Final Draft

Institute for Senior Professionals
Northwest Florida State College

Review of Okaloosa County Vehicle Fuel Usage

May 2009

Executive Summary

An unexpected and costly surge in the price of fuel in mid-2008 gave rise to a request from Ms. Donna Miller, Assistant Administrator of Okaloosa County, to the ISP to review fuel purchasing and usage patterns by that portion of county vehicle fleet funded and directed by the Board of County Commissioners ("BCC"). The fleet included Okaloosa County Transit, but excluded the School District and Sheriff's Office. The intent was to optimize fuel usage and efficiency. Our detailed findings, observations and recommendations follow in the main body of the report.

In summary, the study group was favorably impressed with the BCC's fuel purchasing and management measures, with the condition of the vehicle fleet, and with the quality and dedication of county personnel. This said, our review revealed room for improvement at the margin, including what appeared to be a number of underutilized or idle vehicles, and several cases in which larger vehicles than necessary were being used for a variety of tasks; these circumstances obviously impact on county fuel consumption rates. Over the past five years, the inventory of BCC vehicles has grown by 23% - mostly heavy trucks and off-road equipments. Over that same period of time, mileage driven by all BCC departments has remained steady while fuel consumption has increased only 3%. At the same time, fuel consumption by "non-departmental" entities – principally Okaloosa County Transit - has increased by nearly 40%.

Public Works - with the largest vehicle inventory – continues to consume the largest amount of fuel, followed by a contract agency, Okaloosa County Transit. Water and Sewer, and Emergency Management trail distantly. But together these four entities consume 90% of the county's fuel. Of the various classes of vehicles, six account for 65% of the county's fuel; they are – in order – buses, pickup trucks, dump trucks, three-quarter ton trucks, ambulances and road graders. Consumption by all sedans, SUVs and compact pickups is only 9%.

While the price of fuel is currently more affordable than in 2008, we believe that fuel prices are likely to rise once the global economy recovers. Fuel conservation measures – both present and future – therefore continue to be of value and should be a continuing concern. But for greatest impact, they should be focused on the large departments and the larger classes of vehicles. We conclude that the greatest potential for fuel savings is to be found in reducing the number of vehicles in inventory, and in reducing vehicle sizes to the minimum rationally needed for departmental tasks. To this end, we recommend a programmatic review of vehicle needs, beginning with Public Works. Excess vehicles may be disposed of by attrition. Vehicles which are unnecessarily large with respect to job requirements may be reassigned or replaced over time. The eventual result will be savings not only in fuel costs, but in vehicle upkeep and capital investment.

We are additionally concerned about a few lesser issues. Vehicle life-cycle costing would be helpful in rationalizing the selection and retention of fuel efficient vehicles. Also, a routine mechanism for soliciting and awarding employee suggestions for fuel conservation and efficient vehicle utilization could both reinforce cost-saving objectives and engage working level participation. Finally, while there is useful software and ample data available for the day-to-day management of the vehicle fleet, improvements to both are needed in order to develop the larger pictures of fleet utilization, effectiveness, and costs.

Review of Okaloosa County Vehicle Fuel Usage
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1. Background: This study originated in a memorandum to the ISP from Ms. Donna Miller, Assistant County Administrator, dated 6 June 2008, which requested ISP assistance in reviewing fuel and vehicle usage by Okaloosa County, with a view to optimizing efficiency. Specifically, the memorandum asked for "…a review of our processes, including deployment of labor and equipment as well as our method of purchase, with the objective of identifying cost saving methodologies…" The trigger event for the county request was the sudden and unforeseen increase in national fuel prices, which peaked locally in mid-summer 2008. To specify the problem, the county general budget for FY 2008/09 allocated somewhat over $3 million dollars for fuel; this represents over a 230% increase from FY 2003/04, when the allocation for fuel was only about $900,000 (nominal dollars). Of this, the fuel portion was projected at about $3 million, with every prospect of it rising.

2. Scope: The study was approved by the membership at the June meeting, and a Study Group was formed. Our primary point of contact in the county was Mr. John Vaughn, Fleet Operations Manager, with whom we met several times, and who provided us with extensive raw data. In addition we met with the heads of the major fuel-consuming departments, namely, Public Works, Water and Sewer, Public Safety, and a contract agency, Okaloosa County Transit (OCT). Brief telephone discussions were also undertaken with the purchasing director, the finance director and the risk management director. The group examined only those functions that are within the purview of the Board of County Commissioners (BCC) plus Okaloosa County Transit; we therefore excluded two major fleets and fuel users: the School District and the Sheriff's Department. We also focused on expenditures, while realizing that several organizations are fund much of their own operations either through revenue streams (e.g. Water and Sewer) or through State and Federal grants (e.g. OCT). Lastly, the Study Group restricted itself to data and information as furnished.

3. Okaloosa County: Early in the course of our study we recognized three features of Okaloosa County and county government that diminish the efficiency of fleet operations but resist quantification: (1) As a coastal county, Okaloosa is vulnerable to hurricanes, and so planning must factor in disaster preparedness; this impacts on the numbers and types of vehicles suitable for rescue and infrastructure recovery. (2) The county is divided into two major population concentrations, separated by Eglin AFB and connected by only one highway. In addition, Destin, south of Choctawhatchee Bay, is linked to the remainder of the county only by two bridges. These geographic conditions lead to long transit times north to south, the consequent existence of two fleet compounds, and a dispersed distribution of vehicles. (3) Finally, and in contrast to many US counties, the management of Okaloosa's vehicle fleet is largely decentralized to the various departments, with Fleet Operations monitoring vehicle utilization and performing essential service and repair.

4. Overview: In the abstract, there seem to be relatively few ways to accomplish fuel savings by the county. In the view of the Study Group, these appear principally to be: a. the purchase of fuel at lower prices; b. a reduction in the overall numbers of vehicles in the fleet; c. the optimization of the fleet ("right-sizing" and fuel efficiency); d. the more efficient utilization of the fleet; e. structural or other changes, including technological. In undertaking its review, the study group considered each of these areas.

5. Potential for Savings: As noted above, the current fiscal year county fuel budget is $3.0 million – about one percent of the total FY 08/09 budget of $304 million. If the county implements an extensive set of measures to economize by, say, 10 percent in the use of fuel (to pull a perhaps unrealistic but illustrative number out of the air), it could theoretically achieve a maximum of $300,000 savings. At

lower fuel costs of course (as is the case at present), this dollar savings would accordingly be less – perhaps half of that amount. If departmental reviews recommend vehicle drawdowns and "right-sizings", there may also be substantial savings benefits in other funding categories, such as reductions in new vehicle purchases and upkeep, with eventual indirect savings in fuel expenditures. Clearly, against these potential savings benefits, managers would have to weigh and work around the possible interim disruptions that may conceivably ensue. Those funding entities identified generally as "outside agencies" – principally, Okaloosa County Transit (OCT) - currently account for nearly one-third of the county fuel allocation; it is unknown to what degree OCT or these agencies would or could participate in fuel conservation measures.

6. Findings and Observations: The first task of the Study Group was simply to measure and understand the size, character and utilization of the county's vehicle fleet, as well as its fuel requirements. Our salient findings and observations – as drawn from our interpretation of currently available data - are presented below (see supporting tables in Appendix A):

Fuel Acquisition and Management

-- Overall budgeted county fuel allocations have increased about 12 % since FY 03/04; most of this growth is attributable to "outside agencies", particularly OCT. (Table 1)

-- In contrast to overall county growth, fuel use by departments under county administration increased only about 2.5%. (Table 1)

-- Diesel fuel use by the county departmental fleet has decreased, while unleaded fuel use increased; the opposite has occurred among outside agencies – principally OCT. (Table 1)

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-- County fuel use exceeded budgeted and budgeted and allocated amounts in every year but one since FY 03/04. (Table 2)

-- Fuel costs paid by the county from FY 03/04 to FY 07/08 increased steadily over the period from $1.15 per gallon to as much $4.00 per gallon for diesel, and $1.40 to $3.75 per gallon for unleaded (current dollars). (Table 3)

-- The county buys fuel competitively, at relatively favorable rates, and in approximate 9,000 gallon lots.

-- The fuel is stored at two in-house fueling stations at Public Works compounds on both north and south county properties.

-- 80% of the fuel for departmental and outside agencies is purchased from these fueling stations; the remaining 20% is purchased from commercial stations at essentially the same cost.

-- The in-house fueling and storage capacity assures that county and other emergency vehicles have access to fuel in event of storm or other disaster.

-- CNG, ethanol alcohol, and biomass fuels (i.e. "green" fuels) are either not currently available in Okaloosa County or not obtainable at reasonable cost.

The Vehicle Fleet

-- Since FY 03/04 the fleet has grown at a higher rate than either the county or the county government.

-- There are now 758 total fleet vehicles, compared to 615 in FY 03/04 (adjusted for inclusion of Okaloosa County Transit (OCT)). (Table 4)

-- Much of the growth has been in heavy trucks and off-road equipments (including many trailers). (Table 4)

-- Mileages driven have essentially held steady since late FY 04/05, when OCT began to be included in measurements. (Table 10)

-- Of the 758 vehicle county fleet (including OCT), 653 are powered; of these some 440 are classified as "on-road" vehicles. (Table 5)

-- The on-road vehicles receive the most use, are repaired the most often, and consume most of the fuel. (Table 6)

-- Six classes of larger vehicles consume fully 65% of the county's fuel; they are: buses (18% of fuel), pickup trucks (11%), dump trucks (11%), three-quarter ton trucks (10%), ambulances (9%), and road graders (6%). (Table 6)

--Of the county's smaller vehicles, SUVs consume 4% of county fuel, compact pickups 3%, and sedans only 2%. (Table 6)

-- Public Works is the largest single operator of vehicles, with an inventory of 141 on-road vehicles, and 115 off-road vehicles; Water and Sewer is second, with 89 on-road and 55 off-road vehicles. (Table 7)

-- Public Works (esp. the Road Department) is the largest single user of fuel, followed by OCT, followed distantly by Emergency Management and Water and Sewer. Together they account for 90% of county fuel. (Table 8)

-- Vehicle service intervals and repair rates are good, with no more than 2% of the vehicle fleet out of service at any one time; most service is done in-house, by Fleet Operations, in both north and south county facilities.

-- Nonetheless, forty-five of the on-road vehicles (10%) have over 150,000 miles of use and are likely to be either maintenance-prone or operating at less than optimal fuel efficiency. (Table 9)

-- Fifty of the on-road vehicles (11%) appear to be utilized at rates of less than 300 miles/month. (Table 11)

-- OCT's shuttle program appears to have endemically low ridership; the size of vehicles currently used by the "Para" (patient) service appears to be excessively large for the ridership.

Other

-- The annual fuel allocation and budget does not capture compensated use of privately-owned vehicles; the magnitude of such costs is unknown.

-- Current Fleet Operations software is adequate for monitoring most metrics relating to conventional fleet management.

-- However, some vital analytical data is neither monitored nor available to departments and Fleet Operations.

7. **Overall Evaluation:** The study group was favorably impressed with the BCC's fuel purchasing and management processes, with the condition of the vehicle fleet, and with the quality and dedication of

county personnel. Employees were cognizant of the need to conserve and care for public resources, and were clearly on-board with the county's goal of conserving fuel (particularly commendable was the Public Works Department's implementation of working-level suggestions.) There was no discernable misuse of county vehicles, and vehicle take-homes are generally prohibited. The condition of the vehicle fleet – including OCT - appeared to be excellent, and maintenance facilities were busy and well-kept. Managers met with us readily, and responded frankly to all questions.

8. Recommendations: Our favorable evaluation notwithstanding, the Study Group feels that some conservation and efficiency improvements are possible at the margin. It noted the current respite from high fuel prices, but felt that the cost of fuel will likely increase as global economic recovery sets in; the county will once again feel fuel cost pressures as that occurs. We recommend and suggest evaluation of the following:

Recommend

-- A base-line, programmatic audit of vehicle requirements, with Public Works as the largest and lead department; the concern is that the size of the fleet may have outpaced strict needs.

-- As part of such analysis, work with the disaster preparedness planners to assess realistic vehicle needs for infrastructure repair and other disaster recovery requirements.

-- Also as a part of such analysis, consider optimal vehicle sizing weighed against the task for which the vehicle is required (i.e. can a smaller, more fuel-efficient vehicle do the same task?).

-- That OCT utilize the most fuel efficient vehicles for the task (especially for the "Para" program), and adjust Shuttle/Wave service seasonally to assure optimal ridership.

-- Incorporate life-cycle cost analysis in new vehicle purchases, and explicitly include fuel efficiency as a selection criteria.

-- Establish a process to identify excess or highly inefficient vehicles, and promptly dispose of them.

-- Transfer to Fleet Operations for departmental lease-back any vehicles seldom used but still required.

-- Implementation of a software capable of storing and manipulating data for a wider range of management metrics; this would facilitate more rapid and meaningful analysis of fleet patterns, trends and costs.

-- Make mileage and budget data available on the compensated use of privately-owned vehicles in order to assist in better determining fuel use and potential vehicle fleet needs.

-- Establishment of employee suggestion awards and/or periodic employee focus groups on ways to economize on vehicle and fuel use.

Evaluate

-- A joint purchase arrangement with the School Board – and perhaps inter-regional entities - in order to increase bargaining power and stabilize delivery prices over a broader period of time.

-- Hybrid and compound-hybrid vehicles for tasks requiring high vehicle idle times (e.g. meter readers); other alternative/green fuels are not reasonably available in Okaloosa County at this time.

-- Evaluate GPS technology with selected vehicles or classes of vehicles in order to track vehicle use and monitor and optimize routes; Public Works, Water and Sewer, and OCT may be candidates for such applications.

Other

-- Fuel economy measures to be held in reserve: mandatory county-wide idling and speed limits for official vehicles; reduction of cargo weights; increase in tire pressures; consolidation of tasks and trips; conduct of meetings via tele- and video-conferencing.

Miscellaneous

-- Consider an additional county fueling station and storage tank located in Destin or Niceville, to enhance emergency preparedness (not related to fuel economy).

9. **What Other Counties Have Done:** In the course of our study the group was able to obtain the report of a survey conducted by the National Association of Counties (NACo), and which was providentially completed in June 2008. That survey queried about measures either taken or considered by 31 large urban counties (four in Florida) in response to escalating fuel prices. There were 28 such measures identified. It is gratifying that of these measures, several have already been implemented by Okaloosa County. We include the NACo report for your information at Appendix B.

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Appendix A

Supporting Tables
Vehicle Fuel Usage Report
Okaloosa County

Note: County funding categories and data can be confusing. In the tabulations below, we have distinguished between funding and operations of the directly-managed departments of the Board of County Commissioners (designated as "BCC") and the funding category designated as "Outside Agencies". For clarity and convenience, "Outside Agencies" was compressed to "Non-BCC". The principal customer serviced as "Non-BCC" is Okaloosa County Transit.

Table 1. Trends - Fuel amounts allocated for the BCC vehicle fleet and outside agencies, from FY 03/04 to FY 08/09, in thousands of gallons*:

Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	% Change FY 04 - 09
Unleaded-BCC Depts	197	194	208	220	223	252	28%
Diesel-BCC Depts	319	324	318	304	296	277	(13%)
Total BCC Depts	516	518	526	524	519	529	2.5%
Unleaded Non-BCC	88	93	87	69	66	83	(5.7%)
Diesel Non-BCC	82	122	115	142	139	153	87%
Total Non-BCC Fuel**	170	215	202	211	205	236	39%
Total County Diesel	401	445	433	446	435	430	7%
Total County Unleaded	285	287	295	289	289	335	18%
Total County Fuel	686	732	728	735	724	765	12%

* From annual Fleet Operations BCC Budget Allocations. Includes both fuel purchased by Fleet Management and distributed through in-house fueling points, and purchases made at commercial gas stations.
** Includes Okaloosa County Transit (major consumer), plus an annually varying array of organizations allowed to fuel at Fleet Management fueling points or at commercial gas stations using a Comdata charge card.

Table 2. Trends - Fuel amounts allocated for/actually used by the BCC vehicle fleet and outside agencies, from FY 03/04 to FY 08/09, in thousands of gallons*:

Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09
Diesel	401/425	445/441	433/452	446/524	435/436	431/NA
Unleaded	285/299	287/288	295/288	289/337	290/335	355/NA
Total	686/724	732/729	728/740	735/861	724/771	786/NA
Used as % of Total Allocated	1.06%	.995%	1.02%	1.17%	1.06%	NA

* From annual Fleet Operations BCC Budget Allocations and Fleet Operations 4th Qtr. Quarterly Reports.

Table 3. Trends - Fuel budgets for the BCC vehicle fleet, from FY 03/04 to 08/09, in thousands of nominal dollars*:

Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	% Change FY 03/04 – 03/09
Projected cost per/gallon of diesel/unleaded	$1.15/ $1.40	$1.25/ $1.80	$2.80/ $2.25	$2.40/ $2.80	$2.40/ $2.80	$4.00/ $3.75	--
Diesel-BCC Depts	367	404	572	729	711	1,108	301%
Unleaded-BCC Depts	275	349	467	617	625	946	344%
Total BCC Fuel Depts	697	806	1,093	1,407	1,397	2,114	303%
Diesel Non-BCC	94	152	206	341	333	613	652%
Unleaded Non-BCC	123	167	196	192	184	311	253%
Tot Non-BCC Fuel	217	319	402	533	517	924	426%
Total County Fuel	928	1,142	1,511	1,957	1,931	3,076	332%

* From annual Fleet Operations BCC Budget Allocations.

Table 4. Trends - BCC vehicle inventory levels, FY 03/04 to FY 08/09*:

Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09
Light Vehicles	279	313	317	347	349	335
Heavy Trucks	59	79	89	102	101	104
Off-road Equip.	218	228	254	274	306	319
Total	556	620	660	723	756	758

* Fleet Operations Equipment Count, FY 03/04 through FY 07/08. FY 03/04 figures exclude the then OCT count of 59 assorted vehicles (mostly buses and vans).

Table 5: Snapshot - The size of the BCC vehicle fleet, September 2008*:

General Categories of Vehicles	Number
Light	355
Heavy	104
Off-road,	319, of which:
Trailers and equipments	105
Total powered vehicles,	653, of which:
Road vehicles	440

* From Fleet Operations Inventory of BCC Vehicles,8 Sep 2008. Includes Okaloosa County Transit vehicles.

Table 6. Snapshot - Types and Numbers of Powered Vehicles in BCC Fleet, September 2008*, and Percentage of Fuel Consumed over a year**

Types of Vehicles	Number	Percentage of Fuel Consumed
1. Pickup trucks	86	11%
2. Three-quarter ton trucks	56	10%
3. Buses	43	18%
4. SUVs	43	4%
5. Compact pickups	31	3%
6. One ton trucks	30	5%
7. Tractors/transport	30	3%
8. Vans/minivans	27	5%
9. Sedans	26	2%
10. Ambulances	19	9%
11. Flatbed dump trucks	19	4%
12. Standard dump trucks	18	7%
13. Loaders	18	3%
14. Excavators	16	2%
15. Road graders	15	6%
17. Class four trucks	11	2%
18. All other	165	6%
Total	653	100%

* From Fleet Operations Inventory of BCC Vehicles, 8 Sep 2008.
** From Fleet Operations Distribution of Fuel Used by Classes of Vehicles, for twelve months ending 30 Sep 2008.

Table 7. Snapshot - BCC Vehicle Allocations, by Department, September 2008*

Department	On-road Vehicles	Off-road Vehicles
Public Works	141	115
Water and Sewer	89	55
Okaloosa County Transit	43	0
Facility Maintenance	40	2
Public Safety	33	0
Health Department	18	0
Growth Management	17	0
Fleet Operations	12	4
All Others	46	19
Total	440	195

* From Fleet Operations Inventory of BCC Vehicles, 8 Sept 2008.

Table 8: Trends - BCC Fuel Allocations, by Department, FY 03/04 to FY 08/09, in thousands of gallons*

Department	FY 03/04 Dies/Gas	FY 04/05 Dies/Gas	FY 05/06 Dies/Gas	FY 06/07 Dies/Gas	FY 07/08 Dies/Gas	FY 08/09 Dies/Gas	% Change Dies/Gas
Public Works	206.1/66.1	216.8/66.6	199.8/74.6	188.5/76.3	187.2/75.7	164.9/87.8	(20)/33
of which, Roads	166.0/30.1	175.4/28.7	162.9/32.4	152.8/31.0	157.4/30.5	139.5/37.2	(15)/24
Emergency Mgmt	69.8/8.6	59.0/9.8	69.2/10.3	61.4/10.9	63.7/12.7	62.5/14.8	(11)/72
Water & Sewer	42.5/53.5	46.4/51.9	47.7/50.9	51.6/61.4	43.3/61.5	42.8/72.3	1/35
Facility Maintenance	0.7/28.5	0.7/26.4	1.3/27.8	2.0/26.1	1.7/25.0	1.7/24.5	143/(14)
Admin Services	0/12.6	0/11.8	0/9.6	0/8.2	0/8.8	0/15.0	0/19
Airports	0.8/0.8	0.5/2.8	0/5.1	0.1/5.3	.1/3.5	0/9.1	(100)/11.5x
Inspection	0/10.0	0/11.8	0/12.7	0/14.3	0/13.5	0/10.1	0/10x
Other BCC (14)	0.9/17.4	0.7/13.4	0.1/14.8	0.2/16.0	0.2/20.0	0/18.7	(100)/7
Non-BCC**	81.9/87.8	121.5/92.9	114.6/87.1	142.0/68.5	138.7/65.8	153.2/83.0	87/(6)

* From Fleet Operations Fuel Allocations, by Department, Feb 09.
** Includes Okaloosa County Transit (major consumer), plus an array of organizations allowed to fuel at Fleet Management fueling points or at commercial gas stations using Comdata charge card.

Table 9: Snapshot - Number of BCC High Mileage Vehicles/in Need of Replacement, by Department, July, 2008*

Department	**Over 120,000 mi.**	**..of which, over 150,000 mi.**	**Type of vehicle over 150,000 mi.**
Public Works	27	16	8 dump and 5 flatbed trucks, 2 roll-trucks, 1 tractor truck
Water and Sewer	20	6	1 one ton, 4 ¾ ton, 1 sm pickup trucks
OCT	13	12	11 buses, 1 van
EMS	11	5	5 ambulances
Fleet Operations	7	6	4 one ton trucks, 1 tractor truck
Facility Maintenance	4	0	-
Information Systems	3	0	-
Total to be replaced	85… and of these…	45 over 150k mi.	

* From Fleet Operations High Mileage and Vehicle Replacement List, July 2008.

Table 10: Trends - Total annual mileages driven by the BCC vehicle fleet from 2004-present:

Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09
Mileage	4,800,000*	5,900,000*	6,200,000	6,400,000	6,300,000**	1.3m 1st Qtr

* From Fleet Operations 4th Qtr. Quarterly Reports. Excludes Okaloosa County Transit mileages, fully for FY 03/04, partially for FY 04/05.
** Thought to reflect curtailment of vehicle take-homes, as well as other economizing measures.

Table 11: Snapshot - Number of BCC vehicles with low mileages/usage rates, by Department, July-September, 2008*

Department	< 100 miles/mo	< 200 miles/mo	<300 miles/mo	<400 miles/mo
Facilities Maintenance	5 (2 at 0 use)	6	11	18
Water and Sewer	3 (2 at 0 use)	5	11	11
Public Works**	1	2	5	7
Public Safety	5 (2 at 0 use)	5	7	9
Corrections	1	2	2	6
TDC/Conference Center	1	1	4	4
Fleet Operations	0	0	2	5
All Others***	2	3	7	11
Totals	18 (7 at 0 use)	24	49	71

* From Fleet Operations Vehicle Utilization Rates, October, 2008. Note that columns are cumulative.
** Excludes mosquito control vehicles (not used in late summer)
*** Includes Inspections, Planning, Engineering, Airports, and Admin Services.

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Appendix B

Survey Report
Gas Prices, County Budgets and County Operations
June 2008
National Association of Counties

Research Division

In late June 2008, the National Association of Counties (NACo) in Washington D.C. conducted a short survey of large urban counties focused on the impacts of gas prices on county budgets and operations.

News reports in the spring of 2008 revealed that some county governments had to adjust budgets or curtail some services as a result of higher costs. A survey was designed to get perspective on the extent of increases in expenditures on fuel and to learn about steps that counties are taking or considering in light of changes in the price of fuel.

The questionnaire was distributed by email to specific county departmental directors or managers, each employed by a large urban county government. As defined by NACo, large urban county governments have a population of a half a million or more in their jurisdictions. There are currently 114 such county governments in the U.S.

Respondents included public works directors, finance directors, budget officers, county administrators, fleet managers and various other analysts and managers. There were 78 large urban counties in the sample, and 31 county administrative directors or managers responded. The responding counties are located in 16 of the U.S. states.

The results below reflect conditions at the 31 responding large urban counties as the number of responses is insufficient to fully reflect the situation of all large urban counties.

Highlights

Among the 31 responding county administrative directors or managers, 62 percent reported an increase in county government fuel expenditures of 21 percent or more in the last six months. Sixty-eight percent reported an increase of more than 21 percent during the last year. Public safety, public works, social services and parks and recreation were the departments most often identified as being the most affected by the increase in fuel prices.

When describing steps taken to deal with recent increases in fuel prices, respondents most often identified: purchasing hybrid-electric, flex-fuel or alternative vehicles. That is, 22 out of 31 large urban counties have taken this step to some extent. Reducing the total number of vehicles in the county fleet (14/31), selling less efficient vehicles (12/31), limiting employees' taking county vehicles home (12/31) and renegotiating fuel contracts (12/31) were steps most often marked "under consideration."

Most (84%) of the responding large urban counties have central fleet management departments. However, among these counties, some departments manage their own fleets.

Responding Counties (31 in 16 states)

Arizona (1)	Maricopa
California (9)	Alameda, Los Angeles, Orange, Sacramento, San Bernardino, San Francisco, San Joaquin, San Mateo, Stanislaus

Colorado (1)	Denver
Florida (4)	Brevard, Broward, Miami-Dade, Orange
Michigan (1)	Kent
Minnesota (1)	Hennepin
Nevada (1)	Clark
New Jersey (4)	Camden, Hudson, Monmouth, Union
New Mexico (1)	Bernalillo
New York (1)	Nassau
North Carolina (1)	Mecklenburg
Ohio (1)	Franklin
Pennsylvania (2)	Allegheny, Bucks
Tennessee (1)	Metro Nashville Davidson County
Texas (1)	Collin
Washington (1)	King

Discussion

The survey questions and a discussion of responses follow below.

How would you describe the impact of increased fuel prices on your county government's budget so far this year?

Fifty-two percent of the 31 respondents described the impact of increased fuel prices on the county government's budget as a "moderate impact." Twenty-nine percent of respondents described a "serious impact" on the county budget.

Which departments have been affected most by increased fuel prices?

The 31 respondents most often identified public safety (81%), public works (77%), social services (29%), and parks and recreation departments (29%) as the departments most affected by increases in fuel prices.

What percentage of your county's annual budget typically goes toward fuel costs?

For this open-ended question, responses depend on whether respondents calculated their percentage based on a departmental budget, the county's operating budget, or a full county budget that includes spending on state and federally mandated programs. Sixteen of 31 respondents said that fuel costs were 1 percent or less of the budget. Of those 16, six specified fuel expenditures as a small fraction of 1 percent. Of the 31, six respondents specified costs between 1.5 and 7 percent of the budget. Two responses specifically for fleet management departments provided that fuel costs were alternatively 22 percent and
34 percent of the fleet department budget.

In the past six months / year, our county government's expenditures on fuel to fill up county vehicles have …

Respondents generally reported large percent increases in their counties' expenditures on fuel to fill up county vehicles. Of the 31 respondents, 62 percent reported an increase in expenditures of 21 percent or more in the past six months, and 68 percent reported an increase in fuel expenditures of 21 percent or more in the past year. Table 2a in the appendix provides the full range of responses.

Does your county have a central fleet management department? In your county, how many departments manage their own vehicle fleets?

Most (84%) of the responding large urban counties have central fleet management departments. However, even among these, some county departments manage their own fleets.

What steps have been taken, or are under consideration, to deal with the recent increase in fuel prices?

Steps "taken" most checked:
Purchase hybrid-electric, flex-fuel or alternative vehicles (22/31)

Ensure right-size vehicle for specific tasks (17/31)
Reduce idling times (16/31)

Steps "under consideration" most checked:
Reduce total number of vehicles in the county fleet (14/31)
Limit employees' taking county vehicles home (12/31)
Sell less efficient vehicles (12/31)
Renegotiate fuel contracts (12/31)
Limit vehicle use for essential tasks (11/31)
Driver education focused on fuel efficiency (11/31)
Retrofit less efficient vehicles (11/31)
Relocate services to reduce travel times for county business (11/31)

Relocating services to reduce travel times for county business had a relatively high number of checks (11) "under consideration," but only two respondents indicated action on this step. Table 3a in the appendix provides a full list of steps from the survey questionnaire along with the number checked.

Respondents also had the opportunity to specify steps taken or under consideration beyond the checklist in the questionnaire. The following were among the respondents' input:

-- More meetings via tele- or video- conference calls
-- Car pooling
-- An interdepartmental employee "energy savings work group" to provide recommendations for energy efficiency
-- An idling ordinance
-- A driver education campaign
-- Four-day workweek options
-- Reviewing the viability of centralized fuel purchasing and dispensing
-- Hedging on fuel purchases
-- Cooperative agreements on fuel purchases with municipalities
-- Rationing the number of gallons for non-public health and non-public safety vehicles

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Table 1a – Survey details

Population:	114 large urban county governments (population > .5 million).
Sample:	78 large urban county governments.
Responses:	31 large urban county governments.
Respondents:	Public works directors, county administrators, finance directors budget officers and others.
Respondents' states:	Arizona (1), California (9), Colorado (1), Florida (4), Michigan (1), Minnesota (1), Nevada (1), New Jersey (4), New Mexico (1), New York (1), North Carolina (1), Ohio (1), Pennsylvania (2), Tennessee (1), Texas (1), Washington (1)

The National Association of Counties (NACo) in Washington D.C. conducted a short survey on the impacts of gas prices on county budgets and operations in June 2008.

Table 2a – Percent increases in fuel expenditures reported by 31 large urban county governments.

Change	Past year	Past six months
Decreased	0%	0%
Stayed the same	0%	3%
Increased between 1% to 5%	6%	**6%**
Increased between 6% to 10%	0%	0%
Increased between 11% and 20%	19%	26%
Increased between 21% and 30%	26%	39%
Increased more than 30%	42%	23%
Don't know	6%	3%
Total (31 responses)	100%	100%

The National Association of Counties (NACo) in Washington D.C. conducted a short survey on the impacts of gas prices on county budgets and operations in June 2008. The survey was distributed to a sample of large urban counties. Thirty-one large urban county government administrative directors or managers responded indicating the extent of increases in fuel expenditures for specific periods.

Table 3a – Steps taken, or under consideration, to deal with the recent increase in fuel prices, as reported by 31 large urban county governments in June 2008. Sorted by steps under consideration.

Step	Steps under consideration (# checked)	Steps have been taken (# checked)
Reduce total number of vehicles in the county fleet	14	8
Limit employees' taking county vehicles home	12	13
Sell less efficient vehicles	12	12
Renegotiate fuel contracts	12	7
Limit vehicle use for essential tasks	11	10
Driver education focused on fuel efficiency	11	8
Retrofit less efficient vehicles	11	4
Relocate services to reduce travel times for county business	11	2
Ensure right-size vehicle for specific tasks	8	17
Increase maintenance of vehicles to achieve greater fuel efficiency	8	9
Use alternative transportation such as bicycles for certain services	8	6
Purchase hybrid-electric, flex-fuel or alternative vehicles	7	22
Reduce idling times	7	16
Reduce cargo weight in vehicles	7	3
Trip planning with Global Position Systems (GPS) mapping	7	2
Reduce air conditioning during vehicles' use	7	1
Trip planning	4	10

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