

INTERNAL SERVICE FUNDS

661 - FLEET EQUIPMENT FUND



The mission of the Fleet Equipment Fund is to provide a central location of accountability for the acquisition and maintenance of safe and efficient machinery, equipment, and vehicles for city staff.

The Fleet Division of the Department of Public Services (DPS) is responsible for providing and maintaining the City-owned fleet of machinery, equipment, and vehicles in a safe and proper functioning condition. Scheduled preventative maintenance is performed; vehicle condition and criteria for replacement are also closely monitored. The Fleet Division maintains its own records, files, and inventory on a computerized system. The Fleet Division inventories and distributes gasoline and diesel fuel, auto and truck parts, safety gear, clothing, supplies, and tools as needed to various departments. Funded by user fees, internal city user departments pay a monthly replacement charge to ensure that sufficient funds will be available when replacement is due.

The Fleet Division manages over \$7.4 million in machinery, equipment, and vehicles consisting of 80 cars, pickup trucks, and vans, 19 dump trucks, 13 heavy construction vehicles, 13 trailers, and 19 specialty vehicles. The Fleet Division is also responsible for the maintenance and repair of approximately 200 pieces of power and field equipment. Preventative maintenance and repairs are performed on 35 Fire Department emergency vehicles and apparatus, as well as numerous miscellaneous emergency tools and equipment. The Fleet Division continually analyzes Citywide departmental vehicle and equipment utilization; recommends, develops, and refines specifications maximizing vehicle life cycle; and analyzes fleet composition in order to “right size” the fleet with a focus on reducing the total number of vehicles and equipment with the intent of lowering the overall fleet costs. The Fleet Division also provides assorted specialty shop services to city customers including custom vehicle modification, welding, machining, project design, and metal fabrication.

Goals:

- Provide an efficient fleet of vehicles and equipment that meet our customer’s needs for use in carrying out the various business of the City.
- Provide an effective and timely vehicle/equipment repair program in order to facilitate the emergency nature of many of the services provided by the City.
- Provide on-going training to keep the Fleet Division knowledgeable about the latest technology.
- Maintain the fleet in a safe and proper functioning condition by providing a comprehensive preventative maintenance program on a scheduled basis consistent with manufacturer recommendations.
- Maintain an adequate level of parts and supplies while minimizing inventory costs by appropriately balancing “just in time” inventory (one-hour delivery).
- Evaluate processes and procedures in order to contain costs and improve quality.
- Assist Fire Department Administration in developing and refining specifications for the replacement of fire apparatus and equipment in order to reduce maintenance and operating costs.

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Objectives:

- Provide consistent, quality Fleet services to our customers despite a reduced workforce, decreasing revenues, and increasing operational costs.
- Increase Fleet staff skill levels in order to efficiently repair and maintain today's technologically complex vehicles and equipment.
- Take advantage of free training offered by General Motors and the Ford Motor Company in order to efficiently diagnose and repair Can Bus (controller area network) and computerized electrical components and systems found on today's vehicles.
- Investigate methods and procedures to minimize energy consumption at the DPS facility.
- Reduce Fleet fuel consumption and optimize the features of the City's Fuel Management System to improve security, track usage, ensure preventive maintenance compliance, and billing of the City's bulk fueling operation.
- Work with department managers to "right size" the city's fleet by identifying vehicles and equipment with low utilization and explore ways to more efficiently meet their departmental fleet needs.
- Update the Fleet Division's fully burdened labor rate in order to reflect any operating cost changes due to the renovated DPS facility along with a reduction in fleet staffing.
- Purchase and implement a paperless shop module for the City's computerized Fleet Management Information System (RTA) that will improve the accountability, productivity, life cycle costing, and reporting accuracy of fleet operations.
- Network with neighboring municipalities to explore sharing resources, training, expanded cooperative purchasing, and consider in-sourcing certain equipment maintenance and repairs.

Significant Revenue, Expense, Staff, & Program Notes:

- 664001 / Interest Earnings decreased [(31%) or (\$55,000)] due to a reduction in anticipated interest rates and fund balance.
- 693002 / Gain of Asset: Asset Proceeds was added [\$60,000] due to anticipated equipment and vehicles sales.
- 748000 / Operating Equipment increased [47% or \$6,000] due to the purchase of a paperless shop module and hardware, as well as equipment needed for increased levels of concrete repairs.
- 801000 / Professional Services increased [200% or \$2,000] due to Auction Fees related to the sale of used vehicles and equipment.
- 802000 / Interfund Charges: Administration increased [13% or \$17,780] as the Fleet Fund is a greater proportion of the overall 2010 City Budget.
- 802001 / Interfund Charges: MIS decreased [(6.0%) or (\$1,980)] due to a smaller proportion of Fleet supported applications and maintenance.
- 802005 / Interfund Charges: Facilities decreased [(16%) or (\$19,180)] due to a reduction in costs associated with the operations of the new DPS Facility.
- 860000 / Travel & Seminars increased [470% or \$2,350] due to Diesel Emission Control training and APWA professional Fleet Manager certifications.
- 932000 / Maintenance: Equipment decreased [(16%) or (\$1,250)] due to Diesel Tank repairs which were completed in FY 2009.
- 968001 / Depreciation Expense increased [2.3% or \$15,630] due to the projected replacement of vehicles and equipment which are currently fully depreciated.

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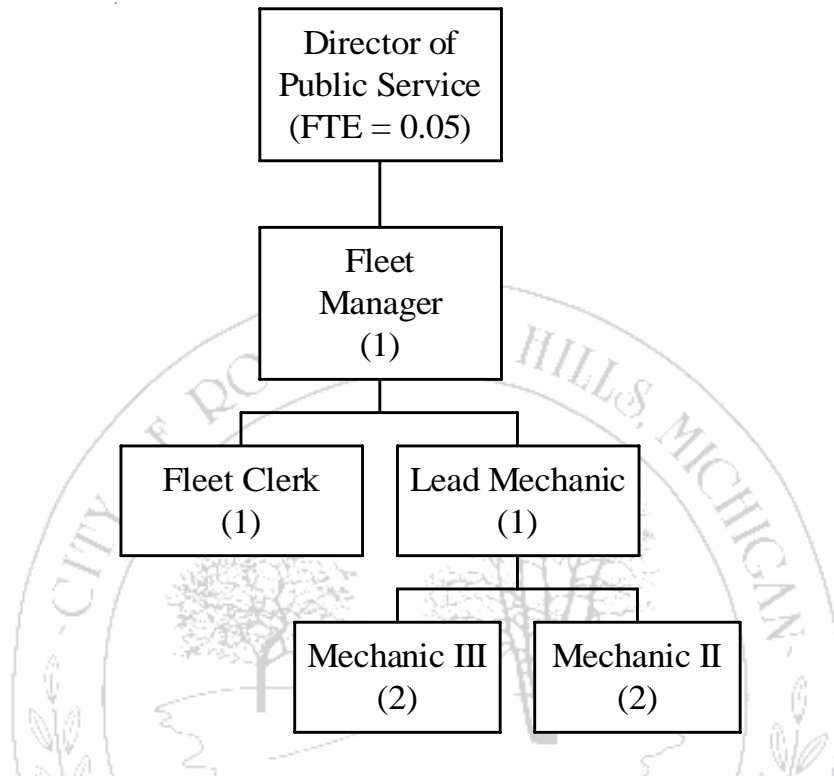
2010 Budget Summary Report						
661 Fleet Equipment Fund Revenues	2008 Amended Budget	2008 Audited Actual	2009 Amended Budget	2009 June YTD Actual	2010 Adopted Budget	2011 Projected Budget
Retained Earnings to Balance	\$ 750,110	\$ -	\$ 550,650	\$ -	\$ 448,550	\$ 576,720
Charges for Service	2,645,210	2,504,231	2,735,900	1,156,722	2,798,480	2,795,980
Investment Earnings	180,000	247,631	180,000	32	125,000	100,000
Other Revenue	123,800	129,197	-	52,948	60,000	60,000
Transfer - In	50,030	50,030	13,500	-	-	-
TOTAL	\$ 3,749,150	\$ 2,931,089	\$ 3,480,050	\$ 1,209,702	\$ 3,432,030	\$ 3,532,700
<i>Per Capita</i>	\$ 54.47	\$ 42.59	\$ 50.56	n/a	\$ 49.87	\$ 51.33
661 Fleet Equipment Fund Expenses	2008 Amended Budget	2008 Audited Actual	2009 Amended Budget	2009 June YTD Actual	2010 Adopted Budget	2011 Projected Budget
Personnel Services	\$ 747,260	\$ 703,638	\$ 690,870	\$ 344,205	\$ 691,200	\$ 704,080
Supplies	21,230	21,494	27,400	9,818	33,400	21,100
Other Services	1,037,000	1,013,577	1,106,830	467,819	1,110,080	1,113,060
Depreciation	575,000	562,811	677,170	201,296	692,800	717,780
Capital Outlay	1,368,660	-	977,780	297,289	904,550	976,680
TOTAL	\$ 3,749,150	\$ 2,301,521	\$ 3,480,050	\$ 1,320,427	\$ 3,432,030	\$ 3,532,700
<i>Per Capita</i>	\$ 54.47	\$ 33.44	\$ 50.56	n/a	\$ 49.87	\$ 51.33



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Department Organizational Chart



Cost Center Position Detail - 2010 Base Salary

<u>F.T.E.</u>	<u>Class / Title</u>	<u>Minimum</u>	<u>Maximum</u>
0.05	Director of Public Services	\$ -	\$ 100,327
1.00	Fleet Manager	65,941	82,426
1.00	Lead Mechanic	54,396	63,995
2.00	Mechanic III	47,626	56,033
1.00	Fleet Clerk	42,442	49,937
<u>2.00</u>	Mechanic II	41,273	48,560
7.05			

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Performance Indicators							
	Actual 2006	Actual 2007	Actual 2008	June 2009	Projected 2009	Projected 2010	Projected 2011
Vehicles & Equipment Purchased or Replaced	16	16	24	11	16	21	26
Work Orders Completed	1,755	1,375	1,306	763	1,380	1,400	1,410
Professional Development Training Hours	176	128	32	32	40	40	40
Preventive Maintenance (Work Orders):							
Level A	21	14	7	2	6	6	6
Level B	275	247	222	142	200	215	215
Level C	29	14	4	6	8	6	6
Level D	39	10	13	10	15	10	12
Level E	-	-	1	-	1	-	-
Level F	3	6	6	1	3	3	3
Level G	4	2	2	1	2	2	2
Level H	62	14	7	6	6	6	6
Total Preventive Maintenance	433	307	262	168	241	248	250
Repair by Vehicle Class (in Hours):							
Ambulance	94	119	201	71	150	160	170
Apparatus	302	437	443	178	400	425	425
Automobile	126	65	72	18	50	50	60
Dump Truck (2 Yard)	43	33	46	7	25	30	35
Single-Axle Dump Truck	207	180	171	154	225	230	235
Tandem-Axle Dump Truck	602	721	792	426	800	810	815
Equipment	206	140	141	44	110	120	120
Excavator	117	65	45	34	45	55	60
Grader	51	65	81	22	50	60	60
Loader	135	76	68	96	150	160	165
Miscellaneous	901	295	317	107	300	300	300
4x2 Pickup	324	242	143	78	140	140	145
4x4 Pickup	524	543	516	264	430	450	465
Specialized	169	171	114	64	100	115	120
SUV	178	98	129	105	125	125	130
Sweeper	110	83	42	14	45	50	50
Backhoe	138	70	46	58	75	75	75
Trailer	85	88	37	49	60	65	65
Vactor	312	347	206	115	200	225	230
Cargo Van	154	140	92	53	70	70	70
Total Repair Hours	4,778	3,974	3,699	1,955	3,550	3,715	3,795
Preventive Maintenance (%-age of Hours Worked)	18%	21%	19%	24%	30%	28%	27%
Maintenance & Repairs (%-age of Hours Worked)	82%	79%	81%	76%	70%	72%	73%

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Fleet Equipment Policy

Purpose:

The Fleet Equipment Fund was created in FY 1988 in order to provide a responsible program and process for the practical maintenance and replacement of the City's machinery, vehicles, and equipment.

Cost-sharing Criteria:

1. Every user department (excluding DPS, which has an hourly charge system based upon established MDOT Act 51 rates) is charged based upon a combination of fixed annual costs and variable costs.
 - A.) Fixed costs that are not based upon actual vehicle usage include insurance, licenses, registration fees, and replacement costs.
 - B.) Variable costs that are based upon actual vehicle usage include, but are not limited to, gasoline, oil changes, tires, radio maintenance, routine maintenance, accident repairs, mechanic labor, and contract labor.
2. Every user department (excluding DPS) is charged a fixed cost based upon the estimated future replacement cost of the equipment presently in service and upon the established replacement timetable. For example, a car or pickup truck that may presently cost \$18,000 will be replaced in 6 years for an estimated cost of \$21,493 (assuming 3.0% annual inflation). Each department contributes a monthly fixed amount towards vehicle replacement (in the example, \$21,493/6 years = \$3,582 annually (or \$298 per month)). When a vehicle is sold, the value of any proceeds are credited to the user department.
3. Every user department (including DPS) that expands the fleet through the acquisition of additional (not replacement) equipment, will fund the entire addition through its appropriate cost center(s). Once the new equipment is contributed to the Fleet Equipment Fund, the department expanding the fleet will begin providing funds to replace the equipment.

Fire Department Vehicles:

Fire Department vehicles, equipment, and apparatus are not covered by this policy. The addition and replacement of Fire related vehicles, equipment, and apparatus is programmed through the Fire Capital Fund (402). Maintenance and repair costs are charged to the Fire Department for appropriate fuel, material, labor, and overhead costs incurred by the Fleet Division.

Replacement Timetable:

4x4 Pickup w\ Plow	6 years
Cars, pickup trucks, vans	7 years or 60,000 miles
Dump trucks (purchased prior to FY 2000)	8 years
Dump trucks (purchased between FY 2000- FY 2008)	10 years
Dump trucks (purchased after FY 2007)	12 years +
Heavy construction equipment	10-15 years
Portable equipment (e.g., radios, power tools)	5 years or less
Specialty vehicles (purchases after FY 2000)	8-10 years
Specialty vehicles (purchases after FY 2007)	12 years +

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2010 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE#	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd w\ Plow	39-001	6	\$ 44,560
Pickup 4wd w\ Plow	39-006	6	\$ 29,540
Pickup 4wd	39-034	7	\$ 23,620
2-Yard Dump Truck	39-046	10	\$ 58,610
Loader	39-080	12	\$ 175,910
Sign / Guardrail Truck	39-087	10	\$ 173,070
Tandem-Axle Dump Truck	39-098	10	\$ 160,000
Pickup 4wd w\ Plow	39-104	6	\$ 28,730
Pickup 2wd	39-123	7	\$ 19,290
Pickup 4wd	39-157	6	\$ 24,850
Equipment Trailer	39-217	10	\$ 7,760
Crash Attenuator	39-305	10	\$ 22,630
Wood Chipper	39-307	8	\$ 31,730
Utility Vehicle	39-312	8	\$ 6,620
Utility Vehicle	39-319	4	\$ 6,550
Utility Vehicle	39-320	4	\$ 9,840
Utility Vehicle	39-321	4	\$ 13,080
A/C Recovery Recharge	#2433	7	\$ 4,510
Rotary Mower	#4710	6	\$ 45,720
Car Brake Lathe	#90188	10	\$ 7,770
Easement Machine	#90480	10	\$ 10,160
TOTAL 2010 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 904,550

2011 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE#	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd w\ Plow	39-002	6	\$ 40,070
Pickup 2wd	39-005	7	\$ 21,520
Pickup 4wd	39-014	8	\$ 32,130
Passenger Car	39-038	7	\$ 22,810
Pickup 4wd	39-053	6	\$ 37,080
Tandem-Axle Dump Truck	39-090	10	\$ 163,530
Tandem-Axle Dump Truck	39-091	10	\$ 163,530
Tandem-Axle Dump Truck	39-092	10	\$ 163,530
Pickup 4wd - Stake (8')	39-093	6	\$ 30,230
Pickup 2wd	39-111	7	\$ 22,120
Passenger Car	39-125	7	\$ 23,010
Passenger Car	39-130	7	\$ 19,010
Passenger Car	39-140	7	\$ 21,850
Passenger Car	39-141	7	\$ 21,850
Station Wagon 4wd	39-155	7	\$ 26,160

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2011 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE #	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd	39-167	6	\$ 31,990
Pickup 4wd w\ Plow	39-168	6	\$ 30,090
Equipment Trailer	39-221	8	\$ 6,520
Utility Vehicle	39-322	8	\$ 12,260
Car Brake Lathe	#2430	10	\$ 9,170
Top Dresser	#2432	10	\$ 25,250
Pavement Marking / Scarifier	#4355	10	\$ 10,600
Field Rake	#5060	4	\$ 11,760
Vision Scope	#2429	5	\$ 6,130
Mower	#5063	4	\$ 12,240
Mower	#5064	4	\$ 12,240
TOTAL 2011 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 976,680

2012 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE #	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd	39-015	8	\$ 34,900
Pickup 4wd	39-036	8	\$ 35,610
Chipper Truck	39-040	8	\$ 57,020
Water System Truck	39-042	10	\$ 178,730
Single-Axle Dump Truck	39-058	10	\$ 169,260
Single-Axle Dump Truck	39-067	10	\$ 169,260
Road Grader	39-081	10	\$ 218,170
Road Grader	39-082	10	\$ 218,170
Tractor/Loader/Backhoe	39-084	10	\$ 96,250
Loader	39-095	10	\$ 159,260
Vactor Jet	39-103	10	\$ 375,930
Single-Axle Dump Truck	39-116	10	\$ 143,390
Cargo Van	39-158	7	\$ 42,970
Pickup 4wd	39-159	7	\$ 23,750
Pickup 4wd	39-160	7	\$ 23,750
Pickup 4wd w\ Plow	39-161	6	\$ 26,410
Pickup 4wd w\ Plow	39-162	6	\$ 26,410
Pickup 4wd w\ Plow	39-163	6	\$ 26,410
Pickup 4wd	39-164	7	\$ 30,380
Pickup 4wd w\ Plow	39-165	6	\$ 26,410
Pickup 4wd w\ Plow	39-166	6	\$ 26,410
Pickup 4wd w\ Plow	39-180	6	\$ 30,800
Pickup 4wd w\ Plow	39-183	6	\$ 30,800
Hydroseeder	39-208	10	\$ 21,010
6" Trash Pump	39-212	10	\$ 39,060

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2012 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE#	REPLACEMENT CYCLE	ESTIMATED COST
Asphalt Roller	39-216	10	\$ 18,820
Equipment Trailer	39-218	10	\$ 19,040
Equipment Trailer	39-219	10	\$ 7,040
Equipment Trailer	39-220	10	\$ 7,180
Equipment Trailer	39-222	8	\$ 6,750
Trailer Mounted Hot Patcher	39-251	10	\$ 15,000
Mower	39-310	4	\$ 11,030
Tractor/Loader/Backhoe	39-311	8	\$ 35,030
Wheel Load Weigher	#1122	8	\$ 4,410
Wheel Load Weigher	#1123	8	\$ 4,410
Service Hoist	#2431	10	\$ 12,090
Mower	#4657	4	\$ 12,290
Mower	#4658	4	\$ 12,290
Welder Arc	#90481	12	\$ 4,990
TOTAL 2012 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 2,400,890

2013 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE#	REPLACEMENT CYCLE	ESTIMATED COST
Backhoe	39-071	10	\$ 107,890
Excavator	39-102	10	\$ 221,530
Tandem-Axle Dump Truck	39-150	10	\$ 175,180
Tandem-Axle Dump Truck	39-151	10	\$ 175,180
Tandem-Axle Dump Truck	39-152	10	\$ 175,180
Tandem-Axle Dump Truck	39-153	10	\$ 175,180
Pickup 2wd	39-170	7	\$ 18,280
Cargo Van	39-171	7	\$ 18,540
Pickup 2wd	39-172	7	\$ 19,260
Pickup 2wd	39-173	7	\$ 19,260
Cargo Van	39-174	7	\$ 18,540
Sport Utility 4wd	39-175	7	\$ 23,160
Sport Utility 4wd	39-176	7	\$ 23,160
Sport Utility 4wd	39-177	7	\$ 23,160
Passenger Car	39-178	7	\$ 15,400
Concrete Power Screed	#4355	8	\$ 5,780
Deep Tine Aerator	#4526	10	\$ 34,660
Finish Machine	#902547	10	\$ 6,350
TOTAL 2013 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 1,255,690

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2014 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE #	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd w\ Plow	39-112	6	\$ 24,160
Pickup 4wd	39-181	7	\$ 25,040
Pickup 4wd	39-182	7	\$ 25,040
Pickup 2wd	39-184	7	\$ 17,320
Pickup 2wd	39-185	7	\$ 17,320
Cargo Van	39-186	7	\$ 20,390
Cargo Van	39-187	7	\$ 20,390
Steam Generating Unit	39-223	10	\$ 15,520
Equipment Trailer	39-225	10	\$ 5,840
Utility Vehicle	39-312	4	\$ 7,600
Utility Vehicle	39-319	4	\$ 7,520
Utility Vehicle	39-320	4	\$ 11,290
Utility Vehicle	39-321	4	\$ 15,000
Transmission Fluid Exchanger	#1115	10	\$ 4,800
TOTAL 2014 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 217,230

2015 FLEET EQUIPMENT PURCHASES BREAKDOWN			
VEHICLE TYPE	VEHICLE #	REPLACEMENT CYCLE	ESTIMATED COST
Pickup 4wd	39-032	7	\$ 29,490
Cargo Van	39-114	7	\$ 21,890
Pickup 4wd	39-128	7	\$ 24,490
Pickup 4wd w\ Plow	39-132	7	\$ 29,490
Pickup 4wd w\ Plow	39-136	7	\$ 29,490
Equipment Trailer	39-224	10	\$ 19,370
Utility Vehicle	39-322	4	\$ 14,070
Field Rake	#5060	4	\$ 13,500
Mower	#5063	4	\$ 14,050
Mower	#5064	4	\$ 14,050
TOTAL 2015 FLEET VEHICLE/ EQUIPMENT COSTS:			\$ 209,890

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Statement of Revenues / Expenses and Changes in Net Assets						
Grand Total Fleet Fund Revenues	2008 Audited Actual	2009 Amended Budget	2010 Adopted Budget	2009-10 % Change	2011 Projected Budget	2010-11 % Change
State / Federal Grants	\$ 5,801	\$ -	\$ -	-	\$ -	-
Charges for Service	2,504,231	2,735,900	2,798,480	2.3%	2,795,980	-0.1%
Investment Earnings	247,631	180,000	125,000	-30.6%	100,000	-20.0%
Other Revenue	123,396	-	60,000	100.0%	60,000	0.0%
Transfer - In	50,030	13,500	-	-100.0%	-	-
TOTAL REVENUES	\$ 2,931,089	\$ 2,929,400	\$ 2,983,480	1.8%	\$ 2,955,980	-0.9%
Fleet Fund Expenses						
Personnel Services	\$ 703,638	\$ 690,870	\$ 691,200	0.0%	\$ 704,080	1.9%
Supplies	21,494	27,400	33,400	21.9%	21,100	-36.8%
Other Services	1,013,577	1,106,830	1,110,080	0.3%	1,113,060	0.3%
Depreciation	562,811	677,170	692,800	2.3%	717,780	3.6%
Capital Outlay	-	977,780	904,550	-7.5%	976,680	8.0%
TOTAL EXPENSES	\$ 2,301,521	\$ 3,480,050	\$ 3,432,030	-1.4%	\$ 3,532,700	2.9%
Excess Revenue Over / (Under) Expenses	\$ 629,568	\$ (550,650)	\$ (448,550)	-18.5%	\$ (576,720)	28.6%
Net Assets - Beginning	7,938,111	8,567,679	8,017,029	-6.4%	7,568,479	-5.6%
Net Assets - Ending	\$ 8,567,679	\$ 8,017,029	\$ 7,568,479	-5.6%	\$ 6,991,759	-7.6%

