

AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
FACILITIES & SAFETY COMMITTEE MEETING

Monday, September 9, 2024 at 5:00 pm
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Members:	Present	Excused	Absent	Others Present:
Jerome Crete, Ch	_____	_____	_____	Carole O'Brien	_____	_____	_____	BABH: Marci Rozek, Chris Pinter,
Christopher Girard, V Ch	_____	_____	_____	Robert Pawlak, Ex Off	_____	_____	_____	Eric Strode, and Sara McRae
Patrick Conley	_____	_____	_____	Richard Byrne, Ex Off	_____	_____	_____	
Sally Mrozinski	_____	_____	_____					Legend: M-Motion; S-Support;
								MA-Motion Adopted; AB-
								Abstained

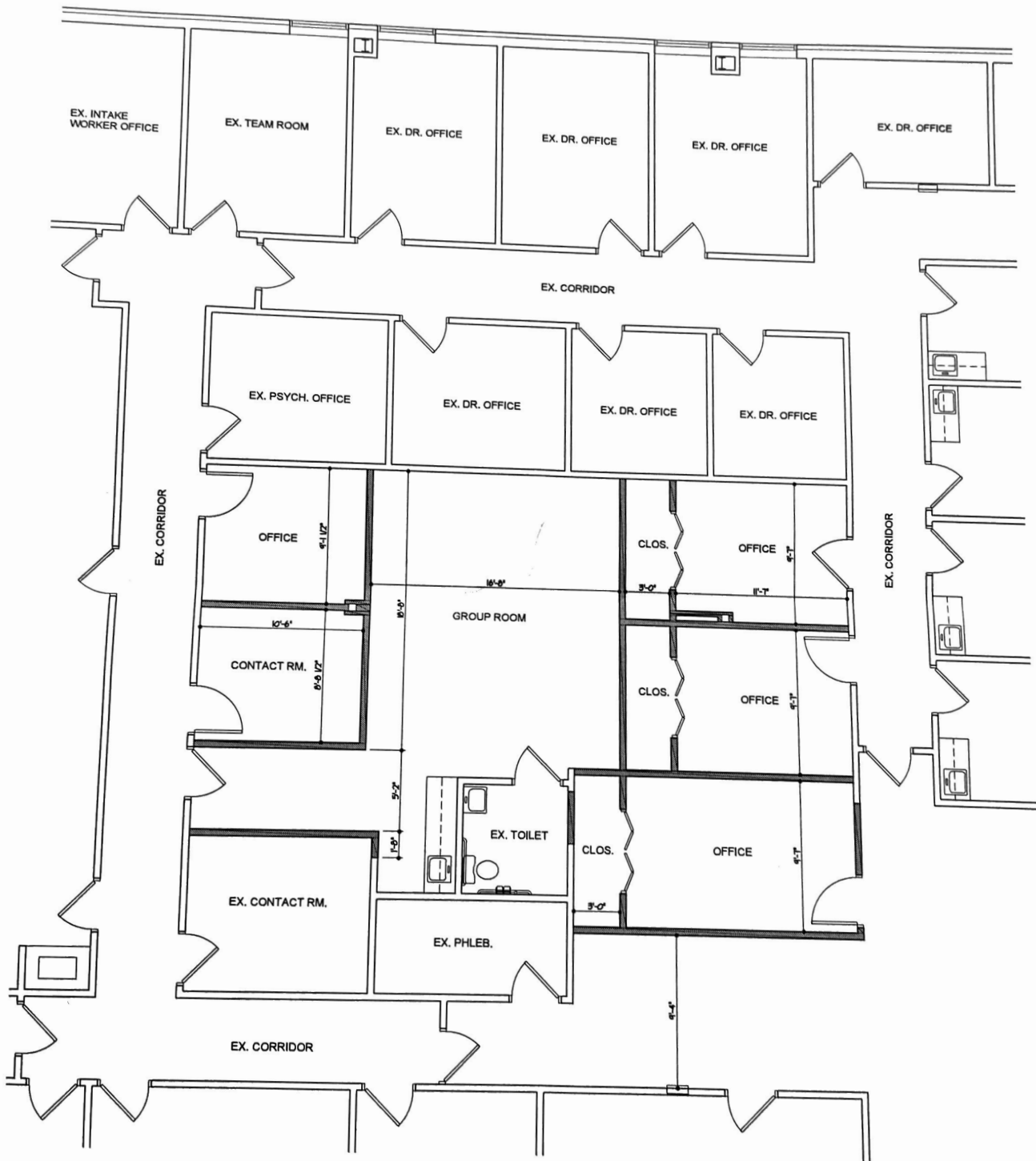
	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Unfinished Business 3.1) None		
4.	New Business 4.1) Rose Home Transition Update, C. Pinter 4.2) Facilities September 2024 Contract List, M. Rozek 4.3) Facilities Update, E. Strode 4.4) Agency Fleet of Vehicles Update, E. Strode		4.1) No action necessary 4.2) Consideration of motion to forward the Facilities September 2024 contract list to the full Board for approval 4.3) No action necessary 4.4) No action necessary
5.	Adjournment	M -	S - pm MA

**Bay-Arenac Behavioral Health
Facilities Committee
Summary of Proposed Contracts
September 2024**

			Old Rate	New Rate	Term
1	N	Bay Human Services, Inc.			
		Sublease for Rose Home	\$0	\$0	8/29/24 – 9/30/24
2	N	Subleases with those residing at Rose Home			
		Month to month subleases between BABHA and 3 individuals residing at Rose Home	\$0	\$800/month	8/29/24 - ongoing
3	N	Bay County			
		Month to month lease for Rose Home	\$0	\$2,600/month	10/1/24 until new residential home provider takes over this lease

R = Renewal with rate increase since previous contract
D = Renewal with rate decrease since previous contract
S = Renewal with same rate as previous contract
ES = Extension

M = Modification
N = New Contract/Lease
NC = New Consumer
T = Terminate

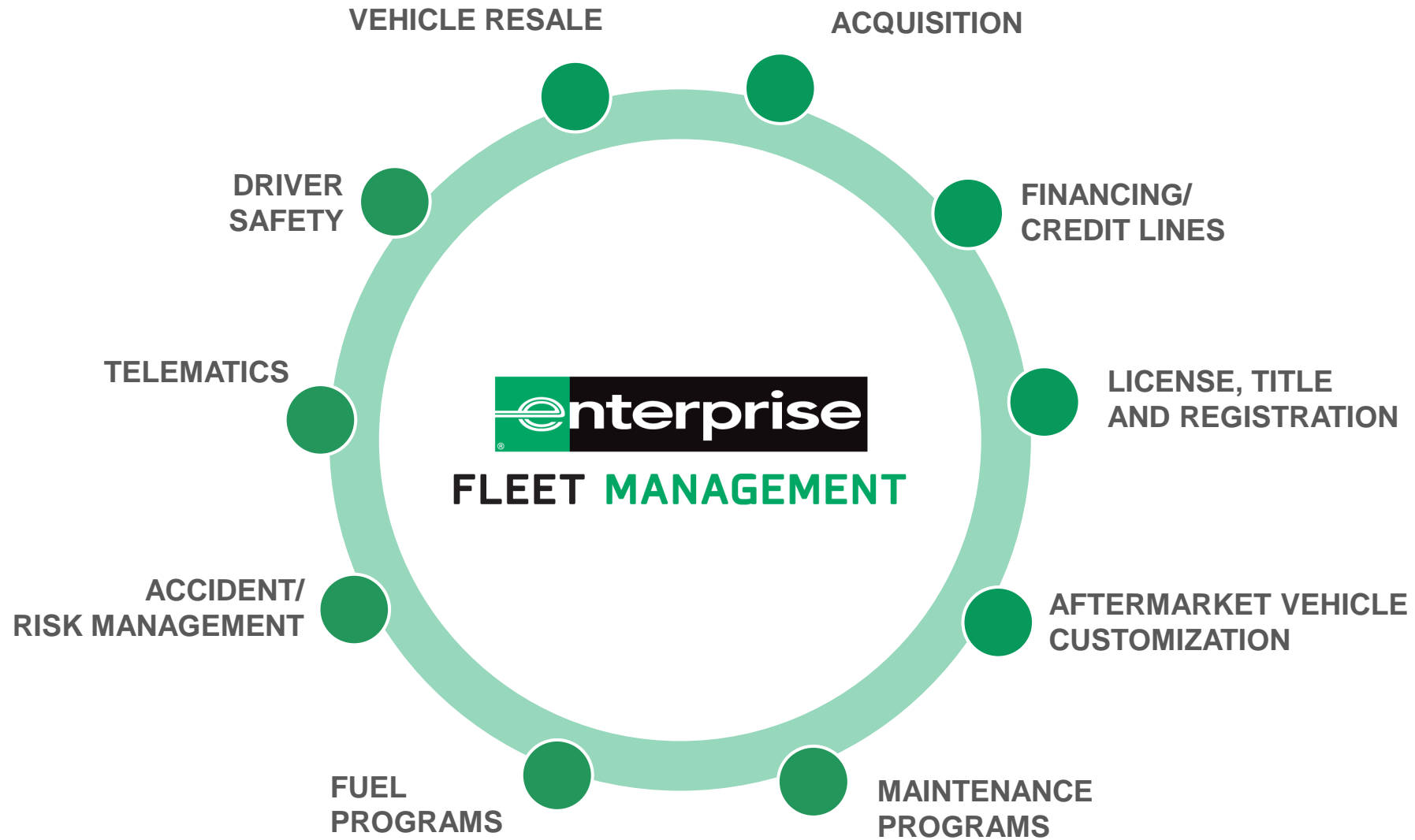


 **PROPOSED FLOOR PLAN - OPTION 1**
 SCALE: 1/4" = 1'-0"

08/22/2024

Fleet Profile

Bay Arenac Behavioral Health Authority





Initial Meeting Recap

- Looking to streamline all fleet related matters
 - *Acquisition*
 - *Full maintenance*
 - *License and titles*
 - *Resale*
- Currently pay cash for vehicles. Open to leasing vehicles if it makes financial sense
- Your fiscal year starts 10/1. Budget planning takes place in July/August.



Fleet Overview

- 36 vehicles in fleet, mainly consisting of small SUVs and small sedans.
- Currently buy from local dealer
- Vehicles are driven 10-12k miles per year
- Vehicles are retired once no longer operable and are traded in for approximately \$300-\$500
- Currently use local shops for maintenance and speedway card for fuel



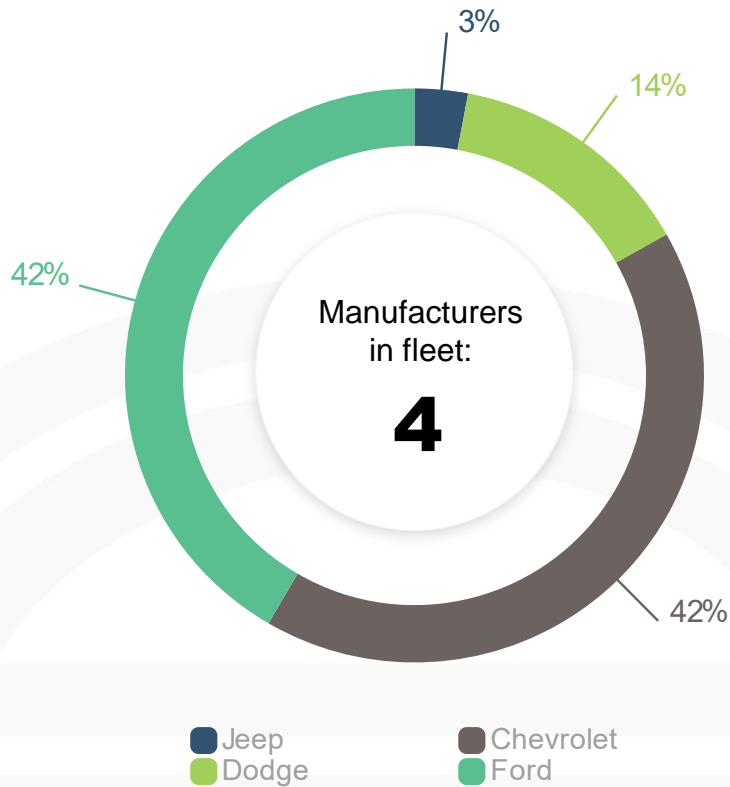
Key Objectives

- Establish financial measures and attain or beat industry benchmarks
- Drive TCO ownership down through financial analysis and vehicle recommendation
- Streamline all fleet management matters under single source platform with the ability to track and analyze data

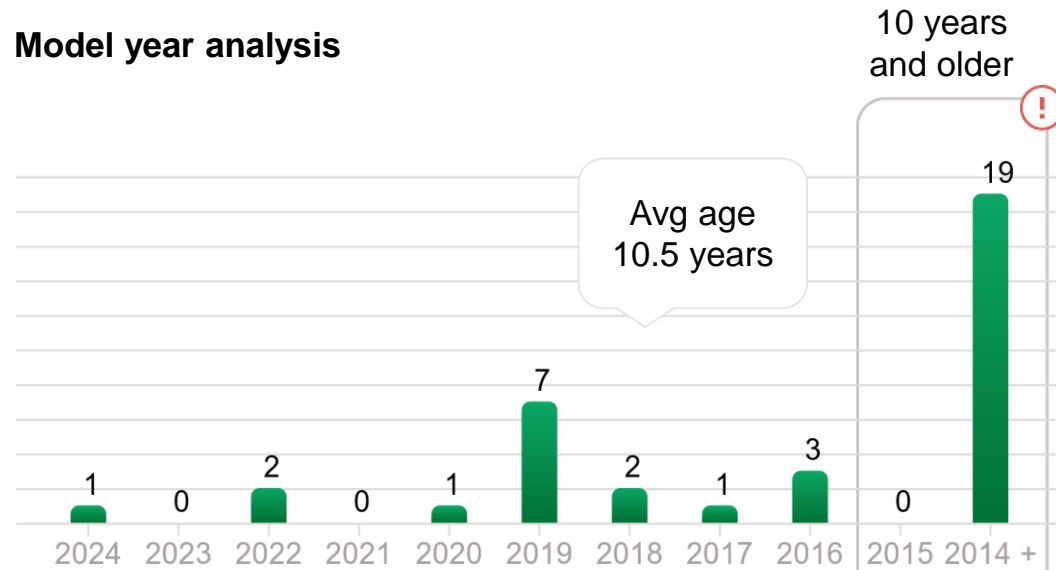
Fleet Profile

Total fleet size: **36** Total fleet value: **\$286,388**

Manufacturer breakdown



Model year analysis



Avg holding Period (in years)

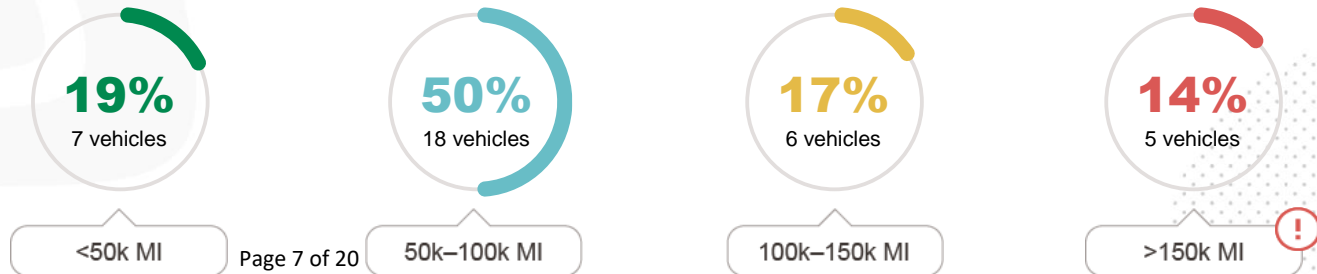
45

Avg annual acquisitions

0.8

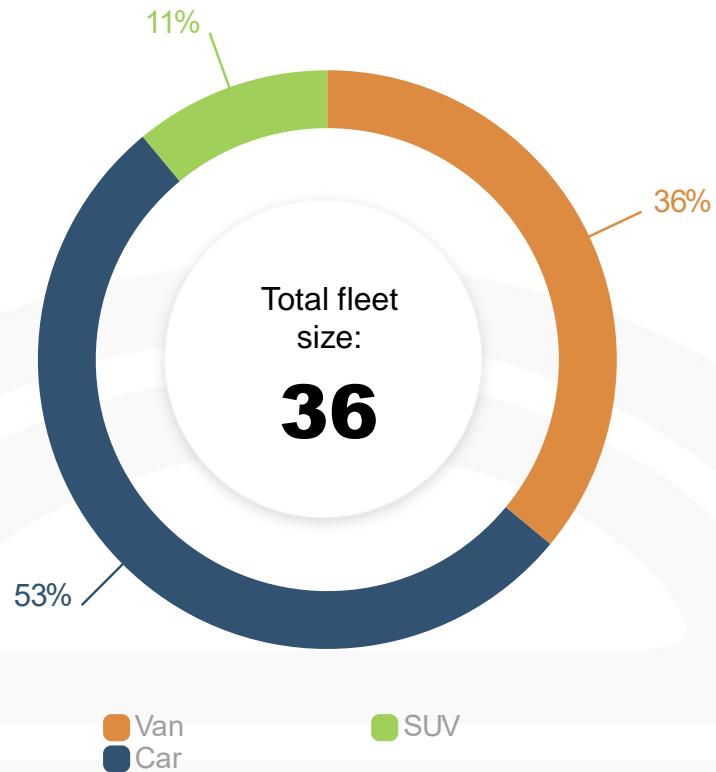
Odometer distribution

Average Odometer: 89,518



Vehicle Classes

Vehicle class overview



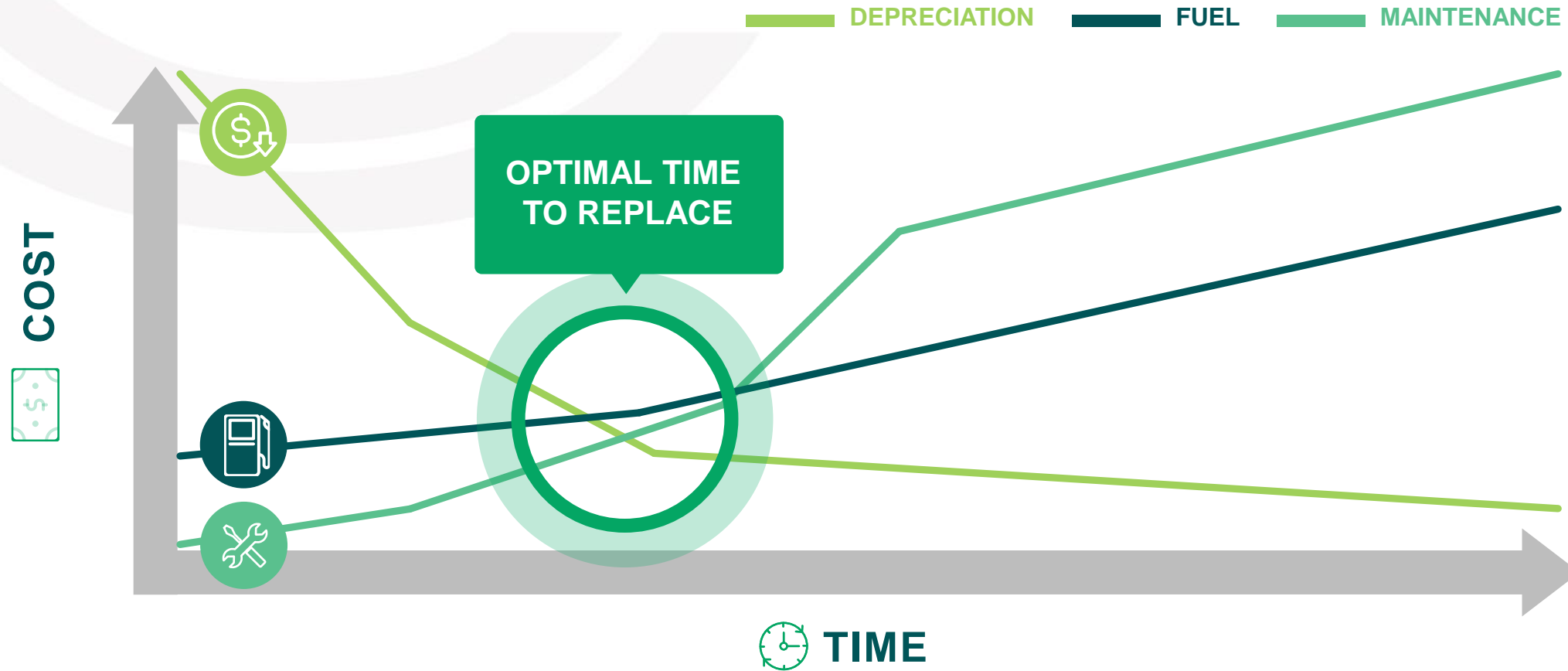
Vehicle Type	Quantity	Avg Age	Avg Annual Mileage
Mid-size Sedan	10	9.8	9,861
Full-size Sedan	5	9.2	10,086
Compact Sedan	4	18.1	5,119
Minivan-Passenger	7	11.9	9,228
Full-size Van-Passenger	4	8.1	12,044
1 Ton Van Cargo	2	13.1	4,859
Compact SUV 4x2	2	7.1	6,136
Mid Size SUV 4x4	2	2.6	9,301
Totals/Averages:	36	10.5	8,525

Vehicle types
8

Avg Odometer
89,518

EFFECTIVE VEHICLE LIFECYCLE

Determining the right time to replace vehicles

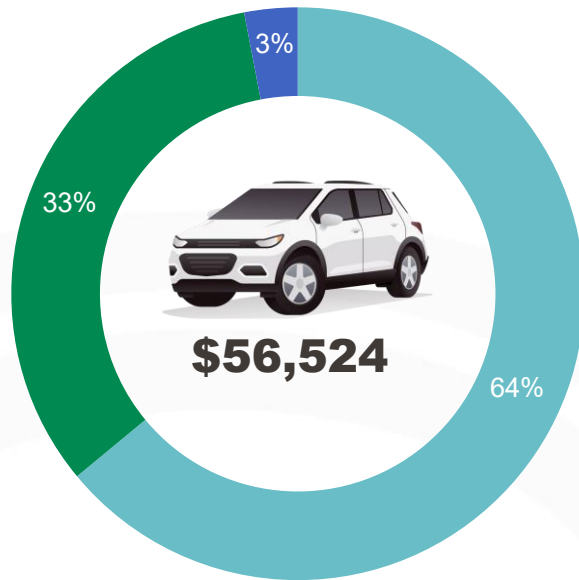


Proposed Recommendation

Purchase vs EFM Recommendation

2025 Chevrolet Trailblazer | LS 4dr Front-Wheel Drive

Current
For 10 years



- Total operating cost
- Total capital cost
- Total administrative cost

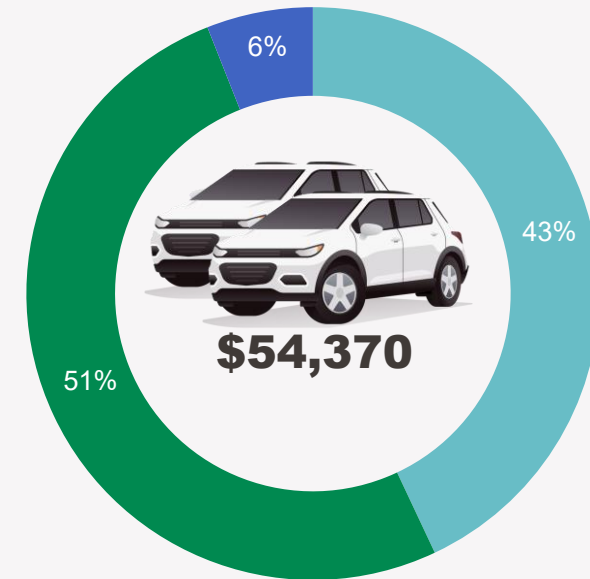
After cash flow from vehicle sale(s) and income tax deduction

Total Cash Outlay: \$69,718

Financial Impact

\$2,154 ✓

Recommendation
For 5 years each



- Total operating cost
- Total capital cost
- Total administrative cost

After cash flow from vehicle sale(s) and income tax deduction

Total Cash Outlay: \$76,161

Assumptions

Vehicle Assumptions			
Chassis Type	TRUCK	Price Per Gallon Fuel	\$3.50
Gross Vehicle Weight	Less than 6000 lbs	Fuel Inflation Rate	2.00%
		Purchase Mpg	30.50
Annual Rate of Inflation	2.00%	Lease Mpg	30.50

General Assumptions				
			EFMLEASE	PURCHASE
Company's Income Tax Rate	21.00%	Annual Mileage	12,000	12,000
Company's Cost of Capital	7.86%	Sales Tax Rate	0.00%	0.00%
Daily Cost of Driver Downtime	\$500	Bonus Depreciation	\$0	\$0

Vehicle Purchase			
	EFMLEASE	PURCHASE	
Vehicle Invoice Cost	\$23,741	\$23,741	
Invoice Incentives	\$0	\$0	
Off-Invoice Incentives	\$0	\$0	
Markup (Down)%	1.68%	0.00%	
Aftermarket Equipment	\$0	\$0	
Other Costs & Deductions	\$0	\$0	
Sales Tax Capped in with Vehicle	\$0	\$0	
Vehicle Price	\$24,141	\$23,741	
Down Payment	\$0	\$23,741	
Amount of Deposit	\$0	\$0	
Capitalized Price / Amount Financed	\$24,141	\$0	

Cost Components		
	EFMLEASE	PURCHASE
Lease & Finance Components		
Monthly Depreciation Rate	1.35%	2.78%
Interest Factor	8.36%	6.00%
Management Fee	0.1200%	0.0000%
Lease / Finance Term (Months)	60	36
Monthly Payment with Tax	\$460	\$0
Taxes		
Monthly Use Tax Amount	\$0	\$0
Up-front Sales Tax Amount	\$0	\$0
Products		
Oil Change Mileage Interval (Miles)	6,000	6,000
Full Maintenance Rate	\$65	\$0
Maintenance Management Rate	\$0	\$0
Monthly Physical Damage Rate	\$0	\$0
Monthly Liability Rate	\$0	\$0
Insurance Premium	\$0	\$0
% of Premium Paid Upfront	0.00%	25.00%

Productivity Savings		
	EFMLEASE	PURCHASE
Daily Cost of Driver Downtime	\$500	\$500
Annual Cost of Administrative Time	\$0	\$200

Vehicle Resale		
	EFMLEASE	PURCHASE
RBV at Term	\$4,587	\$0
Sale Of Vehicle	\$12,446	\$1,000
Service Charge	\$500	\$0
Amount of Deposit	\$0	\$0
Estimated Net Gain (Loss) on Vehicle	\$7,359	\$1,000
	5 Years Old	10 Years Old

Present Day

	Vehicle #1										Totals	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Owning Vehicle												
Cash Down Payment (if applicable)	\$23,741	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,741
Preventative Maintenance	\$1,639	\$1,672	\$1,705	\$1,739	\$1,774	\$1,810	\$1,846	\$1,883	\$1,920	\$1,959		\$17,947
Downtime from Maintenance	\$931	\$950	\$969	\$988	\$1,008	\$1,028	\$1,049	\$1,070	\$1,091	\$1,113		\$10,197
Fuel	\$1,377	\$1,452	\$1,507	\$1,564	\$1,624	\$1,686	\$1,752	\$1,821	\$1,893	\$1,968		\$16,643
Administrative Cost	\$200	\$204	\$208	\$212	\$216	\$221	\$225	\$230	\$234	\$239		\$2,190
Sale of Vehicle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,000)		(\$1,000)
Sub-total of Cash Outlay	\$27,888	\$4,278	\$4,389	\$4,504	\$4,622	\$4,745	\$4,872	\$5,003	\$5,138	\$4,279		\$69,718
Total Cash Outlay	\$27,888	\$4,278	\$4,389	\$4,504	\$4,622	\$4,745	\$4,872	\$5,003	\$5,138	\$4,279		\$69,718
Present Value of Annual Cash Outlay	\$27,746	\$3,853	\$3,686	\$3,528	\$3,376	\$3,232	\$3,095	\$2,964	\$2,839	\$2,205		\$56,524
Present Value of Total Payments \$56,524												

Preventative and non preventative maintenance

EFM Program Preventative Maintenance - From Side			
	Service Cost	Oil Change Multiplier	Mileage Interval
Oil Change	\$110	1	6,000
Tire Rotation	\$25	2	12,000
Air Filter	\$55	5	30,000
Fuel Filter	\$0	0	0
Coolant Service	\$126	25	150,000
Transmission Service	\$205	8	48,000
Transercase Service	\$0	17	102,000
Differential Service Rear	\$135	17	102,000
Differential Service Front	\$135	17	102,000
Wiper Blades	\$61	3	18,000
Brake Fluid Replacement	\$99	8	48,000
Power Steering Flush	\$115	0	0
Fuel Injection Service	\$128	0	0
Brakes	\$388	6	36,000
Tires	\$896	6	36,000
Rotors	\$278	12	72,000
Cabin Air Filter	\$87	5	30,000

EFM Program Non-Preventative Maintenance - From Side			Year 1
			0
	Average Cost per Service		12,000
AC and Heater	\$951		0.1%
Braking	\$618		2.45%
Cooling System	\$612		3.33%
Differential	\$783		0.07%
Differential Replacement	\$2,023		0%
Electrical	\$1,048		1.18%
Engine	\$1,654		0.33%
Engine Replacement	\$13,045		0%
Exhaust	\$1,523		0.01%
Fuel System	\$822		0.08%
Performance	\$541		0.27%
Roadside	\$185		2.51%
Steering/Suspension	\$1,124		2.59%
Transmission	\$1,121		0.04%
Transmission Replacement	\$4,579		0%

Recommended Strategy

	Vehicle #1					Vehicle #2					Totals
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Enterprise Fleet Management Lease											
Payment Depreciation	\$3,911	\$3,911	\$3,911	\$3,911	\$3,911	\$4,318	\$4,318	\$4,318	\$4,318	\$4,318	\$41,143
Payment Management Fee	\$348	\$348	\$348	\$348	\$348	\$384	\$384	\$384	\$384	\$384	\$3,657
Payment Interest	\$1,256	\$1,256	\$1,256	\$1,256	\$1,256	\$1,387	\$1,387	\$1,387	\$1,387	\$1,387	\$13,217
License, Title and Tax	\$103	\$82	\$75	\$69	\$63	\$103	\$82	\$75	\$69	\$63	\$784
Maintenance Fee	\$776	\$776	\$776	\$776	\$776	\$856	\$856	\$856	\$856	\$856	\$8,159
Preventative Maintenance	\$0	\$0	\$1,336	\$0	\$0	\$0	\$0	\$1,363	\$0	\$0	\$2,698
Downtime from Maintenance	\$191	\$361	\$1,410	\$909	\$1,076	\$195	\$369	\$1,438	\$928	\$1,097	\$7,974
Fuel	\$1,377	\$1,409	\$1,442	\$1,478	\$1,515	\$1,306	\$1,336	\$1,367	\$1,400	\$1,434	\$14,065
Sale of Vehicle	\$0	\$0	\$0	\$0	(\$12,446)	\$0	\$0	\$0	\$0	(\$13,741)	(\$26,187)
Undepreciated Book Value at Time of Sale	\$0	\$0	\$0	\$0	\$4,587	\$0	\$0	\$0	\$0	\$5,064	\$9,651
Service Charge at End of Lease	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$500	\$1,000
Sub-total of Cash Outlay	\$7,961	\$8,142	\$10,553	\$8,747	\$1,586	\$8,549	\$8,731	\$11,187	\$9,342	\$1,363	\$76,161
Total Cash Outlay	\$7,961	\$8,142	\$10,553	\$8,747	\$1,586	\$8,549	\$8,731	\$11,187	\$9,342	\$1,363	\$76,161
Present Value of Annual Cash Outlay	\$7,656	\$7,240	\$8,677	\$6,649	\$1,438	\$5,556	\$5,248	\$6,217	\$4,800	\$889	\$54,370

Present Value of Total Payments \$54,370

Safety features based on vehicle age and % of total fleet

2011 and older- No electronic stability control(ECS)- 39%

2019 and older- No Bluetooth capabilities- 69%

2017 and older- No rear backup camera- 64%

2021 and older- No forward collision alert- 91%

IMPLEMENTING YOUR FLEET PLAN

1 Option

- Complete Fleet Consolidation

2 Option


- Replace all units 2018 and older
- Factory order 25 units @ invoice less all government applicable incentives
- Enroll new units on EFM full maintenance program
- Track and manage existing units with EFM Maintenance Management and WEX Program

3 Option

- Replace all units over 2012 and older
- Factory order 17 units @ invoice less all government applicable incentives
- Enroll new units on EFM full maintenance program
- Track and manage existing units with EFM Maintenance Management and WEX Program

ONBOARDING PROCESS

1ST YEAR OF PARTNERSHIP

 Partnership Begins

MONTH 1-3

MONTH 3 - 6

MONTH 6 - 12



Welcome

Meet your local account team – the people who will be taking care of you and your fleet.



Plan

Establish your customized implementation roadmap, including replacement milestones, annual goals and more.



Train

Make sure everyone on your team, including your drivers, has everything they need for a smooth transition.



Implement

Get everything rolling, including your client portal and the eFleets Mobile App.

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3-month check in.
Let's talk.



6 Month Review

Take a look back at your first year, celebrate success, spot areas for improvement and make a plan for the next year.



Annual Review

Remember that we'll never stop working by your side to make your fleet the very best it can be.



Next Steps

- **CDNS**
- **New client paperwork to review**
- **Order vehicles**



FLEET MANAGEMENT

QUESTIONS?

5-Year BUY vs LEASE Comparison

Cash Outlays for 1 Vehicle over 5 years:	<u>Lease</u>	<u>Buy</u>
	504.57 Monthly Lease Pmts @ 60 months	23,540.85 Purchase Price 2,500.00 5-years of maintenance
	<u>30,274.20 Total Lease Pmts</u>	
	4,472.85 Owing to Enterprise <u>500.00 Owing to Enterprise</u>	
	<u><u>35,247.05</u></u>	<u><u>26,040.85</u></u>

Cash flow for immediate 10-vehicle acquisition based on above:

	<u>Lease</u>	<u>Buy</u>
Year 1	60,548.40	247,656.50
Year 2	60,548.40	12,248.00
Year 3	60,548.40	12,248.00
Year 4	60,548.40	12,248.00
Year 5	<u>110,276.90</u>	<u>12,248.00</u>
	352,470.50	296,648.50
Years 6-10	352,470.50 New Leases <u>(50,000.00) Proceeds from Selling</u> 302,470.50 Net New Leases	100,000.00 5-years of maintenance

Cash flow for immediate 20-vehicle acquisition based on above:

	<u>Lease</u>	<u>Buy</u>
Year 1	121,096.80	495,313.00
Year 2	121,096.80	24,496.00
Year 3	121,096.80	24,496.00
Year 4	121,096.80	24,496.00
Year 5	<u>220,553.80</u>	<u>24,496.00</u>
	704,941.00	593,297.00
Years 6-10	704,941.00 New Leases <u>(100,000.00) Proceeds from Selling</u> 604,941.00 Net New Leases	200,000.00 5-years of maintenance