



Fleet Management Department

FY2023 Budget Workshop Presentation

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Director, FMD

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Fleet Management Department



MISSION:	To provide the City of Houston with best value, fleet management services.
FLEET COUNT:	13,700 vehicles and units of equipment
GARAGE LOCATIONS:	27
REFUELING SITES:	67



Fleet Management Department

Functional Organization Chart



**Revolving Fund 1005
FLEET MANAGEMENT
FY2023 Projected Budget \$98,930,411
FTEs: 381.4**

Director's Office	Operations	Fuel Management	Customer Service	Asset Management
\$4,988,438 5.0% FTEs: 3.6	\$60,670,657 61.3% FTEs: 306.2	\$26,578,795 26.0% FTEs: 10.2	\$5,084,142 5.1% FTEs: 53.1	\$1,608,379 1.6% FTEs: 8.3
Department strategic planning, personnel administration, communication, resiliency and sustainability, training, recruitment and retention, quality control.	Equipment maintenance and repair of all City rolling stock inclusive of services outsourced to third party vendors.	Administer citywide fuel program and fuel site maintenance.	Management of parts supply contracts, stocking and issuance of automotive parts. Management of City's motor-pool system.	Licensing, titling, acquisition, retirement/reallocation and records management for all City rolling stock. Performance Tracking and Reporting.

Fleet Management Department

Revenues/Expenditures (\$ in thousands)



By Funds

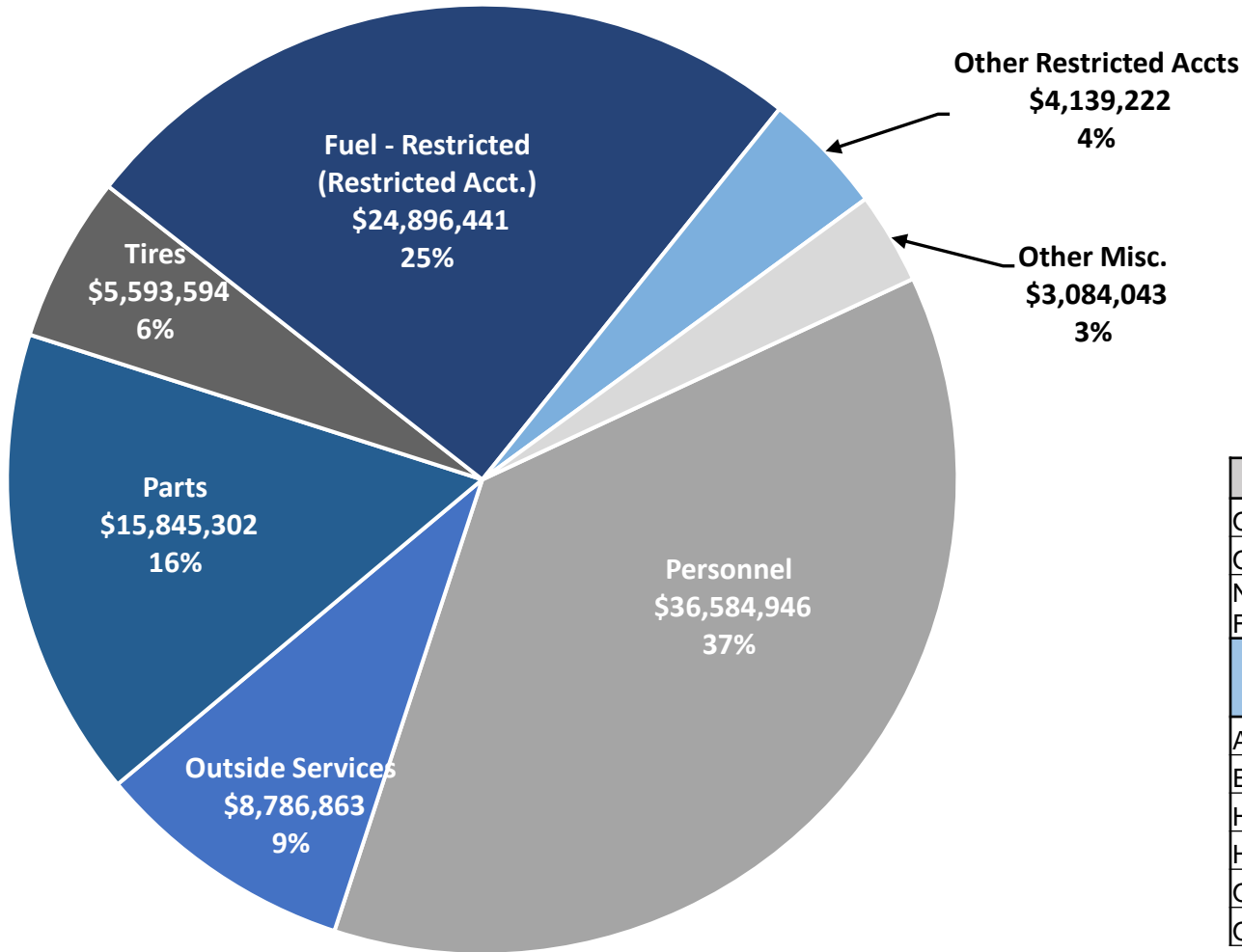
Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Prop/FY22 Budget	% Change
Revolving Fund	\$83,671	\$94,984	\$94,984	\$98,930	\$3,946	4.2%

By Category

Category	FY21 Actual	FY22 Budget	FY22 Estimates	FY23 Proposed	Variance FY23 Prop/FY22 Budget	% Change
Personnel	\$33,065	\$35,300	\$32,814	\$36,585	\$1,285	3.6%
Supplies	\$20,129	\$20,487	\$20,835	\$22,330	\$1,843	9.0%
Restricted* Accounts	\$20,833	\$28,753	\$32,217	\$29,036	\$283	1.0%
Services (contracts)	\$9,644	\$10,444	\$9,118	\$10,979	\$535	5.1%
Total	\$83,671	\$94,984	\$94,984	\$98,930	\$3,946	4.2%

Fleet Management Department

FY2023 Projected Budget: \$98,930,411



Other – Misc.	
Other - Dept Supplies	\$ 891,069
Other - Dept Services	\$ 2,167,974
Non- Capital Office Furniture	\$ 25,000
Other Restricted Accounts	
Department	FY2023
ARA Interfund	\$ 186,160
Energy Interfund	\$ 81,959
HITS Interfund	\$ 1,293,628
HR Interfund	\$ 545,359
Other Interfund (Finance)	\$ 1,742,028
Other Interfund (GSD)	\$ 290,088

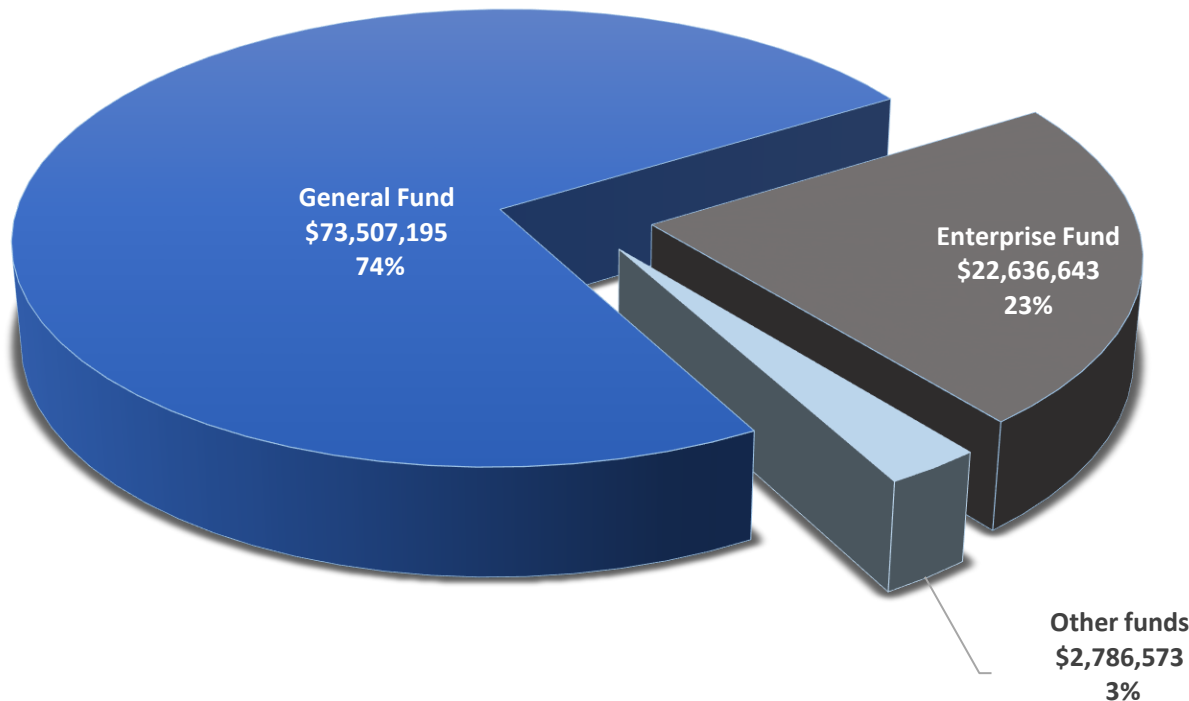
Fleet Management Department

FY2023 Revenue Sources



Revenues = Expenditures

OTHER FUNDS	
Special Revenue Funds	\$ 2,312,809
Revolving Funds	\$ 406,409
Grant Funds - governmental	\$ 67,354
Total	2,786,573



FY2023 Budget Expenditures Net Change (in thousands)



\$ in Thousands		
FY2023 Budget Expenditures Net Change to FY2023 Current Budget		
FY2022 Current Budget		Notes
Operating Budget	\$ 90,397	
FY2022 Fuel Adjustment	\$ 4,587	1
FY2022 Current Budget	\$ 94,984	
Explanation of FY2023 Incremental Increase/(Decrease)		
Contractual or Mandated Adjustments:		
HOPE Pay Increases	\$ 623	
Health Benefits Active Civilian	\$ 325	
Municipal Pension	\$ 29	
Fuel	\$ 240	2
Other Restricted Accounts	\$ 40	
Parts Supply	\$ 2,024	3
Outsourcing vehicle services	\$ 1,044	4
Program Adjustments	\$ (379)	5
Subtotal Contractual/Mandated Increases	\$ 3,946	
FY2023 Proposed Budget		
Operating and Contractual Adjustments	\$ 3,946	
FY2023 Proposed Budget	\$ 98,930	
% Change from FY22 Current Budget	4.2%	
Notes:		
1. Shortfall from FY2022 Adopted Fuel budget		
2. Fuel based on US Energy Information Administration forecast		
3. Driven by inflation and supply issues		
4. Specialized vehicles and overflow of repairs are outsourced		
5. Various program adjustments (one-time expenses, reduction in FTE's, etc.)		

FY2023 - Expenditure Highlights



Contractual or Mandated Adjustments

Expenditure		Net Change	Notes
Personnel Services (Labor)	FY22 Hope Adjustment	\$623,000	Salary Increase & Cost of Benefits
	Health Benefits	\$325,000	
	Pension	\$29,000	
Supplies	Fuel	\$240,000	+ \$4,500,000 FY22 Adjustment
	Parts Supply	\$2,024,000	Inflation & Supply Chain
Contracted Services	Outsourcing Vehicle Services	\$1,044,000	Labor & Parts Increases + Additional Contracting Capacity
Other Restricted Accounts		\$40,000	Net of Restricted Accts. Increased Cost of IT & Comm.
Program Adjustments		(\$379,000)	Net reduction in spending over many accounts. One-time expenditures.

Fleet Management Department

FY2023 Initiatives



- ❑ Recruiting and Retention
- ❑ Training
 - *Grow our workforce*
 - *Enhance skills of current staff*
 - *High School Interns*
- ❑ Strategic and Information Based Asset Management
 - *Critical Equipment Replacement*
 - *Enhanced Data Reporting*
- ❑ Fleet Electrification
- ❑ Process Improvement
 - *Standardization*
 - *Quality Assurance Program*
 - *Enhanced Inventory Control*





Questions?



Appendix

Restricted Account Details

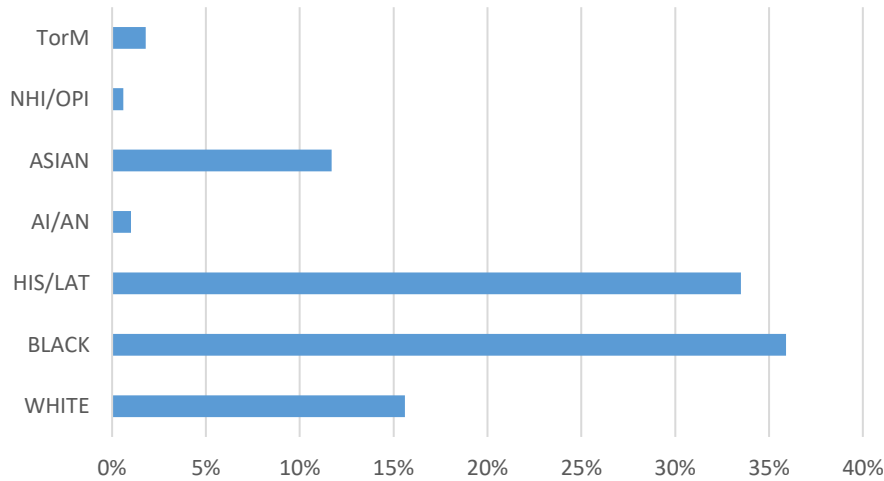


GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.

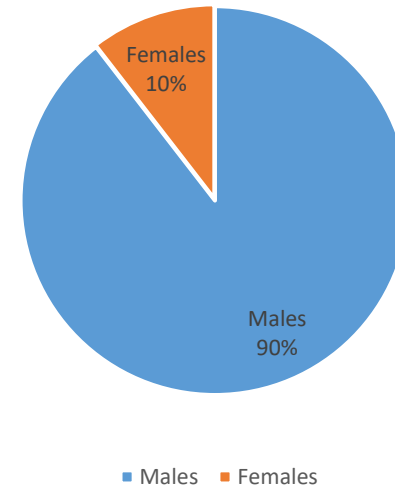


Ethnicity and Gender

FMD Ethnicity



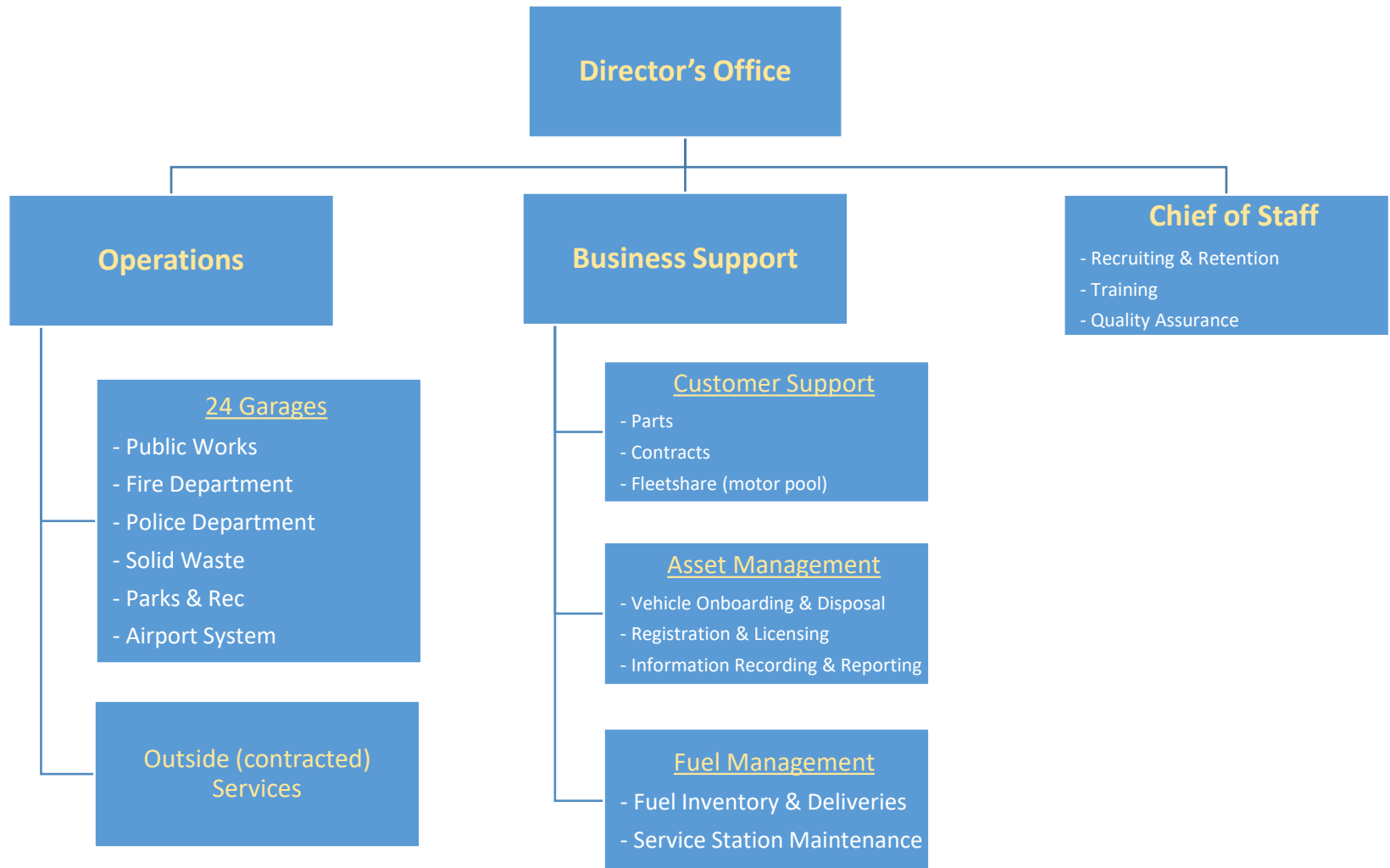
FMD Gender



Race	
WHITE	16%
BLACK	36%
HIS/LAT	34%
AI/AN	1%
ASIAN	12%
NHI/OPI	1%
TorM	2%

HIS/LAT - Hispanic/Latino
AI/AN - American Indian or Alaskan Native
NH/OPI - Native Hawaiian or Other Pacific Islander
TorM - Two or More Races

Fleet Management Department *Organization*



Fleet Management Department



Total Vehicles & Equipment Serviced: 13,762

Dept	Qty.	Dept.	Qty.	Dept.	Qty.
HPD	4,345	HPW	4,057	HFD	1,200
PRD	1,153	HAS	1,125	SWD	728
FMD	341	HHD	253	GSD	199
ARA	119	DON	107	HCD	29
MYR	27	HITS	25	HPL	20
HEC	15	HR	11	PLN	4
MCD	3	CE	1		





Fleet Management Core Functions

Code of Ordinances
ARTICLE XVII Fleet Management

Fleet Planning & Capital Programming

Sec. 2-603(1)

Vehicle Procurement, Acquisition, On-Boarding, Assignment

Sec. 2-603(1)(2)

Fuel Management

Sec. 2-603(6)

Parts Management

Sec. 2-603(4)

Contracts Management

Sec. 2-603(4)

Fleet/Maintenance Performance Tracking and Reporting

Sec. 2-603(4)

Fleet Maintenance

Sec. 2-603(4)

Vehicle Disposal

Sec. 2-603(7)

Fleetshare (Vehicle Pool) Management

Sec. 2-603(3)

Personnel Management

Sec. 2-603(3)

Resilience and Climate Action



High-priority Initiatives or Projects	Resilient Houston Goals/Target/Actions	Climate Action Plan Goal/Target/Action
Internship program for high school students enrolled in auto mechanics studies (10 students).	2/2/5.4; 2/2/7.1	2/E2.3/2
Purchase of electric vehicles and charging stations.	6/10/16; 8/10/26; 10/10/31.1; 10/10/31.2; 10/10/31.4; 10/10/31.5	1/T1.1/1; 1/T1.1/3; 1/T1.1/4; 1/T1.2/2