

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



Date: April 17, 2013
To: Nathan Poore, Town Manager
Robert Boschen, Finance Director
From: Jay Reynolds, Public Works Director
Re: Vehicle Maintenance Budget

A handwritten signature in blue ink, appearing to read "Jay Reynolds", is written over the "From:" line of the memo header.

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.

Percentage of Work performed in-house vs. outside work



Overall Municipal Budget Numbers:

The following is a summary of all departmental/operational budgets for this fiscal year:

| <u>Municipal</u> | |
|----------------------------|---------------------|
| Vehicle Maintenance: | \$341,280.00 |
| Vehicle Maintenance/Parts: | \$ 31,875.00 |
| <u>Tires and Tubes:</u> | <u>\$ 14,900.00</u> |
| Sub-Total: | \$388,055.00 |

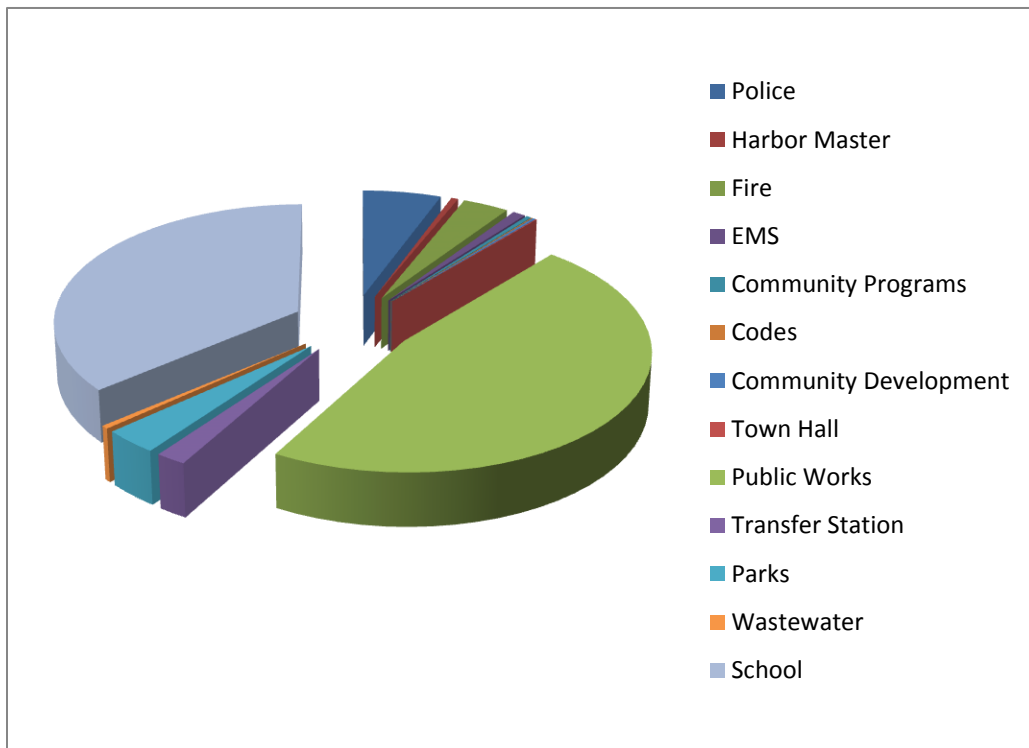
Hourly Labor Rates and Charges:

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'14

| Department | 3-Year Total | Percent | Assessment |
|-----------------------------|-----------------|---------|----------------|
| Police | \$ 24,970.32 | 5.59% | 15,065 |
| Harbor Master | \$ 2,380.50 | 0.53% | 1,428 |
| Fire | \$ 16,960.95 | 3.80% | 10,241 |
| EMS | | 0.00% | - |
| Community Programs | \$ 1,435.95 | 0.32% | 862 |
| Community Development/Codes | \$ 1,147.05 | 0.26% | 701 |
| Town Hall | \$ 432.00 | 0.10% | 270 |
| Public Works | \$ 198,608.85 | 44.44% | 119,769 |
| Transfer Station | \$ 10,168.65 | 2.28% | 6,145 |
| Parks | \$ 14,593.50 | 3.27% | 8,813 |
| Wastewater | \$ 1,886.85 | 0.22% | 593 |
| | | 0.13% | 350 |
| | | 0.05% | 135 |
| | | 0.05% | 135 |
| School | \$ 174,284.30 | 39.00% | 105,108 |
| | \$ 446,868.92 | 100.04% | 269,616 |



Vehicle Maintenance (Garage) Budget Proposal



| Acct No | Account Name | Actual 2012-2013 | Budget 2013-2014 | Estimated 2013-2014 | Proposed 2014-2015 | 2014-2015 Line Item Budget Notes |
|------------|--|------------------|------------------|---------------------|--------------------|--|
| - | DEPARTMENT TOTAL | -16,522 | 0 | -33,912 | 0 | |
| 301 | DEPARTMENT: VEHICLE MAINTENANCE | | | | | |
| R8-3380 | EQUIPMENT MAINTANENCE - INCOME | -238,896 | -221,855 | -236,569 | -223,024 | Annual Cost to perform vehicle maintenance activities for all Town Departments and the School Department. |
| 301-4010 | FULL-TIME SALARIES | 151,793 | 157,663 | 134,000 | 157,441 | This account provides funds for Mechanic's salaries |
| 301-4030 | OVERTIME | 8,633 | 2,500 | 7,000 | 3,000 | The overtime to cover winter weather conditions, bus maintenance, and other high-demand times of the year. Increase based on historical costs. |
| 301-4050 | HEALTH INSURANCE | 26,122 | 28,735 | 28,735 | 25,640 | Covers department's share of health insurance premiums. |
| 301-4060 | RETIREMENT | 14,228 | 8,255 | 7,600 | 12,468 | Covers department's share of retirement. |
| 301-4070 | SOCIAL SECURITY | 11,883 | 12,252 | 12,000 | 12,274 | Employer's share of social security. |
| 301-4100 | WORKERS COMP | 2,444 | 4,950 | 4,950 | 4,250 | 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 | Maintenance and service for various machines and equipment. |
| 301-5520 | TOWELS/LAUNDRY SERVICE | 1,409 | 1,250 | 1,400 | 1,400 | Covers cost for shop towels: Supply, cleaning, and disposal costs. Increase due to increased disposal costs. |
| 301-5620 | UNIFORM RENTALS | 2,931 | 2,500 | 2,800 | 2,800 | Boot allowance and uniform rental per union contract. Increase due to vendor cost increase. |
| 301-5910 | TOOL ALLOWANCE | 1,000 | 1,500 | 1,500 | 1,500 | Tool allowance per union contract. |
| 301-6010 | OFFICE SUPPLIES | 24 | 50 | 50 | 50 | Paper, forms, and other supplies for Dept. use. |
| 301-6500 | TOOLS AND APPARATUS | 1,089 | 1,000 | 1,400 | 1,000 | Various tools needed to perform vehicle maintenance. |
| 301-6900 | OTHER COMMODITIES | 318 | 700 | 722 | 700 | Misc. materials for department operations. |