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

Contents:
1.0 Summary
2.0 Issues
3.0 Programs
4.0 Additional Information
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.

<table>
<thead>
<tr>
<th>Financing</th>
<th>Analyst FY 2004</th>
<th>Analyst FY 2004</th>
<th>Analyst FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base</td>
<td>241,400</td>
<td>(241,400)</td>
<td></td>
</tr>
<tr>
<td>Transportation Fund</td>
<td>4,175,300</td>
<td>332,200</td>
<td>4,507,500</td>
</tr>
<tr>
<td>Dedicated Credits Revenue</td>
<td>13,189,900</td>
<td></td>
<td>13,189,900</td>
</tr>
<tr>
<td>Total</td>
<td>$17,606,600</td>
<td>$90,800</td>
<td>$17,697,400</td>
</tr>
</tbody>
</table>

| 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, 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.
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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Fund</td>
<td>1,041,200</td>
<td>1,062,200</td>
<td>1,045,000</td>
<td>(17,200)</td>
</tr>
<tr>
<td>Lapsing Balance</td>
<td>(22,600)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,018,600</td>
<td>$1,062,200</td>
<td>$1,045,000</td>
<td>($17,200)</td>
</tr>
</tbody>
</table>

Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>2002 Actual</th>
<th>2003 Estimated</th>
<th>2004 Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>938,800</td>
<td>1,000,500</td>
<td>990,000</td>
<td>(10,500)</td>
</tr>
<tr>
<td>In-State Travel</td>
<td>7,900</td>
<td>8,100</td>
<td>7,100</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Out of State Travel</td>
<td>8,200</td>
<td>8,200</td>
<td>6,000</td>
<td>(2,200)</td>
</tr>
<tr>
<td>Current Expense</td>
<td>63,500</td>
<td>45,200</td>
<td>41,700</td>
<td>(3,500)</td>
</tr>
<tr>
<td>DP Current Expense</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,018,600</td>
<td>$1,062,200</td>
<td>$1,045,000</td>
<td>($17,200)</td>
</tr>
</tbody>
</table>

FTE/Other

<table>
<thead>
<tr>
<th>Category</th>
<th>Total FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Fund</td>
<td>55,700</td>
<td>50,000</td>
<td>(50,000)</td>
<td></td>
</tr>
<tr>
<td>Dedicated Credits Revenue</td>
<td>16,850,800</td>
<td>9,179,400</td>
<td>9,162,200</td>
<td>(17,200)</td>
</tr>
<tr>
<td>Lapsing Balance</td>
<td>(1,076,700)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,829,800</strong></td>
<td><strong>$9,229,400</strong></td>
<td><strong>$9,162,200</strong></td>
<td><strong>($67,200)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>5,758,700</td>
<td>5,016,800</td>
<td>5,016,800</td>
<td></td>
</tr>
<tr>
<td>In-State Travel</td>
<td>7,600</td>
<td>7,600</td>
<td>7,600</td>
<td></td>
</tr>
<tr>
<td>Out of State Travel</td>
<td>3,300</td>
<td>3,300</td>
<td>2,500</td>
<td>(800)</td>
</tr>
<tr>
<td>Current Expense</td>
<td>10,212,000</td>
<td>4,200,000</td>
<td>4,133,600</td>
<td>(66,400)</td>
</tr>
<tr>
<td>DP Current Expense</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
<td></td>
</tr>
<tr>
<td>Other Charges/Pass Thru</td>
<td>(153,500)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,829,800</strong></td>
<td><strong>$9,229,400</strong></td>
<td><strong>$9,162,200</strong></td>
<td><strong>($67,200)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FTE/Other</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FTE</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td></td>
</tr>
</tbody>
</table>

*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.
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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>241,400</td>
<td>241,400</td>
<td>(241,400)</td>
<td></td>
</tr>
<tr>
<td>Transportation Fund</td>
<td>4,024,700</td>
<td>3,630,300</td>
<td>3,462,500</td>
<td>(167,800)</td>
</tr>
<tr>
<td>Dedicated Credits Revenue</td>
<td>4,100,500</td>
<td>4,027,700</td>
<td>4,027,700</td>
<td></td>
</tr>
<tr>
<td>Lapsing Balance</td>
<td>(159,800)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,206,800</td>
<td>$7,899,400</td>
<td>$7,490,200</td>
<td>($409,200)</td>
</tr>
</tbody>
</table>

*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.

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

4.1 Funding History

<table>
<thead>
<tr>
<th>Financing</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Estimated*</td>
<td>Analyst</td>
</tr>
<tr>
<td>General Fund</td>
<td>241,400</td>
<td>241,400</td>
<td>241,400</td>
<td>241,400</td>
<td></td>
</tr>
<tr>
<td>Transportation Fund</td>
<td>3,439,700</td>
<td>4,161,700</td>
<td>5,121,600</td>
<td>4,742,500</td>
<td>4,507,500</td>
</tr>
<tr>
<td>Dedicated Credits Revenue</td>
<td>17,695,400</td>
<td>18,790,800</td>
<td>20,951,300</td>
<td>13,207,100</td>
<td>13,189,900</td>
</tr>
<tr>
<td>Transfers - Within Agency</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Nonlapsing</td>
<td></td>
<td>(407,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Nonlapsing</td>
<td>407,100</td>
<td>624,900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lapsing Balance</td>
<td></td>
<td></td>
<td>(1,259,100)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$21,783,700</td>
<td>$23,411,900</td>
<td>$25,055,200</td>
<td>$18,191,000</td>
<td>$17,697,400</td>
</tr>
</tbody>
</table>

Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Purchases</td>
<td>6,683,400</td>
<td>7,090,400</td>
<td>8,206,800</td>
<td>7,899,400</td>
<td>7,490,200</td>
</tr>
<tr>
<td>Shops</td>
<td>14,131,200</td>
<td>15,331,500</td>
<td>15,829,800</td>
<td>9,229,400</td>
<td>9,162,200</td>
</tr>
<tr>
<td>Maintenance Planning</td>
<td>969,100</td>
<td>990,000</td>
<td>1,018,600</td>
<td>1,062,200</td>
<td>1,045,000</td>
</tr>
<tr>
<td>Total</td>
<td>$21,783,700</td>
<td>$23,411,900</td>
<td>$25,055,200</td>
<td>$18,191,000</td>
<td>$17,697,400</td>
</tr>
</tbody>
</table>

Expenditures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>6,248,000</td>
<td>6,411,000</td>
<td>6,697,500</td>
<td>6,017,300</td>
<td>6,006,800</td>
</tr>
<tr>
<td>In-State Travel</td>
<td>17,200</td>
<td>16,200</td>
<td>15,500</td>
<td>15,700</td>
<td>14,700</td>
</tr>
<tr>
<td>Out of State Travel</td>
<td>9,900</td>
<td>11,300</td>
<td>11,500</td>
<td>11,500</td>
<td>8,500</td>
</tr>
<tr>
<td>Current Expense</td>
<td>9,513,300</td>
<td>10,972,000</td>
<td>11,414,400</td>
<td>5,142,800</td>
<td>5,163,700</td>
</tr>
<tr>
<td>DP Current Expense</td>
<td>300</td>
<td>1,300</td>
<td>3,100</td>
<td>1,900</td>
<td>1,900</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>6,177,100</td>
<td>6,000,100</td>
<td>6,900,700</td>
<td>7,001,800</td>
<td>6,501,800</td>
</tr>
<tr>
<td>Other Charges/Pass Thru</td>
<td>(182,100)</td>
<td>(153,500)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers</td>
<td>166,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$21,783,700</td>
<td>$23,411,900</td>
<td>$25,055,200</td>
<td>$18,191,000</td>
<td>$17,697,400</td>
</tr>
</tbody>
</table>

FTE/Other

<table>
<thead>
<tr>
<th>FTE/Other</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FTE</td>
<td>109</td>
<td>109</td>
<td>109</td>
<td>109</td>
<td>109</td>
</tr>
</tbody>
</table>

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