



TO: Council President Gardiner and Members of Town Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Vehicle Trade In

DATE: August 15, 2022

Background

Through Enterprise, the Town of Munster leased two Subaru Foresters for the use of the Community Development Department and the Town Manager's Office. Monthly payments on these are \$473.45 each for a term of 60 months or less – as they will be traded back in when Enterprise identifies the optimal wholesale value of the vehicles.

Methodology

As a practice, when we lease vehicles, we also trade in the old vehicles. In this case, the Town intended to trade in the 2008 Jeep Grand Cherokee and the 2011 Jeep Patriot. There was an issue pinning Enterprise down on what the value of those trade-ins would be and how that would affect the monthly lease payments to Enterprise.

Various pricing guides have placed the wholesale value of the Cherokee between \$5,500 and \$6,275. The three most popular are:

Clean Black Book = \$6,275
J.D. Power Trade In = \$5,925
MMR (Manheim Auction Report) = \$5,550

We were finally able to secure a minimum wholesale price commitment from Enterprise of \$5,500 for the Jeep Grand Cherokee.

Depending on the final magnitude of the sale amount of the Grand Cherokee, the monthly lease payments are expected to be between \$30 and \$50 less each. The magnitude of the Patriot transaction is not known at this time.

The source of funds for the two vehicles will mirror the salary distributions of the Town Planner and the Town Manager.

	General 101	Parks 204	Sewer 280	Redevelopment 406	Water 601	Solid Waste 623
Town Planner	10%	10%	20%	15%	25%	20%
Town Manager	10%	10%	25%	30%	25%	5%

Recommendation

By motion and voice vote, authorize the Town Manager to execute the trade in for the 2008 Jeep Grand Cherokee and the 2011 Jeep Patriot.