____	Title: _____
_____	Address: _____
_____	_____
_____	_____
Date Signed: _____, _____	Date Signed: _____, _____

Initials: EFM _____ Customer _____



11333 N. Cedarburg Rd 60W
Mequon, WI 53092-1930
Phone: 262-242-3100
Fax: 262-242-9655

www.ci.mequon.wi.us

Finance Department

TO: Public Works Committee
FROM: Jennifer Engroff, Finance Director
DATE: April 8, 2022
SUBJECT: Position on Enterprise Fleet Management Program

Here is my position with the caveat that I am relying on assumptions, inputs, market data from both our Fleet Department and Enterprise, however, I have confirmed with both parties that all are realistic if not quite conservative and I am able to trace those inputs into Enterprise's model.

1. Based on my analysis, I find the Enterprise Leasing Model to be fiscally responsible. One could even say that not pursuing this would be fiscally irresponsible.
2. However, it is a complete shift from our current process of "Purchase+Hold" for 10+ years to "Lease+Sell" every couple of years which understandably so may create some concern not to mention that personal leasing in general has a negative connotation.
3. Our current financial policy allows us to sell surplus property through negotiated sale not only public auction/posting. On average, sale prices are typically \$1-3k higher in private vs public market according to Enterprise. Mequon does not have access to a private market with the ability to draw from an existing pool of buyers.
4. The reason this model works is because we are currently selling our vehicles only once after 10 or so years whereas we'll be selling nearly five times more frequently on average within that same period. Enterprise will facilitate the whole process for us, reducing the burden on Fleet staff. The below depicts in its simplest form the annual savings for one vehicle, not considering the additional savings from reduced maintenance and fuel costs.

1 Vehicle (Capital Only)			
	Purchase	Lease	Notes
Purchase Price	40,000	-	Currently purchase 1 Vehicle per Year on Average
Lease Payments		15,000	Lease for 2 Years @ \$7,500 / Year / Vehicle
Equity @ Sale	(7,000)	(11,000)	Private pool of buyers + worth more after 2 yrs vs 10
Net Cost	33,000	4,000	
Years Held	10	2	Old model hold 10 years, new model hold 2 years
Ave Cost / Year	3,300	2,000	
Annual Capital Savings per Vehicle		1,300	

5. Conservatively speaking, the Enterprise model (attached) suggests the following hard dollar savings.

	Annual Costs/Savings			10 Year Costs/Savings		
	Purchase	Lease	Savings	Purchase	Lease	Savings
Capital	38,968	19,278	19,690	389,680	192,780	196,900
Maintenance*	8,528	4,901	3,627	85,280	49,010	36,270
Fuel	36,750	27,222	9,528	367,500	272,220	95,280
Total Fleet Budget	84,246	51,401	32,845	842,460	514,010	328,450

**Note: Future state maintenance figures are based on Enterprise's maintenance program which we would not pursue
Insurance costs are excluded from the analysis, however, they are likely to go down as well based on advice from our broker*

6. The following are some soft savings which are meaningful on their own.

- o Increase capacity of fleet staff to focus their time on more expensive, specialized equipment and machinery
 - o Driving safer vehicles with enhanced features benefiting multiple stakeholders
- 7. Can smooth the fleet budget by applying the leased equity when sold to the lease rental payments
- 8. The model is actively reviewed several times per year with Enterprise and City staff
- 9. There are success stories from other municipalities via case studies as well as reference checks



FLEET MANAGEMENT

PREPARED FOR:



Ben Walljasper

FLEET CONSULTANT

(262) 446-0501

PHONE

benjamin.a.walljasper@efleets.com

EMAIL



FLEET SYNOPSIS | CITY OF MEQUON

THE SITUATION

Current light duty fleet age is negatively impacting the overall budget and fleet operations

- 60% of the light duty fleet is currently 10 years or older
- 73% of the light duty fleet is currently 6 years or older
- 11.7 years is the current average age of the light duty fleet
- 15 years – time it would take to cycle this entire segment of the City's fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of over \$300,000 in first 5 years

- Shorten the current average vehicle life cycle from 16 years closer to 3 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Once fully implemented with all vehicles on lease/finance – 50% sustainable savings
- Significantly reduce Maintenance by up to an estimated 70%
- Reduce the overall fuel spend through more fuel-efficient vehicles by an estimated 20%
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity owned by City
- Review program on an annual basis

Additional Benefits

- Improved Safety and Risk with newer vehicles and up to date safety technology
- Less downtime and more time for City mechanics to focus on larger, more expensive vehicles/equipment
- Replacing vehicles more frequently offers the best vehicles for the job and most cost effective options consistently

THE RESULTS

By partnering with Enterprise Fleet Management, the City of Mequon will be better able to leverage its' buying power, implement a tighter controlled resale program to lower total cost of ownership and in turn minimize operational spend. Leveraging an open-ended lease maximizes cash flow and recognizes equity from vehicles sold creating an internal replacement fund. Furthermore, the City of Mequon will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 114% above Black Book value. By shifting from reactively replacing inoperable vehicles to proactively planning vehicle purchases, the City of Mequon will have a much more sustainable and predictable budget moving forward.

CASE STUDY | CITY OF MEQUON

CASE STUDY | CITY OF WAUSAU



City of Wausau Improves Light-Duty Fleet and Saves More Than \$482K Over 4-Years.

BACKGROUND

Location: Wausau, WI
Industry: Government
Total vehicles: 64 vehicles

THE PROBLEM

The City of Wausau's light-duty fleet had an average age of 9 years. City mechanics were spending time reactively handling maintenance and repairs to keep the aging vehicles on the road. Maintenance and fuel expenses continually increased for the city as aged vehicles lost efficiency over time. The city's budget for the fleet dictated when vehicles could be replaced. Once vehicles qualified for replacement by the city's standards, they had very little resale value and were only being sold through public auction.

THE SOLUTION

Enterprise Fleet Management proposed a 4-year replacement strategy to help refresh the City's Light-Duty Fleet. By leveraging a Government Equity Lease funding platform, they were able to replace vehicles each year to fit within their purchase budget. With a replacement strategy that had them cycling vehicles faster, the City has seen an increase in resale returns.

"The decision to work with Enterprise Fleet Management to improve our light-duty fleet has been one of the best we've made. Not only are we seeing the financial savings, but our mechanics have been able to focus more of their time on more expensive, specialized equipment and machinery. Our employees also appreciate driving newer, safer vehicles with better features to make doing their job easier."

— Mark Hansen, Fleet and Facilities Manager

THE SOLUTION

Additional benefits to the replacement strategy include a 35% improvement in fuel economy, and an average of \$30,000 in annual maintenance costs.

THE RESULTS

The City of Wausau has experienced a \$482,697 net budget savings over the past 4 years compared to the average budget prior to partnering with Enterprise Fleet Management. These savings were realized even as the total miles traveled by the City increased from 118,000 in 2015 to roughly 328,000 total annual miles in 2019 (177% increase). The partnership has also allowed the City of Wausau to reduce the average age of their vehicles down to 4 years, and presents creative opportunities, as in 2019, when the City was able to turn in 4 leases early for net cash return of \$33,961.

To learn more, visit efleets.com or call 877-23-FLEET.



Key Results

\$482,697

NET BUDGET SAVINGS
OVER 4 YEARS



35%

IMPROVEMENT
AVERAGE MPG
OVER 4 YEARS

177%

INCREASE IN ANNUAL MILEAGE
WITH AVERAGE ANNUAL FLEET
SAVINGS OF 38%



Enterprise and the 'e' logo are registered trademarks of Enterprise Fleet Management, Inc. All other trademarks are the property of their respective owners.
© 2020 Enterprise Fleet Management, Inc. K03999, Wausau

ACCOUNT MANAGEMENT

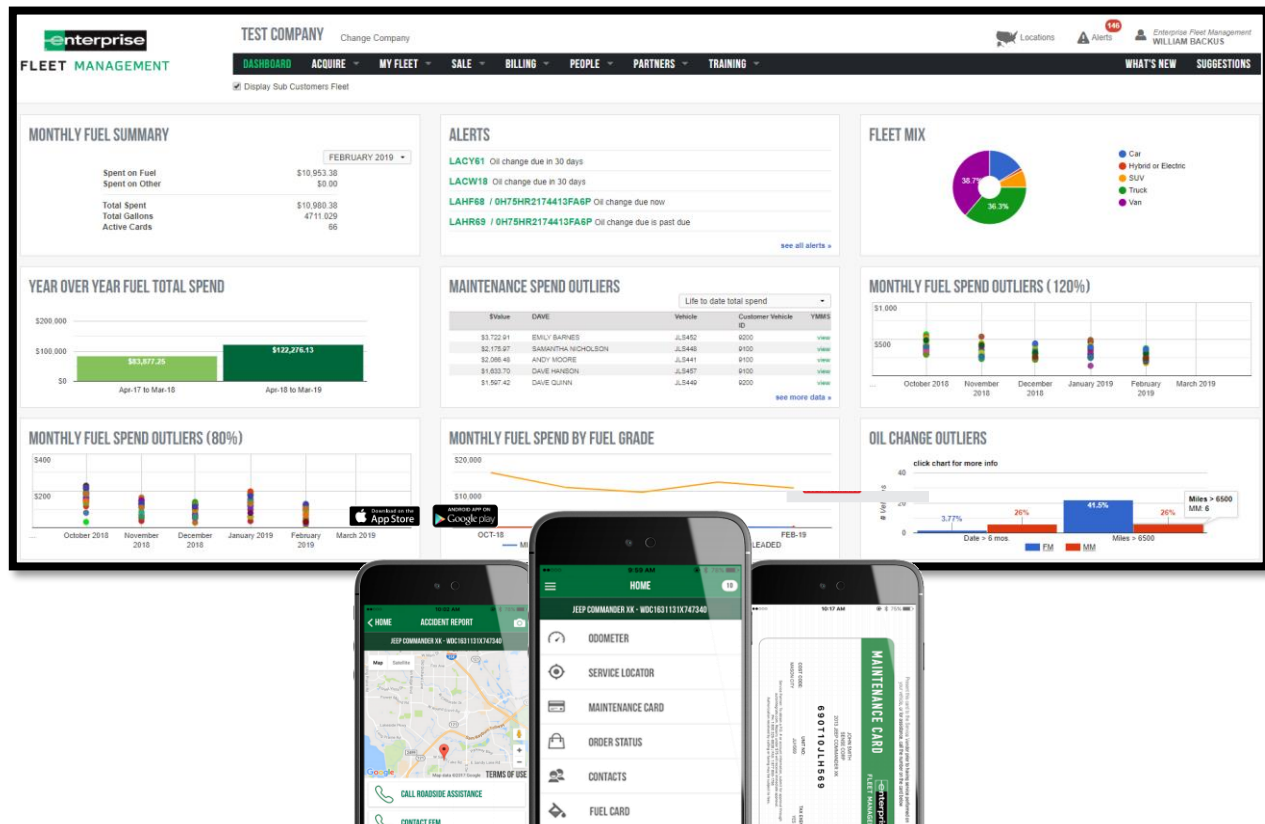
The City of Mequon will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 2-3 times a year for both financial and strategic planning.
- Your Account Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease, maintenance, and any additional ancillaries
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise and view status
- **Alerts** - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- **Lifecycle Analysis** - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction



REFERENCES | CITY OF MEQUON

CURRENT PARTNERS:

- City of La Crosse
- City of Oak Creek
- City of Green Bay
- City of Wausau
- Village of Grafton
- City of Portage
- City of West Bend
- City of Sheboygan
- City of Sparta
- City of Platteville
- City of Manitowoc
- City of Two Rivers
- City of Ashland
- City of Cudahy

REFERENCE:

Below is a list of at least two (2) client references including company name, contact person, and telephone number.

1. City: **City of West Bend**
 Business Phone #: (262) 335-5171
 Contact Person: Jay Shambeau, City Administrator

2. Village: **Village of Grafton**
 Business Phone #: (262) 375-5300
 Contact Person: Jesse Thyes, Village Administrator

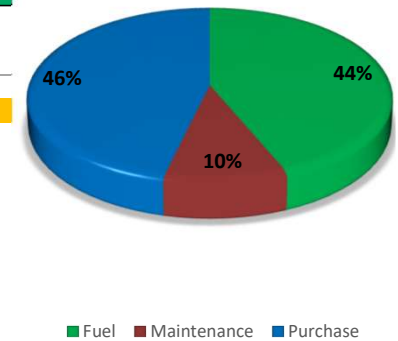
COOPERATIVES/PARTNERS:

- Wisconsin Counties Association
- SOURCEWELL

City of Mequon - Fleet Planning Analysis

Current Fleet	15	Fleet Growth	0.00%	Proposed Fleet	15
Current Cycle	15.00	Annual Miles	7,000	Proposed Cycle	2.80
Current Maint.	\$47.38			Proposed Maint.	\$27.23
Maint. Cents Per Mile	\$0.08	Current MPG	10	Price/Gallon	\$3.50

Fleet Costs Analysis



Fleet Mix			Fleet Cost							Annual			
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Total Capital Outlay	Maintenance	Fuel	Fleet Budget	Net Cash
Average	15	1.0	15	0	38,968	0				8,528	36,750	84,246	0
'22	15	15	0	15	0	117,412	(143,000)	(40,955)	-66,543	4,901	27,222	-34,420	118,666
'23	15	8	0	15	0	117,412	0	(57,581)	59,831	4,901	27,222	91,954	-7,708
'24	15	8	0	15	0	117,412	0	(65,659)	51,753	4,901	27,222	83,876	370
'25	15	8	0	15	0	117,412	0	(77,269)	40,144	4,901	27,222	72,267	11,980
'26	15	9	0	15	0	117,412	0	(153,044)	-35,632	4,901	27,222	-3,509	87,755
'27	15	13	0	15	0	117,412		(82,197)	35,215	4,901	27,222	67,338	16,908
'28	15	9	0	15	0	117,412		(65,659)	51,753	4,901	27,222	83,876	370
'29	15	8	0	15	0	117,412		(77,269)	40,144	4,901	27,222	72,267	11,980
'30	15	9	0	15	0	117,412		(65,659)	51,753	4,901	27,222	83,876	370
'31	15	8	0	15	0	117,412		(153,044)	-35,632	4,901	27,222	-3,509	87,755
Average Annual Capital Outlay = \$19,278										10 Year Savings	\$328,445	Avg. Sustainable Savings	\$23,476

Current Fleet Equity Analysis

YEAR	2022	2023	2024	2025	2026	Under-Utilized
QTY	15	0	0	0	0	0
Est \$	\$9,533	\$0	\$0	\$0	\$0	\$0
TOTAL	\$143,000	\$0	\$0	\$0	\$0	\$0
Estimated Current Fleet Equity**					\$143,000	

* 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

60% 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



www.ci.mequon.wi.us

11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2913
Fax: 262-242-9655

Office of Public Works

TO: Committee of the Whole
FROM: Tim Weyker, Deputy Director of Public Works
DATE: April 12, 2022
SUBJECT: (ID # 7000) A Resolution Authorizing the City to Enter Into a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management for the Passenger Vehicle Segment of the City's Fleet

Background

In an effort to lower the annual capital outlay and maintenance costs, improve safety and efficiency of our vehicles, and reduce the replacement cycle across the fleet, the Fleet Division has been in discussions with Enterprise Fleet Management for the Passenger Vehicle segment of the fleet. The main concept of the program is that Enterprise can utilize government contract discounts for purchasing vehicles and has a very large network for re-sale of the vehicles at the end of the lease term. Based on reduced capital outlays for the passenger vehicle segment of the fleet, remaining equipment replacement capital could be redirected to other segments of the fleet which also currently have higher than recommended replacement cycles.

At the March 8, 2022 meeting of the Committee of the Whole, Benjamin A Walljasper of Enterprise Fleet Management gave a presentation on the advantages of using Enterprise Fleet Management. The discussion at the Committee of the Whole was generally positive and the committee was in favor of moving forward and bringing it to the Common Council for future action. Staff was also directed to contact our insurance carrier to see if this program would affect our vehicle insurance rates. The Finance Department inquired and found that the program would likely result in insurance cost savings.

Analysis

The Master Equity Lease Agreement is not for a specific number of vehicles. It is the master agreement allowing Enterprise Fleet Management to lease vehicles to the City and manage the fleet replacement cycles for those vehicles. There are currently 19 vehicles in this segment of the fleet including 4 Chevrolet Malibus currently under a separate lease. The Chevrolet Malibus would not be included in Enterprise Fleet Management until the end of their current lease terms.

The attached City of Mequon Fleet Analysis - 1 Year Implementation Plan projects annual capital outlays over a ten-year period based on including all passenger vehicles except the Chevrolet Malibus as discussed above. The actual capital outlay in the first year of the program is expected to be a negative outlay based on the proceeds from the sale of our current inventory. The total number of vehicles included in the program in year 1 can vary based on the City's desires and also on the availability of new vehicles when the order banks for each manufacturer open. The recently announced first order banks for 2022 open April 21 for Chevrolet

Silverados with production scheduled to begin between July and September. Lease payments would not be due until 1 month after delivery. Delivery is not expected in 2022, however if the vehicles are ready in 2022, they could be held until 2023 at the City's discretion. This will allow time for the sale of the current inventory being replaced.

Each year Enterprise Fleet Management will work with the City to manage the program. The City of Mequon will have a dedicated, local account team from Enterprise to proactively manage and develop the program for this segment of our fleet including meeting 2-3 times a year for both financial and strategic planning, providing on-going analysis including the most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

Fiscal Impact

Enterprise's attached City of Mequon Fleet Analysis - 1 Year Implementation Plan projects a ten-year savings of over \$500,000 and an average sustainable annual savings of \$37,324. Actual savings will vary based on realized re-sale revenue. By utilizing Enterprise's ongoing replacement analysis and trading in future vehicles in the program at the height of their used vehicle value, the fiscal impact of this program should be very favorable to the City.

Recommendation

It is staff's recommendation that the Public Works Committee favorably endorse, and the Common Council approve the attached resolution authorizing the execution of a Master Equity Lease Agreement with Enterprise Fleet Management for Subsequent Leasing and Fleet Management for the Passenger Vehicle Segment of the City's Fleet.

Staff also recommends that upon execution of the Master Equity Lease Agreement, staff is authorized to work with Enterprise to put orders in for replacement vehicles within the passenger vehicle segment of the fleet in the 2023 order banks opening on April 21, 2022 and in subsequent order banks.

Staff recommends establishing a separate DPW fleet leasing account to better track the costs and savings for this program.

Attachments:

Master Equity Lease Agreement - City of Mequon (PDF)

Full Maintenance Agreement - City of Mequon (PDF)

City of Mequon Enterprise Fleet Synopsis (DOCX)

41222 Public Works Meeting - Enterprise Fleet Management Information (MSG)



11333 N. Cedarburg Road
 Mequon, WI 53092
 Phone: 262-236-2913
 Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Public Works Committee

TO: Public Works Committee
FROM: Cole McCraw, Assistant City Engineer
DATE: May 10, 2022
SUBJECT: RESOLUTION 3951 A Resolution Authorizing an Application Submittal for Wisconsin Department of Transportation 2022 Surface Transportation Program - Urban (STP) Funding for Road Replacement Along Mequon Road, North Lake Shore Drive and Zedler Lane

Background

Signed in November 2021, the Bipartisan Infrastructure Law (BIL) updates potential federal funding levels across Wisconsin Department of Transportation (WisDOT) Local Programs. It is expected that new federal funds will be distributed over the next five years.

The WisDOT Surface Transportation Program (STP) is receiving BIL funding. The STP-Urban program is used to fund local road work for streets classified as collector or higher. The program funds project at an 80%-20% split with 20% as the local responsibility. Both design and construction costs are eligible.

Applications must be accompanied by a cost estimate. The cost estimate determines and limits the total funding amount if selected. Therefore, the City is responsible for 100% of the project costs over any estimated costs.

The deadline for the grant application is June 3, 2022.

City staff evaluated which projects on the road program's five-year plan would qualify for funding through the STP. Staff identified the following streets as eligible for STP funding:

- E/W Mequon Road from Union Pacific RR (near San Marino Drive) to North Lake Shore Drive (near Lakeview Place)
- North Lake Shore Drive from East Zedler Lane to East Mequon Road
- E/W Zedler Lane from Katherine Drive to North Lake Shore Drive

The project was planned to be programmed in 2025 on the five-year plan, to allow for completion of the I-43 project currently underway. On a combined basis, the streets total approximately 3.1 miles.

In the past, the City has considered adding bicycle-pedestrian facilities on North Lake Shore Drive in these project limits. The North Lake Shore Drive corridor is indicated as a priority for bike lanes within the Bike and Pedestrian Way Commission's 2010-2030 Recommendations.

Analysis

This funding opportunity may allow the City to complete the project for a fraction of what it would cost if these road improvements were otherwise City-funded. There are several additional requirements and regulations for project process if receiving federal money, however, the 80%-20% split likely makes it less expensive overall with the funding. If self-funded, the project may have to be split into a two-year project due to scale and cost.

As mentioned, all costs in excess of the estimate indicated in the application will be the 100% responsibility of the City. Due to this risk, staff intends on submitting an application containing 5-foot paved shoulders as bicycle-pedestrian accommodations. State and federal projects are required to consider bicycle-pedestrian accommodations during the design process. Accommodations may be proposed on the project if the bicycle-pedestrian improvements are practical to install.

The cost estimate will be developed using 2022 prices and adjusted with an inflation rate and a contingency percentage.

If funds are awarded to Mequon and accepted by the City, there would be several points during the project that the City could withdraw from completing the project if the costs are projected to far exceed the funded amount. However, the City may be responsible to reimburse 100% of the design costs up to the point of withdrawal.

The short timeframe for the grant application did not allow City staff to perform any public input surveys on the implementation of bicycle-pedestrian facilities. Both will be completed and brought to the Common Council for consideration, regardless of the grant award status.

WisDOT will provide a project manager if the funding is obtained. The City would also select and retain a consultant for the design process. The consultant must be chosen using a quality-based selection process rather than a cost-based selection.

Right-of-way acquisition will likely be needed as part of the project if the funding is awarded. Acquisition costs are eligible for funding. The project would also warrant railroad coordination.

Fiscal Impact

There is no fiscal impact to apply for the funding. Staff will bring a subsequent resolution for acceptance if the project is awarded funding.

As previously mentioned, if funding is awarded and accepted by the City, the project is subject to an 80%-20% cost share based on the cost estimate submitted with the application, with 20% coming from the City.

The City has these segments of roadway in the five-year plan for rehabilitation. The estimated cost for the design and construction of the segments if federally funded under the STP program with additional 5-foot shoulders along the street segments is approximately \$7.0M. The local share of the project would be 20% of the project cost, or approximately \$1.4M.

Recommendation

It is staff's recommendation that the Public Works Committee favorably endorse, and the Common Council approve the attached resolution. A separate resolution will be brought to the Public Works Committee and the Common Council if the project is selected for award.

Attachments:

Proposed STP-Urban Application Limits (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 3951

A Resolution Authorizing an Application Submittal for Wisconsin Department of Transportation
2022 Surface Transportation Program - Urban (STP) Funding for Road Replacement Along
Mequon Road, North Lake Shore Drive and Zedler Lane

RECITALS

A. The City of Mequon Engineering Division has evaluated potential road projects on the five-year plan for applicability to the Wisconsin Department of Transportation (WisDOT) Surface Transportation Program-Urban (STP) grant.

B. Staff has identified the projects for E/W Mequon Road, North Lake Shore Drive, and E/W Zedler Lane, as programmed in the five-year plan for 2025, to be candidates for the STP grant.

C. State and federal projects are required to consider bicycle-pedestrian accommodations during the design process.

D. The grant, if awarded to the City, would provide an 80% cost share from WisDOT on the project. The City would be responsible for the remaining 20%.

E. The applications must be accompanied by a cost estimate. The cost estimate determines and limits the total funding amount if selected. Therefore, the City is responsible for 100% of the project costs over the estimated costs.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin that Engineering Division staff is authorized to submit an application for the Wisconsin Department of Transportation Surface Transportation Program-Urban grant for a road project including E/W Mequon Road, North Lake Shore Drive, and E/W Zedler Lane with a cost estimate including 5-foot paved shoulders for bicycle and pedestrian accommodations.

Approved by: Andrew Nerbun, Mayor

Date Approved: May 10, 2022

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on May 10, 2022.

Caroline Fochs, City Clerk



11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2913
Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Public Works Committee

TO: Public Works Committee
FROM: Cole McCraw, Assistant City Engineer
DATE: May 10, 2022
SUBJECT: RESOLUTION 3952 A Resolution Awarding the 2022 County Line Road Box Culvert Replacement Contract to C.W. Purpero, Inc., of Oak Creek, Wisconsin, in an Amount Not-to-Exceed \$300,000

Background

In 2019, The Engineering and Highway Division indicated that the existing concrete crossroad culvert located on County Line Road, just west of Crestwood Court, was beginning to show signs of structural failure and needed replacement. Additionally, the existing beam guard has failed. Accordingly, Resolution No. 3597 was approved by the Common Council on February 12, 2019, to award the design contract to North Shore Engineering.

The project includes clearing and grubbing, installation of erosion control, traffic control, removal and disposal of the existing concrete box culvert, a stone and boulder wall, existing guard rail, installation of 97-feet of 36-inch HDPE pipe and flared end sections, 226-feet of 48-inch Reinforced Concrete Culvert Pipe Class IV, grading, installation of base course, sub-base repair and compacting, asphalt of binder and surface layers, shouldering, restoration and pavement markings.

Prior to the bid, North Shore Engineering provided an engineering cost estimate totaling \$210,050, including a 10% contingency.

Final plans and specifications were received from North Shore Engineering. Two bids were received on April 28, 2022, opened, and read aloud. The bid tab is included for reference.

Please see the attached plan sheet for an overview of the project.

Analysis

The City received two bids for the 2022 County Line Road Box Culvert Replacement contract:

Contractor	Bid Amount
C.W. Purpero, Inc.	\$273,086.00
Buteyn-Peterson Construction	\$295,574.00

As indicated, the low bid is approximately 30% greater than the engineering cost estimate.

If awarded, the project also requires contract administration, construction layout, project

management, and daily construction inspection. These tasks will be completed by City staff.

C.W. Purpero has performed acceptable work for the City in the past and is considered a qualified bidder.

Work on this contract can start as soon as June 6, 2022, if the contract is fully executed and has a completion date of August 19, 2022.

Fiscal Impact

The City previously funded a dedicated Small Bridge & Culvert capital account (410782 720017 10018), with approximately \$20,000 balance, pending final design invoicing. Staff proposes utilizing all remaining funding within that capital account, and supplementing from the Local Road - Drainage/Culverts capital account, where funding is currently allocated for such projects.

As a result of several recent contract awards, the Public Works Committee and Common Council have requested adding a contingency to the award amounts. Therefore, staff is recommending that the resolution approve expenditures of \$300,000.00 which includes a contingency of approximately 10% for additionally authorized efforts. The contingency provides for additional services that may result from unknown field conditions.

Though the low bid is higher than the engineering cost estimate, staff recommends that the culvert be replaced as soon as possible due to its poor condition and potential for failure. Failure may cause a public safety issue.

Rising material costs and supply chain issues may also factor into the higher bid prices. Rebidding this year would not likely produce lower bid prices.

Recommendation

A recommendation is forthcoming from the Public Works Committee on May 10, 2022.

Attachments:

Bid Opening Tabulation (PDF)

Plan Exhibit (PDF)

COMMON COUNCIL
OF THE
CITY OF MEQUON

RESOLUTION 3952

A Resolution Awarding the 2022 County Line Road Box Culvert Replacement Contract to C.W. Purpero, Inc., of Oak Creek, Wisconsin, in an Amount Not-to-Exceed \$300,000

RECITALS

A. The City of Mequon Engineering Division has advertised and received bids for the County Line Road Box Culvert Replacement.

B. Staff has reviewed the various bids and contractor qualifications for the contracts.

C. Staff has determined that the bids received are reasonable and that adequate funds are available to accomplish the work, and on that basis has made a recommendation to the Public Works Committee.

D. Adequate funds for this contract are available in the Bridge & Culvert capital account (410782 720017 10018) as well as the Capital Project Account - 410780-720015-10001 (Local Road - Drainage/Culverts). The initial funding will be provided by the Bridge & Culvert capital account (approximately \$20,000, less any pending design invoicing). The remaining balance will be funded with the Local Road – Drainage/Culverts account.

E. To provide for additional services that may result from unforeseen conditions, the contract award amount shall be affirmed with a contingency for a total not-to-exceed cost of \$300,000.

F. The Committee on Public Works at its meeting on May 10, 2022, approved staff's recommendation.

BASED UPON THE FOREGOING RECITALS, IT IS RESOLVED by the Common Council of the City of Mequon, Wisconsin that:

1. The 2022 County Line Road Box Culvert contract with C.W. Purpero, Inc. of Oak Creek, Wisconsin, with a contingency for a total not-to-exceed cost of \$300,000 in the form attached hereto is approved subject to any clerical, technical and/or legal changes deemed necessary and appropriate by the City Attorney.

2. The Mayor and the City Clerk are authorized and directed to execute and deliver the same.

Approved by: Andrew Nerbun, Mayor

Date Approved: May 10, 2022

I certify that the foregoing Resolution was adopted by the Common Council of the City of Mequon, Wisconsin, at a meeting held on May 10, 2022.

Caroline Fochs, City Clerk



CITY OF MEQUON

WISCONSIN

3817-18 County Line Road Culvert Replacement

BID OPENING:

4/28/2022

DATE

12:00 PM

TIME

BIDDER	City Pre-qual	Bid Bond	Addendum No 1	TOTAL BASE BID	TOTAL
CW Purpero	✓	✓	✓	\$273,086.00	\$273,086.00
Buteyn Peterson	✓	✓	✓	\$295,574.00	\$295,574.00

Attachment: Bid Opening Tabulation (RESOLUTION 3952 : 2022 County Line Road Box Culvert





11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-236-2913
Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Engineering

TO: Public Works Committee
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: May 10, 2022
SUBJECT: Prairie View Lane Drainage CIP Status Update

This memo is intended to be a status update only. A full evaluation of the effectiveness of the work to date will be presented at a future meeting.

Since April, Staff was able to work with downstream property owners to remove a large amount of root mass, sediment and debris from the draintile. The downstream manholes and outlet at Lake Michigan all show significant improvement in flow. Here is a series of photos from the MMSD property on April 25, 28 and 29.



With the recent rain, the area continues to show an improvement over previous conditions.

At a future meeting, staff will present an analysis of the work completed to date. Please note that the Drainage CIP list includes several projects downstream of this project, which could also improve flow. In addition, WisDOT will be completing drainage work associated with the I-43 project.

Staff continues to monitor and evaluate the drainage within the area.



11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-236-2913
Fax: 262-242-9655

www.ci.mequon.wi.us

Office of Engineering

TO: Public Works Committee
FROM: Kristen Lundeen, Director of Public Works/City Engineer
DATE: May 10, 2022
SUBJECT: 2022 Work Plan (5.10.22)

Attached for the Board's review is a copy of the proposed work plan for 2022.

Attachments:
2022 Work Plan (5.10.22) (PDF)

**Public Works Committee
2022 Work Plan (May 10, 2022)**

4.b.a

Month	Agenda Topics
June	• Drainage CIP Update and Establishment of CIP Meeting Date • Award of Building Capital Projects
July	• Drainage CIP Prioritization
August	•
September	•
October	•
November	•
December	•

Future Agenda Topics

- Review of Standard Specifications for Land Development, for update and specifically as it relates to regulations of berms
- Prioritization of Drainage CIP (including Prairie View Lane)
- Hawthorne Road
- Sidewalk Snow Removal Policy
- Policy language for structures (i.e. Little Free Library) within the building setback
- Discussion regarding path/sidewalk on Range Line Road south of Mequon Road

2022 Completed Items:

• Approval of Approving a First Amendment to the Special Event Agreement for Annual Gathering on the Green Festivities in Rotary Park • Authorization of Receipt of Infrastructure Improvements and Execution of a Dedication Agreement with Thiensville-Mequon Youth Baseball Association for Fencing Improvements at River Barn Park • Support of the M-T Trails Foundation, Inc. Application for a WisDOT TAP Grant and Pending MOU/Donation Agreement for an Off Road Path on Highland Road from the OIT to Rotary Park • Approval of the Purchase of a Replacement Plow Truck and a Replacement Mower • Contract Award for the 2022 Road Improvements • Contract Award for the 2022 Crack Sealing Contract • Contract Award for the 2022 GSB-88 Bituminous Seal Contract • Contract Award for Baseball Field Management Services During the 2022 Season • Approval of the Purchase of a Purchase of a CAT Excavator	
--	--

Attachment: 2022 Work Plan (5.10.22) (7330 : 2022 Work Plan (5.10.22))