



FLEET FUNDING PROGRAM

Creating a Sustainable Solution

Internal Service Funds

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- Internal Service Funds are used to account for activities that provide goods and services to multiple departments.

- Common Uses
 - ▣ Information Technology
 - ▣ Risk Management
 - ▣ Fleet Management

- Advantages
 - ▣ Provides a citywide framework for budgeting and procurement.
 - ▣ Prevents fluctuations in departmental operating budgets.

Current Fleet Management Structure

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Equipment

- ▣ Departments budget vehicle replacements and additions as operating budgets permit.

Maintenance

- ▣ Fleet Administration Department provides in-house vehicle maintenance and bills the cost of services provided back to the department.
- ▣ Fleet Administration Department funded solely by the Water & Sewer fund.

New Fleet Management Structure

Equipment

- Each year departments will contribute into the newly established Internal Service Fund, based on the individual assets (vehicles and equipment) used by that department.
- The vehicles and equipment will be replaced at the end of their useful life.
- Fleet Administration Department determines the replacement schedule.

New Structure Continued

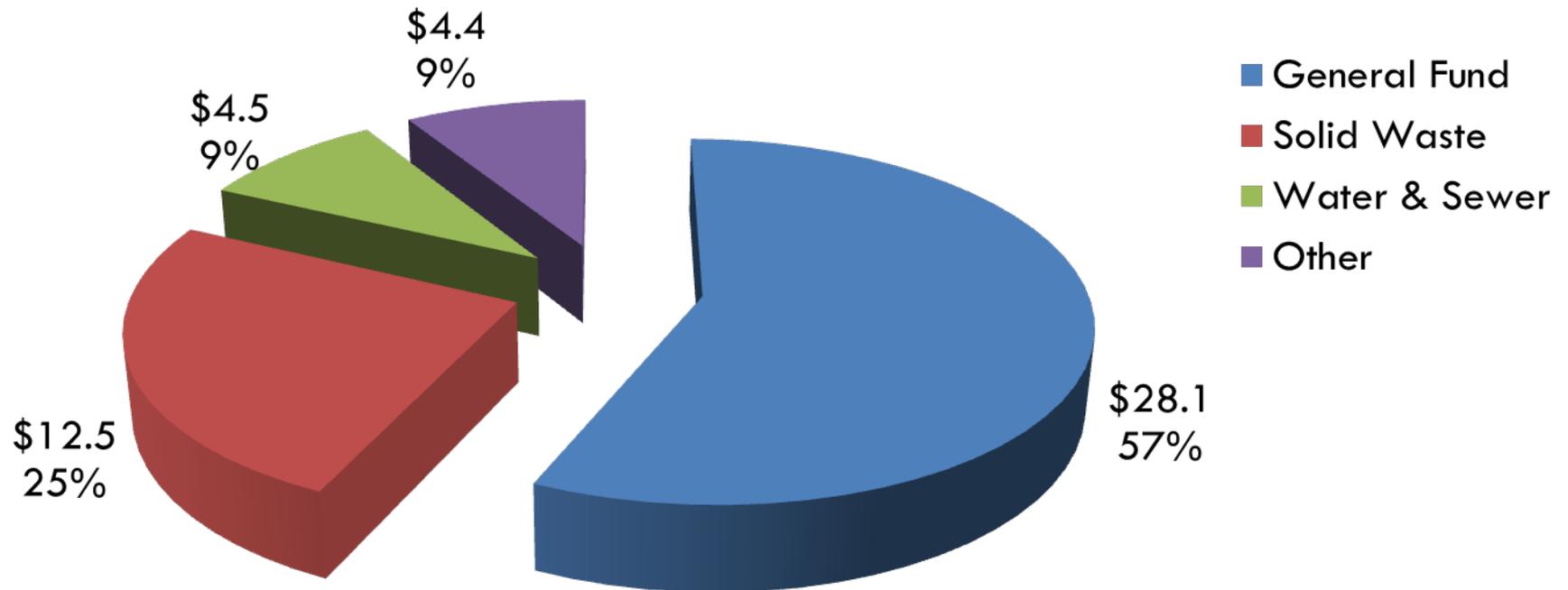
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Maintenance

- Fleet Administration Department provides in-house vehicle maintenance and bills the cost of services provided back to the department.
- Fleet Administration Department will be funded through the newly established Internal Service Fund.

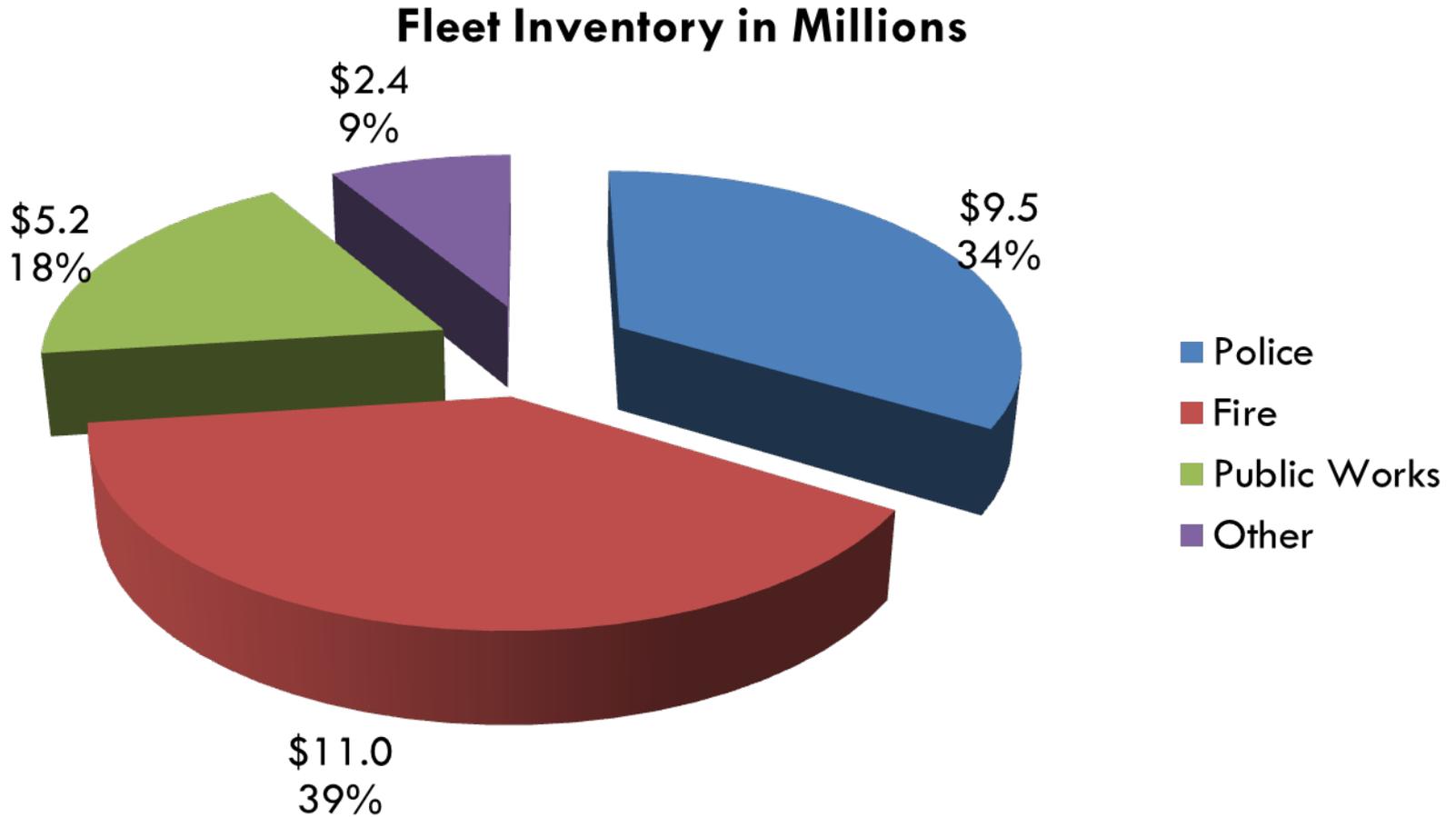
City Fleet Inventory

Fleet Inventory in Millions



General Fund Fleet Inventory

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Fleet Funding Program

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	2016	2017	2018	2019	2020
Beginning Fund Balance	\$0	\$2,021,442	\$1,950,093	\$1,464,573	\$1,534,770
Revenues	\$5,521,442	\$4,574,100	\$4,083,600	\$4,670,700	\$5,257,800
Fleet Admin.	\$0	\$1,566,053	\$1,569,120	\$1,600,502	\$1,632,513
Vehicles	<u>\$3,500,000</u>	<u>\$3,079,396</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$3,250,000</u>
Total Expenses	\$3,500,000	\$4,645,449	\$4,569,120	\$4,600,502	\$4,882,513
Ending Fund Balance	\$2,021,442	\$1,950,093	\$1,464,573	\$1,534,770	\$1,910,058

Fleet Funding Program Advantages

- Advantages of the program
 - ▣ Creates sustainable funding for city fleet.
 - ▣ Stabilizes budgeting for major purchases.
 - ▣ Provides a systematic approach to fleet procurement.
 - ▣ Enhances services provided to the public, particularly in respect to public safety which comprises a significant part of the fleet costs.
 - ▣ Captures savings in maintenance costs.
 - ▣ Studies show fleet inventory may decrease up to 20%.

FY 2017 Fleet Funding Program Considerations

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- Fire Station #9 vehicle purchases
 - ▣ Two fire engines - \$1,896,852 budgeted FY16
 - ▣ One SUV - \$53,000 budgeted FY17
- Police Department – Budgeted FY17
 - ▣ Twelve 2014 COPS grant vehicles - \$360,100
 - ▣ Two reassigned Sergeant positions - \$126,000
- Drainage – Budgeted FY17
 - ▣ Street sweeper - \$251,000
- Total potential vehicle purchases - \$2,686,952
- Funding for Fleet Administration - \$1,566,053

Questions?

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