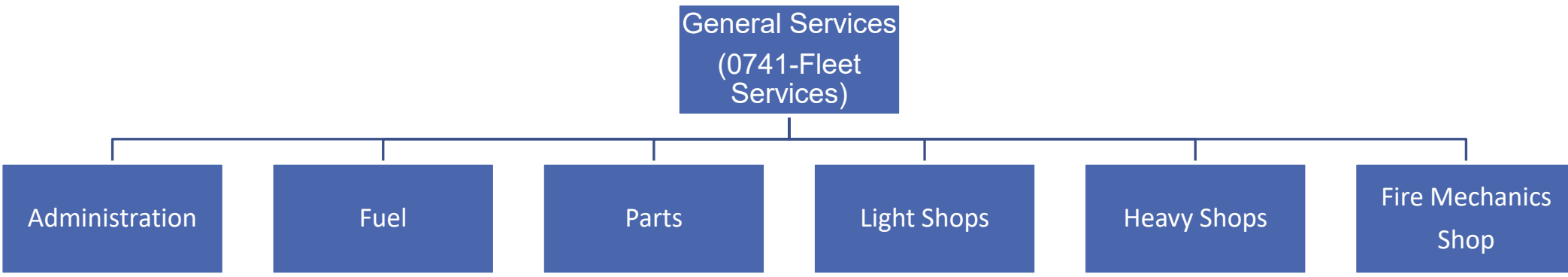


FY27 Budget: General Services

Fleet Services Fund

FY27 Budget Org Chart at Legal Level: GS Fleet Services – Medium



Budget Overview: GS Fleet Services

Total Requested Budget for the upcoming year: \$41,133.273

In FY27, Fleet Services will focus on maximizing vehicle uptime for critical City operations, with priority given to Memphis Fire, Memphis Police, and Solid Waste. Within Capital Acquisition budget limits, the division will also replace aging vehicles where possible to improve reliability and support uninterrupted service delivery. Fleet Services will continue modernizing maintenance operations by improving repair processes and increasing preventive maintenance to reduce breakdowns and strengthen fleet performance.

Key Budget Priorities

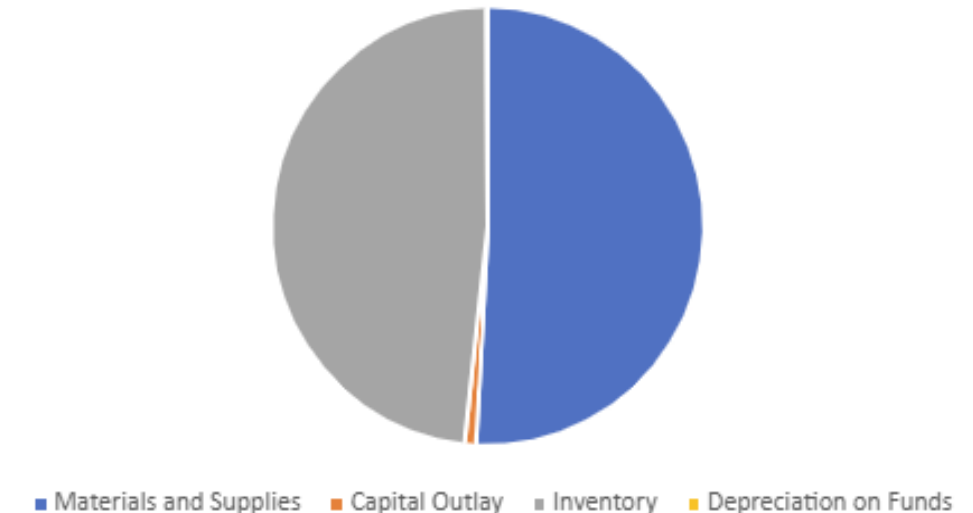
Prioritized Services: Direct maintenance and repair resources to Fire, Police, and Solid Waste.

Asset Management: Replace aging vehicles, where funding allows, to improve reliability and reduce disruptions.

Modernized Fleet Maintenance: Strengthen repair processes and increase preventive maintenance to reduce breakdowns and improve vehicle availability.

Objective: Maximize vehicle availability to support consistent and efficient City operations.

Breakdown of Major Spending Categories



Historical Budget Comparison (Adopted Budget): GS Fleet Services

Category	FY22 Adopted Budget	FY23 Adopted Budget	FY24 Adopted Budget	FY25 Adopted Budget	FY26 Adopted Budget	FY26 Forecast	FY27 Proposed
Materials and Supplies	14,059,741	14,059,741	16,084,974	18,183,128	19,416,127	20,794,225	20,921,772
Capital Outlay	394,453	394,453	737,681	500,000	250,000	733,117	350,000
Inventory	14,541,936	15,541,936	17,812,626	18,725,000	18,244,000	18,859,985	19,825,501
Depreciation on Own Funds	96,100	96,100	96,100	96,100	96,100	96,100	36,000
Total Expenditures	29,092,230	30,092,230	34,731,381	37,504,228	38,006,227	40,483,132	41,133,273
Total Revenues	29,322,771	29,058,245	33,913,882	37,614,907	38,291,463	37,291,463	41,693,226

Historical Budget Comparison (Year Total Actuals): GS Fleet Services

Category	FY22 YearTotal Actuals	FY23 YearTotal Actuals	FY24 YearTotal Actuals	FY25 YearTotal Actuals	FY26 YearTotal Actual	FY26 Forecast	FY27 Proposed
Materials and Supplies	15,138,802	16,464,262	16,725,675	17,659,380	17,781,574	20,794,225	20,921,772
Capital Outlay	296,476	480,045	303,625	199,645	315,654	733,117	350,000
Inventory	17,041,494	16,879,691	16,726,927	18,780,713	12,367,501	18,859,985	19,825,501
Depreciation on Own Funds	-	-	-	-	-	96,100	36,000
Total Expenditures	32,476,771	33,823,998	33,756,227	36,639,738	30,464,730	40,483,132	41,133,273
Total Revenues	33,315,667	34,561,741	34,319,158	33,141,625	27,013,993	37,291,463	41,693,226

Key Budget Drivers: GS Fleet Services

Budget Drivers: Key factors driving the budget change requests

M&S

Miscellaneous Professional Services:

Professional services costs continue to rise as Fleet Services relies on external vendors to support repair and maintenance operations. In addition, the division must absorb market-driven increases in parts, labor, and specialized services. These higher real-world costs directly impact the Fleet Miscellaneous Professional Services budget and overall operating expenses.

Inventory:

Fleet operating costs remain highly sensitive to unstable fuel prices and fluctuations in petroleum-based products, including lubricants, tires, and plastic components. Ongoing overseas crises continue to contribute to fuel price volatility and broader market uncertainty, making it difficult to accurately project and manage inventory-related expenses.

Key Budget Drivers: GS Fleet Services

Operational Cost (Maintenance and Repairs):

Auto parts and repair costs continue to rise due to inflationary pressures affecting goods, labor, and services across the market. In addition, increased vehicle complexity, including advanced driver assistance systems, sensors, and other specialized components, is driving up repair costs and increasing the need for highly skilled labor.

Capital Acquisition (Vehicle Replacement):

High-mileage and aging vehicles continue to increase downtime and repair costs. Approximately 2,154 vehicles are beyond their expected life cycle, which is driving up maintenance expenses and reducing fleet availability. This aging fleet also requires greater support from both in-house staff and external vendors, placing additional pressure on operating resources.

Key Budget Drivers: General Services (Fleet Fund)

50% of the City Fleet vehicles are outside the life cycle.

		<u>Outside the Life Cycle</u>		Percentage
Executive	43	Executive	33	77%
Finance	0	Finance	0	0%
Fire	376	Fire	144	38%
MPD	2293	MPD	1446	63%
Parks	180	Parks	83	46%
Sanitation	437	Sanitation	78	18%
PW	738	PW	224	30.00%
HR	2	HR	2	100%
GS	195	GS	114	58.00%
Engineering	93	Engineering	30	32%
Total	4357	Total	2154	

Key Budget Drivers: General Services (Fleet Services)

Fuel Costs

- Fluctuating fuel prices impacting operating budgets.

Division Demands

- Increased demand for vehicle availability to meet expanding service needs (Police, Fire, Sanitation).
- Memphis Fire Department: requires 35 Ambulances, 54 Pumpers, 20 Aerial Trucks and 3 Rescues vehicles to do their job.
- Memphis Police: 120 Patrol cars per shift, 3 shifts per day, for a total of 360 cars not including OCU, K9 and other special units.
- Sanitation Farrisview Requirements: 30 Packers, 15 Recycles, 12 Pickers and 27 Bob Trucks.
- Sanitation Bellevue Requirements: 36 Packers, 18 Recycles, 12 Pickers and 30 Bob Trucks.
- Special-purpose vehicles with higher acquisition and maintenance costs (e.g., fire apparatus, ambulances, heavy-duty trucks).
- Ambulances, Pumpers and Arial trucks are time consuming to acquire and costly to maintain due to the nature of the vehicles. Most parts are not available at the local vender and must be special ordered from out of town.

Performance Metrics: General Services (Fleet Services)

Key Performance Indicators that will be used to measure success

- **Response Times:** How quickly the division responds to service requests or issues.
- **Service Delivery:** Number of people served, programs delivered, or projects completed.
- **Efficiency Gains:** Cost-saving measures or improvements in service delivery.

Comparison of Past Performance: A historical overview of performance trends (showing how outcomes improved/did not improve with previous budget).

	FY22	FY23	FY24	FY25	FY26
Metric 1	2.75	2.80	2.77	2.88	3
Metric 2	95.36%	95.00%	93.38%	93.08%	90%
Metric 3	81.45%	80.00%	71.00%	75%	80%

Proposed New or Budding Initiatives for FY27 General Services (Fleet Services)

New or Budding Initiative: Tablet Use for Work Order Submission

Budget Allocation: \$15,000 (\$500.00 per tablet)

Timeline: Procurement & Setup: August 2026

Training & Implementation: September 2026

Expected Outcomes: Mechanics can enter work orders in real-time from their assigned workstations. Reduction in delays between service completion and work order entry. Improved accuracy and completeness of maintenance records. Increased accountability and tracking of shop productivity.

Impact: Enhances communication and coordination between mechanics, foremen, and service advisors. Allows Foremen and Service Advisors to focus more on inventory management and shop budget oversight rather than work order entry.

Proposed New or Budding Initiatives for FY27 General Services (Fleet Services)

New or Budding Initiative: Purchase Snow & Ice Equipment

Budget Allocation: \$350,000

Timeline: October 2026

Expected Outcomes: Faster deployment of equipment during winter weather events. Enhanced support for Fire, Police, EMS operations and Parks Services with reduced response times.

Impact: Maintains critical public safety operations during inclement weather with more consistent and reliable service delivery across the city.

Challenges and Risks: GS Fleet Services

- **Rising Fuel Costs**: Price fluctuations in fuel prices (gas/diesel) can quickly create budget variances.
- **Maintenance Costs**: In-service vehicle and equipment maintenance, including spare parts, will face inflationary pressures.
- **Vehicle Acquisition**: Acquiring new vehicles, including those transitioning to electric, will face challenges in both cost and availability.
- **Supply Chain Disruptions**: Long lead time due to supply chain disruptions can impact the availability of spare parts and new vehicles, potentially leading to maintenance delays and increased costs.