



MEMORANDUM

Date: March 24, 2015

To: Robert Johnson, Budget Manager
Finance and Risk Management

From: C.H. Huckelberry
County Administrator 

Re: **Sheriff's Department Vehicle Expenses**

Attached is a March 16, 2015 memorandum from Deputy County Administrator John Bernal regarding Sheriff's Department vehicle expenses. I have discussed this report with the Sheriff's Command staff. They would like to continue to purchase and receive the vehicles that have already been acquired in Fiscal Year (FY) 2014/15 and modify the vehicles using RICO (Racketeer Influenced and Corrupt Organizations Act) funds.

However, the Sheriff has indicated the Department will not be acquiring any new vehicles in FY 2015/16. There is also an indication that their fuel expenses are down by approximately 22 percent. What does this translate to in actual fuel cost savings that can be used to reduce their projected deficit for FY 2014/15?

It would be appropriate to continue to pursue a number of options regarding decreasing overall vehicle expenses for FY 2015/16, since the Sheriff's Department is the largest General Fund user of Fleet Services. Decreasing these costs will directly assist the General Fund in meeting State cost transfers.

CHH/anc

Attachment

c: Tom Burke, Director, Finance and Risk Management



MEMORANDUM

Public Works Administration

DATE: March 16, 2015

TO: Tom Burke, Director
Finance & Risk Management Department

FROM:  John M. Bernal
Deputy County Administrator

RE: Sheriff's Department Vehicle Expenses

In response to the County Administrator's March 11, 2015 memorandum, I offer the following set of attachments:

- Spreadsheet from the Fleet Services Department that provides this information:
 - New Sheriff's vehicles are on order with 30 Tahoes to be delivered in March and 2 in May;
 - Cost for Fiscal Year 2014-2015 to "build out" these new vehicles is \$222,789; Remaining cost in Fiscal Year 2015-2016 is \$251,228;
 - Based on the experience to date, the Sheriff's Department has expended 21.53% less for fuel this fiscal year compared to last fiscal year.
- The February 9, 2015 memorandum responding to the County Administrator's January 29, 2015 memo pertaining to the possibility of modifying vehicle replacement criteria to reduce expenditures for new vehicle purchases.

If you have any questions of the Fleet Services Department, please contact Frank Samaniego, Director.

JMB:jgs

Attachments

Cc: C.H. Huckelberry, County Administrator
Frank Samaniego, Director, Fleet Services Department



MEMORANDUM

Date: March 11, 2015

To: Tom Burke, Director
Finance and Risk Management

From: C.H. Huckelberry
County Administrator

Robert Johnson, Budget Manager
Finance and Risk Management

Re: **March 5, 2015 Memorandum from the Sheriff's Department Regarding Remaining within the Budget**

Please review the proposed action of the Sheriff's Department to remain within their budget as contained in the attached March 5, 2015 memorandum. I would appreciate your input regarding Sheriff's Dupnik's request for motor vehicle rate reductions.

Also, please provide additional information regarding the build out of 40 marked patrol vehicles. Are these vehicles in the adopted Fiscal Year 2014/15 budget? Have the patrol vehicles been ordered and delivered? If not, perhaps, as I have requested, we should consider extending the life of fleet vehicles and alter the replacement mileage to eliminate the need to pursue capital replacement of a large number of vehicles at this time.

On January 29, 2015, I requested information regarding County savings that may be occurring due to the purchase of fuel at less than anticipated budget value. I have not yet received this information.

CHH/anc

Attachments

c: Frank Samaniego, Director, Fleet Services



Pima County Sheriff's Department

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www.pimasheriff.org

Clarence W. Dupnik
Sheriff

Christopher Nanos
Chief Deputy

Keeping the Peace and Serving the Community Since 1865

March 5, 2015

Mr. Chuck Huckelberry
Pima County Administrator
130 West Congress St.
Tucson, AZ. 85701

RE: Year End Budget Adjustments Not Available for this Year

Mr. Huckelberry:

This letter acknowledges your February 20, 2015 memorandum regarding the County's inability to make end of year modifications and/or adjustments for departments that experience budget revenue shortfalls or a budget deficit. Although, last month, the Sheriff's Department's submitted a \$1.6 million deficit for our FY 14/15 budget projection - *we will not require a budget adjustment for FY 14/15*. Coincidentally, the \$1.6 million deficit equals the unfunded fifty-cent per hour raise for FY 14/15 and will be \$1.9 million unfunded in the Sheriff's FY 15/16 budget.

The Sheriff's Department is committed to end this fiscal year and FY 15/16 on budget. The following plan will be implemented in order to achieve this goal for FY 14/15:

- Cancel Spring Commissioned Advanced Officer Training
- Cancel Corrections Officer Academy 15-II (25 Corrections Officers)
- Hiring of mission critical positions only
- Utilize Special Revenue Funds as needed

In addition to the above actions, I am requesting an 8% reduction in the monthly motor pool rate for FY 14/15. Based on year-to-date averages, this reduction will produce a savings of approximately \$500,000. Additionally, I am seeking an increase of \$450,000 to our adopted FY 14/15 budget to fund the build out of forty (40) marked patrol vehicles.

Additionally, I understand the County's desire to reduce FTE's county-wide. To that end, the Sheriff's Department recently reduced the total number of FTEs by forty-six (46) and I have directed staff to further reduce FTE's for the next fiscal year. In doing so, the savings from the FTE reduction will be transferred to our Special Pay object codes.

Sincerely,

A handwritten signature in black ink, appearing to read "Clarence W. Dupnik".

Clarence W. Dupnik
Sheriff of Pima County

CWD/cmr



MEMORANDUM

Date: January 29, 2015

To: Tom Burke, Director
Finance and Risk Management

From: C.H. Huckelberry
County Administrator

Frank Samaniego, Director
Fleet Services

Re: Mileage Rates for Fiscal Year 2016/17

I would like to review the various parameters we use to develop mileage rates, particularly as they relate to mileage rates for the general fleet, excluding heavy equipment. Given the relatively rapid and sustained reduction in fuel prices, I am interested in knowing what we now pay for fuel versus what we have assumed in the mileage rates being used to calculate Fleet Services costs this fiscal year.

In addition, I would like to explore whether we modify any of our vehicle replacement standards, particularly Sheriff patrol vehicles. We have been fairly consistent about replacing these vehicles at a certain mileage, but it may be possible to extend the replacement standard and lower capital fleet purchase costs. I am interested in more information on these costs and how the variables can be adjusted to reduce short-term impacts on the General Fund.

CHH/anc

c: John Bernal, Deputy County Administrator for Public Works

PCSD Tahoe Build Analysis

1.) Do we anticipate delivery of the additional 32 Tahoes prior to June 30th?

Yes 30 Tahoes are scheduled for delivery in March; remaining two Tahoes are due in May

2.) What is the FY 2014-15 cost to "build out" all vehicles anticipated to be received and equipped prior to the end of the fiscal year?

	Parts	Labor	
PPV	\$ 277,374.09	\$ 65,520.00	
SSV	\$ 103,822.54	\$ 27,300.00	
Sub Totals	\$ 381,196.63	\$ 92,820.00	
Grand Total	\$ 474,016.63		FY14/15 Build Out Cost \$ 222,787.82 (47% or 18 Tahoes)

3.) Does the Sheriff's average fuel usage for this fiscal year compute to an 8% cost reduction based on the actual cost of fuel being experienced
Data is for unleaded fuel from July 1st to March 12th for FY13/14 and FY14/15

	Gallons	Cost	
FY13/14	485285.9	\$ 1,413,448.28	
FY14/15	458283.2	\$ 1,109,176.60	
% Change	-5.6%	-21.53%	



MEMORANDUM

DATE: February 9, 2015

TO: Tom Burke, Director
Finance & Risk Management

FROM: Frank Samaniego, Director
Fleet Services Department

RE: **Response to Mr. Huckelberry's Memo Dated January 29, 2015**

1. This Fiscal Year the methodology for charging Departments for the use of the County vehicles and equipment changed. The milcage rate changed to a monthly rate and fuel is charged separately. Departments get two charges per month, a monthly charge for each vehicle/equipment and a fuel charge for the actual fuel used for the month. The fuel is a pass through cost, meaning that there is no overhead added to the cost of fuel. The benefit of lower gas prices was passed on to the Departments as soon as they were realized.
2. We utilize our Fleet Management System to determine vehicle/equipment replacement. The system has a 15 point scale to determine replacement. There are three components to the 15 point system;

Odometer - 5 points

Age - 5 points

Maintenance costs -- 5 points (This value can go up to 10 points)

A new vehicle starts at zero points and as the vehicle ages, acquires miles and receives maintenance the system automatically assigns point to each of these components. Fleet sets the age and odometer parameters based on industry standards and historical data. For example, since the Sheriff's Department began transitioning from the Crown Victoria several years ago to the Chevrolet Tahoe the replacement odometer component was increased from 110,000 miles to 130,000 miles the age parameter remained the same at 96 months.

To reduce capital purchases by delaying the replacement of vehicles is easy to accomplish. We would simply increase the 15 points by 1 and run the report to see the reduction of vehicles replaced. We would continue to increase the replacement value until the desired level of capital reduction is met.

I have to state, keeping vehicles in the Fleet past their optimum replacement target as specified by the 15 point report will result in higher maintenance costs.

Cc: John M. Bernal, Deputy County Administrator, Public Works
Ray Ochotorena, Deputy Director, Fleet Services Department