



**DC Ranch Association
Board Report 10-25-17 #1**

Subject Matter: Purchase of Community Standards Vehicle

Background: The Community Standards Team utilizes two DC Ranch Association vehicles (Toyota Prius and Ford Cmax) to conduct its inspections and to follow up on community matters. A recent review of vehicle related expenses found that more than \$3,000 was spent on the 2013 Ford Cmax over the last two years (new battery, A/C, and other components). The 2013 Toyota, on the other hand, did not incur any significant repair related costs during the same period. Because of the repair costs to the Ford vehicle and its mileage (125,000), we decided to complete a private-party sale to get the best price for it versus a trade-in scenario at a dealership. The private-party exercise culminated in a \$6,500 sale.

Equivalent vehicles with lower mileage have been identified via our relationship with Enterprise; the cost of those vehicles range in price from \$10,000 - \$15,000. The cost differential between the \$6,500 in sale proceeds from the Ford and the potential cost of an equivalent replacement vehicle, on the high end, is between \$6,000 - \$8,500.

Since we lease many vehicles from Enterprise, we receive preferred pricing. Their vehicles come with a one-year warranty on everything relating to the vehicle (outside of general maintenance), as well as a full transferrable manufacturer's warranty. Community Standards Specialist, Mike Wells recommends moving forward with a vehicle purchase from Enterprise.

Association finance policies provide that any unbudgeted expenditure of more than \$5,000 must be approved by the Board of Directors. Funding for the vehicle can be secured from the operating fund cash balance. The cost will then be carried on the balance sheet and depreciated over the next five years.

Recommendation: Approve funding to augment the \$6,500 in proceeds from the sale of the Ford Cmax to purchase another vehicle for Community Standards purposes at a cost not to exceed \$15,000.

A handwritten signature in black ink, appearing to read 'Darren Shaw', is written over a horizontal line.

Darren Shaw, Executive Director