

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Transportation, Environmental Quality, and Utah National Guard

Utah Department of Transportation
Equipment Management

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1.0 Department of Transportation - Equipment Management

Summary

The Equipment Management program of the Department of Transportation is organized into three primary programs: Maintenance Planning, Equipment Purchases, and Central Repair Shops.

The Equipment Management Division is responsible for management, maintenance and repair of the Department's 4,500 unit, \$58,000,000 fleet. They have 94 employees and expend over \$16,000,000 to operate, maintain and purchase replacement units.

The Maintenance Planning Unit assists the six region/district maintenance engineers in planning and programming annual maintenance projects in each of their respective districts.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	241,400	(241,400)	
Transportation Fund	4,175,300	332,200	4,507,500
Dedicated Credits Revenue	13,189,900		13,189,900
Total	\$17,606,600	\$90,800	\$17,697,400
Programs			
Equipment Purchases	7,399,400	90,800	7,490,200
Shops	9,162,200		9,162,200
Maintenance Planning	1,045,000		1,045,000
Total	\$17,606,600	\$90,800	\$17,697,400
FTE/Other			
Total FTE	109		109

2.0 Budget Highlights: Department of Transportation - Equipment Management

2.1 800 Megahertz Funding

Action of the Legislature during the 1997 General Session established the Utah Communications Agency Network Act (63C-7-101 UCA, 1993). This act created an independent state agency to administer public safety communications services on a regional or statewide basis. The Department of Transportation has elected to become a participant of that communications group. The immediate goal of the new agency was to create an 800 Megahertz communications system for emergency and snow removal personnel to use to integrate their communications needs. A program was adopted to phase the program in over a three year period. The system is now in place. The Department of Transportation has added 247 units to the system this year for a total of 802 radios. An appropriation of \$90,800 is recommended by the Analyst for FY 2004 and will be used as current expense to pay for monthly user fees of \$30 per unit for the new units added to the system.

3.1 Programs: Maintenance Planning

Recommendation

It is recommended by the Legislative Fiscal Analyst that \$1,045,000 be appropriated for Maintenance Planning for FY 2004. The Analyst's recommendation of \$990,000 for employee salaries and benefits is at the current salary level.

Travel is recommended at \$13,100 to be used primarily for in-state travel. Current expense is projected for FY 2004 at \$41,700. Major expenditures in this area include rental of vehicles from the motor pool and communication services.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
Transportation Fund	1,041,200	1,062,200	1,045,000	(17,200)
Lapsing Balance	(22,600)			
Total	<u>\$1,018,600</u>	<u>\$1,062,200</u>	<u>\$1,045,000</u>	<u>(\$17,200)</u>
Expenditures				
Personal Services	938,800	1,000,500	990,000	(10,500)
In-State Travel	7,900	8,100	7,100	(1,000)
Out of State Travel	8,200	8,200	6,000	(2,200)
Current Expense	63,500	45,200	41,700	(3,500)
DP Current Expense	200	200	200	
Total	<u>\$1,018,600</u>	<u>\$1,062,200</u>	<u>\$1,045,000</u>	<u>(\$17,200)</u>
FTE/Other				
Total FTE	15	15	15	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Maintenance Planning office is responsible for administering the maintenance operations of the State Highway System. Specifically, this office prepares the annual maintenance budget, develops improved maintenance activities, encourages the training of all maintenance personnel in each district, and develops the yearly maintenance work program. This office also manages the contract maintenance work performed throughout the state. The main objective of the Maintenance Planning Office is to provide the best maintenance program possible with the funds appropriated.

3.2 Programs: Shops

Recommendation

The Analyst's recommendation for the Shops budget for FY 2004 is \$9,162,200 from dedicated credits. The Dedicated Credits are realized as divisions throughout the Department of Transportation are charged for maintenance performed by the Shops personnel on their vehicles and equipment.

Personal services is recommended at \$5,016,800 to fund 94 FTEs. Travel is recommended at \$10,200 for mostly in-state travel. Current expense is projected for FY 2004 at \$4,133,600. The vast majority of that expenditure is for maintenance of the Department fleet.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
Transportation Fund	55,700	50,000		(50,000)
Dedicated Credits Revenue	16,850,800	9,179,400	9,162,200	(17,200)
Lapsing Balance	(1,076,700)			
Total	<u>\$15,829,800</u>	<u>\$9,229,400</u>	<u>\$9,162,200</u>	<u>(\$67,200)</u>
Expenditures				
Personal Services	5,758,700	5,016,800	5,016,800	
In-State Travel	7,600	7,600	7,600	
Out of State Travel	3,300	3,300	2,500	(800)
Current Expense	10,212,000	4,200,000	4,133,600	(66,400)
DP Current Expense	1,700	1,700	1,700	
Other Charges/Pass Thru	(153,500)			
Total	<u>\$15,829,800</u>	<u>\$9,229,400</u>	<u>\$9,162,200</u>	<u>(\$67,200)</u>
FTE/Other				
Total FTE	94	94	94	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Central Repair Shops carry out a program of preventive maintenance and repair of all department-owned vehicles, trucks and maintenance equipment. All districts except District Two of the Department of Transportation have maintenance and repair crews located within the district. District Two maintenance is handled at the central shops located at the Calvin L. Rampton complex.

**Performance
Measures**

Equipment Operations are also doing their part to preserve the environment. Examples of their efforts are improving waste oil recycling methods, increased use of recapped tires, expanding vehicle emission testing, cooperation with Division of Fuel Dispensing in the development of the new statewide fueling network, and the replacement of out dated fuel tanks.

Equipment Management is currently evaluating all classes of equipment in the fleet as to need, type of use and utilization. They are also looking at the amount and type of work for which each class of equipment is used in determining the number of units needed to accomplish that work during the appropriate season.

3.3 Programs: Equipment Purchases

Recommendation The Fiscal Analyst recommends a FY 2004 appropriation of \$7,490,200 for the purchase of road building and maintenance equipment. The recommendation includes \$3,462,500 from the Transportation Fund. This recommendation is to cover costs incurred by the department when they install and service other state agencies' communications equipment.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	241,400	241,400		(241,400)
Transportation Fund	4,024,700	3,630,300	3,462,500	(167,800)
Dedicated Credits Revenue	4,100,500	4,027,700	4,027,700	
Lapsing Balance	(159,800)			
Total	\$8,206,800	\$7,899,400	\$7,490,200	(\$409,200)
Expenditures				
Current Expense	1,138,900	897,600	988,400	90,800
DP Current Expense	1,200			
Capital Outlay	6,900,700	7,001,800	6,501,800	(500,000)
Operating Transfers	166,000			
Total	\$8,206,800	\$7,899,400	\$7,490,200	(\$409,200)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The Equipment Management System maintains a computerized system containing an accounting of expenditures on each individual vehicle and maintenance-type piece of equipment; requests and executes work programs for buying replacement vehicles and maintenance equipment; provides specialized training programs to improve the skills of equipment operators and mechanics; analyzes computer reports in an effort to discover ways of improving fleet operations, reducing maintenance and repair costs and increasing the usage of equipment.

800 Megahertz Funding Action of the Legislature during the 1997 General Session established the Utah Communications Agency Network Act (63C-7-101 UCA, 1953). This act created an independent state agency to administer public safety communications services on a regional or statewide basis. The Department of Transportation has elected to become a participant of that communications group. The immediate goal of the new agency was to create an 800 Megahertz communications system for emergency and snow removal personnel to use to integrate their communications needs. A program was adopted to phase the program in over a three year period. The system is now in place. The Department of Transportation has added 247 units to the system this year for a total of 802 radios. An appropriation of \$90,800 is recommended by the Analyst for FY 2004 and will be used as current expense to pay for monthly user fees of \$30 per unit for the new units added to the system.

Anticipated purchases are \$6,501,800 for road equipment as shown in the following table.

Equipment Purchase Work Program - FY 2002 Combined Preliminary Request			
Units		Unit Price	Total
1	Truck Single X C&C	\$45,000	\$45,000
22	Trucks Tandem X, C&C	87,000	1,914,000
12	Trucks Tandem X, C&C-Auto	99,000	1,188,000
1	Truck, Tandem X, C&C	75,000	75,000
2	Trucks Dual Wheel One Ton's	50,000	100,000
24	Snow Plows, straight. blade	5,000	120,000
1	Rotary Plows, Hydrostatic	300,000	300,000
12	Wing Plows	9,000	108,000
10	Snow Plows, gull wing	5,000	50,000
4	Tractor, 70 H.P.	30,000	120,000
2	Grader, std <150 H.P.	130,000	260,000
1	Grader, 6x6>150 H.P.	140,000	140,000
3	Lifts, Cranes, Small	75,000	225,000
1	Crane, Bridge Inspection	500,000	500,000
2	Loader, Fork/Skidsteer	29,000	58,000
2	Loader, FE, up to 2 Y.D.	79,000	158,000
6	Loader, FE, >2 Y.D.	87,000	522,000
14	Anti Icer 1800 Gallon	15,000	210,000
20	Spreader, pre-wet, 7.5 yd	9,500	190,000
4	Sweeper, tow-type	22,000	88,000
1	Weed Sprayer	30,000	30,000
2	Trailer, platform >35 ton	55,000	110,000
9	Trailer, platform >5 ton	5,000	45,000
2	Rotary Mowers <7'	9,000	18,000
4	Rotary Mowers >7'	11,000	44,000

4.0 Additional Information: Equipment Management

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	241,400	241,400	241,400	241,400	
Transportation Fund	3,439,700	4,161,700	5,121,600	4,742,500	4,507,500
Dedicated Credits Revenue	17,695,400	18,790,800	20,951,300	13,207,100	13,189,900
Transfers - Within Agency	100	100			
Beginning Nonlapsing		(407,000)			
Closing Nonlapsing	407,100	624,900			
Lapsing Balance			(1,259,100)		
Total	\$21,783,700	\$23,411,900	\$25,055,200	\$18,191,000	\$17,697,400
Programs					
Equipment Purchases	6,683,400	7,090,400	8,206,800	7,899,400	7,490,200
Shops	14,131,200	15,331,500	15,829,800	9,229,400	9,162,200
Maintenance Planning	969,100	990,000	1,018,600	1,062,200	1,045,000
Total	\$21,783,700	\$23,411,900	\$25,055,200	\$18,191,000	\$17,697,400
Expenditures					
Personal Services	6,248,000	6,411,000	6,697,500	6,017,300	6,006,800
In-State Travel	17,200	16,200	15,500	15,700	14,700
Out of State Travel	9,900	11,300	11,500	11,500	8,500
Current Expense	9,513,300	10,972,000	11,414,400	5,142,800	5,163,700
DP Current Expense	300	1,300	3,100	1,900	1,900
Capital Outlay	6,177,100	6,000,100	6,900,700	7,001,800	6,501,800
Other Charges/Pass Thru	(182,100)		(153,500)		
Operating Transfers			166,000		
Total	\$21,783,700	\$23,411,900	\$25,055,200	\$18,191,000	\$17,697,400
FTE/Other					
Total FTE	109	109	109	109	109

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.