Nacogdoches
the oldest town in Texas

City Council Work Session
August 17, 2026

Notice is hereby given of a City Council Work Session of the Nacogdoches City Council to be held on the above date in the City Council Chambers of City Hall, 202 E. Pilar Street, Nacogdoches, Texas, beginning at 1:30 p.m. for the purpose of considering the following agenda items. Some City Council Members may attend via videoconference but a quorum of the City Council and the Presiding Officer will be present at the above-stated physical location. The meeting will be streamed live at https://www.nactx.us/21.

1. CALL TO ORDER.

2. WORK SESSION. Items are intended to provide opportunities for City Council to study and discuss various issues, and gather and analyze information. Council will not take formal action on matters presented at a Work Session, but may direct staff to place items on future agendas for formal consideration.

   A. Receive a presentation from Alliant Insurance Services regarding the city's self-insured health plan and projections for Fiscal Year 2027.

   B. Receive a presentation from Enterprise Fleet Management regarding a city fleet vehicle management solution with projections for Fiscal Year 2027 and beyond.

   C. Receive a presentation on the city's Hotel Occupancy Tax Fund and projections for Fiscal Year 2027.

3. ADJOURN.

Karen Hadnot
City Secretary

THE CITY OF NACOGDOCHES TEXAS

This agenda is posted as required under G. C. Section 551.041. For more information or a copy of the Open Meetings Act, please contact Attorney General of Texas at 1-800-252-8011; City Secretary at (936) 559-2506 or visit City of Nacogdoches web site at www.nactx.us.

CERTIFICATION

This meeting will be conducted pursuant to Chapter 551 of the Texas Government Code. The City of Nacogdoches is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications may be provided upon request. Please contact the City Secretary at (936) 559-2506 for information. I certify the notice of meeting was posted in the directory outside of City Hall, 202 E. Pilar Street, Nacogdoches, Texas 75961, on August 11, 2026 pursuant to Chapter 551 of the Texas Government Code.

Karen Hadnot, City Secretary

Nacogdoches
the oldest town in Texas

City Council Meeting

Date: August 17, 2026

Agenda Item: 2.A.

PRESENTER: Brittany Tucker, Director of Human Resources

ITEM/SUBJECT: Receive a presentation from Alliant Insurance Services regarding the city's self-insured health plan and projections for Fiscal Year 2027.

SUMMARY/BACKGROUND: Alliant Insurance Services will review the city's health plan claims history for Fiscal Year 2026, make recommendations, and answer any questions. The City of Nacogdoches offers Health and Dental Insurance for Employees and Dependents. The employee-only base health insurance plan and employee-only dental plan are free of charge to employees. The Health Insurance policy is a partially self-insured plan and the Dental Insurance policy is a self-insured plan. Blue Cross Blue Shield is the administrator and insurance company for both Health and Dental insurance. The City of Nacogdoches offers additional ancillary coverage to the employees and dependents. Ancillary coverages included are Employer Paid Life and Long Term Disability Insurance. Voluntary Life, Vision, Accident, Critical Illness and Hospital Indemnity Insurance for employees and dependents. All of these coverages are fully insured.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT: Brittany Tucker, Human Resources Director
tuckerb@nactx.us
(936) 559-2569

ATTACHMENTS: 1. Presentation

City of Nacogdoches

2026-2027 BCBSTX Renewal / Budget Projections
Ancillary Coverage Summary Recommendations

August 17th, 2026

Alliant Insurance Services

Medical/Rx Budget

2027 projected cost is expected to result in a +42.0% (+49.7% w/Margin) increase to current funding rates with 335 FTE budget positions.

Expected Claims are for PPO; additional discounts for the BCBSTX PPO/BE HMO

Alliant Consulting is recommending the Renewal ALT PCP HMO/EPO option.

Medical Trend: 9.00%
Pharmacy Trend: 12.00%
Margin: 6.71%

	Current	Renewal	Renewal ALT: PCP HMO / EPO
Plan Name	BCBSTX	BCBSTX	BCBSTX
Medical Administrative Carrier	BCBSTX	BCBSTX	BCBSTX
Medical Network	Blue Choice	Blue Choice	Blue Choice
PBM Vendor (if pharmacy carved out)	Carved in - Prime	Carved in - Prime	Carved in - Prime
Stop Loss Carrier	BCBSTX	BCBSTX	BCBSTX
Employee Count	239	239	239
Family Count	82	82	82
Contract Terms			
Specific Deductible	$125,000	$125,000	$125,000
Aggregating Specific	$0	$0	$0
Aggregate Maximum	$1,000,000	$1,000,000	$1,000,000
Aggregate Corridor	120%	120%	120%
Contract Terms	Paid	Paid	Paid
Administrative Fees PEPM			
Base Medical Administration	$46.13	$47.34	$47.34
Rx Rebate Credit	-$76.95	-$64.65	-$64.65
Medical Rebate Credit	-$2.57	-$2.50	-$2.50
Rx Commission	$3.32	$3.32	$3.32
Stop Loss Integration	Included	Included	Included
Network Fee	Included	Included	Included
Other BCBS Costs (APR, IDR, External Claims Revie	$20.09	$20.09	$20.09
Enable BH	Included	Included	Included
Total Administrative Fee PEPM	-$9.99	$3.60	$3.60
Total Annual Administrative Premium	**-$38,466**	**$13,860**	**$13,860**
Stop Loss Premiums PEPM			
Individual Stop Loss Premium PEPM	$189.38	$218.02	$218.02
Individual Stop Loss Premium PEPM - Family	$390.59	$449.33	$449.33
Aggregate Premium PEPM	$17.99	$22.60	$22.60
Total Annual Stop Loss Premium	**$996,792**	**$1,154,468**	**$1,154,468**
Change from Current		***15.8%***	***15.8%***
Annual Fixed Costs Total	**$958,326**	**$1,168,328**	**$1,168,328**
Change from Current		***$210,002***	***$210,002***
		22%	***22%***
Claims			
Expected Claims PEPM	$954.24	$1,001.17	$937.56
Attachment Point	$631.40	$881.77	$881.77
Attachment Point - Family	$1,570.61	$2,191.31	$2,191.31
Annual Expected Claims	**$3,675,734**	**$3,856,488**	**$3,611,480**
Annual Maximum Claims	**$3,356,335**	**$4,685,165**	**$4,685,165**
Additional Liability			
Anticipated Aggregated Reimbursements		-$229,479	-$229,479
Expected Annual Plan Cost	**$4,634,060**	**$4,795,337**	**$4,550,329**
Change from Current		***$161,277***	***-$83,731***
		3.5%	***-1.8%***
Maximum Annual Plan Cost	**$4,314,662**	**$5,624,015**	**$5,624,015**
Change from Current		***30%***	***30%***
% Claims Fluctuation Margin		0%	0%
Claims Fluctuation Margin		$0	$0
Budget	**$3,369,948**	**$4,795,337**	**$4,550,329**
Change from Current		***$1,425,389***	***$1,180,382***
Change from Current		***42.3%***	***35.0%***

BCBS Disruption Analysis

Alliant Insurance Services

	TX BlueChoice	TX Blue Essentials
Total Records	888	888
Total Matches	810	805
Percent Matched	**91.22%**	**90.65%**
Total Paid Amount	$2,776,557	$2,776,557
Total Paid Matches	$1,612,226	$1,609,789
Total Paid Percent Matched	58.07%	57.98%

	TX BlueChoice	TX Blue Advantage
Total Records	888	888
Total Matches	810	678
Percent Matched	91.22%	76.35%
Total Paid Amount	$2,776,557	$2,776,557
Total Paid Matches	$1,612,226	$1,105,099
Total Paid Percent Matched	58.07%	39.80%

A significant amount of Blue Essentials HMO % match decrement (57.98%) reflects a significant paid amount that is out-of-network from the Excel ER freestanding emergency center. Notice that the decrement is consistent with both the current PPO Blue Choice, as well as the proposed HMO Blue Essentials.

Alliant Insurance Services

PY ‘26-’27 Budget

Assessment of reserve position adequacy at varying budget levels

	2026-2027 Projected PY
Expected Budget (42.3% increase) for 2026-2027 PY	$4.8M
Emerging PY Reserve Position (assumed to be drawn down by $0.29M with $375k Hospital District Payment and interest)	$2.57M
Expected Surplus/(Deficit)	$0.00M
Expected Accrued Expenditures (i.e IBNR)	($0.45M)
Estimated Fund Balance by end of 2026-2027 PY	$2.12M

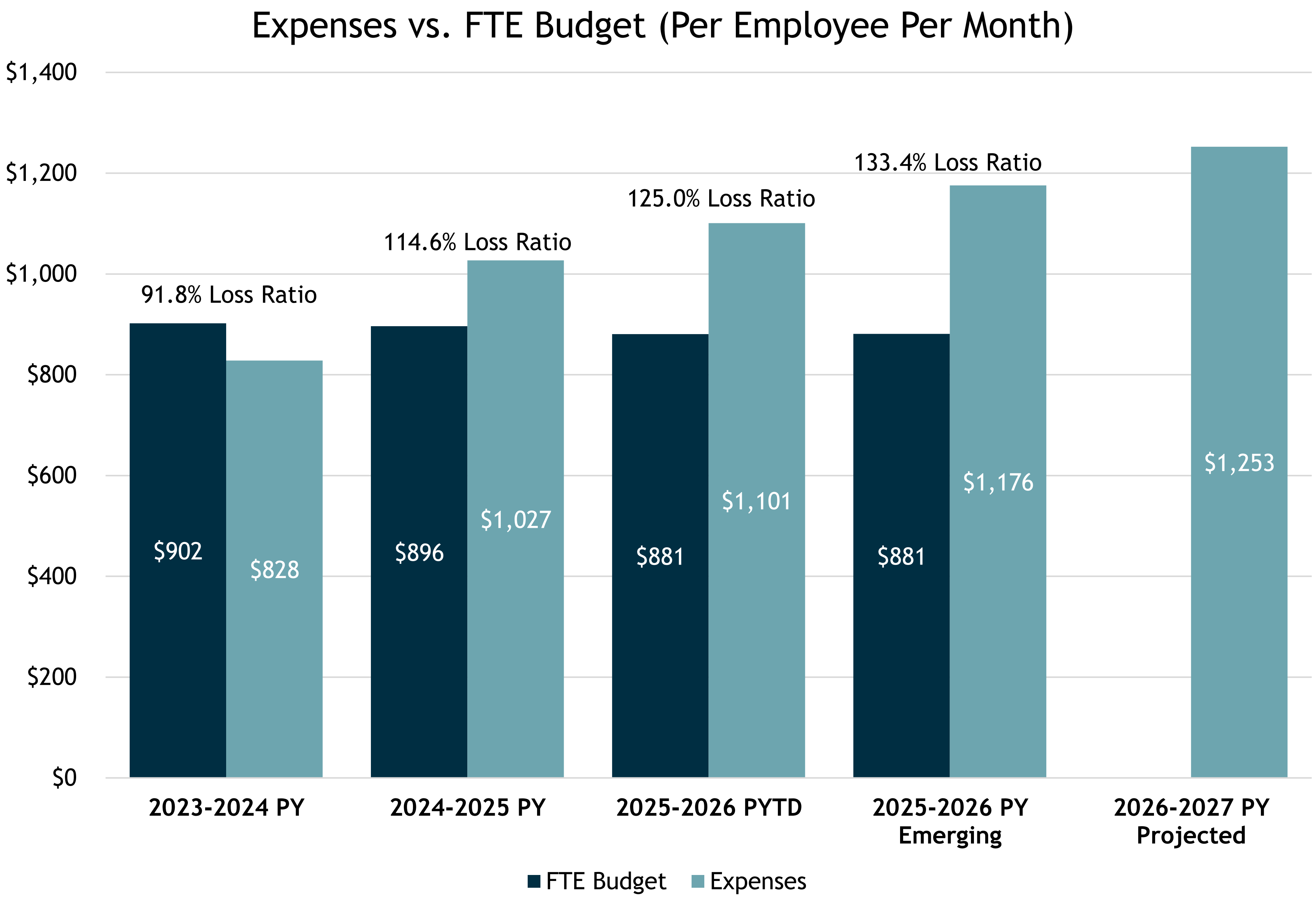
	2026-2027 Projected PY
Expected Budget (17.2% increase) for 2026-2027 PY	$3.95M
Emerging PY Reserve Position (assumed to be drawn down by $0.29M with $375k Hospital District Payment and Interest payments)	$2.57M
Expected Surplus/(Deficit)	($0.84M)
Expected Accrued Expenditures (i.e IBNR)	($0.45M)
Estimated Fund Balance by end of 2026-2027 PY	$1.28M
Estimated Prospective Reserve Position (Prior + Surplus)	$1.78M

	Current	Recommended Renewal	Alternative Budget
	2025-2026 PY	2026-2027 PY	2026-2027 PY
Budget/Funding Rates	**$3,369,948**	**$4,795,337**	**$3,952,949**
$ Change from Current		*$1,425,389*	*$583,001*
% Change from Current		*42.3%*	*17.3%*
$ Change from Recommended Renewal		*$0*	*-$842,388*
% Change from Recommended Renewal		*0.0%*	*-17.6%*

Alliant Insurance Services

Year-Over-Year Experience

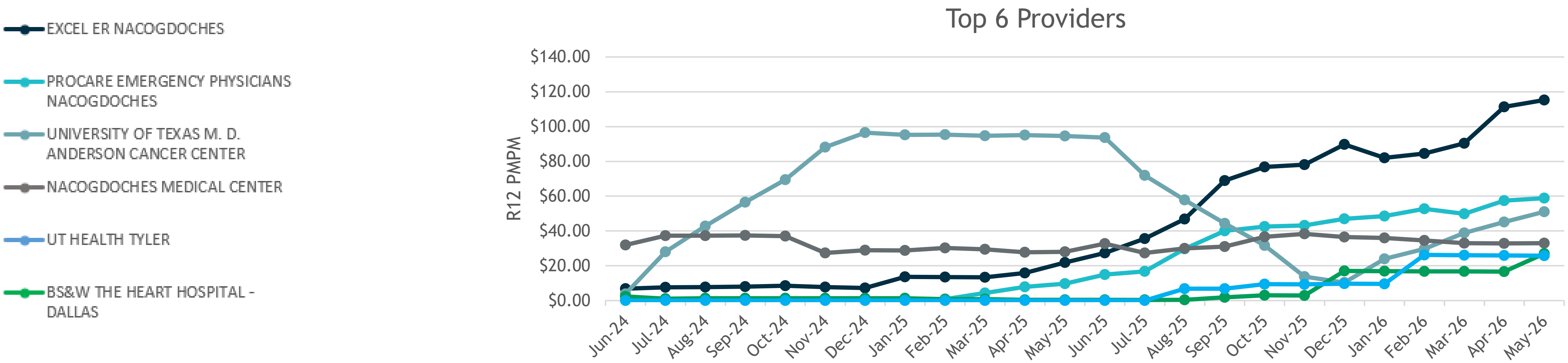
- 2025-2026 PYTD (year-to-date) reflects October 2025 – May 2026
- While the 2026 PYTD loss ratio is 125.0%, we expect 2026 emerging to end the year with a loss ratio of 133.4%.
- 2026-2027 PY projected expenses are $1,253 per employee per month



From 2023-2024 PY to 2025-2026 PYTD, the Compound Annual Growth Rate is 18.6%

Alliant Insurance Services

Medical Top 6 Providers



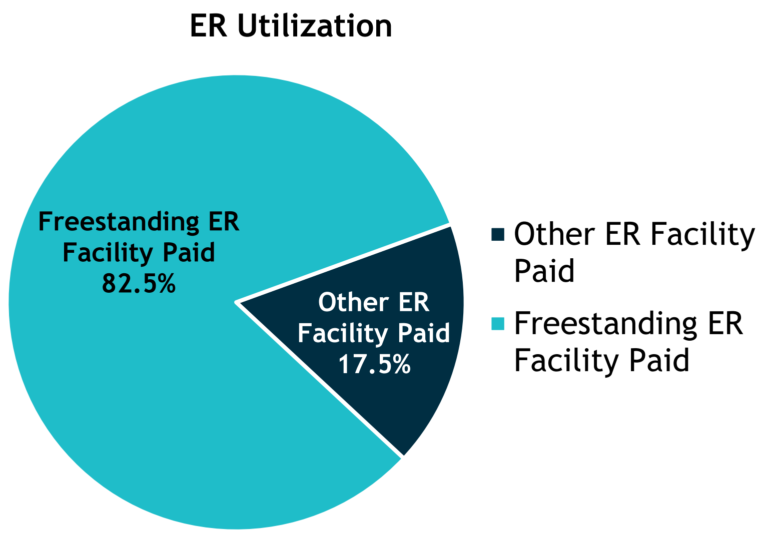
Medical Claims by Provider – The top 6 providers account for 66.8% of total medical claim cost.

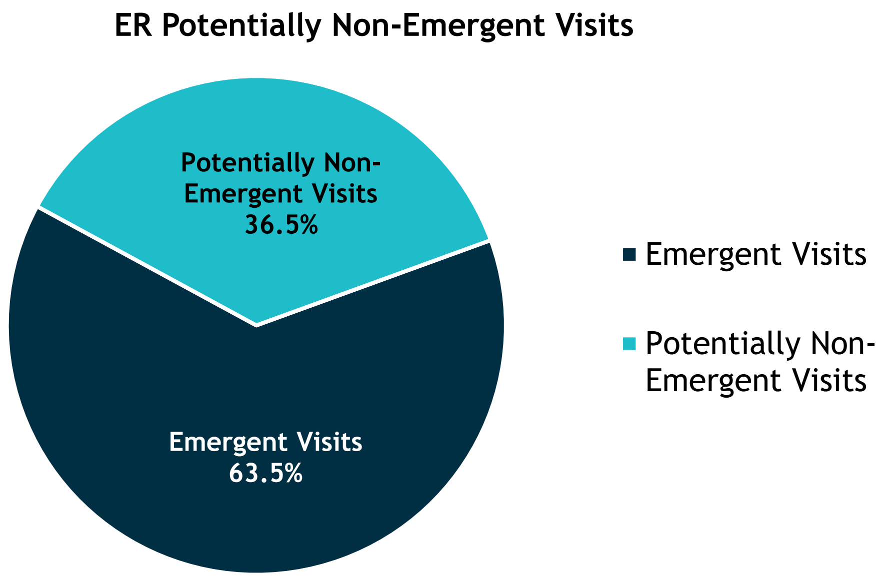
	Prior Rolling-12 (June 2024 - May 2025)				Current Rolling-12 (June 2025 - May 2026)			
	Facility Inpatient	Facility Outpatient	Professional	Total Medical	Facility Inpatient	Facility Outpatient	Professional	Total Medical
EXCEL ER NACOGDOCHES	$0	$117,614	$0	$117,614	$0	$674,733	$0	$674,733
PROCARE EMERGENCY PHYSICIANS NACOGDOCHES	$0	$0	$52,398	$52,398	$0	$0	$344,568	$344,568
UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER	$48,909	$460,150	$0	$509,059	$0	$298,637	$0	$298,637
NACOGDOCHES MEDICAL CENTER	$51,502	$99,287	$0	$150.789	$55,947	$137,486	$0	$193,432
UT HEALTH TYLER	$0	$1,977	$0	$1,977	$130,398	$27,591	$0	$157,989
BS&W THE HEART HOSPITAL - DALLAS	$0	$0	$0	$0	$52,395	$98,357	$0	$150,753

Alliant Insurance Services

ER Utilization

	ER Facility Visits	ER Facility Paid	Average ER facility Paid per Visit	ER Potentially Non-emergent Visits	Freestanding ER Facility Visits	Freestanding ER Facility Paid	Average Freestanding ER Facility Paid per Visit
Current Rolling-12 (June 2025 - May 2026)	230	$820,418	$3,567.04	84	163	$676,834	$4,152.36
Prior Rolling-12 (June 2024 - May 2025	119	$210,290	$1,767.14	30	63	$121,551	$1,929.38





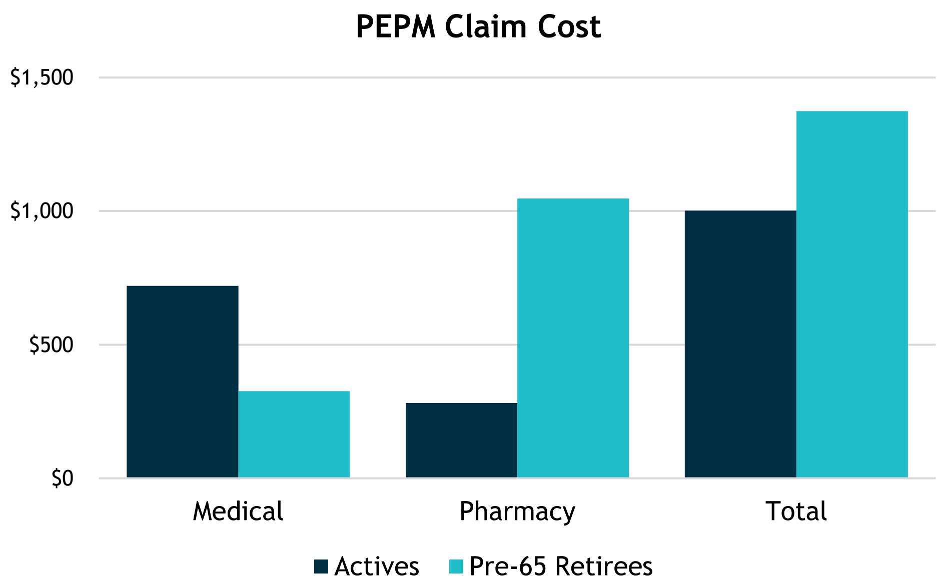
Alliant Insurance Services

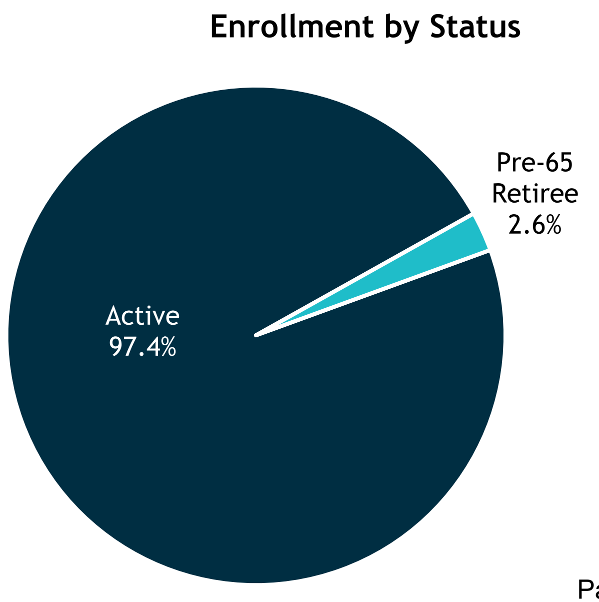
Pre-65 Retirees

- There are 8 subscribers and 3 spouses on the plan in pre-65 retirees status.
- 7 subscribers enrolled in the Base Plan, 1 subscribers in High Plan
- Average age of Pre-65 retiree is 59

- Typically, a Pre-65 (not Medicare-eligible) retiree population has significantly higher plan costs compared to active employees, so funding rates could be adjusted to better align with these cost differences.

Status	May 2026 Enrollment	PEPM Claims Cost - June 2025 - May 2026		
		Medical	Pharmacy	Total
• Actives	311	$719.94	$281.51	$1001.45
• Pre-65 Retirees	8	$326.37	$1047.53	$1373.91
Pre-65 Retiree Cost Compared to Active		**0.5**	**3.7**	**1.4**





Alliant Insurance Services

High-Cost Claimants

High-Cost Claimants		
	June 2024 - May 2025	June 2025 - May 2026
$25K-$50K	12	20
$50K-$75K	4	6
$75K-$100K	2	4
$100K-$125K	2	2
$125K+	2	3
Total	**22**	**35**

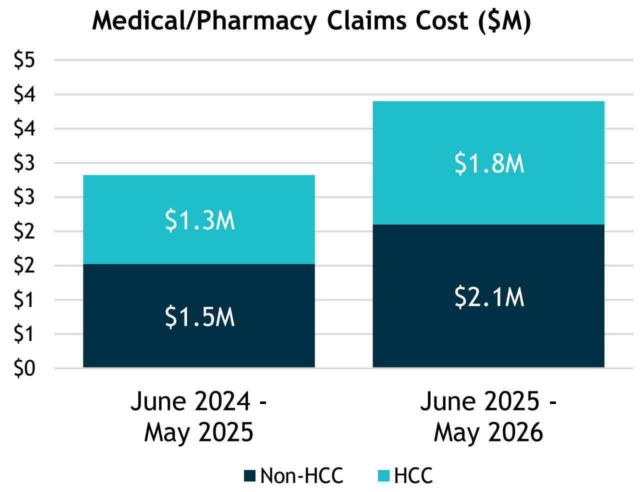
High-Cost Claimants		
	June 2024 - May 2025	June 2025 - May 2026
$25K-$50K	$399,584	$672,600
$50K-$75K	$255,768	$387,387
$75K-$100K	$170,262	$368,831
$100K-$125K	$221,911	$227,933
$125K+	$673,957	$805,799
Total	**$1,721,483**	**$2,462,550**

High-Cost Claimants (HCC) Over $50K

The incidence and severity of High-Cost Claimants (over $50K) has increased in the most recent 12 months, compared to the prior 12 months.

	June 2024 - May 2025	June 2025 - May 2026
• HCC Over $50K	10	15
• % of Avg. Membership*	2.23%	3.07%
• % of Total Claims	46.47%	46.18%

*Expected actuarial incidence: 3.1%-5.1% (15-26 members)



City Paid – Group Life/AD&D & Long-Term Disability

	Current BCBSTX & MetLife	Symetra Proposed
Employer paid		
Basic Life	$17,150	$7,622
Basic AD&D	$6,670	$1,906
Long Term Disability	$42,185	$31,725
Total Employer paid	$66,005	$41,253
$ Change		($24,753)
% Change		(38%)

RFP # 26-10-150 SUMMARY

RFP Macro Considerations/Deliverables

- This RFP #26-10-150, included requested competitive proposals for the following lines of Group Employer Paid and Voluntary Contract coverage recommendations
  - Group Medical/RX/Dental ASO Self-Funded Health Plan
  - City Paid Group Life/ADD & Long-Term Disability-LTD
  - Payroll Deduction Voluntary Ancillary Benefits; Life/ADD, Short Term Disability-STD, (3) Worksite, Vision,

- This presentation assumes/recommends that the City will remain under a BCBSTX self funded ASO Health Plan Medical/RX/Dental) contract. The health plan is beginning to show Slide (2) an expected claims PEPM flat line; (A) BCBSTX HMO can “bend” the cost curve. (B) Minimizing the impact of plan design “adverse selection” 1500 HIGH PLAN

- Budget presentation BCBSTX 10/1/2026 renewal contract coverages
  - Self Funded- ASO Medical/RX, Dental Plan, Group Life/ADD, LTD

- Voluntary Ancillary Coverages are not City budget considerations
  - Life/ADD, Short Term Disability-STD, (3) Worksite, Vision

BCBSTX Health Plan Strategies For Managing Costs

WORKING Adverse Selection Health Plan Coverage Strategy
The City currently allows two (2) health plans; (A) Base 3000 SILVER ACA VALUE deductible plan (B) High 1500 GOLD ACA VALUE deductible ***buy-up*** plan.

The City contributes 100% of EE Cost on Base 3000 Plan but allows EES to pay extra for the HIGH 1500 GOLD ACA VALUE plan. This strategy allows EES to "hedge" against adverse medical expenses, with EES using their own health status to choose which health plan that financially benefits them the most to the detriment of the overall City health plan by impacting how risk is distributed across the population and macro well-being od the health plan. The City has 30 employees that use this strategy to hedge against the macro health plan.

WORKING Innovative Health Plan Coverage
Develop a **two (2)** health plan concept with a high-efficacy strategy of having two similar 3000 SILVER ACA VALUE PLANS (A) **BASE** Plan Blue Essentials 3000 HMO which requires plan members to choose a PCP/Primary Care physician as a medical home for wellness and basic medical care (B) **HIGH** standard 3000 PPO/EPO broad provider/facility network allowing free reign through the comprehensive broad network WITHOUT PCP Referrals. BE Disruption file is included as an Exhibit and within strong acceptable provider and paid claim (excluding FEC/FSER) matching ratios; **90%**

Secured a fully insured model now working with BCBSTX to get understanding of the TLO ASO transitional cost

WORKING PBM RX Platform
Evaluating between the BCBSTX/PRIME current "traditional" performance and "high" performance formulary plans for improving formulary/specialty drug therapies, managing costs

Freestanding Emergency Centers-Emergency Rooms (FEC/FSERs); Balance Billing
We are working with BCBSTX to evaluate **NON-NETWORK** paid claims for FEC/FSERs. CON has experienced PY 2024 $117,614 PY 2025 $674,743

Texas HB 1952 / SB1264 prohibits out-of-network FEC/FSER facilities/providers from balance billing above the fair market UCR rate paid by BCBSTX/the "health plan". These **Laws** prohibit **THIS** FEC/FSER from balance billing a patient for an amount that is beyond the usual and customary (or single case/agreed to rate), fair median rate initial payment to the FEC/FSER. The challenge is that these Texas Laws are applicable to ERISA Plans and amended this bill to include (2) NON-ERISA plans Employees Retirement System of Texas (ERS) and the Teacher Retirement System of Texas (TRS), NOT ASO Municipalities. BCBSTX may be able to find a solution. ***The Federal NSBA is available to ALL health plans BUT, we believe the Texas IDR is more favorable than the federal NSA process.***

Alliant Insurance Services

Plan Year 2026-2027 Considerations & Recommendations

BCBSTX Health/Dental ASO Contract award

Symetra to be considered for Life and Disability contract award.

- BCBSTX Self Funded Health / Dental ASO Plan
- Group City-paid Life/AD&D and Long-Term Disability (LTD) plan recommendation is Symetra for the plan year 2026-2027 contract.
- 3000 DED EPO/BE-HMO Plan Change Strategy (90%) Provider Match
- Urgent Care / ER Care Strategy Data Analytics Study UB04/CPT4 procedures, comparative BCBSTX QPA/UCR/network contract billing/payment unit costs, NSA/IDR reimbursement standard mid-point range
- Ancillary/APEX-Employee Navigator Benefit Administration System & Voluntary Plans
- Chapter 175 Retiree Health Plan Strategy
- Open Enrollment

Alliant

Thank You

Nacogdoches
the oldest town in Texas

City Council Meeting

Date: August 17, 2026

Agenda Item: 2.B.

PRESENTER: Todd Simoneaux, Interim Finance Director

ITEM/SUBJECT: Receive a presentation from Enterprise Fleet Management regarding a city fleet vehicle management solution with projections for Fiscal Year 2027 and beyond.

SUMMARY/BACKGROUND: This item presents a possible solution for reducing overall spending on the city's fleet of vehicles each year while also improving vehicle quality. Today, the average age of city vehicles is 13+ years, and 36% of all light- and medium-duty vehicles are 10 years or older. Moreover, 25 vehicles predate safety standardizations such as electronic stability control (2012) and anti-lock brakes (2007). As vehicle technology improves year over year, our ability to replace vehicles at a regular cadence will help the city leverage improvements in driver/passenger safety and fuel efficiency while reducing cost.

The staff objective under this Enterprise Fleet Management proposal is to identify an effective vehicle life cycle that maximizes potential equity at resale to create an estimated savings of $771,000 or more over the next 10 years. The presentation includes an estimate on Lease/Finance payments over a 10-year period, as well as net savings achieved from resale and cost reductions.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT: Todd Simoneaux,
Interim Finance Director

ATTACHMENTS:
1. Synopsis
2. Presentation

enterprise
FLEET MANAGEMENT

Prepared For:

City of Nacogdoches

Jennifer Bertram
Senior Fleet Consultant

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Phone

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FLEET SYNOPSIS | City of Nacogdoches

THE SITUATION

Current fleet age is negatively impacting the overall budget and fleet operations

● 36% of the light and medium duty fleet is currenlty 10 years or older
● 59% of the light and medium duty fleet is currenlty 5 years or older
● 13.25 years is the current average age of the fleet

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating conservative savings of over $771,000 over the 10 years

● Shorten the current vehicle life cycle from 13 years to 5 years
● Provide a lower sustainable fleet cost that is predictable year over year
● Free up more than $620,231 in capital from the resale of existing fleet in the first year
● Leverage an open-ended equity lease that recognizes equity and enables the City of Nacogdoches to maintain a healthly life cycle

Increase employee safety with newer vehicles

● Currently:
  ○ 22 predate Electronic Stability Control standardization (2012)
    ▪ ESC is the most significant safety invention since the seatbelt
  ○ 3 vehicles predate Anti-Lock Brake Stndardization (2007)

Piggyback the T.I.P.S awarded RFP 2072513 that addresses the following:

● Access to all fleet management services as applicable to the needs of the City of Nacogdoches
● Supports the City of Nacogdoches's need for fleet evaluation on a quarterly basis assessing costs and reviewing best practices

THE RESULTS

● Reduce fuel costs by 29%
● Maintenance & Repair Expense by 60%
● Open-End Equity Lease will enable the City of Nacogdoches to retain the equity from resale & reduce the age of the fleet
● City of Nacogdoches will leverage Enterprise Fleet Management's ability to sell vehicles at 110.2% of the Commercial Value Index
● This will enable City of Nacogdoches to replace 82 of its oldest vehicles within a year
● Replacing 50% of the oldest vehicles will provide safer, newer and more efficient models for employees
● Reduce the size of the fleet by 1.8% by selling unused vehicles
  This is a total fleet reduction of 3 vehicles

FLEET MANAGEMENT

FLEET PLANNING ANALYSIS | City of Nacogdoches

Fleet Analysis for City of Nacogdoches

Current Fleet	163	Fleet Growth	-1.84%	Proposed Fleet	160
Current Avg. Cycle	13.3	Annual Miles	9,197	Proposed Cycle	5.0
Est. Current Maint.	$285	Percentage of Idle Time	0%	Est. New Vehicle Maint	$108
Current Fuel Economy	12	Cost of Fuel	$3.25	Est. New Vehicle Fuel Economy	16

Fleet Mix					Fleet Cost								Annual	
Fiscal Year Start	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease/Finance*	Upfront Equipment	Est. Maintenance	Est. Fuel	Equity	PD Tech Equipment	Fleet Budget	Net Difference	Savings Balance
Current	163	12	163	0	729,733		181,276	557,460	701,359	-61,500	85,140	2,193,469	0	0
2027	160	82	78	82		1,020,317	536,698	313,154	466,521	-620,231	524,240	2,240,699	(47,230)	-47,230
2028	160	43	35	125		1,595,778	370,712	247,003	434,223	-913,392	413,450	2,147,772	45,696	-1,534
2029	160	18	17	143		1,820,945	83,570	230,832	431,819	-497,134	85,140	2,155,173	38,296	36,762
2030	160	9	8	152		1,940,641	74,320	215,484	430,311	-275,563	85,140	2,470,333	(276,865)	-240,103
2031	160	8	0	160		2,030,424	18,757	207,383	430,311	-1,815,343	7,580	879,112	1,314,357	1,074,253
2032	160	82	0	160		2,030,424	536,698	207,383	430,311	-848,684		2,356,133	(162,664)	911,589
2033	160	43	0	160		2,030,424	370,712	207,383	430,311	-384,366		2,654,465	(460,996)	450,593
2034	160	18	0	160		2,030,424	83,570	207,383	430,311	-165,136		2,586,553	(393,084)	57,509
2035	160	9	0	160		2,030,424	74,320	207,383	430,311	-162,762		2,579,677	(386,208)	-328,699
2036	160	8	0	160		2,030,424	18,757	207,383	430,311	-1,593,551		1,093,325	1,100,144	771,445
												EST. TOTAL 10-YEAR SAVINGS	$771,445	

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

FLEET MANAGEMENT

CASE STUDY | City of Nacogdoches

CASE STUDY | CITY OF FREDERICKSBURG, TX

FLEET MANAGEMENT

City lowers fleet maintenance costs by $127K with Fleet Program.

BACKGROUND

Location:	Fredericksburg, TX
Industry:	Government
Total vehicles:	75 vehicles

THE CHALLENGE

Each year, the City of Fredericksburg was faced with high vehicle repair and maintenance costs for an aging fleet. The City's 75 vehicles had an average age of 12 years resulting in unexpected maintenance issues each year. The City was spending $153,300 per year on fleet maintenance, averaging over $2,000 per truck. Searching for solutions within their budget, the city needed to make managing their vehicles easier, from purchasing to maintenance and driver fueling options.

THE SOLUTION

Enterprise Fleet Management presented a proactive fleet replacement plan to the City of Fredericksburg that would reduce the average age of their fleet by 60% helping reduce operational and maintenance expenses. With integrating newer vehicles into the City's fleet, employees would drive safer, more reliable vehicles with minimal maintenance needs. Long-term, this plan has helped save an average of $29,284 per year in fleet related expenses.

> **"We have truly enjoyed the partnership with Enterprise Fleet Management. Things are much easier to manage now, and we are saving money on vehicle maintenance."**
>
> *– Brian Peters, Programs Manager*

Enterprise Fleet Management also recommended replacing all vehicles owned by the city within a 5-year time frame. This approach will help The City lower maintenance expense from $153,300 per year to $26,016 per year.

THE RESULTS

Since their partnership began 4 years ago, Enterprise Fleet Management has helped The City of Fredericksburg transition their fleet vehicles from an average age of 12 years to 4. The City has experienced a significant reduction in costs associated with their fleet program and a decrease in employee downtime. This is due to The City putting their trust in the local Enterprise Fleet Management team's expertise and the fleet planning analytics backing each recommendation. The partnership has given the City visibility into all vehicle costs and budget accordingly.

Key Results

MAINTENANCE LOWERED BY **83%**

SAVED $62,052 OVER THE LAST 2 REPLACEMENT YEARS

5 YEAR REPLACEMENT PLAN

To learn more, visit efleets.com or call 877-23-FLEET.

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PROGRAM RESOURCES | City of Nacogdoches

ACCOUNT MANAGEMENT

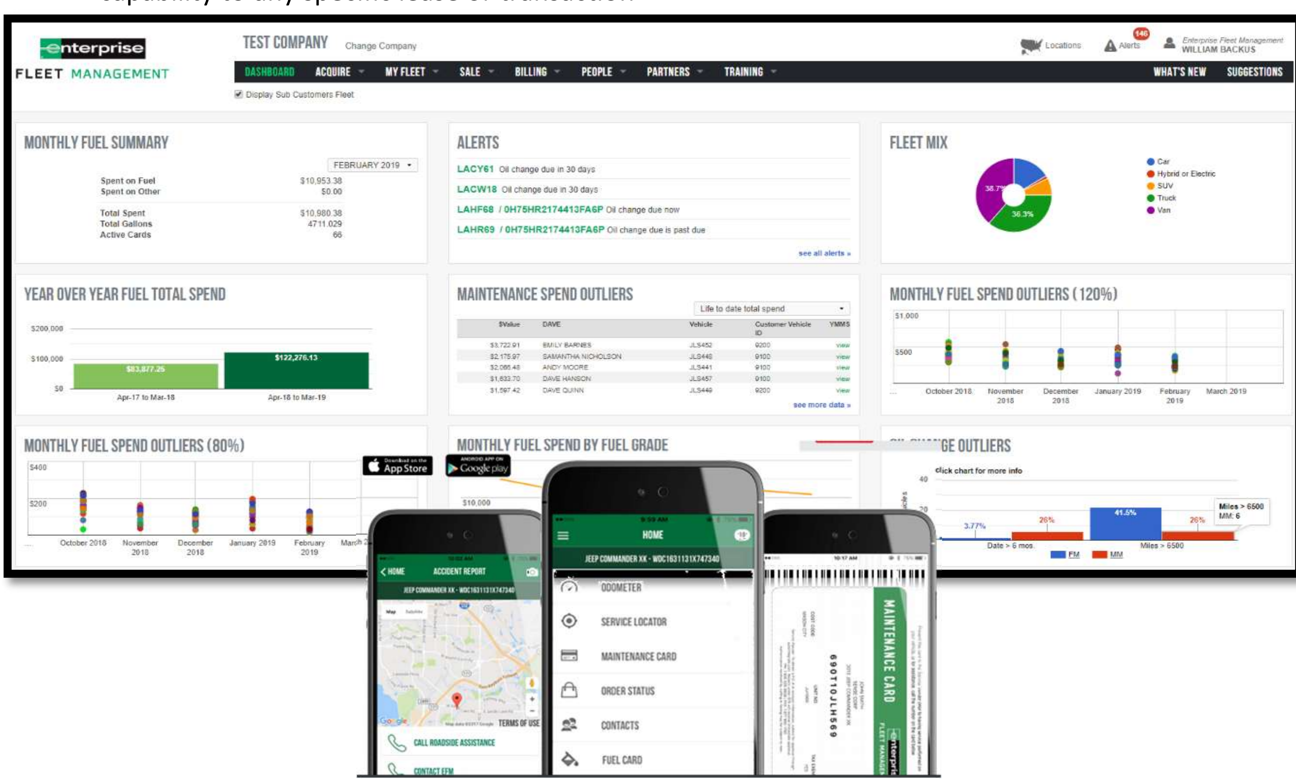
The City of Nacogdoches will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 3-4 times a year for both financial and strategic planning.
- Your Account Manager will provide on-going analysis – this will include:
  - Identify the most cost effective makes & models
  - Total Cost of Ownership and Cents-Per-Miles Analysis
  - Fleet Replacement and Equity Analysis
  - Safety Analysis to help identify vehicles with or without key safety features

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- Consolidated Invoices - Includes lease, maintenance, and any additional ancillaries
- Maintenance Utilization - Review the life-to-date maintenance per vehicle
- Recall Information - See which units have open recalls
- License & Registration - See which plate renewals are being processed by Enterprise and view status
- Alerts - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- Lifecycle Analysis - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction

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FLEET MANAGEMENT
TO PROTECT AND TO SERVE

DELIVERING SOLUTIONS. DRIVING RESULTS.

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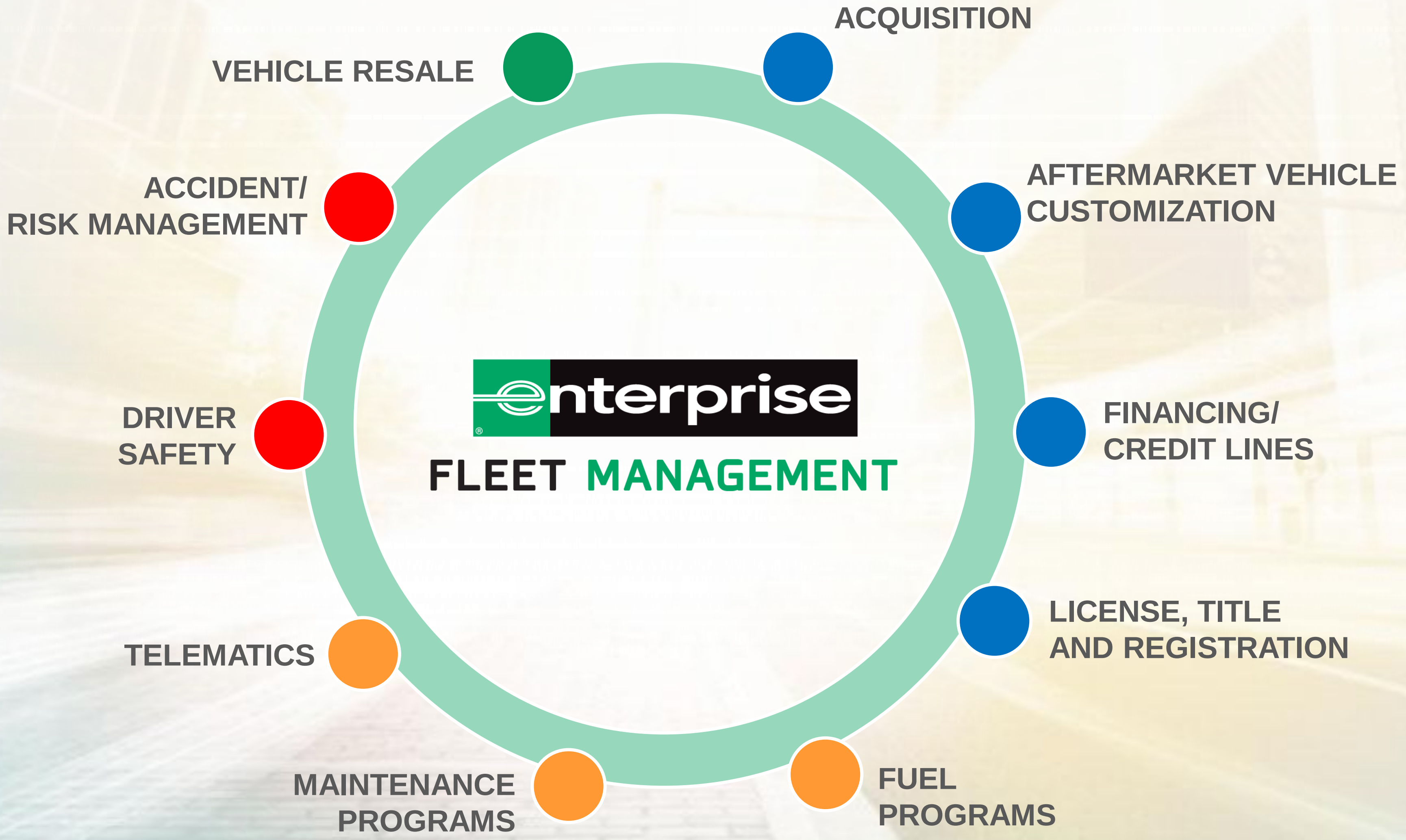

Current Texas Partners

Enterprise FLEET MANAGEMENT

Town of PANTEGO

CORINTH

City of Sulphur Springs TEXAS

MELISSA TEXAS ESTABLISHED 1851

Anna CITY OF ANNA, TEXAS

THE CITY OF PALESTINE TEXAS • 1846

City of LAKE WORTH TEXAS

CITY OF COLLEYVILLE TEXAS

City of KELLER

ENNIS TEXAS

Kaufman We're Growing Places

Terrell AMERICA

CITY OF MURPHY LIFE LIVED AT YOUR PACE

ARLINGTON THE AMERICAN DREAM CITY

Real East Texas CITY OF LONGVIEW

WP

City of MARSHALL TEXAS

WHITE SETTLEMENT

KILGORE THE CITY OF STARS

HALTOM CITY

THE CITY OF EVERMAN TEXAS

TOWN OF SUNNYVALE

CITY OF ALVARADO, TEXAS

Greenville

TYPICAL FLEET PROFILE

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Tasked to do more with less

- **Fiscally Stressed**
- **Underfunded & Unfunded State Mandates**
- **Limitations on Revenue Sources**
- **Future Challenges –**
    - *Municipal Bond Changes*

Commonalities of Cities

- **Aged Vehicles**
    - Average 10 + Year Cycle
- **Low Annual Mileage**
    - Non ERV 5,000 -7,500 annual miles
    - ERV 15,000 – 20,000 annual miles
- **Multiple Departments with Multiple Plans & Budgets**
- **Capital Budget drives Fleet Replacement**

Average Vehicle Age in Years by Class

Class/Description	Average
702 – Heavy trucks (26,001 lbs. and more)	13
715 – Medium trucks (15,000 lbs.–26,000 lbs.)	11
719 – Buses (29+ passengers)	11
710 – Mounted equipment (with truck chassis)	11
708 – Cargo and passenger vans	10
716 – Minivans	10
720 – Other vehicles	10
709 – Light trucks (8,600 lbs. and less)	9
718 – Buses (16-28 passengers)	8
714 – Light/medium trucks (8,601 lbs.–14,999 lbs.)	8
701 – Passenger cars	6
703 – Small buses (up to 15 passengers)	5
707 – Sport utility vehicles	5
704 – Motorcycles	5
Overall Average	**9**

EXAMPLE CAPITAL & OPERATING BUDGET

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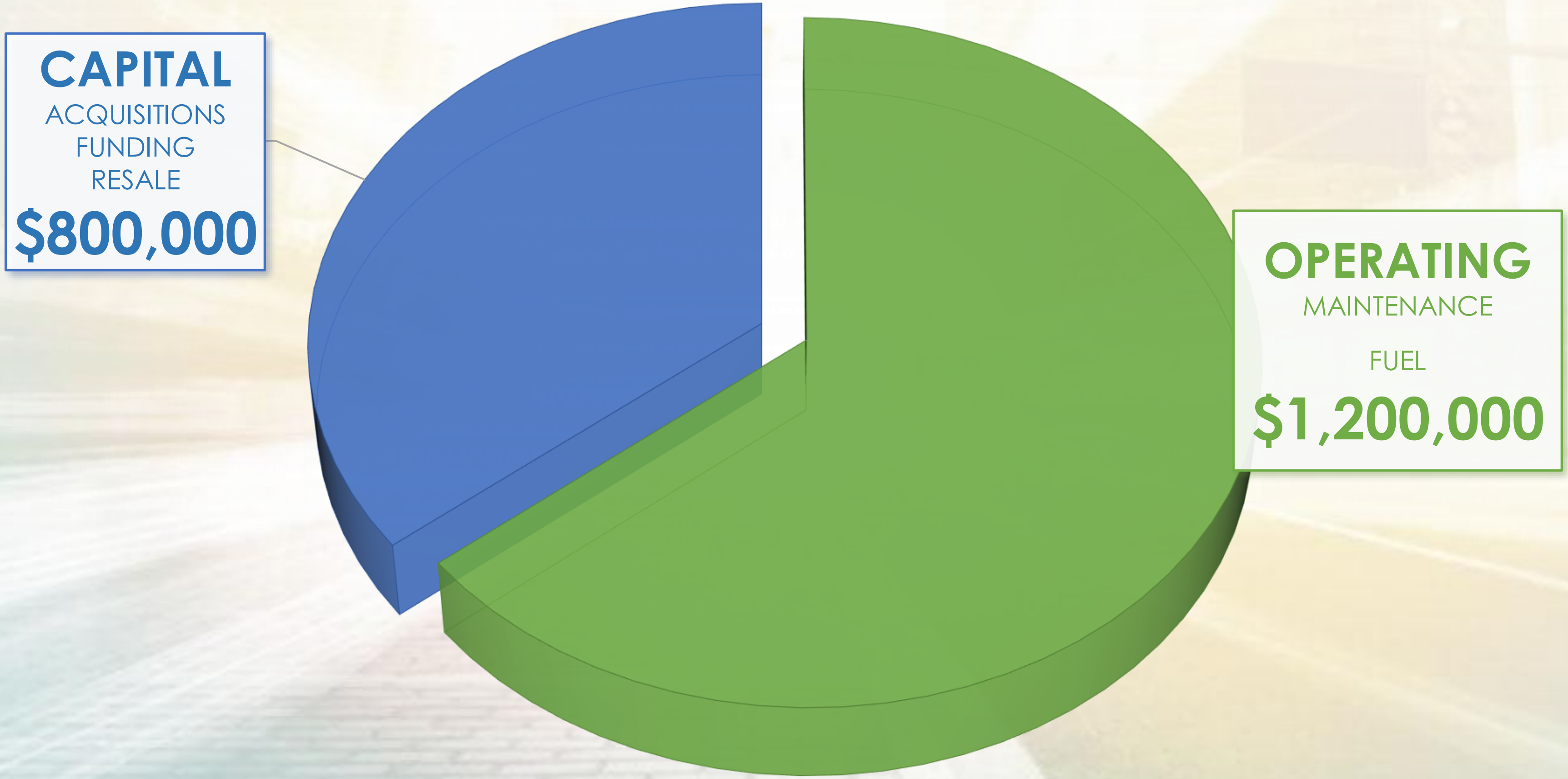
FLEET VEHICLE BUDGET: $2,000,000



GOVERNMENT BUYING POWER

CHEVROLET

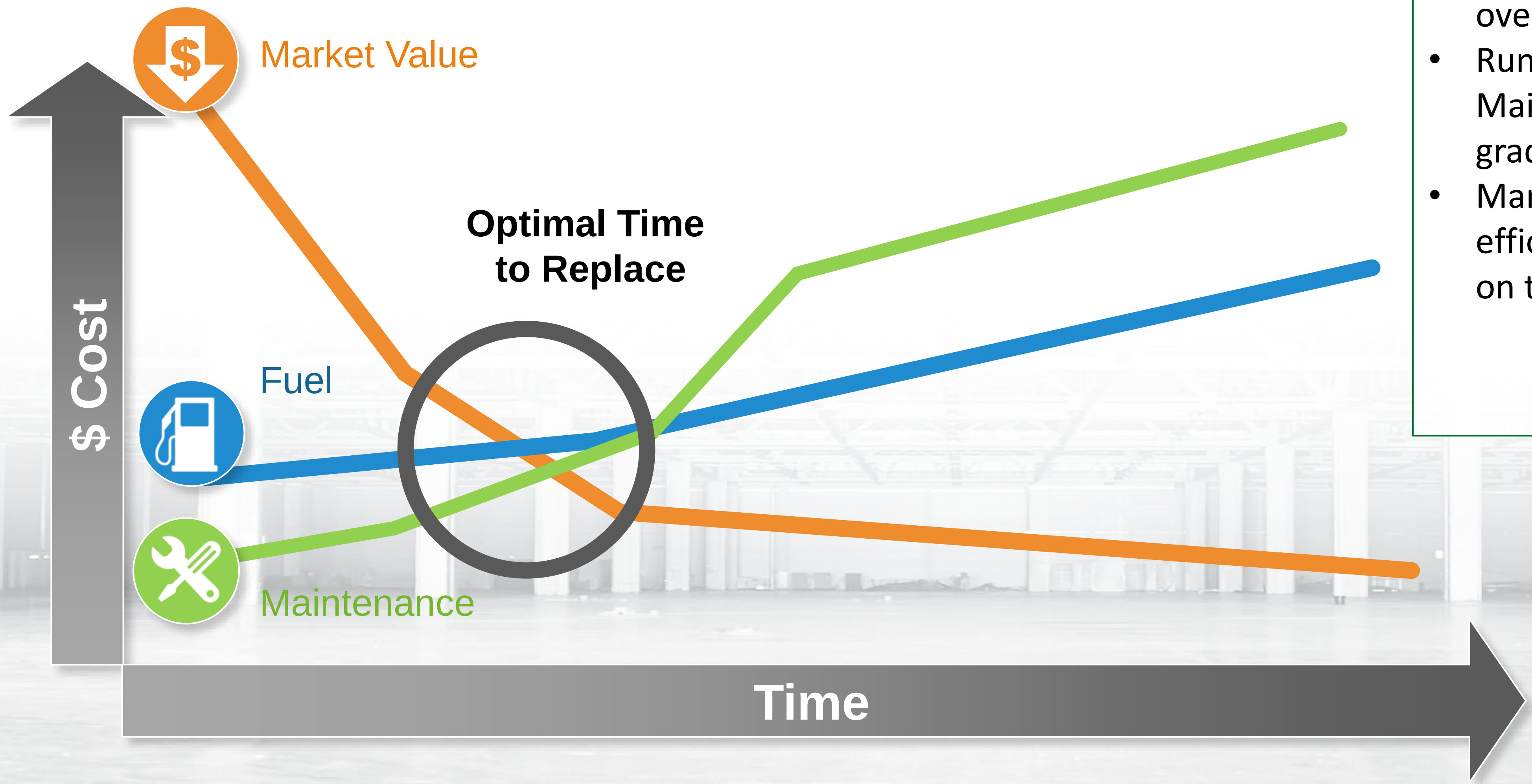
2024 Chevrolet Silverado 1500 Work Truck 4x2 Double Cab 6.6 ft. box

Government Factory Order Purchase Price **$38,231**

MANHEIM AUCTION RESULTS

VEHICLE	Avg Odometer	Avg Sale Price	Capital Outlay
2022 Chevy Silverado 1500 Double Cab	**15,000**	**$35,100**	**$3,131**

EFFECTIVE VEHICLE LIFECYCLE



Key Observations

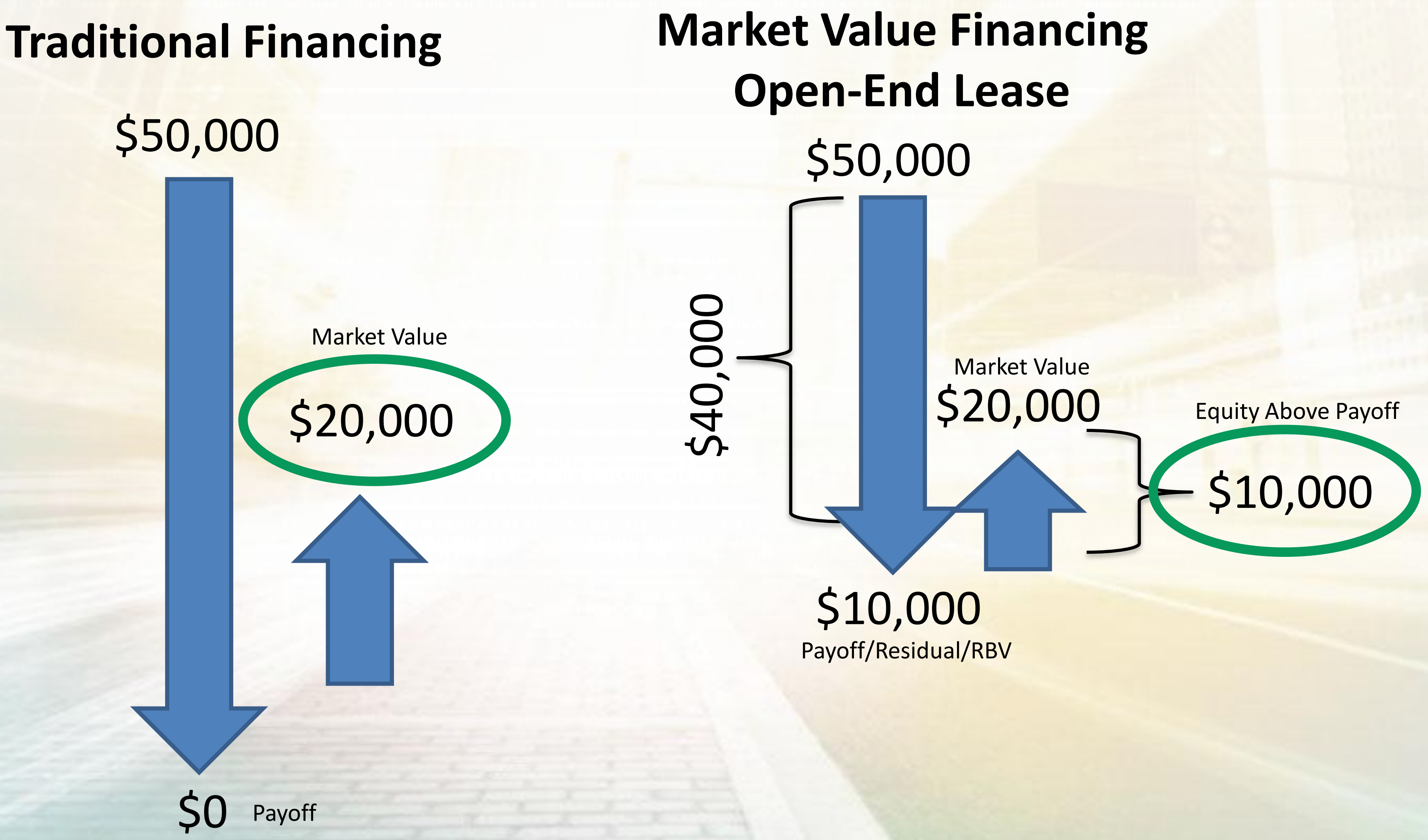
- Depreciation/year declines over time
- Running costs of Fuel and Maintenance increase gradually over time
- Mandated MPG efficiencies reward staying on technology wave

FUNDING OPTIONS & CASH FLOW

Example: 200 Vehicles

Funding Source	Average Cycle	# of Vehicles Replaced	Avg Annual Cost/Vehicle	Total Annual Capital Outlay	Difference in Cash Flow
Cash	5 Years	40	$50,000	$2,000,000	-
Finance	5 Years	40	$10,000	$400,000	$1,600,000
MV Finance	5 Years	40	$8,100	$324,000	$1,676,000

FUNDING OPTIONS



DEDICATED ACCOUNT TEAM

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Primary Team

Senior Account Executive
- Evaluate current fleet cost
- Analysis & Design plan
- Work with CSM to implement plan

Client Strategy Manager
- High Level Fleet Planning
- Fleet Replacement Strategy
- Annual Client Review

Account Fleet Coordinator
- **Day to Day** anything quarterback
- Driver communication
- Dealer Stock Searches

EFM Coordinator
- Delivery Coordinator
- Aftermarket
- Logistics

Local Resources

Director of Fleet Management
Mike Franklin

Finance Manager
Phil Bevel

Fleet Strategy Manager
Craig Ternes

North Texas Area Manager
Bobby George

Fleet Operations Center

Vehicle Acquisition Team

License & Title Team

National Service Department

Risk Management Team

VEHICLE DISPOSAL

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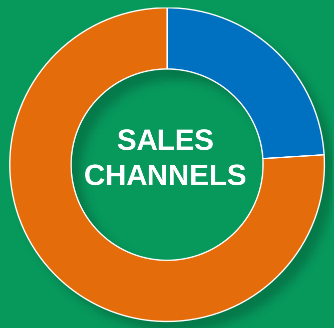
700 DEDICATED REMARKETING EMPLOYEES

150 REMARKETING LOTS IN NORTH AMERICA

IN 2020, ENTERPRISE **SOLD OVER 1,100,000** VEHICLES.

COMMERCIAL SALES EXCEEDED AT AN AVERAGE OF **110.4% OVER AUCTION**

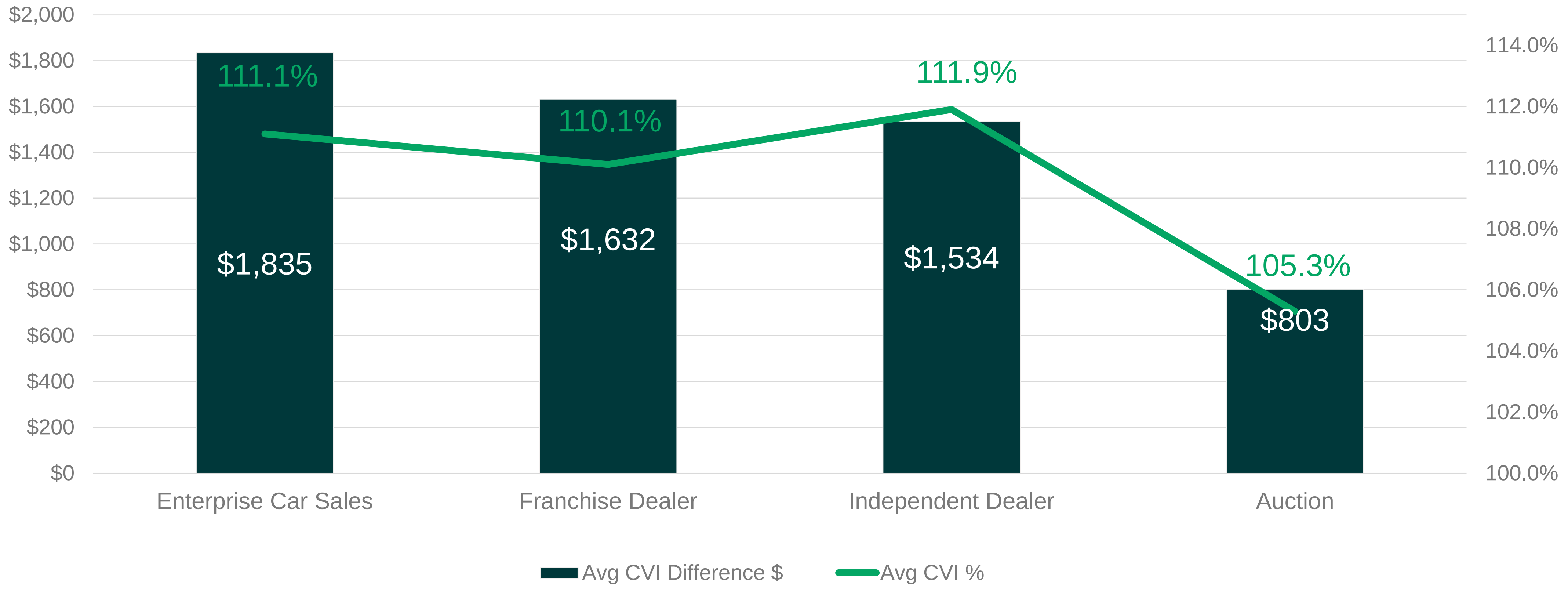


AUCTION 15%

DIRECT TO DEALER 85%

19,000+ UNIQUE BUYERS

ENTERPRISE REMARKETING CHANNELS



RESOURCES

Fleet Technology

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Client Website

- Visibility and tracking of vehicle data
- Customized dashboards with easy reporting
- Real-time alerts
- Simplify accounting processes with vehicle descriptors
- Self-service features including *driver changes, vehicle descriptors, mileage information and more*
- Assign unlimited unique identifiers to each vehicle to simplify routine tasks and vehicle categorization

TOP 100 COMPANIES

InformationWeek Elite 100

InformationWeek's "Elite 100" list honoring the top U.S. companies for innovative and creative information technology programs.

2016 GOLD STEVIE WINNER AMERICAN BUSINESS AWARDS

Most Innovative Company of the Year

City of Nacogdoches Fleet Analysis

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Fleet Analysis for City of Nacogdoches

Current Fleet	163	Fleet Growth	-1.84%	Proposed Fleet	160
Current Avg. Cycle	13.3	Annual Miles	9,197	Proposed Cycle	5.0
Est. Current Maint.	$285	Percentage of Idle Time	0%	Est. New Vehicle Maint	$108
Current Fuel Economy	12	Cost of Fuel	$3.25	Est. New Vehicle Fuel Economy	16

Fleet Mix					Fleet Cost								Annual	
Fiscal Year Start	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease/Finance*	Upfront Equipment	Est. Maintenance	Est. Fuel	Equity	PD Tech Equipment	Fleet Budget	Net Difference	Savings Balance
Current	163	12	163	0	729,733		181,276	557,460	701,359	-61,500	85,140	2,193,469	0	0
2027	160	82	78	82		1,020,317	536,698	313,154	466,521	-620,231	524,240	2,240,699	(47,230)	-47,230
2028	160	43	35	125		1,595,778	370,712	247,003	434,223	-913,392	413,450	2,147,772	45,696	-1,534
2029	160	18	17	143		1,820,945	83,570	230,832	431,819	-497,134	85,140	2,155,173	38,296	36,762
2030	160	9	8	152		1,940,641	74,320	215,484	430,311	-275,563	85,140	2,470,333	(276,865)	-240,103
2031	160	8	0	160		2,030,424	18,757	207,383	430,311	-1,815,343	7,580	879,112	1,314,357	1,074,253
2032	160	82	0	160		2,030,424	536,698	207,383	430,311	-848,684		2,356,133	(162,664)	911,589
2033	160	43	0	160		2,030,424	370,712	207,383	430,311	-384,366		2,654,465	(460,996)	450,593
2034	160	18	0	160		2,030,424	83,570	207,383	430,311	-165,136		2,586,553	(393,084)	57,509
2035	160	9	0	160		2,030,424	74,320	207,383	430,311	-162,762		2,579,677	(386,208)	-328,699
2036	160	8	0	160		2,030,424	18,757	207,383	430,311	-1,593,551		1,093,325	1,100,144	771,445

EST. TOTAL 10-YEAR SAVINGS **$771,445**

* Lease Rates are conservative estimates

**Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

***Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity


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FLEET MANAGEMENT

Nacogdoches
the oldest town in Texas

City Council Meeting

Date: August 17, 2026

Agenda Item: 2.C.

PRESENTER: Jessica Sowell, Community Services Director, Ashley Morgan, Convention and Visitors Bureau Director

ITEM/SUBJECT: Receive a presentation on the city's Hotel Occupancy Tax Fund and projections for Fiscal Year 2027.

SUMMARY/BACKGROUND: The City of Nacogdoches currently receives Hotel Occupancy Tax (HOT) funds from local hotels, motels, and short-term rental establishments per Texas Tax Code Chapter 351. Hotel Occupancy Tax funds must be used to directly enhance and promote tourism and the convention and hotel industry and must fall into one of the nine categories outlined in Chapter 351. City staff desires to discuss the City's current use of Hotel Occupancy Tax funds and receive direction from City Council on any additional uses of the funds.

The use of Hotel Occupancy Tax funds must fall into one of the following categories:
1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.
2) Paying the administrative costs for facilitating convention registration.
3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.
4) Expenditures that promote the arts.
5) Funding historical restoration or preservation programs.
6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.
7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.
8) Funding transportation systems for tourists
9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

Staff and CVB will present on current HOT Fund uses and considerations for Fiscal Year 2027.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Downtown Entertainment and Destination District
Economic Development

CITY CONTACT: Jessica Sowell,
Community Services Director
sowellj@nactx.us

936-559-2935

ATTACHMENTS: 1. Presentation

ITEM 3C: HOTEL OCCUPANCY TAX FUND

Community Services Department
Convention and Visitors Bureau

Date: August 17, 2026

Presenter: Jessica Sowell & Ashley Morgan

CURRENT USES

CITY HOTEL OCCUPANCY TAX FUNDS

2020	$ 610,330	2024	$ 1,084,731
2021	$ 769,673	2025	$ 1,061,591
2022	$ 864,318	2026 *est.*	$ 1,100,000
2023	$ 1,013,429	2027 *est.*	$ 1,100,000

- 72.5% of revenue is allocated to CVB each year.
- $95,000 is allocated to County Expo each year.

Local HOT revenue may only be used to promote tourism and the convention and hotel industries.

Allowed: Local HOT may be used for historical restoration and preservation projects or advertising and conducting promotional programs to encourage tourists to visit preserved historic sites or museums.

Event-Based Staffing: Funds can pay for staff who directly operate or support tourist-attracting events, cultural performances, and exhibitions.

Source: comptroller.texas.gov

SPENDING IN RECENT YEARS

Historic Restoration - From "Remaining" HOT funds

FY Year	Project	Amount
22-23		$70,606.00
	Railroad Depot Sign Replacement	$5,736.00
	Zion Hill Parking Lot	$64,870.00
	Projects not coded for HOT Funds:	
	Depot Skirting Repair ($6,490.00)	
	Depot Gutter Repair ($5,116.00)	
23-24		$18,085.00
	Sterne-Hoya Porch and Handciap Railing Repairs	$18,085.00
	Projects not coded for HOT Funds:	
	Zion Hill ADA Compliance Items ($6,810.00)	

FY Year	Project	Amount
24-25		$93,795.97
	Depot Roof Cleaning and Repairs	$9,800.00
	Sterne-Hoya House Roof Replacement	$83,995.97
	Projects not coded for HOT Funds:	
	Durst-Taylor Main House Roof Replacement ($36,949.28)	
	Durst-Taylor Barn Roof ($33,600.00)	
25-26		$53,592.70
	SH Yard House Assessment (rolled over from 24/25)	$4,000.00
	SH Gazebo Restoration	$9,600.00
	DT Smokehouse & Blacksmith Shop Roof	$9,992.70
	SH Yard House Restoration	$30,000.00
	Projects not coded for HOT Funds:	
	Zion Hill Gutters ($13,257.00)	

In Progress		
	Zion Hill Museum Exhibits $250,000	$250,000.00
TOTAL (2022-2026)		$486,079.67

EVENTS POTENTIALLY ELIGIBLE FOR STAFF OVERTIME

- In some cases, HOT funding may be used for staff overtime if the event has a strong tourism impact.
- Proposal: Events that result in over 60% Hotel Occupancy can trigger an employee overtime coverage of HOT funds.
- Events that would qualify:
  - Old Town Rig Down
  - Blueberry Festival
  - Wine Swirl
  - SFA Homecoming
  - Christmas Parade (TBD)

FY 26-27 BUDGET REQUESTS

Overview

- **Design Guidelines Grant Matching Funds**
  - $27,500
- **Addional PT Staff in Historic Sites**
  - Range from $13,000 to $16,000
- **Historic Sites Maintenance Projects**
  - Sterne-Hoya Pest Exclusion -$10,500
  - Sterne-Hoya Irrigation - $15,600

OTHER POTENTIAL USES

Overview

- Visitor Center & Historic Site Improvements
- Updated Wayfinding Signage
- Event Support Grants/Reimbursements
- Updated Design Guidelines for Historic Districts
- Sports Tourism

QUESTIONS?