

T&E COMMITTEE #1  
May 4, 2018

Worksession

MEMORANDUM

May 2, 2018

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Susan J. Farag, Legislative Analyst *SJF*

SUBJECT: **FY19 Operating Budget: Department of General Services (DGS):  
Fleet Management Services (DFMS)  
Motor Pool Fund Contribution (NDA)**

PURPOSE: To vote on recommendations for Council's consideration.

*Those expected for this worksession include:*

David Dise, Director, DGS  
Jamie Cooke, Director, DFMS  
Tammy Mulford, DFMS  
Bruce Meier, Office of Management and Budget

The Executive's recommendation for Fleet Management Services is attached at ©1-6.  
The FY19-24 Public Services Program: Fiscal Plan for the Motor Pool Fund is attached at ©7.  
The Executive's recommendation for the Motor Pool Fund Contribution (NDA) is attached at ©8.

**Overview**

For FY19, the Executive recommends total expenditures of \$73,798,118 for Fleet Management Services, a \$6,257,910 or 7.82% decrease from the FY18 Approved Budget of \$80,056,028.

	<i>FY17 Actual</i>	<i>FY18 Approved</i>	<i>FY19 Recommended</i>	<i>% Change FY18-FY19</i>
<b><i>Expenditures by fund</i></b>				
Motor Pool ISF	\$76,814,143	\$81,170,117	\$75,898,500	-6.5%
<b><i>Total Expenditures</i></b>	<b>\$76,814,143</b>	<b>\$81,170,117</b>	<b>\$75,898,500</b>	<b>-6.5%</b>
<b><i>Positions</i></b>				
Full-Time	200	200	202	1.0%
Part-Time	0	0	0	-
<b><i>FTEs</i></b>	<b>204.1</b>	<b>204.1</b>	<b>206.1</b>	<b>1.0%</b>

The FY19 County Executive's recommendation is a net decrease of \$6,257,910, stemming one change with a service impact, the reduction of fleet replacements (-\$2,000,000), as well as from the following identified same services adjustments:

<b>Identified Same Service Adjustments</b>		
Increase Cost: FY19 Compensation Adjustment		\$532,983
Increase Cost: Mechanic Technicians Occupational Study		\$382,346
Increase Cost: Annualization of FY18 Personnel Costs		\$168,758
Increase Cost: Risk Management Adjustment		\$15,415
Increase Cost: OPEB Adjustment		\$3,900
Increase Cost: Printing and Mail		\$1,413
	<b>Total Increases:</b>	\$1,104,815
Decrease Cost: Retirement Adjustment		(\$39,742)
Decrease Cost: Motor Pool Adjustment		(\$106,465)
Decrease Cost: Fuel projections due to lower rates and consumption		(\$2,040,292)
Decrease Cost: Shift Finance of Heavy Equipment Replacement to CIP		(\$3,176,226)
	<b>Total Decreases:</b>	(\$5,362,725)
<b>NET SAME SERVICES ADJUSTMENT TOTAL:</b>		<b>(\$4,257,910)</b>

### Motor Pool Internal Service Fund

According to the FY19-24 Fiscal Plan for the Motor Pool Internal Service Fund, the fund is projected to have a year-end fund balance of \$1.2 million at the end of FY18 (see Fiscal Plan attached at ©7). The year-end fund balance in FY19 is projected to be \$2.3 million.

In FY18, the County transferred \$5,954,591 to the General Fund since the fund balance was in excess of the fund balance goal of 3% of resources. However, this is projected to leave end-of-year reserves at only 1.5% of resources.

### FY19 Expenditure Issues

#### DFMS Vehicle Replacement (-\$2,000,000)

There are currently 3,448 vehicles in the County fleet. DFMS has had a vehicle replacement backlog of about 1,000 vehicles each fiscal year since FY14. It has spent about \$10 million per year to address this ongoing backlog. For FY18, that amount dropped to about \$7.8 million, for planned replacement of 201 vehicles. In FY18, DFMS also had a \$2.0 million budget to pay for unanticipated repairs and replacements.

Updated FY18 replacement data show that DFMS has replaced 213 vehicles as of April 19, at a cost of \$7.4 million. DFMS anticipates replacing 22 more vehicles for an additional \$1.4 million, before the end of the fiscal year.

In FY19, DFMS projects that it will replace 137 vehicles at a total cost of \$5.7 million. This includes 69 public safety vehicles, 28 administrative vehicles, and 40 heavy equipment vehicles/equipment. To achieve the projected savings in FY19, DFMS will not replace 39 vehicles, including nine heavy equipment vehicles and 30 light-duty administrative vehicles. DFMS advises that this reduction will not have any impact on public safety replacements. *The Committee may wish to ask how decreasing the replacement schedule may impact the need for unanticipated repairs or replacements.*

#### **Fuel Costs Decrease in FY19 (-\$2,040,292)**

In FY19, total fuel costs are expected to decrease by about \$2 million, due to reductions in both the cost of fuel as well as the total amount of fuel used.

In FY18, the budget assumed the following fuel consumption rates and prices:

<b>FY18 Fuel Projections</b>			
<b>Fuel Type</b>	<b>Gallons</b>	<b>Cost Per Gallon</b>	<b>Total Cost</b>
<b>Unleaded</b>	2,056,630	\$2.08	\$4,277,790
<b>ULS Diesel</b>	3,487,067	\$2.52	\$8,787,409
<b>E-85 Ethanol</b>	26,020	\$2.39	\$62,188
<b>Compressed Natural Gas</b>	1,517,937	\$1.79	\$2,717,107
<b>TOTAL:</b>			<b>\$15,844,494</b>

In FY19, the recommended budget assumes the following:

<b>FY19 Fuel Projections</b>			
<b>Fuel Type</b>	<b>Gallons</b>	<b>Cost Per Gallon</b>	<b>Total Cost</b>
<b>Unleaded</b>	2,022,135	\$2.12	\$4,279,735
<b>ULS Diesel</b>	2,929,595	\$2.20	\$6,445,109
<b>E-85 Ethanol</b>	8,000	\$2.50	\$20,000
<b>Compressed Natural Gas</b>	1,498,923	\$2.04	\$3,057,600
<b>TOTAL:</b>			<b>\$13,802,444</b>

DFMS advises that there is an overall projected reduction in fuel usage due to new, more fuel-efficient vehicles, as well as an increased use of fuel reduction technologies.

#### **Mechanical Technicians Occupational Study (\$382,346)**

In November 2107, the Office of Human Resources (OHR) conducted a study of the Mechanic Technician classification series. This study ensures that duties and responsibilities of the classification are accurately reflection in the classification specifications, and that the assigned grade (compensation) is appropriate. Because of the study, the Mechanic Technician II

and Senior Mechanic classes received a one-grade increase. In addition, two new classes were created for Transit Bus and Heavy Equipment Mechanic Leads.

### **Finance Heavy Equipment Replacement shifted to the CIP (-\$3,176,226)**

This shift reflects the new CIP project (P361901 attached on ©9-10). This project will finance the replacement costs of heavy equipment, including dump trucks, aerial lift trucks, asphalt pavers, cement mixers, and box trucks in FY19. The source of funds in long-term financing (over 10 years). The expected life of the vehicles to be replaced equals or exceeds ten years.

### **Update on DFMS Green Initiatives**

***Expanded the electric vehicle program.*** DFMS is one of the first municipalities in the country to place Chevrolet Bolts into service (16 total) these vehicles have a range of over 200 miles on a single charge.

***Idle Reduction Technology:*** DFMS has been able to install idle reduction technology on a portion of the light duty fleet, which helps increase fuel economy by five-12% depending on the vehicle. This program was funded through a Maryland Smart Energy Communities grant.

***Electric Transit Buses and Charging Stations:*** DFMS will operate four electric transit buses and four charging stations for Ride-On. The buses will operate out of the Silver Spring depot. Funding for this program was provided through a Federal Transportation Administration Low or No Emissions Grant.

***Hybrid Fleet Expansion:*** DFMS added eight hybrid sedans and seven service vans that have been upfitted with an XL hybrid system.

Heavy Truck Replacement in the Department of Liquor Control: Replaced 16 trucks in FY17, which represents the first replacement trucks for DLC since 2011. These trucks replace vehicles from 1989, 1990, and 1991. The new trucks are expected to reduce vehicle emissions by 97%. DFMS is scheduled to replace a total of 43 trucks over the next six years.

***New Charging Station at the Multi Agency Service Park.***

### **Take Home Vehicles**

An updated chart is included at ©15-16 showing changes from 2017 to 2018. The net number of permanent take-home vehicles decreased from 107 to 103 for 2018. Total take-home vehicles fell from 141 to 136. Total assigned take-home vehicles continue to be lower than in FY13 (154).

## **Motor Pool Fund Contribution NDA (\$876,939)**

This account funds the acquisition of new, additional motor pool vehicles, as opposed to replacement vehicles that are financed through an established chargeback mechanism (©8). For FY19, the budget includes \$876,939 for new patrol vehicles for new police positions added during FY18.

## **Council Staff Recommendation**

**Council staff recommends approval of the operating budget as submitted by the County Executive.**

### **This packet contains:**

Recommended FY19 Budget: Fleet Management Services	© 1-6
FY19-24 Public Services Program: Fiscal Plan for the Motor Pool Fund	7
Recommended FY19 Budget: Motor Pool Fund Contribution (NDA)	8
Heavy Equipment Replacement PDF	9-10
DFMS Responses	11-16



# Fleet Management Services

**RECOMMENDED FY19 BUDGET**  
**\$73,798,118**

**FULL TIME EQUIVALENTS**  
**206.10**

☀ **DAVID DISE, DIRECTOR**

## **MISSION STATEMENT**

The mission of the Department of General Services Division of Fleet Management Services (Motor Pool Internal Service Fund) is to plan for, acquire, maintain, and dispose of the County's fleet of motor vehicles, buses, heavy equipment, and other vehicular equipment in support of the transportation and service delivery needs of all County departments. The Division maintains its four shop locations and thirteen fuel sites, and operates out of six depots Countywide.

## **BUDGET OVERVIEW**

The total recommended FY19 Operating Budget for the Division of Fleet Management Services is \$73,798,118, a decrease of \$6,257,910 or 7.82 percent from the FY18 Approved Budget of \$80,056,028. Personnel Costs comprise 30.25 percent of the budget for 202 full-time position(s) and no part-time position(s), and a total of 206.10 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 69.75 percent of the FY19 budget.

## **LINKAGE TO COUNTY RESULT AREAS**

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **An Effective and Efficient Transportation Network**
- ❖ **Healthy and Sustainable Neighborhoods**
- ❖ **A Responsive, Accountable County Government**

## **DEPARTMENT PERFORMANCE MEASURES**

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY18 estimates reflect funding based on the FY18 approved budget. The FY19 and FY20 figures are performance targets based on the FY19 recommended budget and funding for comparable service levels in FY20.

## **INITIATIVES**

- ☀ **Purchase of Sixteen Chevrolet Bolt Electric Vehicles** - DFMS is one of the first government fleets in the United States to

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purchase Chevrolet Bolt Electric Vehicles (EVs). With a range of over 200 miles, the additional capacity allows the County to accomplish its mission in an energy efficient manner. The Bolts' internal combustion engine uses no oil and has zero emissions.

☛ **Carbon Monoxide Testing** - DFMS initiated Carbon Monoxide (CO) tests on Ford Explorers and Utility and Sedan Interceptors due to an issue experienced nationwide by Police Departments. The issue was investigated in conjunction with the National Highway Traffic Safety Administration (NHTSA). Fleet Management Services, worked jointly with the Montgomery County Police Department to rectify this issue by conducting similar inspections as used by the NHTSA. DFMS placed Carbon Monoxide (CO) detector cards in fleet vehicles of these types.

☛ **Idle Reduction Software** - DFMS installed idle reduction software on 35 vehicles. The software lowers the engine revolutions per minute (RPM) while at idle and increases fuel economy by five percent.

## ACCOMPLISHMENTS

- ☑ **WMATA Safe Track Support**- In conjunction with Ride On, DFMS supported the Washington Metropolitan Area Transit Authority's (WMATAs) Safe Track Surges by supplying additional buses to provide shuttle service between Metro stations due to Red line rail repairs for an extended period. While this was an increased workload on DFMS for additional bus maintenance and repairs, it alleviated commuter inconvenience and minimized traffic congestion.
- ☑ **Multi-Agency Service Park (MASP) Fuel Site Opening**- In FY17 DFMS opened the MASP fuel site as part of the larger MASP project. Because of its strategic location within the County, DFMS developed both fuel data integration and fueling capacity for the Maryland National Capital Park and Planning Commission (MNCPPC) and Montgomery County Public Schools (MCPS). Data can be interfaced to the Fleet Management Information Systems' of both agencies allowing for them to make vehicle service changes while sending notification automatically to DFMS for minimal impact on fueling activities.
- ☑ **Fuel Management System Project**- DFMS completed the Fuel Management System CIP Project in FY17. The Fuel Management System Project consisted of installing equipment at 31 fuel sites and 3,400 vehicles. Additionally, the project included environmental improvements and upgrades at County and Fire and Rescue fuel sites.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ☛ **Enhanced Visibility of Ride On Buses** - Because of an increase in the number of Ride On buses being hit from the rear, DFMS installed an electronic module that flashes the high mounted brake lights on the 2009 model year and newer buses when the brakes are applied. This enhancement makes the Ride On buses more visible to approaching traffic.
- ☛ **Automated Tool Boxes, computerized cabinet/locker systems** - DFMS installed tool box/locker system units in three shops; Brookville Maintenance Facility (BMF), Heavy Equipment Shop (HES) and Transit Equipment Shop (TES) to store and record the removal and returning of County tools. Access to the tools, especially sensitive tools, stored in these automated tool boxes is via County issued identification, maximizing tool availability for repairs while minimizing tool losses.

## PROGRAM CONTACTS

Contact Tammy Mulford of the Division of Fleet Management Services at 240.777.5733 or Bruce Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

## Heavy Equipment and Automotive Services

This program is responsible for the maintenance and repair of the heavy equipment fleet which includes heavy dump trucks, straight trucks, construction equipment, snow plows, leafers, mowers, backhoes, hydraulic excavators, and other specialized pieces of equipment. In addition, the program is responsible for the maintenance and repair of the automotive fleet which includes all administrative vehicles, public safety vehicles, vans, and light trucks. The maintenance and repair service for the automotive and light truck fleet is provided through contractual service at the Seven Locks maintenance facility.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Fleet Maintenance and Operations: Mean distance between failure: Administrative light equipment (in miles)	14,585	20,523	12,500	12,500	12,500
Fleet Maintenance and Operations: Mean distance between failure: Heavy equipment (in miles)	24,461	33,349	18,500	18,500	18,500
Fleet Maintenance and Operations: Mean distance between failure: Public Safety light equipment (in miles)	26,681	27,487	25,800	25,800	25,800
Heavy equipment fleet availability	88.00	90.00	90.00	90.00	90.00
Percentage of customers satisfied with police vehicle maintenance	97.0	97.0	97.0	97.0	97.0
Police vehicle fleet availability	97	97.0	97.0	97.0	97.0
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Administrative Vehicles (in days)	0.7	0.6	1.5	1.5	1.5
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Heavy Equipment (in days)	3.4	3.2	4.0	4.0	4.0
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Public Safety light equipment (in days)	1.5	2.2	1.5	1.5	1.5

FY19 Recommended Changes	Expenditures	FTEs
<b>FY18 Approved</b>	<b>13,394,050</b>	<b>43.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(228,299)	(4.00)
<b>FY19 Recommended</b>	<b>13,165,751</b>	<b>39.00</b>

## Transit Equipment Services

This program is responsible for the scheduled and non-scheduled maintenance and repair of the Ride On Bus fleet at three locations.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Average days out of service per bus for parts	3.39	2.84	3.00	3.00	3.00
Fleet Maintenance and Operations: Mean distance between failure: Transit equipment (in miles)	12,894	17,565	12,000	12,000	12,000
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Transit equipment (in days)	1.6	1.8	2.0	2.0	2.0

FY19 Recommended Changes	Expenditures	FTEs
<b>FY18 Approved</b>	<b>17,675,564</b>	<b>107.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	832,545	5.00
<b>FY19 Recommended</b>	<b>18,508,109</b>	<b>112.00</b>



## Management Services

This program provides policy development and planning; operational, personnel, and administrative oversight; and support for division activities. Management Services is the central coordinator for the County on environmental stewardship and energy-related matters pertaining to emissions and motor fuel to include alternative fuels and applicable State and Federal legislation and fuel management oversight. Additionally, the program oversees the parts inventory, facilities management coordination, and vehicle acquisition and disposal functions.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Clean Air Commitment - Gallons of alternative fuels used <sup>1</sup>	1,299,608	1,499,289	1,600,000	1,600,000	1,600,000
Clean Air Commitment - Gallons of diesel/unleaded used	5,226,734	4,976,010	5,100,000	5,100,000	5,100,000
Fiscal inventory parts turn rate	1.92	2.27	2.00	2.00	2.00
Percentage of workorders completed without delay for parts	84.0	85.0	80.0	80.0	80.0

<sup>1</sup> Diesel Gallon Equivalent

FY19 Recommended Changes	Expenditures	FTEs
<b>FY18 Approved</b>	<b>33,360,653</b>	<b>19.10</b>
Decrease Cost: Fuel projections due to lower rates and consumption	(2,040,292)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	339,452	0.00
<b>FY19 Recommended</b>	<b>31,659,813</b>	<b>19.10</b>

## Administrative Services

This program includes the preparation and monitoring of the division operating and capital budgets. The program also oversees financial management of the Motor Pool Internal Service Fund; payment processing; solicitations and contracts; and computer and office automation system activities.

FY19 Recommended Changes	Expenditures	FTEs
<b>FY18 Approved</b>	<b>15,625,761</b>	<b>35.00</b>
Technical Adj: Parts Room Technician Positions - Approved FY17	0	2.00
Reduce: Fleet Replacement	(2,000,000)	0.00
Shift: to the CIP: Finance Heavy Equipment replacement	(3,176,226)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	14,910	(1.00)
<b>FY19 Recommended</b>	<b>10,464,445</b>	<b>36.00</b>

## BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
<b>MOTOR POOL INTERNAL SERVICE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	16,104,562	16,180,471	15,918,014	17,033,601	5.3 %
Employee Benefits	4,973,717	5,100,571	5,075,063	5,291,786	3.7 %

## BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
<b>Motor Pool Internal Service Fund Personnel Costs</b>	<b>21,078,279</b>	<b>21,281,042</b>	<b>20,993,077</b>	<b>22,325,387</b>	<b>4.9 %</b>
Operating Expenses	40,150,469	48,712,526	46,074,986	46,586,497	-4.4 %
Capital Outlay	16,916,210	10,000,000	10,000,000	4,823,774	-51.8 %
Debt Service Other	0	62,460	0	62,460	—
<b>Motor Pool Internal Service Fund Expenditures</b>	<b>78,144,958</b>	<b>80,056,028</b>	<b>77,068,063</b>	<b>73,798,118</b>	<b>-7.8 %</b>
<b>PERSONNEL</b>					
Full-Time	200	200	200	202	1.0 %
Part-Time	0	0	0	0	—
FTEs	204.10	204.10	204.10	206.10	1.0 %
<b>REVENUES</b>					
Insurance Recoveries	1,670,057	1,485,681	1,485,681	1,587,425	6.8 %
Investment Income	98,816	157,780	157,780	157,780	—
Miscellaneous Revenues	1,786,316	1,000,000	1,000,000	1,203,000	20.3 %
Motor Pool Charges/Fees	73,258,954	78,526,656	78,526,656	72,950,295	-7.1 %
<b>Motor Pool Internal Service Fund Revenues</b>	<b>76,814,143</b>	<b>81,170,117</b>	<b>81,170,117</b>	<b>75,898,500</b>	<b>-6.5 %</b>

## FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>MOTOR POOL INTERNAL SERVICE FUND</b>		
<b>FY18 ORIGINAL APPROPRIATION</b>	<b>80,056,028</b>	<b>204.10</b>
<u><b>Changes (with service impacts)</b></u>		
Reduce: Fleet Replacement [Administrative Services]	(2,000,000)	0.00
<u><b>Other Adjustments (with no service impacts)</b></u>		
Increase Cost: FY19 Compensation Adjustment	532,983	0.00
Increase Cost: Mechanic Technicians Occupational Study	382,346	0.00
Increase Cost: Annualization of FY18 Personnel Costs	168,758	0.00
Increase Cost: Risk Management Adjustment	15,415	0.00
Increase Cost: OPEB Adjustment	3,900	0.00
Increase Cost: Printing and Mail	1,413	0.00
Technical Adj: Parts Room Technician Positions - Approved FY17 [Administrative Services]	0	2.00
Decrease Cost: Retirement Adjustment	(39,742)	0.00
Decrease Cost: Motor Pool Adjustment	(106,465)	0.00
Decrease Cost: Fuel projections due to lower rates and consumption [Management Services]	(2,040,292)	0.00
Shift: to the CIP: Finance Heavy Equipment replacement [Administrative Services]	(3,176,226)	0.00
<b>FY19 RECOMMENDED</b>	<b>73,798,118</b>	<b>206.10</b>

## PROGRAM SUMMARY

Program Name	FY18 APPR Expenditures	FY18 APPR FTEs	FY19 REC Expenditures	FY19 REC FTEs
Heavy Equipment and Automotive Services	13,394,050	43.00	13,165,751	39.00
Transit Equipment Services	17,675,564	107.00	18,508,109	112.00
Management Services	33,360,653	19.10	31,659,813	19.10
Administrative Services	15,625,761	35.00	10,464,445	36.00
<b>Total</b>	<b>80,056,028</b>	<b>204.10</b>	<b>73,798,118</b>	<b>206.10</b>

## FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
<b>MOTOR POOL INTERNAL SERVICE FUND</b>						
<b>EXPENDITURES</b>						
<b>FY19 Recommended</b>	<b>73,798</b>	<b>73,798</b>	<b>73,798</b>	<b>73,798</b>	<b>73,798</b>	<b>73,798</b>
No inflation or compensation change is included in outyear projections.						
<b>Retiree Health Insurance Pre-funding</b>	<b>0</b>	<b>11</b>	<b>14</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Labor Contracts</b>	<b>0</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>73,798</b>	<b>74,074</b>	<b>74,077</b>	<b>74,082</b>	<b>74,082</b>	<b>74,082</b>

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FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Motor Pool				
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Rate Adjustment			0.7%	2.7%	2.7%	3.0%	2.9%
<b>BEGINNING FUND BALANCE</b>	<b>4,748,931</b>	<b>1,196,394</b>	<b>2,296,776</b>	<b>2,389,018</b>	<b>2,481,237</b>	<b>2,489,566</b>	<b>2,582,128</b>
<b>REVENUES</b>							
Charges For Services	78,312,337	74,537,720	75,059,484	77,086,090	79,167,414	81,542,436	83,907,167
Miscellaneous	1,157,780	1,360,780	1,360,780	1,360,780	1,360,780	1,360,780	1,360,780
<b>Subtotal Revenues</b>	<b>79,470,117</b>	<b>75,898,500</b>	<b>76,420,264</b>	<b>78,446,870</b>	<b>80,528,194</b>	<b>82,903,216</b>	<b>85,267,947</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
	(5,954,591)	(1,000,000)	(380,000)	(380,000)	(380,000)	(380,000)	(380,000)
Transfers To Debt Service Fund	0	0	(380,000)	(380,000)	(380,000)	(380,000)	(380,000)
Short Term Financing	0	0	(380,000)	(380,000)	(380,000)	(380,000)	(380,000)
Transfers To The General Fund	(5,954,591)	(1,000,000)	0	0	0	0	0
Other	(5,954,591)	(1,000,000)	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>78,264,457</b>	<b>76,094,894</b>	<b>78,337,040</b>	<b>80,455,888</b>	<b>82,629,431</b>	<b>85,012,782</b>	<b>87,470,075</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(77,068,063)	(73,798,118)	(75,672,391)	(77,695,740)	(79,855,994)	(82,146,783)	(84,552,872)
Retiree Health Insurance Pre-funding	n/a	n/a	(10,880)	(14,160)	(19,120)	(19,120)	(19,120)
Labor Contracts	n/a	n/a	(264,751)	(264,751)	(264,751)	(264,751)	(264,751)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(77,068,063)</b>	<b>(73,798,118)</b>	<b>(75,948,022)</b>	<b>(77,974,651)</b>	<b>(80,139,865)</b>	<b>(82,430,654)</b>	<b>(84,836,743)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(77,068,063)</b>	<b>(73,798,118)</b>	<b>(75,948,022)</b>	<b>(77,974,651)</b>	<b>(80,139,865)</b>	<b>(82,430,654)</b>	<b>(84,836,743)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,196,394</b>	<b>2,296,776</b>	<b>2,389,018</b>	<b>2,481,237</b>	<b>2,489,566</b>	<b>2,582,128</b>	<b>2,633,332</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>1.5%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Assumptions:</b> 1. Motor pool rates are adjusted to achieve a cost recovery and maintain a fund balance of approximately 3.0 percent of resources. 2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.							

## ☀ **Montgomery County Employee Retirement Plans**

The mission of this NDA is to manage prudent investment programs for the members of the Employee Retirement Plans and their beneficiaries. Expenditures associated with this program are funded from the Employees' Retirement System (ERS), Retirement Savings Plan (RSP), and the General Fund on behalf of the Montgomery County Deferred Compensation Plan (DCP) trust funds and are, therefore, not appropriated here. This NDA manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy and investment guidelines. The Board also administers the investment programs for the RSP and DCP. The Board consists of 13 trustees including the Directors of Human Resources, Finance, and Management and Budget; the Council Administrator; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

<b>FY19 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY18 Approved</b>	<b>0</b>	<b>0.00</b>
<b>FY19 Recommended</b>	<b>0</b>	<b>0.00</b>

## ☀ **Motor Pool Fund Contribution**

This NDA funds the acquisition of new, additional Motor Pool fleet vehicles, as opposed to replacement vehicles, which are financed through an established chargeback mechanism.

<b>FY19 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY18 Approved</b>	<b>973,258</b>	<b>0.00</b>
Increase Cost: Police Vehicles for new positions in FY18 Winter Recruit class	876,939	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY18	(973,258)	0.00
<b>FY19 Recommended</b>	<b>876,939</b>	<b>0.00</b>

## ☀ **Municipal Tax Duplication**

The Montgomery County Tax Duplication Program, authorized by Chapter 30A of the Montgomery County Code, reimburses municipalities for those public services they provide that would otherwise be provided by the County. This goes beyond State law, Section 6-305, which requires the County to provide to municipalities only the Property Tax funded portion of those costs. County Council Resolution No. 9-1752, enacted April 27, 1982, increased the scope of program coverage from street-related expenditures to include other public services, such as police supplemental aid; animal control; elderly transportation; parks maintenance; Board of Appeals; and Human Rights.

This program was reviewed in FY96 and technical formula amendments were proposed. The changes were approved, and payment calculations since then are prepared in accordance with County Council Resolution No. 13-650, adopted September 10, 1996. Specifically, as the exact payment amount for the current year cannot be determined until both municipal and County books are closed, reimbursements are based on the final audited cost of performing eligible services during the fiscal year two years prior to the budget year.

All payments are subject to appropriation under Sec. 30A-4, which states "All expenditures by the County under the authority of this chapter shall be subject to the limits of the funds appropriated by the County Council."

Also budgeted here are payments to municipalities of a share of the net revenues from County operated Speed Cameras in their



# Heavy Equipment Replacement (P361901)

<b>Category</b>	General Government	<b>Date Last Modified</b>	03/12/18
<b>SubCategory</b>	Other General Government	<b>Administering Agency</b>	General Services
<b>Planning Area</b>	Countywide	<b>Status</b>	Under Construction

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Other	3,176	-	-	3,176	3,176	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,176</b>	<b>-</b>	<b>-</b>	<b>3,176</b>	<b>3,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Long-Term Financing	3,176	-	-	3,176	3,176	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>3,176</b>	<b>-</b>	<b>-</b>	<b>3,176</b>	<b>3,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	3,176	Year First Appropriation
Appropriation FY 20 Request	-	Last FY's Cost Estimate
Cumulative Appropriation	-	
Expenditure / Encumbrances	-	
Unencumbered Balance	-	

## PROJECT DESCRIPTION

This project provides for the purchase of replacement vehicles, such as trucks, in the Heavy Equipment fleet. Most of these vehicles provide roadway maintenance services.

## ESTIMATED SCHEDULE

All equipment will be purchased in FY19.

## PROJECT JUSTIFICATION

Vehicles beyond their expected life and/or mileage, or needing repairs at a cost near or exceeding the replacement cost will be replaced.

## OTHER

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The project provides appropriation authority for the purchase of replacement vehicles and will be financed over ten years. The expected life of the vehicles to be replaced equals or exceeds ten years.

## **COORDINATION**

Department of General Services, Department of Transportation, Department of Finance

### Fleet Management Services Operating Budget Questions FY19

1. Last year you provided a chart showing the fleet composition. Could you provide an updated chart for FY17?

FY18 Fleet Breakdown with Year to Date Fuel Totals								
Class	Number of Vehicles	Average Age	CNG Gasoline Gallon Equivalents (GGE)	Diesel (Gallons)	E85 (Gallons)	Unleaded (Gallons)	Electricity Gasoline Gallon Equivalents (GGE)	Total Gasoline Gallon Equivalents (GGE)
Heavy Duty	192	7		200,194		801		200,995
Medium Duty	36	7	1,367	19,975		9		21,351
Light Duty	349	13		22,329		18		22,347
Public Safety	259	7		14,817	2,314	131,860		148,991
Public Safety - Police	4	14		764				764
Public Safety - Fire	2	20						0
Public Safety - Sheriff	50	6				33,059		33,059
Public Safety - Sheriff	1,176	5			5,106	756,428		761,534
Public Safety - Sheriff	280	5			455	202,877		203,332
Public Safety - Sheriff	96	8				47,898		47,898
Public Safety - Sheriff	295	7				44,691	800	45,491
Public Safety - Sheriff	165	9			9	58,355		58,364
Public Safety - Sheriff	385	8	1,099,089	1,775,065				2,874,154
Public Safety - Sheriff	159	7		534	43	67,651		68,228
<b>Total</b>	<b>3,448</b>	<b>7</b>	<b>1,100,456</b>	<b>2,033,678</b>	<b>7,927</b>	<b>1,343,647</b>	<b>800</b>	<b>4,486</b>

Commented [MB1]: These TD are on track with the February projections.

2. Please provide an update for FY18 (to date) regarding how many vehicles have been replaced, and the approximate break-down by types of vehicles. How many do you expect to replace for the remainder of the year? (Please include break-down by vehicle type). E.g.:

- X% Public Safety Vehicle Replacements;
- X% Administrative Fleet Replacements; and
- X% Department of Transportation Replacements.

FY18 Replacements to Date 4/19/18		
Fleet	Number of Replacements	Total Replacement Funds
Public Safety	153	\$ 4,217,949.72



Administrative	39	\$	1,068,115.33
Heavy Equipment	21	\$	2,141,871.44
<b>Totals</b>	<b>213</b>	<b>\$</b>	<b>7,427,936.49</b>
Remaining FY18 Replacements			
<b>Fleet</b>	<b>Number of Replacements</b>	<b>Total Replacement Funds</b>	
Public Safety	11	\$	420,576.00
Administrative	6	\$	255,693.00
Heavy Equipment	5	\$	715,940.00
<b>Totals</b>	<b>22</b>	<b>\$</b>	<b>1,392,209.00</b>

Once the remaining 22 vehicles are purchased, the final percentage of replacement vehicle types will be:

- 70% Public Safety
- 19% Administrative
- 11% Heavy Equipment

### 3. What is the current replacement vehicle backlog?

FY18 Backlog Summary								
FY17 Backlog	FY18 Eligible	FY18 Backlog	FY18 Replacements	FY18 Backlog	FY18 Backlog	FY19 Age Eligible	FY19 Backlog	
932	+	149	=	1081	-	235	=	846
								846
								187
								1033

### 4. What is the recommended replacement plan for FY19? Number, types of vehicles, and projected full cost? What is the impact of the \$2 million reduction?

The following represents the replacements projected at this time.

FY19 Replacement by Fleet				
Fleet	Number of Replacements	Total Replacement Funds	Percent of Funds	
Public Safety	69	\$ 1,908,822	33.12%	
Administrative	28	\$ 843,482	14.64%	
Heavy Equipment	40	\$ 3,010,386	52.24%	
<b>Totals</b>	<b>137</b>	<b>\$ 5,762,690</b>	<b>100.00%</b>	

FY19 Replacement by Department			
Department	Number of Vehicles	Total Replacement Funds	Percentage of Funds
DOCR	1	\$ 33,017	0.57%
DEP	3	\$ 76,300	1.32%
DHCA	1	\$ 25,290	0.44%
DPS	4	\$ 108,358	1.88%

DTS	1	\$	34,753	0.60%
Fire & Rescue	8	\$	259,487	4.50%
General Services	9	\$	591,659	10.27%
HHS	4	\$	101,160	1.76%
MCPD	57	\$	1,538,918	26.70%
Sherriff	3	\$	77,400	1.34%
Transportation	46	\$	2,916,348	50.61%
<b>Totals</b>	<b>137</b>	<b>\$</b>	<b>5,762,690</b>	<b>100.00%</b>

The following vehicles by class will not be replaced due to the \$2 million reduction.

Vehicles by Class Not Replaced		
Class	# Vehicles	Cost
Heavy	9	\$ 1,188,154
Light-duty Admin	30	\$ 814,343
Total	39	\$ 2,002,497

The reduction can be done with no impact on public safety emergency response replacements.

5. Please provide an updated chart of projected FY19 fuel costs and consumption:

FY19 Projections			
Fuel Type	Gallons	Cost Per Gallon	Total Cost
Unleaded	2,022,135	2.12	4,279,735.00
ULS Diesel	2,929,595	2.20	6,445,109.00
E-85 Ethanol	8,000	2.50	20,000.00
Compressed Natural Gas	1,498,923	2.04	3,057,600.00
		<b>TOTAL COST:</b>	<b>\$13,802,444.00</b>

6. Please provide updated chart of actual FY17 fuel costs and consumption.

FY17 Actual			
Fuel Type	Gallons	Average Cost Per Gallon	Total Cost
Unleaded	2,115,188	1.87	4,016,888.39
ULS Diesel	2,862,589	1.89	5,430,083.06
E-85 Ethanol	3,623	1.96	13,626.01
Compressed Natural Gas	1,869,598	1.54	1,750,212.57

	<b>TOTAL COST:</b>	11,210,810.03
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**7. Please describe the shift of Financing Heavy Equipment replacement to the CIP. Which project is it included under? (\$-3,176,226).**

This is in Heavy Equipment Replacement (P361901) CIP project transmitted last month. It will finance, over ten years, the replacement of Heavy Equipment, such as dump trucks, aerial lift trucks, asphalt pavers, cement mixers and box trucks in FY19.

**8. Please describe the mechanic technician occupation study, and the reason for it.**

Occupational class studies are determined by the Office of Human Resources (OHR). In November 2017, the Office of Human resources completed a study of the Mechanic Technician series. The purpose of an occupational class study is to ensure that duties and responsibilities of the class are accurately reflected in the Class Specification and that the assigned grade is appropriate. As a result of the study, the Mechanic Technician II and Senior Mechanic class received a one-grade increase, and two new classes were created for Transit Bus and Heavy Equipment Mechanic Leads.

**9. If not described in #5, please describe the reason for the reduced fuel projections due to lower rates and consumption. What is contributing to lower consumption?**

Actual per gallon costs for Diesel and Unleaded fuels were lower than the assumptions in the FY17 and 18 budgets. The base for projecting rates in the FY19 budget were reset accordingly.

While a slight increase in diesel projected due to additional service added by Ride On in FY18, the overall projected fuel usage is expected to decrease in FY19. Decreases in unleaded and CNG usage is a result of newer, more fuel-efficient vehicles as well as the increased use of fuel reduction technologies.

**10. Please provide an update on your green initiatives.**

- One of the first municipalities in the Country to receive and place in service Chevrolet Bolts (16 total). The Chevy Bolt is a 100% Electric Vehicle with a range of over 200 miles on a single charge.
- Awarded a grant under the Maryland Smart Energy Communities grant program, to install idle reduction technology on a portion of the light-duty fleet. Idle reduction technology increases fuel economy between 5% and 12% depending on the vehicle application.
- Awarded a Federal Transportation Administration (FTA) Low or No (LoNo) Emissions Grant to purchase 4 Electric Transit buses and 4 charging stations in partnership with Ride On. The buses will be operating out of the Silver Spring Depot.
- Increased the Hybrid Fleet by adding 8 Hybrid Sedans and 7 service vans up fitted with an XL Hybrid system.

- Replaced 16 trucks from the Department of Liquor Control (DLC). In FY17, these new trucks represent the first replacement trucks for DLC since 2011. The trucks purchased replaced trucks from 1989, 1990, and 1991. Because of newer technology, the new trucks are expected to reduce vehicle emissions by 97% compared to the trucks that they replaced. These 6 trucks are the first in a scheduled replacement of 43 trucks over 6 years.
- Installed a new electric charging station at the Multi Agency Service Park (MASP)

11. Please provide an updated chart of Take-Home Vehicle Assignments.

Take Home Vehicle assignments have reduced 11.7% since February 2013:

- February 2013: 154
- April 2018: 136

**Take Home Vehicle Report - as of 04/18/2018 - Totals by Program  
Comparison of 03/07/2017 to 04/18/2018 (One Year)**

Dept Name	Program	TH 03/07/17	TH 04/18/18	TH CHG	TH-S 03/07/17	TH-S 04/18/18	TH-S CHG
<b>Community Use of Public Facilities</b>							
	Community Use of Public Facilities	0	0	0			0
<b>Corrections</b>							
	Director of Corrections	1	1	0			0
	DOCR/PRC	1	1	0			0
	MCCF	1	1	0			0
<b>DEP (Env. Protection)</b>							
	Pol. & Compl.	3	3	0			0
	Solid Waste	12	14	2			0
	Watershed Mgt.	4	4	0	1	1	0
<b>DGS</b>							
	Facilities			0	4	1	-3
	Capital Development	3	2	-1			0
	DBDC	2	0	-2			0
	Fleet Management			0			0
<b>DHCA</b>							
	Code Enforcement	4	6	2	1	0	-1
	Comm. Dev.	0	0	0			0
	Rehab. Assist.	1	1	0			0
<b>DOT</b>							
	Director Office - DOT	1	1	0	1	1	0
	Div of Highway Services	5	5	0	24	21	-3

Div of Parking			0		2	3	1
Div of Traffic	8	5	-3		1	6	5
Engineering & Ops							
DTE - DOT	1	1	0				0
<b>Liquor Control</b>							
BLC	7	7	0				0
<b>Permitting Services</b>							
Building Construction	17	16	-1				0
Fire Prevention & Code Enforcement	7	5	-2				0
Land Devel.	14	14	0				0
Zoning and Site Plan Enforcement	8	9	1				0
<b>Technology Services</b>							
Telecom Radio Shop	7	7	0				0
<b>Totals</b>	<b>107</b>	<b>103</b>	<b>-4</b>		<b>34</b>	<b>33</b>	<b>-1</b>

#### Motor Pool Internal Service Fund

12. What is the FY18 \$5,954,591 transfer to the general fund? For what purpose?

It is a transfer of excess Fund Balance, above the three percent balance policy for the Motor Pool Fund.

13. What is the FY19 \$1,000,000 transfer to the general fund? For what purpose?

It is a transfer of excess Fund Balance, above the three percent balance policy for the Motor Pool Fund.