



Committee: T&E
Committee Review: Completed
Staff: Naeem M. Mia, Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #DGS #FleetServices

AGENDA ITEM #16
 May 8, 2023
Worksession

SUBJECT

Department of General Services (DGS) – Fleet Management Services (FMS) Internal Service Fund (ISF)
 - FY24 Operating Budget

EXPECTED ATTENDEES

- David Dise, Director, DGS
- Jamie Cooke, Deputy Director, DGS
- Angela Dizelos, Division Chief of Central Services, DGS
- Gary Nalven, Fiscal & Policy Analyst, Office of Management and Budget (OMB)

FY24 COUNTY EXECUTIVE RECOMMENDATION

Motor Pool ISF	FY23 Approved	FY24 CE Recommended	Change from FY22 Approved
Fleet Management Services	\$89,073,182	\$92,426,540	\$3,353,358 3.8%
Personnel Costs	\$25,672,163 211.10 FTEs	\$26,983,141 211.10 FTEs	\$1,310,978 5.1%
Operating Costs	\$51,678,392	\$55,520,772	\$3,842,380 7.4%
Capital Outlays	\$11,722,627	\$9,922,627	\$(1,800,000) -15.4%
Total Expenditures (All Funds)	\$89,073,182 211.10 FTEs	\$92,426,540 211.10 FTEs	\$3,353,358 3.8%

COMMITTEE RECOMMENDATIONS

- The T&E Committee recommends (3-0) approval of the Fleet Management Services Internal Service Fund FY24 operating budget at **\$87,690,044**, with an additional **\$4,736,496** added to the Reconciliation (Rec) List.
 - Four (4) items were added to the Rec List as “High Priority,” totaling **\$2,204,341**.
 - Two (2) items were added to the Rec List as “Priority,” totaling **\$2,532,155**.

Table 1. Summary of the Committee’s Recommendations.

#	Cost Item (Motor Pool ISF)	CE Recommended	Committee Recommendation
1	Increase Cost: Light Fleet Maintenance Contract	\$1,140,841	High Priority

2	Increase Cost: Vehicle Maintenance Contract	\$500,000	High Priority
3	Increase Cost: Fleet Management Information System Replacement (\$307,000 as one-time; \$84,000 as recurring)	\$391,000	High Priority
4	Increase Cost: Service fees for electric vehicle chargers	\$172,500	High Priority
5	Increase Cost: Fuel	\$2,332,155	Priority
6	Increase Cost: Oil and Bulk Fluids	\$200,000	Priority
A	Items Approved:	\$87,690,044	
B	Items added to Reconciliation List:	\$4,736,496	
C	CE Recommended Budget:	\$92,426,540	

SUMMARY OF KEY ISSUES

- Maintenance costs have been increasing due to an aging County fleet and recent inflationary pressure.
- Fuel costs are highly volatile, especially due to recent geopolitical events. Council staff recommends monitoring FY24 fuel expenditures and determining whether a supplemental will be necessary. The price of oil has moderated in recent months and expectations of a mild recession may further moderate fuel and other commodity prices into FY24.

This report contains:

April 20, 2023 T&E Staff Report

Pages 1-19

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MEMORANDUM

April 17, 2023

TO: Transportation & Environment (T&E) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **FY24 Recommended Operating Budget – Department of General Services – Fleet Management Services (Motor Pool Internal Service Fund)**

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- David Dise, Director, Department of General Services (DGS)
- Jamie Cooke, Deputy Director, DGS
- Calvin Jones, Division Chief, Fleet Management Services (FMS)
- Peggy Lynch, Finance Manager, FMS
- Gary Nalven, Fiscal and Policy Analyst, Office of Management and Budget (OMB)

A. Staff Recommendations

1. Council staff recommends the below programmatic items to be placed on the FY24 reconciliation list as either “high priority” or “priority.”
 - a. Non-programmatic items, such as FY24 compensation increases or increased charges from internal service funds, will be evaluated separately.
 - b. FY23 compensation increases are non-discretionary and should be included in the FY24 budget.

<u>Cost Item</u>	<u>Amount</u>	<u>Staff Recommendation</u>
Increase Cost: Light Fleet Maintenance Contract	\$1,140,841	High Priority
Increase Cost: Vehicle Maintenance Contract	\$500,000	High Priority
Increase Cost: Fleet Management Information System Replacement (\$307,000 as one-time; \$84,000 as recurring)	\$391,000	High Priority
Increase Cost: Service fees for electric vehicle chargers	\$172,500	High Priority
Increase Cost: Fuel	\$2,332,155	Priority
Increase Cost: Oil and Bulk Fluids	\$200,000	Priority
Increase Cost: FY24 Compensation Adjustment	\$983,431	To be evaluated separately

Increase Cost: Risk Management Adjustment	\$446,888	To be evaluated separately
Increase Cost: Printing and Mail	\$3,218	To be evaluated separately
Increase Cost: Annualization of FY23 Compensation Increases	\$1,033,652	Include as non-discretionary
Decrease Cost: Retirement Adjustment	(\$25,126)	Concur with the Executive's recommendation
Decrease Cost: Annualization of FY23 Personnel Costs	(\$303,218)	Concur with the Executive's recommendation
Re-align: Lapse 4 Mechanic Technician Positions to Reflect Reduced Ride-On service	(\$377,761)	Concur with the Executive's recommendation
Re-align: Adjust utilities budget to reflect actuals	(\$400,000)	Concur with the Executive's recommendation
Decrease Cost: Motor Pool Adjustment	(\$422,222)	Concur with the Executive's recommendation
Decrease Cost: Elimination of One-Time Items Approved in FY23	(\$2,322,000)	Concur with the Executive's recommendation
Total (Net) Increase:	3,353,358	

B. Fiscal Summary

Motor Pool ISF	FY23 Approved	FY24 CE Recommended	Change from FY22 Approved
Fleet Management Services	\$89,073,182	\$92,426,540	3.8%
Personnel Costs	\$25,672,163 211.10 FTEs	\$26,983,141 211.10 FTEs	5.1%
Operating Costs	\$51,678,392	\$55,520,772	7.4%
Capital Outlays	\$11,722,627	\$9,922,627	-15.4%
Total Expenditures (All Funds)	\$89,073,182 211.10 FTEs	\$92,426,540 211.10 FTEs	3.8% 0%

C. Total Budget Growth since FY19

	FY19 Approved	FY20 Approved	FY21 Approved	FY22 Approved	FY23 Approved	FY24 Recommended
Budget	\$73,798,118	\$84,869,295	\$87,921,41	\$84,212,830	\$89,073,182	\$92,426,540
FTEs	206.10	212.10	211.10	211.10	211.10	211.10
YoY % Change	-	15.0%	3.7%	4.2%	5.8%	3.8%

D. Vacancy/Staffing Trend Analysis

As of March 3, 2023, no long-term (greater than 1 year) vacancies were reported by the OMB in FMS. The recommended budget assumes the lapsing of four (4) mechanic technician positions in

FY24 based on the current level of Ride On transit services yielding an estimated savings of \$377,761.

Tables 1 and 2 contain more detail on staffing trends since FY20, including:

- Total FTEs have remained unchanged but turnover rates have almost doubled from 5.2% in FY20 to 9.0% in FY23 year-to-date (through March 2023).
- The average vacancy rate has also almost doubled from 4.7% to 9.4% in FY23 YTD.
- Mechanic positions have accounted for most of the turnover since FY20.
- Of the 20 positions experiencing a vacancy in FY23, 11 were due to departures from County service and 9 due to promotions.
- DGS reports some candidates “declined because of vaccine requirement and an inability to offer a salary competitive with the current job market.”

Table 1. FTE turnover and vacancies since FY20.

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23 YTD</u>
Total FTEs budgeted:	211	211	211	211
# of FTEs turned over (due to departures/retirements/etc.):	11	16	19	19
# of FTEs vacant on average during the year:	10	6	12	20

Table 2. Detail on Positions Turned over since FY20.

	FY20			FY21	FY22			FY23		
	Sept	Jan	May	July	Sept	Jan	May	Sept	Jan	March
Mechanics	7	6	6	12	8	8	20	14	13	8
MLS	0	0	0	0	1	1	1	1	1	0
Other	3	5	5	4	6	6	6	7	6	8
Total	10	11	11	16	15	15	27	22	20	16

An apprentice program initiated in FY23 has reported a total of 90 applicants with 10 apprentice positions (out of a total of 14 slots) filled in FY23. Recruitment efforts include Career Fairs, Vocational and Technical Schools, Hosted Open House, posted advertisements, and distributed/mailed brochures.

E. Operating Budget Equity Tool Rating and Justification

1. ORESJ Rating: 3 - Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County.
2. ORESJ Justification: The department indicated commitments across each major area of the Government Alliance (GARE) framework and is well positioned to making meaningful impacts on redressing discrimination in the County.

F. Overview

Fleet Management Services (FMS) provides for the purchase, maintenance, fuel acquisition, and disposal of the County's vehicles, including Police (but not Fire & Rescue Services, Transportation (including buses), and various County departments.

As an Internal Service Fund (ISF), Fleet's budget is charged back to the departments and other funds as a Motor Pool Adjustment line item. Therefore, any budgetary changes made to the Motor Pool ISF will propagate through chargebacks (e.g., cost reductions in the ISF will appear as savings in individual departments).

FMS is organized into six (6) service areas:

- Administrative Auto Services
- Business Support Services
- Heavy Equipment Services
- Operational Management
- Public Safety Automotive Services
- Transit Equipment Services

FMS reports ongoing challenges to procuring vehicle replacements; per FMS:

“...trends have improved very little since the beginning of the pandemic. The shortage of microchips and raw materials to build vehicles has continued to be a challenge.

Fleet has seen orders for vehicles take literally years to receive or they are cancelled entirely. In many cases the manufacturer will require a significant increase in adjusted pricing for the vehicles, which exceeds the County's contractual language and exceeds a CPI/PPI increase of 15-20%. We have had over 160 police marked and unmarked vehicles cancelled and reordered, which required the vehicle replacement cost to be exceeded by \$7,000 per vehicle due to manufacturing price adjustments.

Fleet currently has only been allotted minimal order slots and can only place orders, based on existing vehicles specifications. Any vehicle that requires any upfitting or accessories added after delivery requires a separate PO due to the manufacturer being unable to guarantee pricing and delivery.

Fleet currently has a \$60M backlog for scheduled replacements. Even if this funding were available, the manufacturers would not be able to fulfill all orders. We hope this situation will improve over the next year, but the state of the industry remains uncertain.

With the County's climate action plan in place, this has only delayed the vehicle replacements and the current trends are seeing a significant increase in vehicle cost and less availability to purchase, particularly with regard to electric vehicles. The County also has limitations in adjusted pricing of vehicles due to high demand.”

G. Discussion of FY24 Cost Changes

As outlined in Council President’s budget guidance memorandum, **all** additions to the budget over the FY23 Approved level **must** be placed on the reconciliation list *except* compensation adjustments in County Government (which are being considered separately) and changes to internal service funds (such as motor pool), which will be looked at across all budgets.

Of the total (gross) increase of \$7,004,685, approximately 57% is due to increased fuel costs and increased scheduled contract increases for vehicle (both light-duty and heavy) maintenance. FY23 and FY24 compensation increases account for another 29% of the total increase.

1. Increase Cost: Light Fleet Maintenance Contracts (+ \$1,140,841) and Increase Cost: [Heavy] Vehicle Maintenance Contracts (+ \$500,000)

FMS uses contracted services in essential areas, which include scheduled cost increases. The light fleet maintenance is a fixed price contract for preventive maintenance (Target Services) with an **as-needed** non-preventive maintenance component (non-Target Service). 75% of the work is performed on the public safety fleet. For FY23 Approved, the scheduled increase for the light fleet maintenance contract totaled \$260,365. For FY24, the recommended increase includes two inflationary adjustments which were not fully included in previous budgets; a re-bid for this contract is expected later in calendar 2023.

There are also multiple vendor contracts in support of repair services for heavy equipment and Transit buses. There are contract services at the three transit locations that support regular and enhanced cleaning under the Transit Bus Service Lane contracts; the services are provided as needed and are difficult to budget for. For FY23 Approved, the scheduled increase for heavy and transit vehicles totaled \$429,355.

Council Staff Recommendation: *Add to the Reconciliation List as “High Priority.”*

Maintenance needs and costs are necessary to maintain operations, regardless of whether the expenses are budgeted (or under-budgeted in some cases).

2. Increase Cost: Fleet Management Information System Replacement (+ \$391,000)

FMS expects to fully replace its current IT management system (FASTER) with a new Enterprise Asset Management (EAM) system from AssetWorks (the same vendor that DGS has selected for its Capital Asset System CIP) that operates as a subscription-based Software as a Service (SaaS).

Of the \$391,000 total estimate for FY24, approximately \$307,000 is for one-time setup and implementation costs. An additional \$84,000 is for recurring subscription fees and ongoing maintenance and vendor support.

Council Staff Recommendation: *Add to the Reconciliation List as “High Priority.”* The replacement of FASTER has been planned for several years and a replacement EAM will greatly improve monitoring and analysis of the County’s fleet inventory; leveraging DGS’ planned Capital Asset Management System should allow for greater IT integration.

3. Increase Cost: Service fees for electric vehicle chargers (+ \$172,500)

The FY23 Approved budget included \$150,000 of one-time funding for the purchase and installation of electric vehicle charging equipment at various County locations. The FY24 recommended budget now includes \$172,500 to include annual service fees for both newly acquired charging equipment as well as cost escalation for the subscription fees servicing and maintaining existing EV chargers.

Council Staff Recommendation: *Add to Reconciliation List as “High Priority.”* Maintenance and continued access to the EV charging infrastructure is necessary to leverage the County’s investments in EVs.

4. Increase Cost: Fuel (+ \$2,332,155)

The recommended budget requests an increase of \$2,332,155 for increased fuel costs. For FY23 Approved, the Council approved the addition of \$2,252,384 to the FY22 budget to cover the rising per-unit costs of fuel. Table 3 below shows the actual costs of fuel¹ since the beginning of FY22 (July 2021):

Table 3. Fuel Rates (per gallon) since July 2021.

FY22	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Diesel	2.57	2.52	2.64	2.97	2.87	2.69	3.00	3.38	4.12	4.07	4.99	5.31
Unleaded	2.60	2.59	2.61	2.81	2.84	2.70	2.78	3.00	3.46	3.34	3.96	4.96
<i>Cost/Barrel of Oil²</i>	72	68	72	81	79	72	83	91	108	102	110	115

FY23	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Diesel	4.57	4.06	4.17	4.23	4.93	4.15	3.76	3.57	3.35			
Unleaded	4.13	3.51	3.25	3.12	3.13	2.78	2.85	2.96	2.85			
<i>Cost/Barrel of Oil</i>	102	94	84	87	84	76	78	77	73			

The cost increase is primarily driven by rising units costs (vs. increased usage); fuel rates since July 2021 remain volatile with prices for both diesel (utilized by the County’s heavy and transit fleets) and unleaded (primarily used by administrative and public safety vehicles, peaking most

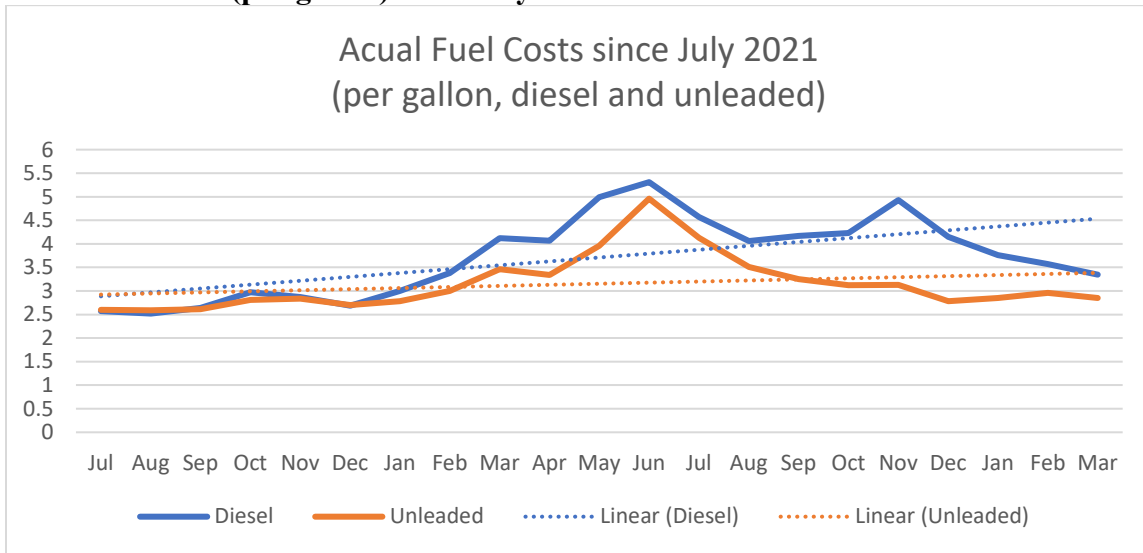
¹ FMS also purchases ethanol for a relatively small number of vehicles in the County’s fleet; these costs are not shown due to the limited impact they have on the fuel budget.

² Source: Energy Information Administration (EIA). Accessed on April 16, 2023.
<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RWTC&f=M>

recently in summer 2022 as the nation emerges from reduced economic activity during the pandemic.

The cost of oil (and other commodities) spiked last winter due to the invasion of Ukraine; the price of oil has moderated since then, averaging monthly around the mid-to-high \$70s per barrel range. Long-term trends continue to move upward although a mild recession forecasted in the later part of 2023 may suppress demand and prices.

Chart 1. Fuel Rates (per gallon) since July 2021.



Council Staff Recommendation: *Add to Reconciliation List as “Priority.”* FMS and OMB may return to the Council with a supplemental appropriation request if fuel prices are on track to be higher than budgeted in FY24.

5. Increase Cost: Oil and Bulk Fluids (+ \$200,000)

FMS purchases oil and other bulk fluids for preventative maintenance work on its internal combustion engine vehicles (engine oil, transmission fluids, coolant, etc.). The recommended budget estimates a \$200,000 increase in FY24 due to rising commodities costs and increased transit vehicle usage. For FY23 Approved, the budget included \$40,000 to cover higher costs.

Council Staff Recommendation: *Add to Reconciliation List as “Priority.”* FMS and OMB may return to the Council with a supplemental appropriation request if bulk oil and fluids expenses are on track to be higher than budgeted in FY24.

6. Decrease Costs and Re-alignments (Savings) (- \$3,850,287)

The recommended budget also includes a number of cost reductions/savings including retirement adjustments (- \$25,125), Annualization of FY23 Personnel Costs (- \$303,218), Motor Pool

Adjustments (- \$422,222), and eliminating of one-time items approved in FY23 (- \$2,322,000), which includes, among other items, removal of one-time expenses associated with purchasing electric vehicles for \$1,800,000 in FY23.

In addition, the recommended budget proposes to lapse four (4) vacant mechanic technician positions due to a continued under-utilization of Ride On services in FY24; this lapse is estimated at \$377,761. If Ride On demand improves, FMS would retain the ability to fill these positions to meet the demand.

Council Staff Recommendation: *Approve all decreases/reductions as recommended by the Executive.*

This packet contains:

1. Page from FY24 Recommended Operating Budget Book - FMS
2. OBET Scoring for DGS

Circle Page #

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Fleet Management Services

RECOMMENDED FY24 BUDGET

\$92,426,540

FULL TIME EQUIVALENTS

211.10

☀ DAVID DISE, DIRECTOR

MISSION STATEMENT

The mission of the Department of General Services Division of Fleet Management Services (DFMS) is to plan for, acquire, maintain, fuel, and dispose of the County's fleet of motor vehicles, buses, heavy equipment, and other vehicular equipment in support of the transportation and service delivery needs of all County departments. The Division maintains its four shop locations and thirteen fuel sites, and operates out of six depots Countywide.

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Division of Fleet Management Services is \$92,426,540, an increase of \$3,353,358 or 3.76 percent from the FY23 Approved Budget of \$89,073,182. Personnel Costs comprise 29.19 percent of the budget for 206 full-time position(s) and no part-time position(s), and a total of 211.10 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 70.81 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ◆ **A Greener County**
- ◆ **Easier Commutes**
- ◆ **Effective, Sustainable Government**

INITIATIVES

- ☀ The Division of Fleet Management Services is working with the DGS Office of Energy and Sustainability to plan a solar microgrid project to support zero emission bus fueling at the Gaithersburg bus depot. The microgrid will provide clean energy to charge electric buses or to generate green hydrogen for use in hydrogen fuel cell buses.
- ☀ Work with MCDOT to procure electric buses as part of a Federal Transit Administration (FTA) Bus and Facilities Grant. Buses will operate out of the Brookville Depot in Silver Spring to fully utilize the solar microgrid at that location. DGS has developed a technical specification and a request for proposals to procure at least 100 electric buses with capital funding programmed in FY23-FY26.
- ☀ Pilot a program with Montgomery County Fire and Rescue Services using a Ford F150 Lightning as a Battalion Chief Vehicle, including on-site charging, to explore the suitability of electric vehicles for this role.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✱ In conjunction with the Office of Energy and Sustainability, completed the construction of the solar microgrid at the Brookville bus depot in Silver Spring with a ribbon cutting in October 2022. The facility will support electric buses to be acquired and put into service at this depot.
- ✱ Worked in partnership with Montgomery County Department of Transportation to successfully apply for an FTA Low or No Emissions Bus Grant to build a green hydrogen fuel station to support fuel cell electric buses at the Gaithersburg depot. Hydrogen fuel cell buses can provide service on routes that exceed the range capacity of battery electric buses.
- ✱ Developed an apprentice program in response to hiring challenges and the need to develop a workforce capable of supporting zero-emission technologies. After completing a 2-year training program, new technicians will be capable of performing skilled maintenance work on the County's fleet of transit buses and heavy equipment. DFMS is also working with Montgomery College and the State of Maryland to develop a hiring pipeline and enhance the apprentice training experience.
- ✱ Provided a Ford Mach-E electric vehicle for Montgomery County Police Department as a pilot to explore the suitability of electric vehicles for police patrol use. Wide-scale availability of zero-emissions patrol vehicles is expected by 2025.
- ✱ Trained staff on the maintenance and repair of electric propulsion and high-voltage systems, including training for first responders in coordination with Montgomery County Fire and Rescue Service to ensure safe responses to fires and other potential emergencies involving electric buses.

PROGRAM CONTACTS

Contact Peggy Lynch of the Division of Fleet Management Services at 240.777.5759 or Gary Nalven of the Office of Management and Budget at 240.777.2779 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

PROGRAM DESCRIPTIONS

✱ Administrative Automotive Services

Administrative Automotive Services maintains and repairs the automotive light fleet for all administrative vehicles including automobiles, vans, and light trucks. Maintenance and repair of the automotive and light truck fleet are provided through contractual services at the Seven Locks maintenance facility. DFMS serves the transportation needs of 30 individual County departments and provides maintenance and repair services to several other agencies and governments in the area including fire departments and local municipalities. Without properly maintained vehicles, County services to residents would be severely impacted.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of administrative vehicle work orders completed ¹	2,535	2,584	4,471	3,528	3,999
Fleet Maintenance and Operations: Mean distance between failure: Administrative light equipment (in miles) ²	21,774	42,701	26,533	30,336	33,190
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Administrative Vehicles (in days) ³	0.52	0.98	0.63	0.71	0.77

¹ FY21 and FY22 represent an anomaly due to reductions in vehicle utilization due to the COVID-19 pandemic.

² FY21 and FY22 data represents an anomaly based on low utilization as a result of the COVID-19 pandemic.

³ FY22 represents an anomaly due to logistics challenges for parts due to the COVID-19 pandemic.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	5,057,031	1.50

FY24 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(842,687)	0.00
FY24 Recommended	4,214,344	1.50

☼ Business Support Services

Business Support Services prepares and monitors the budget, oversees financial management of the Motor Pool (MP) Internal Service Fund, and processes payments, solicitations, requisitions, and purchase orders. Fleet prepares MP Fund financial statements for the Annual Comprehensive Financial Report (ACFR) including Balance Sheet, Statement of Revenues, Expenses, Changes in Fund Equity, and Statement of Cash Flow. Fleet's Parts Team provides tools, equipment, and parts for the repair and maintenance of the Fleet via an end-to-end process flow including trained supervisors and technicians, stockroom policies and procedures, safety regulations, contracts, and a computerized inventory system that drives receiving, stocking, issuing, forecasting, reporting, and accountability.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Amount spent on parts (in dollars) ¹	\$5,519,218	\$11,453,432	\$10,228,838	\$10,841,135	\$10,534,986
Fiscal inventory parts turn rate ²	1.72	1.13	1.90	1.90	1.81
Percent of work orders completed without delay for parts ³	73%	79%	82%	80%	81%

¹ FY21 and FY22 represent an anomaly due to reductions in vehicle utilization and subsequent reductions in parts issuances due to the COVID-19 pandemic.

² Due to part availability associated with COVID-19 and the fact that disruptions in the supply chain are expected to go into late 2024, the Division of Fleet Management Services has made adjustments to its internal parts inventory.

³ FY21 and FY22 decrease due to part availability associated with COVID-19 and the fact that disruptions in the supply chain are expected to go into late 2024.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	15,823,767	36.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	552,594	0.00
FY24 Recommended	16,376,361	36.00

☼ Heavy Equipment Services

Heavy Equipment Services (HES) maintains and repairs heavy equipment, including heavy dump trucks, straight trucks, construction equipment, snow plows, leafers, mowers, backhoes, hydraulic excavators, and other specialized pieces of equipment. HES provides maintenance support for public safety and other County vehicles that support services to County residents, without which such services would be severely impacted. HES maintains the County's dump trucks before, during, and after a storm, ensuring high availability of equipment to provide safe travel routes for emergency vehicles and County residents. HES provides direct vehicle maintenance support at the Gaithersburg, Poolesville, Damascus, Bethesda, Colesville, and Silver Spring depots.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of heavy equipment work orders completed ¹	1,478	1,328	3,153	2,240	2,696
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Heavy Equipment (in days) ²	1.74	1.13	1.90	1.90	1.81
Fleet Maintenance and Operations: Mean distance between failure: Heavy equipment (in miles) ³	17,963	14,159	15,562	15,895	15,205
Heavy equipment fleet availability ⁴	92.8%	93.4%	92.0%	93.0%	93.0%

¹ FY21 and FY22 represent an anomaly due to reductions in vehicle utilization due to the COVID-19 pandemic.

² 3 year rolling average

³ FY21 and FY22 data is an anomaly based on low utilization as a result of the COVID-19 pandemic.

⁴ 3 year rolling average

² FY21 and FY22 represent an anomaly due to reductions in vehicle utilization due to the COVID-19 pandemic.

³ FY21 and FY22 represent an anomaly due to logistic challenges for parts due to the COVID-19 pandemic.

⁴ 3 year rolling average

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	6,867,839	3.00
Increase Cost: Light Fleet Maintenance	1,140,841	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(1,108,840)	0.00
FY24 Recommended	6,899,840	3.00

☼ Transit Equipment Services

Transit Equipment Services (TES) provides scheduled and non-scheduled maintenance and repair of the Ride On Bus fleet at three locations: Brookville Maintenance Facility (BMF), Equipment Maintenance and Transit Operation Center (EMTOC), and Small Transit Shop (STS). TES supports FLASH, the County's bus rapid transit system with features that improve reliability and capacity; FLEX, an on-demand transit service that helps residents get around in defined Rockville and Glenmont/Wheaton zones; and the County's ongoing transition to a zero-emission bus fleet. TES implemented a contractor-based preventive maintenance business model which supplemented operations and increased capacity to meet federally mandated maintenance requirements. The transit technician onboarding and training program has contributed to improved equipment availability and injury reduction.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of transit work orders completed ¹	8,162	8,225	11,823	10,024	10,924
Percent of transit preventive maintenance completed within 6,000 miles of previous PM	98%	99%	98%	98%	98%
Fleet Maintenance and Operations: Mean distance between failure: Transit equipment (in miles) ²	24,536	17,019	19,619	22,077	20,848
Turnaround Time: Average amount of time equipment is unavailable for operations during each shop visit: Transit equipment (in days) ³	2.64	2.18	1.94	2.06	2.00
Average days out of service per bus for parts ⁴	5.75	10.79	7.45	9.12	13.00

¹ FY21 and FY22 represent an anomaly due to reductions in vehicle utilization due to the COVID-19 pandemic.

² The Federal Transit Administration requirement is 12,000 miles. FY21 and FY22 data is an anomaly based on low utilization as a result of COVID-19. Ride On added a new bus service with 16 new buses. It is expected that the reliability will be more in line with the fleet average as the vehicles age.

³ FY21 and FY22 represent an anomaly due to logistic challenges for parts due to the COVID-19 pandemic.

⁴ FY21 and FY22 represent an anomaly due to logistic challenges for parts due to the COVID-19 pandemic.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	21,801,485	119.00
Re-align: Lapse 4 Mechanic Technician Positions to Reflect Reduced Ride-On service	(377,761)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	643,360	(3.00)
FY24 Recommended	22,067,084	116.00

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
MOTOR POOL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	18,772,056	20,039,669	19,017,269	21,015,296	4.9 %
Employee Benefits	5,280,295	5,632,494	5,331,396	5,967,845	6.0 %
Motor Pool Internal Service Fund Personnel Costs	24,052,351	25,672,163	24,348,665	26,983,141	5.1 %
Operating Expenses	51,248,505	51,678,392	56,709,453	55,520,772	7.4 %
Capital Outlay	5,964,069	11,722,627	11,722,627	9,922,627	-15.4 %
Motor Pool Internal Service Fund Expenditures	81,264,925	89,073,182	92,780,745	92,426,540	3.8 %

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
PERSONNEL					
Full-Time	207	206	206	206	---
Part-Time	0	0	0	0	---
FTEs	211.10	211.10	211.10	211.10	---
REVENUES					
Motor Pool Charges/Fees	86,763,535	86,718,985	90,713,250	93,473,703	7.8 %
Other Charges/Fees	0	69,000	0	69,000	---
Miscellaneous Revenues	505,887	203,000	122,372	203,000	---
Investment Income	35,938	144,870	844,780	1,334,790	821.4 %
Insurance Recoveries	1,617,092	1,844,868	1,844,868	2,238,070	21.3 %
Motor Pool Internal Service Fund Revenues	88,922,452	88,980,723	93,525,270	97,318,563	9.4 %

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
MOTOR POOL INTERNAL SERVICE FUND		
FY23 ORIGINAL APPROPRIATION	89,073,182	211.10
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Fuel [Operational Management]	2,332,155	0.00
Increase Cost: Light Fleet Maintenance [Public Safety Automotive Services]	1,140,841	0.00
Increase Cost: Annualization of FY23 Compensation Increases	1,033,652	0.00
Increase Cost: FY24 Compensation Adjustment	983,431	0.00
Increase Cost: Vehicle Maintenance Contracts [Heavy Equipment Services]	500,000	0.00
Increase Cost: Risk Management Adjustment	446,888	0.00
Increase Cost: Fleet Management Information System Replacement [Operational Management]	391,000	0.00
Increase Cost: Oil and Bulk Fluids [Operational Management]	200,000	0.00
Increase Cost: Service fees for electric vehicle chargers [Operational Management]	172,500	0.00
Increase Cost: Printing and Mail	3,218	0.00
Decrease Cost: Retirement Adjustment	(25,126)	0.00
Decrease Cost: Annualization of FY23 Personnel Costs	(303,218)	0.00
Re-align: Lapse 4 Mechanic Technician Positions to Reflect Reduced Ride-On service [Transit Equipment Services]	(377,761)	0.00
Re-align: Adjust utilities budget to reflect actuals [Operational Management]	(400,000)	0.00
Decrease Cost: Motor Pool Adjustment	(422,222)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY23	(2,322,000)	0.00
FY24 RECOMMENDED	92,426,540	211.10

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Administrative Automotive Services	5,057,031	1.50	4,214,344	1.50
Business Support Services	15,823,767	36.00	16,376,361	36.00
Heavy Equipment Services	6,022,892	37.50	7,086,466	40.50
Operational Management	33,500,168	14.10	35,782,445	14.10
Public Safety Automotive Services	6,867,839	3.00	6,899,840	3.00
Transit Equipment Services	21,801,485	119.00	22,067,084	116.00
Total	89,073,182	211.10	92,426,540	211.10

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
MOTOR POOL INTERNAL SERVICE FUND						
EXPENDITURES						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
FY24 Recommended	92,427	92,427	92,427	92,427	92,427	92,427
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY24	0	(2,639)	(2,639)	(2,639)	(2,639)	(2,639)
Items recommended for one-time funding in FY24, including implementation of a new fleet management information system and funding for increased fuel costs, will be eliminated from the base in the outyears.						
Labor Contracts	0	723	723	723	723	723
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	92,427	90,510	90,510	90,510	90,510	90,510

farms, food assistance providers, charities, and educational institutions. The OFSR will develop and maintain a system to collect and process local food systems data to support accurate and timely monitoring of the state of the local food systems, and analyze such data to support decision making and strategic planning. In coordination with the ORESJ, the OFSR will develop and maintain a system to collect and process food assistance recipient data and use that data to find barriers in the food security space.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

- Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.
- We've not yet planned or implemented strategies listed here and will use the textbox to explain why.

Building off the successful practices of the Food Security Task Force, we know community targeted materials will be necessary. As the OFSR has not been officially stood up with dedicated full time staff, strategies and plans have not been implemented. Once the office is officially stood up, the manor to ensure access will be determined.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

Currently there are siloed workflows within multiple government departments and key stakeholders; by working together and using the resources of all these partners in one collective effort-we will be able to better plan, budget and use resources more efficiently and effectively towards a more sustainable plan for the system itself and the residents using the system.

ORESJ Rating

No Data

ORESJ Justification

No Data

General Services



1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.
- ★ Develop a racial equity vision statement (and/or racial equity and social justice mission, values, or guiding principles).

DGS assigned an employee, Kara Olsen Salazar, as the DGS Racial Equity liaison. While the goal is that core team members will develop a Racial Equity Action Plan, DGS has not had the capacity to schedule regular meetings with a defined group.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

- ★ Designate resources for staff participation in GARE conferences and other department-specific racial equity and social justice professional development.

DGS supports the next GARE conference on November 18-19, 2022. DGS Racial Equity Liaison, Kara Olsen Salazar, will attend the conference. DGS prioritized training resources to fund the GARE conference in November 2022. While DGS has integrated RESJ in Performance Plans for certain positions, it is not across the board. Funding and staff availability limit our ability at this time to allow ALL staff to complete the trainings. For example, if a mechanic were to take the training, another staff member would need to be available to cover the shift. Access to computer training is also a challenge. The DGS RESJ Liaison has completed the trainings: "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings. Others in the department have completed the trainings as well, as time permits. The length of the trainings makes it a challenge for staff to have availability to complete.

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

- ★ We're doing something else and will use the text box to describe.

While DGS' mission is to serve the diverse business and service requirements of all County departments, enabling departments to successfully complete their respective missions, DGS is committed to advancing equity in the County. DGS works with our colleagues in departments that we support, to assure that conversations and decisions consider the impact on racial equity and social justice. Areas where DGS programs advance racial equity in the County: - The ADA Compliance Project is constantly working to remove barriers (physical and attitudinal) for people with disabilities who are disproportionately represented by people facing racial inequities. Community feedback is at the core of how ADA Compliance projects are selected with



an emphasis on racial equity so that everyone regardless of disability, age, race, ethnicity can maximize the potential of all programs and services provided by Montgomery County. People with disabilities are disproportionately highly represented in data involving poverty, unemployment and quality of life when compared to our non-disabled peers. The data increases when other marginalized populations become disabled as well. Racism and ableism are often thought of as parallel systems of oppression that work separately to perpetuate social hierarchy. Not only does this way of looking at the world ignore the experiences of people of color with disabilities, but it also fails to examine how race is pathologized in order to create racism. Meaning that society treats people of color in specific ways to create barriers, and these poor conditions create disability. The concept of disability has been used to justify discrimination against other groups by attributing disability to them. According to the National Disability Institute, African Americans are not only more likely to have a disability, but the impact of the disability on their lives is greater than it is on their white counterparts. Ensuring that all of Montgomery County's programs and facilities are fully accessible for people with disabilities, mitigates the societal ramifications that face people of color and people living in poverty in our community. Data from the CDC shows that 26 percent of the U.S. population—61 million American adults—live with a disability that's either visible or non-apparent (<https://www.cdc.gov/ncbddd/disabilityandhealth/infographic-disability-impacts-all.html>). -Site Selection and Facility Planning CIP are areas where DGS can have an impact on where new facilities are located. However, for the most part, the locations for new Libraries, Recreation Center, and Public Safety facilities are decided by the respective departments. -General Government Level of Effort projects allow for very little flexibility to select where work is planned as funds are limited and must be allocated where the need for renovation/repair is most urgent. We have prioritized several LOE projects to support much needed repairs at the Colesville Health Center. This facility serves low income residents. -DGS' solicitations support the County's minority, female, and disabled community. DGS awards over \$30M in contracts to minority, female and disabled owned businesses. -DGS' Office of Energy and Sustainability implemented the reuse of 16 acres of the former Oak's Landfill facility for a 6MW ground mounted solar project. The system generates 11.4 million kWh of energy annually. 7.6 million Kilowatts are designated for Low to Moderate Income households through the community solar program, which enables participation in renewable energy while also providing a discount on energy costs. -The Bette Carol Thompson Scotland Neighborhood Recreation Center has been prioritized to provide equitable and resilient community benefits using "microgrid" planning. The Scotland Neighborhood Recreation Center is located in an identified Equity Emphasis Area with higher-than-average concentrations of low-income, minority populations, and limited English language skills. The project will incorporate energy efficient lighting and equipment upgrades, the installation of 76kW rooftop solar and emergency power generation. The Centers' upgrades, when completed in 2021, will enable independent operation during power outages or other weather-related emergencies for an extended period; enabling critical services to be delivered to the community, such as refrigeration for medicines, mobile phone charging centers, centralized communications. Future hubs were selected to engage a diverse socioeconomic and geographic distribution. The future sites are: Damascus Community Recreation Center; Kennedy Shriver Aquatic Center (KSAC); White Oak Community Recreation Center; Plum Gar Community Recreation Center; Marilyn Praisner Community Recreation Center, Upper County Community Recreation Center - Fleet Management Services promotes equity by providing procurement and maintenance support to DOT Ride-on buses, which offer safe and reliable transportation across the communities in the County allowing easy access to work, school, and shopping for all County constituents. In addition, DFMS ensures via maintenance support of heavy equipment,



that the roadways are clear and in safe operating condition for all modes of transportation including Ride-on buses operating in Montgomery County. Data shows that bus ridership supports lower socioeconomic areas and communities of color.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

- ★ Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.
- ★ Ensuring interpretation services (ASL and closed-captioning) are available to the public in all relevant places and programs (such as service desks, service phone lines, open houses, public meetings, etc.).
- ★ Ensuring accessibility for people with disabilities using Section 508 of the Rehabilitation Act; Web Content Accessibility Guidelines; and compliance with the Americans with Disabilities Act as a minimum standard.

The DGS Office of ADA Compliance assures compliance with the Americans with Disabilities Act. DGS has entered into a contract with two vendors to provide interpretation services and supports all departments with Visual Communication and Sign Language services, assuring accessibility across County programs. The DGS ADA Coordinator worked with the Public Information Office (PIO) and the Department of Technology and Enterprise Business Solutions (TEBS) on a Web-Site Accessibility Initiative, assuring that County web pages are accessible to all.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

While DGS is committed to supporting RESJ, we currently have limited resources to be able to fully engage in all aspects of the RESJ work plan. The DGS FY24 budget requires a 2% cut which further limits our ability to support this important initiative. Funding and staff availability limit our ability at this time to allow ALL staff to complete the trainings. For example, if a mechanic were to take the training, another staff member would need to be available to cover the shift. Access to computer training is also a challenge. The DGS RESJ Liaison has completed the trainings: "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings. Others in the department have completed the trainings as well, as time permits. The length of the trainings makes it a challenge for staff to have availability to complete.

ORESJ Rating

3-Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department indicated commitments across each major area of the GARE framework, however the department reports being constrained in meeting the training requirement articulated in RESJ Act. In addition,



while the department's CORE team lead has worked diligently to explore the intersection of racial equity and the department's various lines of business, scaling the staff competencies and capacities across these departments is critical. In the operationalizing section, there are various programmatic activities that appear to explore and consider racial disparities and inequities in the areas of accessibility, climate resilience and energy equity, site selection and planning, and fleet management. To strengthen its work, the department should look to reviewing and developing processes, policies, and practices that enable the seamless application of a racial equity lens to how DGS does business and makes decisions in collaboration with departments and vendors. DGS sits at the intersection of many important government functions, and therefore could play a large role in the County's ability to reduce racial disparities and inequities across a number of life outcomes.

Grants Management



1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.
- ★ Develop a racial equity vision statement (and/or racial equity and social justice mission, values, or guiding principles).

Integration of RESJ considerations into all aspects of the County's grant management activities is a legislated requirement for the Office of Grants Management. RESJ considerations are factored into every policy, process, and tool under development by OGM. Each position within OGM is being recruited with the requirement that the final candidate understands RESJ issues, how they impact grants management, and have a general sense of strategies of how to improve equity in the grants management space. Overall, as a small office with RESJ as a core part of our mandate and function in County government, all staff members will be part of a Racial Equity CORE Team, will have staff time dedicated for CORE Team activities, and will be part of developing a racial equity vision statement for the office.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships

