



## Considering Leasing a Fleet to Save Your Community Money: Tips You Need to Know

Many communities are struggling to reduce their fleet costs when replacing their aging vehicles. Fleet leasing is an option, but it may seem overwhelming. So, here are some tips to consider simplifying the process – and reducing your budget!

- ❖ **Cost of the Vehicle:** When purchasing a new vehicle, the value depreciates immediately. Leasing agreements may offer more flexibility.  
  
**Tip:** Leasing is a **True Cost** loan. Your payments are based on the acquisition cost less the anticipated resale value. Leasing companies, via their pricing arrangements may be able to secure vehicles for less than the state bid price.
- ❖ **Knowledgeable Input on the Best Vehicles for Your Community's Needs:** There is an array of product options to meet a department/community's needs. The most expensive vehicle is not necessarily the best choice!  
  
**Tip:** Explain your exact needs to your leasing representative and ask them to give you several options to consider. Leasing companies are independent from the Manufacturers and can offer unbiased product information.
- ❖ **Create a vehicle cycle-plan:** For some jurisdictions, the increasing fleet maintenance costs are prohibitively high.  
  
**Tip:** A leasing company can also assist in setting a vehicle cycle, so you are turning the fleet over prior to costly repairs and expenses.
- ❖ **Dispose of Your Jurisdiction's Current Fleet.**  
  
**Tip:** There are many avenues to sell your surplus vehicles. Please ask your leasing representative for assistance in maximizing the return of your jurisdiction's vehicles.

Fleet vehicle leasing offers many advantages for local governments – including improved cash flow and ability to spread fleet costs over several years. Lease payments are an expense rather than a capital expenditure which simplifies the acquisition process.

By following these tips, it can “demystify” the process and save your community money.

For further information, please contact Jerry Duffy, President, Jefferson Leasing, (410)721-2555, [jeduffy@thebancorp.com](mailto:jeduffy@thebancorp.com). Jefferson Leasing is an ICMA Strategic Partner.  
[www.jeffersonleasing.com](http://www.jeffersonleasing.com)