

Town of Falmouth
Public Works Department
101 Woods Road
Falmouth, Maine 04105
207-781-3919



Date: May 31, 2013
To: Nathan Poore, Town Manager
Robert Boschen, Finance Director
From: Jay Reynolds, Public Works Director
Re: Vehicle Maintenance Budget

I am providing this memo and enclosed information for the review of the Public Works Garage (internal service fund- 301) budget. Please contact me if I can provide additional information.

Major Functions of Fleet Maintenance:

- Certified State inspections
 - Annual inspections
 - Bi-Annual Bus/State Inspections
- Fueling System operations
- Preventative and Restorative Maintenance for 122 vehicles and equipment:
 - Mechanical
 - Diagnostic
 - Fabrication
 - Painting
- Emergency/on-call services
- Monthly billing for fuel, parts, and labor.

Budget information:

Vehicle maintenance is funded by all Town Departments that have vehicles and equipment that require servicing. Funding for vehicle maintenance is transferred from the following operating budget accounts:

Vehicle maintenance/labor
Vehicle maintenance/parts
Tires and tubes
Contracted Vehicle Repair (School)
Student Transportation - Vehicle Parts & Supplies (School).

Inventories:

Also related to fleet maintenance, but not included in the Public Works Garage Budget, are the Town's fueling system/inventory and the parts inventory.

1. Gasoline and Diesel is paid from operating budget accounts (motor fuel and lubricants). Fuel purchases and expenses are managed within a revolving account. At the end of each fiscal year, staff performs an inventory count for quality control and accounting/auditing purposes.
2. The Parts inventory also consists of a revolving account where parts are entered into and deducted from an inventory database. Parts are billed out monthly to each department. At the end of every fiscal year, staff performs an inventory count for quality control and accounting/auditing purposes.

Vehicles and Equipment:

The following is a breakdown of vehicles and equipment by Department:

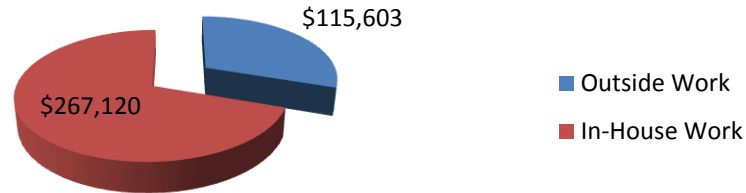
Public Works:	33
Police:	15
School:	30
Wastewater:	7
Solid Waste:	2
Fire/EMS:	13
Parks:	9
Comm. Programs:	3
Comm. Development:	1
<u>Town Hall:</u>	<u>1</u>
Total:	122

Funding and Interdepartmental Billing

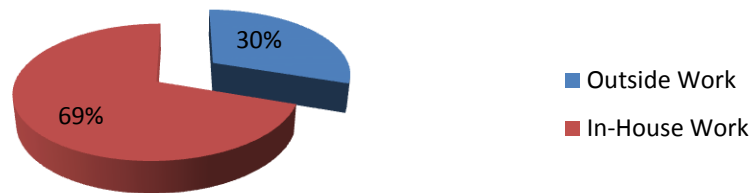
Funding and Interdepartmental billing can be further broken down into the following categories:

1. Fuel
 2. Labor
 3. Parts
 4. Outside Costs (vendor-related work)
-
1. Fuel usage is tracked using a software system that monitors the pumps. This software is then used to invoice various departments on a monthly basis.
 2. Labor and
 3. Parts are also tracked by another software system that is utilized to generate monthly bills for each department based on their repairs.
 4. Outside Costs: There are various repairs that are performed outside of the garage. These include, but are not limited to, windshield repairs, tire replacement, factory/dealership warranties and recalls, and equipment-specific repairs that need to be performed by equipment-specific vendors. Outside repairs are invoiced and paid directly by each department.

Breakdown of Costs in-house vs. contracted work



Percentage of Work performed in- house vs. outside work



Overall Budget Numbers:

The following is a summary of each departmental/operational account's budget for this fiscal year:

Municipal

Vehicle Maintenance:	\$339,880.00
Vehicle Maintenance/Parts:	\$ 32,875.00
Tires and Tubes:	\$ 14,900.00
Sub-Total:	\$387,655.00

School

Contracted Vehicle Repair (School):	\$170,000.00
Student Transportation - Vehicle Parts & Supplies (School):	\$ 60,000.00
Sub-Total:	\$230,000.00

Total (Both Municipal and School Fleets): **\$617,655.00**

Hourly Labor Rates and Charges:

For billing purposes, an hourly labor charge exists. Currently, the rate is \$45.00 per hour. This rate was set in fiscal year 2007. In 2012, this rate was evaluated against private sector rates and

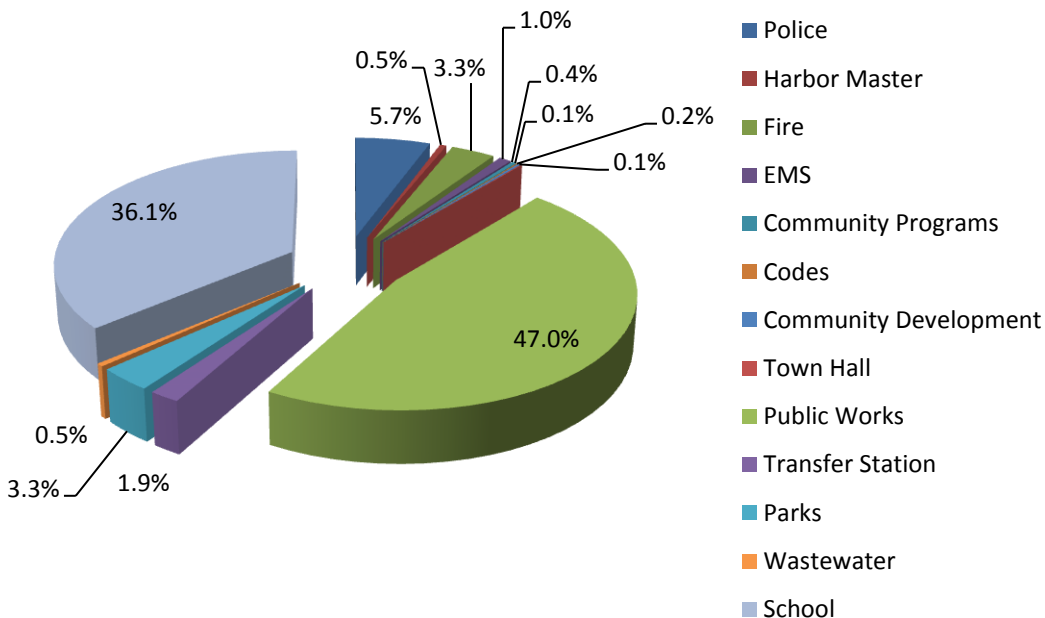
was found to be approximately one-half the labor rates for comparable garages (that work on busses, heavy equipment, standard vehicles, and maintenance equipment).

Each department's portion of the labor charges is calculated by a three year average of historical costs. These averages are then used to calculate the percentage of labor time used for each department. This sets the amount that each department contributes towards the internal service fund. See table below for further analysis.

Vehicle Maintenance Departmental Assessments for FY'13

<u>Department</u>	<u>Total</u>	<u>Percent</u>	<u>3-Year Assessment</u>
Police	\$23,471.07	5.7%	\$15,159.37
Harbor Master	\$2,056.95	0.5%	\$1,336.81
Fire	\$13,847.40	3.3%	\$8,929.86
EMS	\$3,915.45	1.0%	\$2,539.93
Community Programs	\$1,488.15	0.4%	\$962.50
Codes	\$333.45	0.1%	\$213.89
Community Development	\$880.20	0.2%	\$561.46
Town Hall	\$314.55	0.1%	\$213.89
Public Works	\$194,722.20	47.0%	\$125,659.67
Transfer Station	\$7,656.30	1.9%	\$4,946.18
Parks	\$13,804.65	3.3%	\$8,903.12
Wastewater	\$2,281.05	0.5%	\$1,203.12
School	\$149,504.60	36.1%	\$96,490.58
Note: School is charged current year actual each month. Not included in entry			
	\$414,276.02	99.9%	\$267,120.38

Vehicle Maintenance Cost Breakdown by Department



Vehicle Maintenance (Garage) Budget Proposal

For Fiscal Year 2014



Vehicle Maintenance (Garage) Budget Proposal

Acct No	Account Name	Actual 2011-2012	Budget 2012-2013	Activity to 10/31/12	Estimated 2012-2013	Proposed 2013-2014	2013-2014 Line Item Budget Notes
-	DEPARTMENT TOTAL	1,238	0	-141,888	14,466	0	
301	DEPARTMENT: VEHICLE MAINTENANCE						
R8-3380	EQUIPMENT MAINTANENCE - INCOME	-221,499	-269,508	-211,564	-222,000	-221,855	Annual Cost to perform vehicle maintenance activities for all Town Departments and the School Department.
301-4010	FULL-TIME SALARIES	148,607	188,228	46,928	151,579	157,663	This account provides funds for Mechanics salaries
301-4030	OVERTIME	3,087	1,000	3,749	4,200	2,500	The overtime to cover winter weather conditions, bus maintenance, and other high-demand times of the year.
301-4050	HEALTH INSURANCE	34,552	41,595	8,339	41,595	28,735	Covers department's share of health insurance premiums. Healthcare budget is no longer allocated by the old fixed methodology. The actual employees are assigned as their salaries are.
301-4060	RETIREMENT	12,616	12,236	3,296	12,236	8,255	Covers department's share of retirement. Retirement is no longer allocated by the old fixed methodology. The actual employees are assigned as their salaries are.
301-4070	SOCIAL SECURITY	11,196	14,399	3,742	14,399	12,252	Employer's share of social security.
301-4100	WORKERS COMP	4,261	4,950	590	4,950	4,950	Reflects department's specific payroll and manual rate as well as the Town's experience rate.
301-5300	MACHINE AND EQUIPMENT	500	500	500	500	500	Maintenance and service for various machines and equipment
301-5520	TOWELS/LAUNDRY SERVICE	1,353	1,250	459	1,250	1,250	Covers cost for shop towels: Supply, cleaning, and disposal costs.
301-5620	UNIFORM RENTALS	3,036	2,500	716	2,500	2,500	Boot allowance and uniform rental per union contract.
301-5910	TOOL ALLOWANCE	1,113	1,100	326	1,500	1,500	Tool allowance per union contract.
301-6010	OFFICE SUPPLIES	26	50	24	50	50	Paper, forms, and other supplies for Dept. use.
301-6500	TOOLS AND APPARATUS	953	1,000	1,007	1,007	1,000	Various tools needed to perform vehicle maintenance.
301-6900	OTHER COMMODITIES	1,437	700	0	700	700	Misc. materials for department operations.