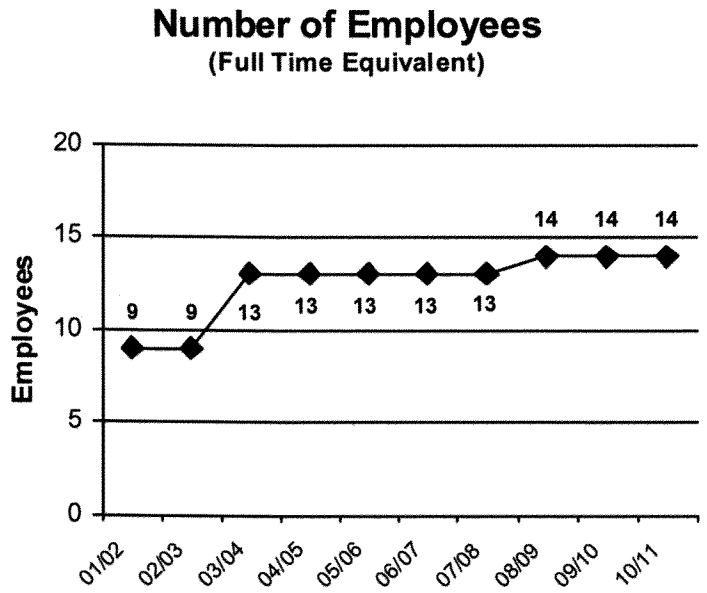
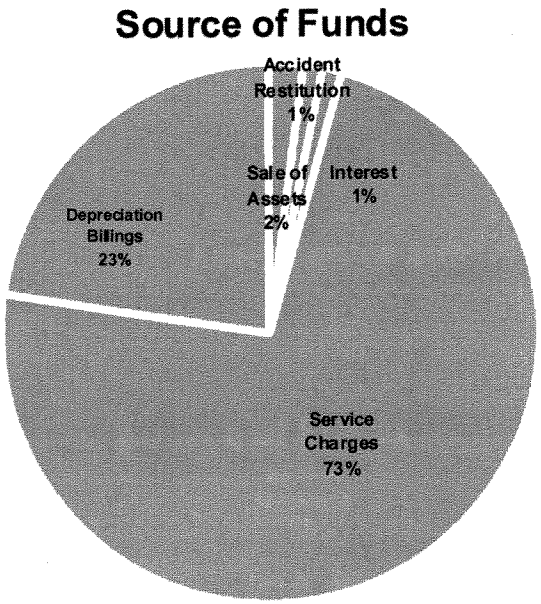
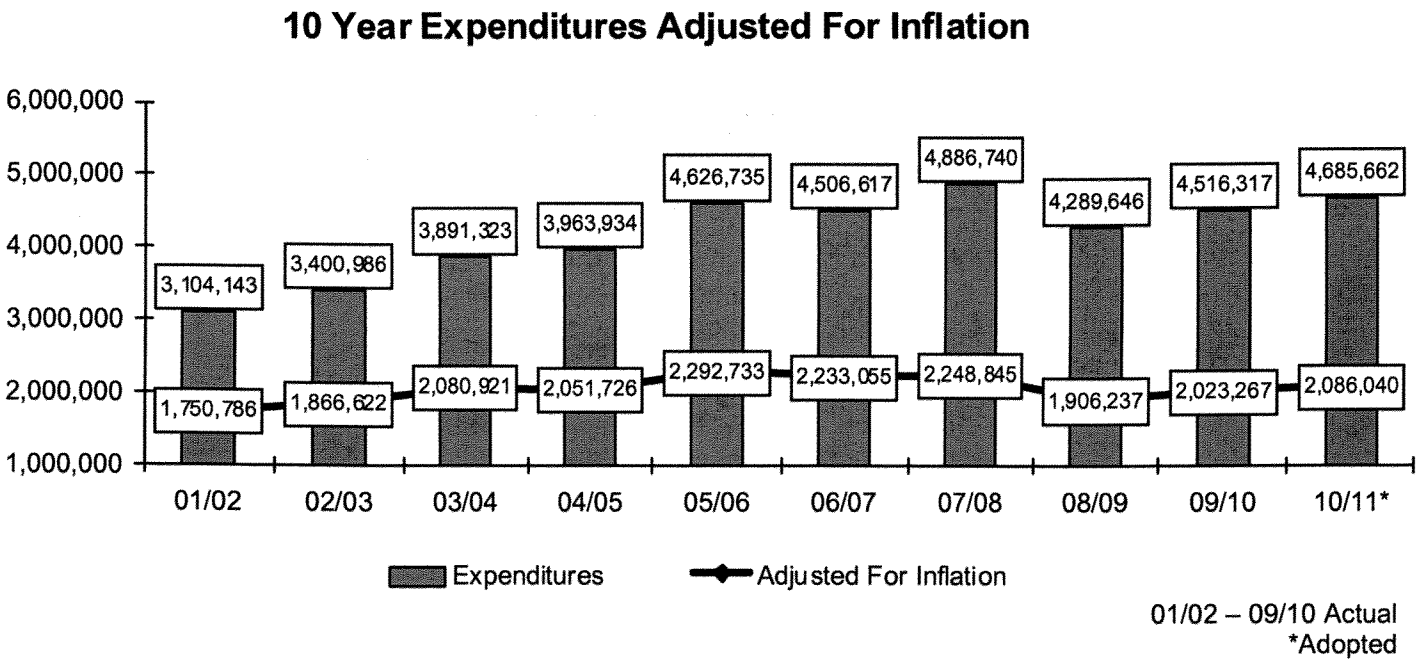
MISSION STATEMENT

The San Luis Obispo County General Services Agency - Fleet Services provides reliable and cost effective transportation solutions through innovation and the application of industry best practices.

OPERATING DETAIL (1)	2008-09 ACTUAL (2)	2009-10 ACTUAL (3)	2010-11 RECOMMENDED (4)	2010-11 ADOPTED (5)
OPERATING REVENUES				
Charges for current services	3,946,720	3,237,211	3,271,370	3,271,370
TOTAL OPERATING REVENUES	3,946,720	3,237,211	3,271,370	3,271,370
OPERATING EXPENSES				
Salaries and Benefits	1,122,341	1,198,590	1,276,807	1,276,807
Services and Supplies	1,996,098	2,171,340	2,194,300	2,194,300
Depreciation	1,011,836	944,144	1,087,682	1,087,682
Countywide Overhead Allocation	159,371	202,243	126,873	126,873
TOTAL OPERATING EXPENSES	4,289,646	4,516,317	4,685,662	4,685,662
OPERATING INCOME (LOSS)	(342,926)	(1,279,106)	(1,414,292)	(1,414,292)
NON-OPERATING REVENUES (EXPENSES)				
Interest	69,684	24,713	50,000	50,000
Accident Restitution	40,342	30,890	46,853	46,853
Gain on Sale of Assets	(20,716)	32,013	99,000	99,000
Other	(12,603)	7,383	2,046	2,046
Depreciation Billings	0	867,547	818,615	818,615
TOTAL NON-OPERATING REVENUES (EXPENSES)	76,707	962,546	1,016,514	1,016,514
INCOME BEF. CAPITAL CONTRBS. & TRANSFERS	(266,219)	(316,560)	(397,778)	(397,778)
Transfers in (out)	(28,801)	0	0	0
CHANGE IN NET ASSETS	(295,020)	(316,560)	(397,778)	(397,778)
Net assets - beginning	7,285,551	6,990,531	6,673,971	6,673,971
Net assets - ending	6,990,531	6,673,971	6,276,193	6,276,193
FIXED ASSET EXPENDITURES				
Equipment	414,865	1,017,565	1,543,089	1,543,089
Structures Improvements	(14,105)	0	0	0
TOTAL FIXED ASSET EXPENDITURES	400,760	1,017,565	1,543,089	1,543,089







01/02 – 09/10 Actual
*Adopted

SERVICE PROGRAMS

Fleet Services Operations

Operate the County Fleet Services and the centralized motor pool with a fleet of cars, trucks, law enforcement vehicles, and equipment (mowers/tractors/trailers) for use by various County departments in the most cost effective manner.

Total Expenditures: $4,685,662 Total Staffing (FTE): 14.00

DEPARTMENT COMMENTS

The General Services Agency's (GSA) Fleet Services team members are committed to delivering excellence to every customer. This will be accomplished through improving business processes, improving the financial health, supporting staff through appropriate training and being as responsive as possible to our customers. The Agency's key priority is to improve communications to support our initiatives in these areas. We will support the General Services Agency through leadership, trust, and vision for the future.

Goal 1: As Responsive as Possible - Customer Service

Results achieved for FY 2009-10 Tied to Performance Measures # 2

- Created Web Site development team
- Achieved 97% satisfaction on our customer surveys
- Completed customer communication plan that identifies processes to assure customers are informed about the status and expense related to their vehicles

Major Efforts for FY 2010-11

- Implement customer communication plan providing ongoing customer dialog
- Complete the Fleet Services website to provide customers access to Fleet information on the Intranet
- Maintain Customer Satisfaction Surveys results over 95% satisfied or very satisfied

Goal 2: As Good as Possible - Internal Business Processes

Results achieved for FY 2009-10 Tied to Performance Measures # 1

- Identified and implemented best practices for fleet acquisition and disposal processes
- Completed a full business process assessment which documents the fiscal and purchase processes of Fleet Services
- Complete an American Public Works Association (APWA) self assessment

Major Efforts for FY 2010-11

- Implement recommended business process improvements
- Review and update Fleet Services Procedures Manual
- Publish procedures on GSA intranet site

Goal 3: As Cost Efficient as Possible - Financial Health

Results achieved for FY 2009-10 Tied to Performance Measures # 3

- Completed Fleet consultation of all charging practices with outside experts
- Corrected fuel and miscellaneous charging discrepancies

Major Efforts for FY 2010-11

- Re-write all charging policies and procedures
- Develop and continuously improve financial management of Fleet Services

- Improve communications with customers by providing improved intranet communications

Goal 4: As Responsible as Possible - Learning and growth

Results achieved for FY 2009-10 Tied to Performance Measure # 1 and 2

- Received training in Alternative Fuel fleet strategies
- Initiated Fleet Manager Certification process with American Public Works Association and North American Fleet Association

Major Efforts for FY 2010-11

- Provide an average of 8 hours of technical training per technician
- Continue with leadership development for supervisors

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

Fleet Services, a division of the General Services Agency, is an Internal Service Fund (ISF), and as such, charges user departments for services. The State Controller's Office requires that an Operation of Internal Service Fund Schedule 10 be submitted. The format of the Schedule 10, as well as some of the data it contains, is different from how other County departments' budgets are reported. For consistency purposes, this narrative, Service Programs, and the 10 year Expenditure chart use the information and data from the Schedule 10, including the amount allocated for depreciation.

It is important to note that the comparison of estimated amounts in the Schedule 10 differs from the comparison of amounts in General Fund budgets. General Fund budgets compare the adopted budget amount to the recommended budget amount. The Schedule 10 for internal service funds compares the estimated actual amount for FY 2009-10 to the proposed amount of new allocation and revenues, to be budgeted for FY 2010-11.

The total estimated operating expense in the recommended FY 2010-11 budget is increasing by $357,957 or 8% compared to the estimated operating expense for FY 2009-10. The estimated amounts for fixed asset capital expense, the funding used to purchase vehicles, for FY 2010-11 shows an increase of $140,991 or 10% over FY 2009-10 estimated levels.

The recommended FY 2010-11 salary and benefit costs identify an increase of $123,740 or 11%, as compared to the estimated for FY 2009-10. The estimated expense in FY 2009-10 is less due to savings expected from vacant positions and positions being hired at lower salary levels. The full expense for all positions is budgeted in the recommended amount for FY 2010-11. Service and supply expense is also increasing by $148,787 or 7%. The amount FY 2009-10 projected service and supply expense is less due to reduced fuel charges and a variety of other expenses and charges which are less than budgeted for FY 2009-10.

The recommended amount for Fleet operating revenues is proposed to increase by $331,414 or 11% as compared to the estimated FY 2009-10. The majority of the operating revenue increase is associated with billings for departments. The revenue projected for FY 2010-11 is based on projected charges for vehicle maintenance, fuel and other costs for the operations at Fleet Services. The recommended FY 2010-11 budget brings the budgeted amount of Fleet Services departmental billings more in line with the expected actual amount charged to departments.

The estimated amount for FY 2010-11 identifies a net loss of $397,778. This is the difference between total revenues and total expenses, excluding, expense for fixed assets. The Fleet Services Fund has sufficient cash to cover this loss without raising charges to departments.

The recommended capital expense for fleet will replace approximately 67 vehicles. Fleet Services identified approximately $2.8 million in new capital expense for vehicle replacements. The recommended funding for vehicle replacement is approximately $1.5 million and adopts a strategy to temporarily extend the replacement cycle for some vehicles that are due for replacement. This temporary measure will help to reduce departmental depreciation charges for those vehicles that have fully depreciated but remain in service. Fleet indicates this strategy is not expected to have significant short term impact. However, over the long term, the vehicle

replacement strategy must balance the potential reduction in resale value of vehicles being replaced, possible increased maintenance costs associated with keeping older vehicles in service and future increased costs for new vehicles.

The recommended budget funds the higher priorities for vehicle replacements. The recommended budget also funds all existing staff positions and maintains current services levels.

BOARD ADOPTED CHANGES

None

GOALS AND PERFORMANCE MEASURES

Department Goal: Manage and operate a full-service automotive operation (purchase, maintenance, fueling, and sale) of an extensive fleet to meet the needs of Law Enforcement and other County departments in a cost effective and timely manner.

Communitywide Result Link: A safe and well-governed community.

1. Performance Measure: Percentage of vehicles brought in for either preventive or non-preventative maintenance completed within 24 hours of delivery of vehicle, if parts are available.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
91%	91%	84%	83%	70%	84%	85%

What: County Fleet Services' policy is to perform preventive maintenance on each vehicle every 4 months or 4,000 miles. Law enforcement vehicles, every 2 months or 5,000 miles. Fleet service's goal is to perform service requests within 24 hours of receiving the vehicle.

Why: To minimize costly repairs and enhance productivity for vehicle drivers and to insure departments have sufficient vehicles to perform their duties.

How are we doing? Fiscal Year 2009-10 yielded actual results of 84% of service completed within 24 hours. Our FY 2009-10 performance measure was set at 70% due to uncertainties in parts acquisition. We extended our parts contract for another year and instituted several process improvements, resulting in a FY 2010-11 target of 85%.

2. Performance Measure: Percentage of survey respondents who rated quality of vehicle maintenance as "satisfied" or "very satisfied".

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
99%	91%	99%	100%	95%	100%	95%

What: Continuous surveys of vehicle users measure how effective Fleet Services' staff is at maintaining vehicles to their customers' satisfaction.

Why: To insure satisfied customers and meet their vehicle needs.

How are we doing? Surveys are placed in each vehicle that comes into Fleet Services for service or repair. We received 545 survey responses addressing the categories of timeliness, quality and completeness of each repair. These "point-of-service" responses provide real time feedback on the satisfaction of our customers. For the past few years our actual responses have been running well into the 90% range. We adopted a 95% measure for FY 2009-10 and achieved 100% satisfaction. This is due to process improvements recently implemented. We've also taken into consideration the effect of our increased service and repair work being done on Public Works Department owned assets. Our target for FY 2010-11 is 95% satisfaction.

3. Performance Measure: Cost per brake service compared to a private vendor.

05-06 Actual Results	06-07 Actual Results	07-08 Actual Results	08-09 Actual Results	09-10 Adopted	09-10 Actual Results	10-11 Target
$577.89 Fleet Svcs /$949.70 Private vendor	$575.71 Fleet Svcs/ $949.70 Private vendor	$619.39 Fleet Svcs/ $1,048.81 Private vendor	$644.13 Fleet Svcs/$1,170.78 Private vendor	$628.90 Fleet Svcs/ $957.54 Private vendor	$674.17 Fleet Svcs/ $974.60 Private vendor	$673.07 Fleet Svcs/$1,206.17 Private vendor

What: This measure shows the labor and parts costs incurred by Fleet Services to carry out a routine front and rear brake replacement on a Sheriff's vehicle compared to a local private vendor's labor and parts costs for a like model vehicle.

Why: This measure helps to demonstrate Fleet Services' cost competitiveness.

How are we doing? Fiscal Year 2009-10 projected costs were based on an estimated increase of 1.5% over FY 2007-08 actual costs. A survey of several local private vendors and an internal study was conducted at the end of FY 2009-10 and revealed our actual cost to be $674.17 or 6.7% above our adopted figure. This variance is due to unanticipated fluctuations in the cost of labor and materials between 2007 and 2009. Fleet Services continues to offer very competitive rates, which have been at least 30% less than outside vendors since FY 2005-06. Our target for FY 2010-11 is $673.07 which we hope to achieve through continued process improvements.