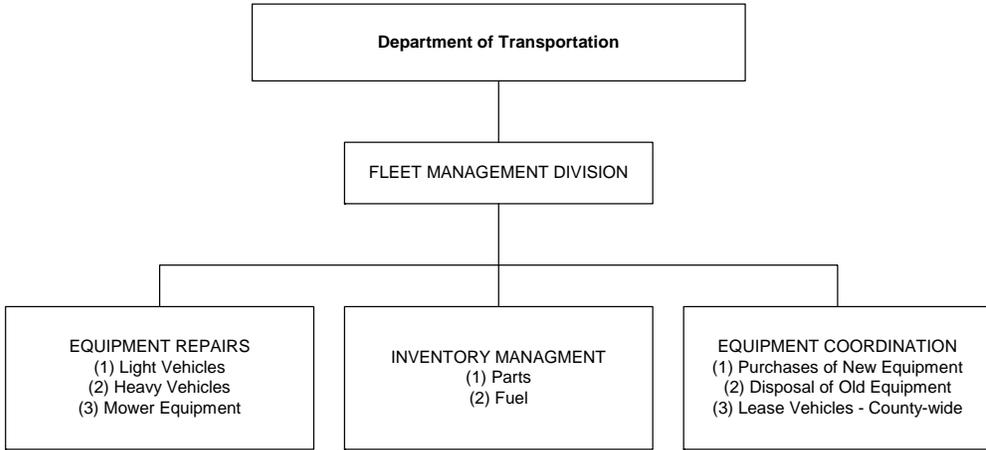


DOT-FLEET MANAGEMENT (5300)



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		
	2012	2011/2012 Change
Expenditures	8,918,206	518,088
Revenue	10,912,499	762,234
Levy	(1,994,293)	(244,146)
FTE's	35.0	0.4
<p>Major Programmatic Changes</p> <ul style="list-style-type: none"> Fleet Management division is transferred to the newly created Department of Transportation. 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 2012. 		

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 2012 BUDGET

DEPT: DOT-Fleet Management

UNIT NO. 5300
FUND: General - 0030

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 of repair parts 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.

2012 BUDGET

Approach and Priorities

- Continue to adjust staffing and expenditures as part of the accelerated fleet replacement program. Approximately \$13 million worth of vehicles and equipment have been replaced since October 2009, reducing maintenance costs and increasing operational efficiency throughout County departments.
- The division's billing mechanism continues charging departments based on a labor rate and parts costs for repairs and for actual costs of new vehicle purchases that are 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 except for DOT-Airport Division. 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. If the departments in conjunction with Fleet Management determine that leasing is the best option, then Fleet Management will acquire the lease provided the departments are able to provide funding for the expenditures.
- The hourly labor rate is formulated so that all net expenditures are fully paid for by billing 38,652 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 2012 vehicle allotment without approval of the County Board.

Budget Highlights

Elimination of Step Increases for 2012 for Employees in Certain Pay Grades **(\$12,593)**

This budget includes an expenditure reduction of \$12,593 based on the elimination of step increases for 2012, as provided for in Chapter 17 of the Milwaukee County General Ordinances, for employees in certain pay grades. This savings will be allocated to the County user departments of Central Fleet services. (See Appendix B for pay grades affected.)

Services **\$3,400**

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

ADOPTED 2012 BUDGET

DEPT: DOT-Fleet Management

UNIT NO. 5300
FUND: General - 0030

2012 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. Fleet cost for outside services will remain at the 2011 level of \$300,000. The Division will also hold airport services at the 2011 level of \$225,000.

Safety expenditures are increased \$30,000 for upcoming inspections on the boom trucks which is offset by a decrease of \$30,000 in heat utility expenditures to better reflect previous year actuals. Smaller increases in other services accounts result in a net increase of \$3,400.

Commodity Expenditures \$1,637

This is the third 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 third year of the program, costs are being held at \$952,117. Fleet anticipates reducing parts expenditures even further in later years by an amount based on experience realized with the new program. Minor changes in other commodity accounts reflect an increase in this category by \$1,637.

Auction Revenue \$0

Fleet Management anticipates auction revenue will be maintained at 2011 level of \$280,000. As older vehicles are replaced, they are also sold at auction to receive the highest return on investment.

State Highway Maintenance Contract \$0

In 2012, the Highway Maintenance Division accounts for 42 percent 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 \$741,501

In 2012, the debt service on vehicles increases by \$741,501, from \$2,458,499 to \$3,200,000. The increase reflects the active debt repayment for the new vehicles and equipment purchased as part of the 2009 and 2010 debt issuances.

Capital Investments

The project below is included in the 2012 Capital Improvements Budget for the Fleet Management Division.

- WO112 – Fleet Airport Equipment, \$ 1,100,000

2012 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
Office for Persons with Disabilities	1
House of Correction*	1
TOTAL	1341

* 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.

ADOPTED 2012 BUDGET

DEPT: DOT-Fleet Management

UNIT NO. 5300
FUND: General - 0030

BUDGET SUMMARY				
Account Summary	2010 Actual	2011 Budget	2012 Budget	2011/2012 Change
Personal Services (w/o EFB)	\$ 1,475,541	\$ 1,722,529	\$ 1,682,185	\$ (40,344)
Employee Fringe Benefits (EFB)	1,455,449	1,328,101	1,277,655	(50,446)
Services	805,969	837,654	841,054	3,400
Commodities	1,149,353	1,031,980	1,033,617	1,637
Other Charges	0	0	0	0
Debt & Depreciation	0	2,458,499	3,200,000	741,501
Capital Outlay	0	0	0	0
Capital Contra	0	0	0	0
County Service Charges	4,583,622	2,915,930	2,941,841	25,911
Abatements	(3,510,115)	(1,894,574)	(2,058,146)	(163,572)
Total Expenditures	\$ 5,959,819	\$ 8,400,119	\$ 8,918,206	\$ 518,088
Direct Revenue	460,836	296,214	305,500	9,286
State & Federal Revenue	17,144	20,000	17,000	(3,000)
Indirect Revenue	8,800,791	9,834,051	10,589,999	755,948
Total Revenue	\$ 9,278,771	\$ 10,150,265	\$ 10,912,499	\$ 762,234
Direct Total Tax Levy	(3,318,952)	(1,750,146)	(1,994,293)	(244,146)

PERSONNEL SUMMARY				
	2010 Actual	2011 Budget	2012 Budget	2011/2012 Change
Position Equivalent (Funded)*	38.0	34.6	35.0	0.4
% of Gross Wages Funded	96.7	96.7	97.1	0.4
Overtime (Dollars)	\$ 49,420	\$ 60,720	\$ 70,272	\$ 9,552
Overtime (Equivalent to Position)	1.1	1.3	1.5	0.2

* For 2010 Actuals, the Position Equivalent is the budgeted amount.

PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
None						
					TOTAL	\$ 0

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."