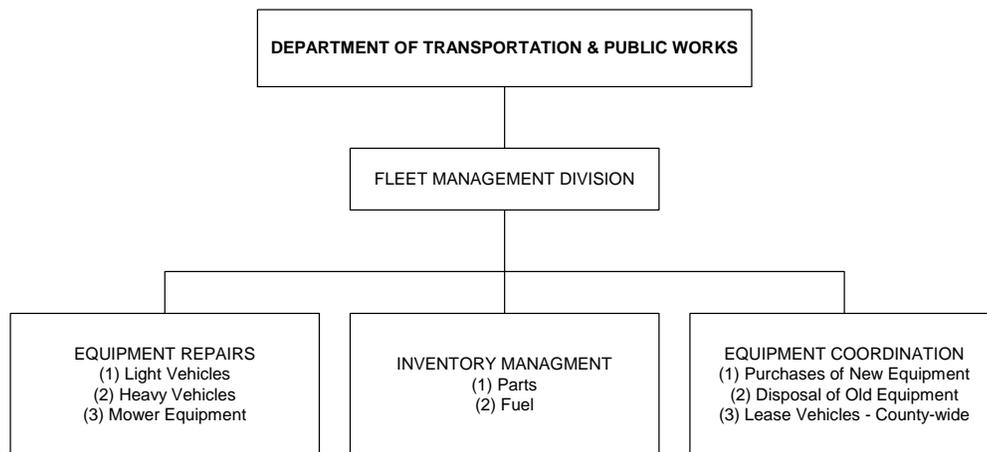


DTPW-FLEET MANAGEMENT (5300)



MISSION

Fleet Management is committed to providing a comprehensive fleet management program, including a structured purchasing and preventive maintenance program that provides cost-effective customer service to all County departments.

Budget Summary

	2011	2010/2011 Change
Expenditures	8,400,119	519,212
Revenue	10,150,265	206,574
Levy	(1,750,146)	312,638
FTE's	34.6	(3.4)

Major Programmatic Changes

- Continue the new billing process that charges users based on a labor rate and parts cost.
- Continue charging users for actual costs of new vehicle purchases that are commensurate with the debt service on that vehicle.
- Accelerated vehicle replacement schedule to reduce operating and maintenance costs remains in place for 2011.

OBJECTIVES

- Review the composition of the fleet and recommend changes to meet current workloads and increase operational efficiency. This includes capital purchasing and short-term rentals for specialty equipment.
- Maintain, repair and dispose of vehicles in a manner that brings the highest possible return on investment.
- Maintain a service facility, which will provide superior customer service, repair and administrative support to customers.
- Manage the fleet in a manner that ensures the lowest possible operating cost while maintaining consistently high mechanical reliability.

ADOPTED 2011 BUDGET

DEPT: DTPW-Fleet Management

UNIT NO. 5300
FUND: General - 0001

DEPARTMENTAL PROGRAM DESCRIPTION

The Fleet Management Division purchases and maintains vehicles and equipment used by Milwaukee County departments. Keys to this program include minimizing vehicle and equipment downtime, providing a preventative maintenance program and educating users on safe operation and daily maintenance.

Equipment Repairs maintains and manages approximately 2,200 vehicles and pieces of equipment ranging from Fairway mowers and squad cars to wheel loaders and tandem axle patrol trucks.

Inventory Management maintains and manages approximately \$440,000 in inventory for all Milwaukee County vehicles. Fleet Management also manages and operates four fueling sites supplying 800,000+ gallons of fuel annually from locations conveniently located throughout Milwaukee County.

Equipment Coordination researches and develops the specifications for purchasing new vehicles and equipment. Fleet Management also works with user departments to ensure the correct piece of equipment is purchased. Fleet Management also hosts and coordinates a semi-annual Public Auction of used equipment for Milwaukee County and also other municipalities in the area.

2011 BUDGET

Approach and Priorities

- Continue to adjust staffing and expenditures as part of the accelerated fleet replacement program. \$13M worth of vehicles and equipment have been replaced since October 2009, reducing maintenance costs and increasing operational efficiency throughout County departments.
- The Division's new billing mechanism continues charging departments based on a labor rate and parts costs for repairs and for actual costs of new vehicle purchases that commensurate with the debt service on that vehicle. In addition, the operating cost of fuel continues to be charged to departments.

Programmatic Impacts

- All new vehicles and equipment will be placed on a replacement schedule of either three, five or eight years. After replacement, depreciated vehicles and equipment will be sent to auction and the user department will be credited for the revenue generated. Allowing departments, rather than the Fleet Management Division, to receive auction revenue will promote the proper care and maintenance of vehicles and equipment so that departments can achieve maximum revenue at auction.
- As a result of the new purchasing program, County departments will no longer be provided expenditure authority for new vehicle leases in their operating budgets. Current leases will be terminated upon the contract expiration and depending upon the necessity of the vehicle, may or may not be transferred into the purchasing program.
- The hourly labor rate is formulated so that all net expenditures are fully paid for by billing 38,778 labor hours annually. A parts markup is determined by the percentage of parts department operating costs.
- Fleet Management retains ownership of all County vehicles. Departments may not exceed their 2011 vehicle allotment without approval of the County Board.

Budget Highlights

Wage and Benefit Modifications

(\$3,879)

This budget includes an expenditure reduction of \$92,305 based on the changes described in the non-departmental account for wage and benefit modifications (Org-1972). There is a corresponding revenue offset of \$88,426 for a total tax levy savings of \$3,879.

ADOPTED 2011 BUDGET

DEPT: DTPW-Fleet Management

UNIT NO. 5300
FUND: General - 0001

Repair Parts Expenditure Reduction **(\$169,055)**

This is the second year of the new purchasing program in which many of the oldest vehicles and equipment that require significant ongoing major maintenance will be replaced. For the second year of the program, an additional savings of \$169,055 will realize, lowering the parts budget from \$1,121,172 in 2010 to \$952,117 in 2011. Fleet anticipates reducing parts expenditures even further in later years by an amount based on experience realized with the new program.

Expenditures Related to Outside Services and Airport Services **(\$130,000)**

The Airport Division has responsibility for its own fleet maintenance services. The Airport Division will continue to provide some fleet maintenance services for the Highway Maintenance Division and the Sheriff's Office. The 2011 Budget provides the expenditure authority for the continuation of these services. In addition, Fleet continues to utilize outside vendors for various repairs that are more efficiently and economically accomplished in the private sector. As a result of the new purchasing program, Fleet will realize a reduction of \$105,000 for outside services, from \$405,000 in 2010 to \$300,000 in 2011. In addition, the Division anticipates a reduction of \$25,000 for airport services, from \$250,000 in 2010 to \$225,000 in 2011.

Increase in Auction Revenue **(\$111,697)**

Fleet Management anticipates an increase in auction revenue of \$111,697, from \$168,303 in 2010 to \$280,000 in 2011 due to the increased number of vehicles being replaced. As older vehicles are replaced, they are also sold at auction and the sales revenue is kept in Fleet's budget. There are approximately 115 vehicles scheduled to be auctioned in 2011.

Personnel Changes **(\$212,316)**

3.0 FTE vacant Auto and Equipment Service Technician positions are abolished in 2011 for a salary, social security, and active fringe benefits savings of \$232,782. In addition, 0.50 FTE Ironworker – Seasonal is funded in 2011 for a salary and social security cost of \$20,466. The total levy impact of the personnel changes is (\$212,316).

Reduction in Heat Costs **(\$47,500)**

Heating costs are reduced by \$47,500, from \$257,500 in 2010 to \$210,000 in 2011. This reduction is based on previous year actuals being lower than expected.

State Highway Maintenance Contract **\$0**

In 2011, the Highway Maintenance Division accounts for 46% of Fleet Management's revenues and expenditures. Should the State decide to reduce funding for the Highway Maintenance Division resulting in a corresponding decrease in revenue for the division, Fleet will take corrective action and reduce expenditures on fleet services in order to avoid budget deficits.

Debt Service on Fleet Vehicles **\$1,131,519**

In 2011, the debt service on vehicles increases by \$1,131,519, from \$1,326,980 in 2010 to \$2,458,499 in 2011. The increase reflects the active debt repayment for the new vehicles and equipment purchased as part of the Fall 2009 and March 2010 debt issuances.

Capital Investments

The project below is included in the 2011 Capital Improvements Budget for the Fleet Management Division.

- WO112 – Fleet Airport Equipment, \$375,000

ADOPTED 2011 BUDGET

DEPT: DTPW-Fleet Management

UNIT NO. 5300
FUND: General - 0001

March 2010 Bond Issue (Vehicles to be phased in during 2011)

DESCRIPTION	PURCHASE COST PER VEHICLE	DEPT 4000	DEPT 9000	DEPT 5100	DEPT 9500	DEPT 5700	DEPT 4900	DEPT 5080	DEPT 5070	DEPT 4500	DEPT 8000	DEPT 1100	DEPT 5300
Patrol Truck (single)	\$ 166,800.00		4	6		1							
Stake Body	\$ 75,000.00		1	2									
Bucket Truck - Lg	\$ 250,000.00			1									
Dump Truck (Md)	\$ 75,000.00			1									
SUBTOTAL		0	5	10	0	1	0	0	0	0	0	0	0

October 2010 Bond Issue (Vehicles to be phased in during 2012)

Marked Squad Sedan	\$ 27,000.00	22											
Marked Squad Tahoe	\$ 39,000.00	16											
4X4 Pickup Utility Box	\$ 45,000.00		3	2		1							
4X4 Pickup w/plow	\$ 33,000.00		19		1	1							
Sedan	\$ 20,000.00	16	3							1		1	
Cushman	\$ 20,000.00		7				1	1	6				
Patrol Truck (single)	\$ 170,000.00		7	6		1							
Patrol Truck (tandem)	\$ 190,000.00			1									
Wheel Loader	\$ 194,000.00			2		1							
Street Sweeper	\$ 264,000.00		1	2									
Transport Bus	\$ 64,000.00		1										
SUBTOTAL		54	41	13	1	4	1	1	6	1	0	1	0

2011 VEHICLE & EQUIPMENT ALLOTMENT PER DEPARTMENT	
DEPARTMENT	TOTAL
Parks Department****	841
Sherriff	180
Highways Division	165
Facilities Management Division	40
Zoo	37
Fleet Management Division***	20
Department of Health and Human Services	18
Behavioral Health Division	14
District Attorney**	10
Architectural Engineering & Environmental Services	5
Information Management Services Division	3
Medical Examiner	3
Transportation Services	3
County Executive	1
Office for Persons with Disabilities	1
House of Correction*	1
TOTAL	1342
<p>* The HOC was not included in the purchasing program but may at some time in the future. At this time, the equipment remains under the HOC. ** The District Attorney has an additional ten vehicles that are listed in the system but are not technically county-owned vehicles. *** Fleet Management also maintains motor pool vehicles. **** These numbers include all mowing equipment.</p>	

ADOPTED 2011 BUDGET

DEPT: DTPW-Fleet Management

UNIT NO. 5300
FUND: General - 0001

BUDGET SUMMARY				
Account Summary	2009 Actual	2010 Budget	2011 Budget	2010/2011 Change
Personal Services (w/o EFB)	\$ 1,838,342	\$ 1,801,405	\$ 1,722,529	\$ (78,876)
Employee Fringe Benefits (EFB)	1,267,824	1,379,368	1,328,101	(51,267)
Services	839,836	1,024,243	837,654	(186,589)
Commodities	1,486,817	1,203,862	1,031,980	(171,883)
Other Charges	0	0	0	0
Debt & Depreciation	0	1,326,980	2,458,499	1,131,519
Capital Outlay	8,509	0	0	0
Capital Contra	0	0	0	0
County Service Charges	3,596,505	3,389,412	2,915,930	(473,482)
Abatements	(2,462,384)	(2,244,363)	(1,894,574)	349,789
Total Expenditures	\$ 6,575,449	\$ 7,880,907	\$ 8,400,119	\$ 519,212
Direct Revenue	115,720	195,303	296,214	100,911
State & Federal Revenue	17,902	20,000	20,000	0
Indirect Revenue	8,904,921	9,728,388	9,834,051	105,663
Total Revenue	\$ 9,038,543	\$ 9,943,691	\$ 10,150,265	\$ 206,574
Direct Total Tax Levy	(2,463,094)	(2,062,784)	(1,750,146)	312,638

PERSONNEL SUMMARY				
	2009 Actual	2010 Budget	2011 Budget	2010/2011 Change
Position Equivalent (Funded)*	43.3	38.0	34.6	(3.4)
% of Gross Wages Funded	99.4	96.7	96.7	0.0
Overtime (Dollars)	\$ 60,520	\$ 59,064	\$ 60,720	\$ 1,656
Overtime (Equivalent to Position)	1.3	1.3	1.3	0.0

* For 2009 Actuals, the Position Equivalent is the budgeted amount.

** 2011 Budget, overtime figures do not include reductions described in org. 1972 and total (\$16,457).

PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Salary Only)
Auto & Eq Sevice Tech (DOT)	27611	Abolish	(3)	(3.00)	Fleet	\$ (137,448)
Ironworker - Seasonal	Z0032	Create	1	0.50	Fleet	20,168
					TOTAL	\$ (117,280)

All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."