

Fleet Services Internal Service Fund

General Government

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Internal Service Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Salaries & Benefits	\$3,407,737	\$3,731,532	\$3,786,894	\$3,786,894	\$55,362
Services & Supplies	5,124,641	5,992,261	6,105,875	6,105,875	113,614
Centrally-Budgeted Expenses	695,015	553,871	480,866	480,866	(73,005)
Other Charges & Uses	15,389	2,509,586	2,509,586	2,509,586	0
Fixed Assets	3,116,800	3,355,000	2,700,995	2,700,995	(654,005)
Total Appropriations	\$12,359,582	\$16,142,250	\$15,584,216	\$15,584,216	(\$558,034)
Earned Revenues By Source					
Interest/Rents	\$202,114	\$220,000	\$220,000	\$220,000	\$0
Aid From Other Governments	60,082	160,000	310,000	310,000	150,000
Miscellaneous Revenues	599	130,000	200,000	200,000	70,000
MP-TEL-RADIO Revenue	11,182,208	11,787,386	12,095,000	12,095,000	307,614
Fund Balance	914,579	3,844,864	2,759,216	2,759,216	(1,085,648)
Total Revenues	\$12,359,582	\$16,142,250	\$15,584,216	\$15,584,216	(\$558,034)
Revenues Over/(Under) Expenses	\$0	\$0	\$0	\$0	\$0
Staffing					
Allocated Positions	37.0	37.0	38.0	38.0	1.0
Temporary (Full-Time Equivalent)	0.7	0.7	0.0	0.0	(0.7)
Total Staffing	37.7	37.7	38.0	38.0	0.3

- MP-TEL-RADIO Revenue includes Charges for Services for Fleet.

Purpose

The Fleet Services Division (#8190000000) provides fleet management services including replacement planning, financing, market research, specification development, and disposal. The Division's daily mission includes managing assigned vehicles, operating departmental motor pools, and performing maintenance and repair services, along with outfitting special application and patrol vehicles. The Division also operates several fueling stations throughout the County and is committed to adopting sustainability measures, such as electric vehicles, renewable fuels, and solar technology.

Fleet Services is an Internal Service Fund (ISF) that provides transportation services such as vehicles, fuel, repairs, and parts, and charges departmental customers for these services. Fleet costs, including asset replacement, are grouped into asset classes, and rates are set to recover those costs. These rates are analyzed and adjusted annually using historical and projected costs. Additional revenue is generated from

maintenance, repairs, and fuel provided to non-fleet managed vehicles.

Major Budget Changes

Salaries & Employee Benefits

- \$22,585 Salary and benefits adjustments.
- \$61,553 Add a Garage Attendant position.
- (\$28,776) Decrease in extra-help.

Services & Supplies

- \$200,000 Increase in fuel costs.
- \$185,000 Increase in electric vehicle charging costs.
- \$17,000 Increase in equipment costs.

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- \$10,000 Increase in tank repair costs.
- (\$190,000) Decrease in software costs for system upgrade.
- (\$92,386) Decrease in capital lease costs.
- (\$30,000) Decrease in department allocated costs.

Centrally-Budgeted Expenses

- (\$53,466) Decrease in Casualty insurance costs.
- (\$18,120) Cost Allocation Plan adjustment.

Revenues

- \$300,000 Increase in mileage revenue.
- \$150,000 Increase in revenue from electric vehicle grants.
- \$90,000 Increase in miscellaneous revenue.
- \$80,000 Increase in insurance recovery revenue.
- \$50,000 Increase in gasoline and oil revenue.
- (\$92,386) Decrease in lease and rent revenues.
- (\$50,000) Decrease in reimbursement for fleet services labor to repair non-fleet services owned vehicles and equipment.

Fixed Assets/Capital Improvement

- \$2,518,995 Replacement vehicles (61).
- \$150,000 Fuel management system.
- \$15,000 Scan tools (2).
- \$11,000 Lathe.
- \$6,000 Tire balancer.

Program Discussion

The 2019-2020 recommended Fleet Services budget totals \$15,584,216, which is a decrease of \$558,034 from the 2018-2019 adjusted budget. This change is due to decreases in extra-help, software, capital lease, department allocated costs, and Cost Allocation Plan adjustments, offset by increases in salary and benefits adjustments, addition of a Garage Attendant position, increases in fuel, electric vehicle charging

costs, equipment, and tank repair costs. The projected year-end fund balance (#38019) at June 30, 2019, is \$11.6 million.

Fleet Services' asset management strategy is to replace older, higher operating cost vehicles with newer, cleaner, and more efficient vehicles. Compact and intermediate cars feature hybrid and plug-in technologies that help reduce carbon fuel use and produce cleaner air. To help offset the cost of those new technologies and speed up adoption in the community at large, grant funding is leveraged to finance acquisitions. In addition, the re-purposing of returned assets and placing them into extended life applications avoids vehicle purchases and enables maximum asset utilization. In 2019-2020, the Division plans to replace 61 of the most aged, repair-intensive, or mission critical vehicles from the replacement reserves. In addition, the fuel access system and shop equipment are planned for replacement.

SJCars Fleet Sharing Program

Fleet Services operates seven rental sites that share over 170 cars, trucks, and vans serving 19 County departments. The system provides the convenience of checking vehicle availability, choosing a vehicle to match the need, and enhanced trip planning. It can also enable departments to identify opportunities for scheduling, ride sharing, multiple trip reservations, and dispatching to increase asset utilization, reduce fleet size, and encourage innovative resource use. To date, the system has allowed for a fleet reduction of 57 vehicles.

Fleet Innovation Team

Innovation in processes and technology creates opportunities for improvement in asset utilization and availability of resources for all employees. The Fleet Innovation Team seeks to strengthen the relationship between customers and Fleet service. A cloud-based fleet management system, Global Positioning System, and car sharing technology, along with customer involvement helps departments achieve maximum utility from fleet investments and lowers transportation costs. Fleet innovation aligns with the Board of Supervisors Strategic priorities to ensure fiscal responsibility, promote good governance, and increase organizational capabilities, along with enabling improvements to public safety and enhancing the overall criminal justice system.

Equipment Replacement and Air Quality

Improving air quality and reducing carbon impacts are ongoing concerns. Fleet services is collaborating with departments to identify and replace worn units with new equipment that offers higher utility and cleaner air. Fleet Services has an active role in planning replacements, analyzing life-extending repairs, reporting to California Air

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Resources Board, and working with customer departments to ensure operational and regulatory goals can be met. The County has also switched from petroleum diesel to renewable diesel, which reduces carbon emissions up to 90% and particulate matter by 33%.

Mileage Rates

Mileage rates are structured to reflect costs to Fleet Services' operations, including a fixed rate to recapture the capital (vehicle) cost and a variable rate to cover the Division's operating cost. Reflecting an average increase of 2.5% in the mileage rates and an average decrease of 2.1% in the monthly rate from 2018-2019, the 2019-2020 rates are set at the following levels:

Rental Unit	Mileage Rates	Mo. Rates
Compact Pickup	\$0.52	\$114
Compact Sedan	0.43	157
Full-Size Van	0.88	162
Intermediate Sedan	0.49	123
Mini-Van	0.62	142
Patrol Car	0.97	474
Pickup 1 Ton	0.80	217
Pickup 1/2 Ton	0.62	119
Pickup 1/2 Ton 4x4	0.55	250
Pickup 3/4 Ton	1.03	118
Pickup 3/4 Ton 4x4	0.79	122
Sedan-Emergency	0.54	121
Special Body Truck	0.79	378
Utility Vehicle	0.58	155
Utility Vehicle-Emergency	0.84	267

Vehicle Replacements

Based on current inventory, Fleet Services recommends replacing 61 vehicles at an estimated cost of \$2,518,995, funded from the ISF's replacement reserve. Prior to finalizing the list of the replacement vehicles, the Division will evaluate the condition and usefulness of vehicles turned in by departments, which may result in the purchase of fewer replacements.

Class of Vehicles	No. of Vehicles	Total Cost
Compact Pickup	1	\$28,000
Compact Sedans	4	115,995
Dump Truck	1	340,000
Full-Size Vans	3	105,000
Intermediate Sedans	1	32,000
Pickup 1 Ton	1	34,000
Pickups 1/2 Ton	6	170,000
Pickup 3/4 Ton	1	34,000
Patrol Cars	28	840,000
Sedans-Emergency	5	160,000
Street Sweeper	1	350,000
Tractor/Mower	2	60,000
Utility Vehicles	3	90,000
Utility Vehicles-Emergency	4	160,000
Total	61	\$2,518,995

Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
Assigned Vehicles	975	978	984	995	1,000
Time and Material Vehicles	244	243	244	250	250
Preventative Maintenance Services (hours)	14,376	14,406	14,646	14,135	14,200
Unscheduled Vehicle Repairs (hours)	11,142	11,690	11,306	10,000	10,500
Garage Rental Trips	36,147	33,264	35,852	35,000	35,500
Garage Rental Miles	1,349,039	1,321,847	1,426,272	1,420,000	1,440,000
Vehicle Miles Driven (Millions)*	9.8	9.8	9.9	10.0	10.1

*Excludes time-and-materials vehicle mileage.