

MINUTES OF SPECIAL CALLED MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE: Monday, April 18, 2022

TIME: 12:00 p.m.

PLACE: San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard
San Juan, Texas 78589

MEMBERS PRESENT: Mario Garza, Mayor
Mayor Pro-Tempore
Adina "Dina" Santillan, Commissioner
Ernesto "Neto" Guajardo, Commissioner
Rick Palacios, City Attorney

STAFF PRESENT: Benjamin Arjona, City Manager
Brenda Escalante, City Secretary
Leroy Gonzalez, Director of Finance

ORDER OF BUSINESS

- I. **CALL MEETING TO ORDER:**
Mayor Mario Garza called meeting to order at 12:00 p.m.
- II. **PLEDGE OF ALLEGIANCE:**
Mayor Mario Garza led the Pledge of Allegiance.
- III. **DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:**
 - A. **Discussion and Possible Action Authorizing the City Manager to Enter into a Master Equity Lease Agreement, Maintenance Agreement, and Maintenance and Fleet Rental Agreement with Enterprise Fleet Management, Inc. to allow for the Future Lease of Vehicles for Several Departments.**

DISCUSSION: Benjamin Arjona, City Manager, stated they've been going back and forth with this item in order to come up with a great plan for the city. Mr. Arjona presented Mr. Simon Ortega, Senior Fleet Consultant with Enterprise Fleet Management. Mr. Ortega gave a brief presentation regarding the warranty. Furthermore, Enterprise Fleet Management has local partnerships with the City of Pharr, Hidalgo County, and the City of Hidalgo. He mentioned that a proactive plan using equity would give back to the city and help increase employee safety with newer vehicles. Mr. Ortega stated that the current fleet age is negatively impacting the overall budget and fleet operations. In addition, it would take 10.4 years to replace the entire fleet at current acquisition rates. He stated that the goal is to maximize potential equity at the time of resale, resulting in a conservative net savings of more than \$3,042,672 over ten years and a savings of \$308,905 per year. Mr. Ortega pointed out that city vehicles are electronically pre-dated. Mayor Mario Garza asked how often the city would get reports and how they would get hold of the information. Mr. Ortega stated that this information would be provided by the city staff. Mayor Garza asked who would be submitting this data. Commissioner Adina "Dina" Santillan asked if the lease agreement included the fire and police vehicles. Mr. Arjona replied that the fire and police units would be included, but fire trucks would not. Mayor Garza asked who would equip the units. Leroy Gonzales, Director of Finance, replied that vehicles are fully equipped. Mr. Ortega gave a brief example of the plan they have with the City of Pharr. Mayor Garza asked for the number of fleets. Based on the city's recommendation, Mr. Ortega stated that the city will be able to replace 39 of its oldest vehicles. Commissioner Santillan asked how soon the city could get started. Mr. Ortega replied that as soon as the General Manager placed the order, the city would also have a local account team to manage and develop the fleet. Mayor Garza asked Mr. Arjona who would be responsible for being on top of the fleet management. Mr. Arjona responded, the Fleet Manager over at the City Shop. Mayor Garza asked how soon they could start. Mr. Ortega replied that, based on experience, anytime from November to December.

Commissioner Ernesto "Neto" Guajardo made motion to approve and was seconded by Mayor Mario Garza. Motion Passed (4-0).

IV. **ADJOURNMENT 12:17 P.M.**

Mayor Pro-Tem Leonardo "Lenny" Sanchez made motion to adjourn and was seconded by Commissioner Adina "Dina" Santillan. Motion Passed (4-0).

CITY OF SAN JUAN
CITY COMMISSION MEETING
MONDAY, APRIL 18, 2022

CITY OF SAN JUAN, TEXAS



Mario Garza, Mayor

ATTEST:



Brenda Escalante, City Secretary