

# Public Works 2021

## 3202 – PW Fleet Management OPS Budget

### DEPARTMENT OVERVIEW

The Fleet department is responsible for the overall control of machinery and equipment used by other County departments. Equipment is rented out to recover costs such as overhead and operating as well as capital recovery. The management of the Fleet includes daily and scheduled maintenance, annual review to establish monthly and hourly rates for capital and operating recovery, inventory control, purchasing of parts, fuel and oil, and management of yard deliveries. The Fleet department is comprised of a Shop Foreman, a Costing Technician, one Heavy Duty Mechanic, one Light Duty Mechanic and a Shop Hand.

### FINANCIAL

Revenues include the recovery of operating and capital funds via the C10 equipment rates. The expected capital recovery for 2021 totals \$1,423,371 and the operating recovery is expected to total \$1,962,471. Overall, the net expected revenues for rental of the Fleet equipment is \$3,385,842 which is significantly lower than 2020 due to budget cuts in 2021. Expenses include salaries for the Fleet staff. Overall, there are increases to all facets of the department such as supplies, fuel and oil, external repairs, tires and grader blades.

	Budget 2020	Budget 2021	Year over Year Variance
Total Expenses	\$4,454,000	\$4,018,298	-10.84%
Total Revenues	\$3,998,343	\$3,404,840	-17.43%
Net Tax Support	-\$455,657	-\$613,458	34.63%

The 34.63 % variance from 2020 is due to the interim budget not balancing for C10 equipment charges. This has been adjusted accordingly. Due to a significant reduction in the work effort proposed from Public Works, equipment revenue is projected to be down by 18% with an equivalent savings in operating costs.

### KEY OBJECTIVES

The Fleet department has made strides in improving its inventory control, management, and scheduling of equipment repair. A key objective in 2021 is the implementation of the Asset Management System which includes a comprehensive preventative maintenance program. On a staffing level, Fleet has a directive to hire a **0.6 FTE Heavy Duty Mechanic** for 2021. This position will support Fleet Services in the Wetaskiwin and Winfield shops in the repair of County equipment.

### CHALLENGES

A major directive of Fleet is to be cost neutral, whereby all department costs are recovered by C10 charges. The capital recovery program is working as intended as the dollars placed in Reserve are expected to cover future capital purchases. The major challenge with Fleet is recovering operating costs. The operating costs include all those costs necessary to run the department inclusive of salaries, repairs, fuel, tires, and overhead. The net tax support proposed for this budget reflects the fact that Fleet is not cost neutral. Increases to C10 operating rates will have a direct cost to the User's of the fleet equipment.