



CITY AUDITOR

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Bremerton City Council  
Mayor Patty Lent

The City Auditor has prepared the attached report reviewing the utilization of vehicles in the city fleet. The project was included in the 2014 work plan.

The intent of the report is to provide city management with information and recommendations to improve management of the fleet. Vehicles with low utilization in 2013 were analyzed with observations about their use.

It was also noted that for many years city management has been unable to promulgate current policies for the procurement and management of the fleet.

Please contact me if you would like further information.

Gary W. Nystul

cc: Director of Public Works & Utilities  
Director of Financial Services  
Chief of Police  
Director of Community Development  
Director of Parks and Recreation  
Fire Chief

# **VEHICLE UTILIZATION REPORT**

## **Purpose**

This report is to review the use of vehicles in the city fleet for 2013. The intent is to provide information to department managers for reviewing their vehicle utilization.

## **Scope**

All vehicles listed in the Cartegraph software as being on hand in 2013 were included.

## **Objective**

The city vehicles include automobiles, pickups, dump trucks, SUVs and similar rolling stock. Many are used daily but some are used only a few times each year. The objective is to determine the miles traveled in 2013 as an indication of their use. The report is intended to assist the city in managing its fleet. Policies relating to the management of the fleet of vehicles were also reviewed. Suggestions for improving the management of the fleet are included.

## **Statement of Auditing Standards**

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards, except section 3.82 which requires an external peer review. Those standards require the auditor to plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. The auditor believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

## **Summary of Results**

- There are several low mileage vehicles whose use/retention should be reviewed
- There may be opportunities to look at sharing vehicles and other less expensive methods of providing employee transportation
- Future funding for general fund vehicle replacement needs study
- Fleet management policies have not yet been adopted or updated

## Background

Detailed records of vehicles and some equipment owned by the city are maintained on a software program (Cartegraph). The data base information includes a description of the vehicle, department and division it belongs to, date purchased and license plate number. The software is primarily used to track vehicles and equipment for periodic maintenance by the Equipment Services Division. It is also used to record and charge the fuel purchased from the fleet supplier to the vehicles and equipment which use it. This data base is maintained by the Equipment Services Division.

Included in the data base listing in addition to automobiles, pickups, SUVs and dump trucks are lawn mowers, trailers, a road grader and similar equipment. Many of these items are included for tracking of maintenance. Other items are included in the data base to provide a record for accountability. None of the other items are included in this review.

Most of the vehicles and some of the equipment included in this data base are included in the Equipment Rental Reserve Fund (ERR). This fund is for the accumulation of funds to replace the vehicles and equipment included in it. Items not included in the ERR fund must be replaced with money from other sources. This review and listing includes all vehicles whether included in ERR or not.

The following table is a summary of the vehicles at December 2013.

### CITY OF BREMERTON VEHICLES 2013

Motorcycles	2
Automobiles & SUVs	62
Vans	13
Small trucks	40
Medium trucks	39
Large trucks	13
Dump trucks	9
Vactor's	3
Fire engines	6
Fire ladder truck	1
Ambulances	5
Other	5
Total	<u>198</u>

## Methodology

In order to measure the annual use of the vehicles the odometer readings were attempted to be obtained. The miles traveled is the most reasonable indication of use. The fuel records normally would have an odometer reading near the beginning of the year and the end of the year. However, in some instances of limited use and few fuel records, the maintenance records with a recorded odometer reading were also used. In both cases some errors were noted in the odometer reading that was entered. An effort was made to interpolate readings to make a judgment of the approximate odometer reading at the beginning or end of the year.

The computation of mileage in 2013 for the fire department staff vehicles is not reliable. The department uses a separate electronic fuel recording system. During the first 10 months of the year there was a computer problem and the odometer readings were not recorded in the master fuel report. Public works fixed the system in November 2013. The best available information from the maintenance logs was used.

## OBSERVATIONS

One indicator of limited vehicle use is low miles traveled. The following table is a listing of vehicles which traveled fewer than 1,200 miles in 2013. This is an arbitrary limit which equates to use of a mere 100 miles per month or about 5 miles per work day.

### VEHICLES WITH LOW MILEAGE

ID	Description	Division	Mileage
1	1485 1983 CHEVROLET C30 ARMY	PATROL	*
2	0010 1974 GMC 5000	SEWER	17
3	2221 2001 MERCURY SABLE	POLICE SOG	67
4	0029 1990 KENWORTH BOOM TRUCK	FACILITIES	92
5	1891 1990 INTERNATIONAL w/5 yard dump /snow plow	PARKS DEPARTMENT	116
6	0364 1996 FORD F150 4X2 pickup	MUNICIPAL COURT	143
7	0077 2001 INTERNATIONAL sludge truck	FORESTRY	144
8	1408 1998 DODGE CARAVAN	CRIME PREVENTION	179
9	1468 1996 FORD CROWN VICTORIA (EVOC)	PATROL	186
10	2217 2001 FORD E250 VAN	POLICE (SOG)	191
11	0049 1994 CHEVROLET 3500 HD w/fire pump	FORESTRY	230
12	3022 2002 FORD F550 4X4 CREW w/snow plow	STREET	250

13	2140	1994 CHEVROLET K3500 UTL	FIRE SUPPRESSION	252
14	0009	1988 INTERNATIONAL w/5 yard dump	WATER MAINTENANCE	279
15	3081	1995 INTERNATIONAL BUCKET	ELECTRONICS	464
16	0358	1983 GMC J9C BRIGADIER	SEWER	508
17	0059	1996 FORD RANGER 4X4 pickup	WATER RESOURCES	519
18	1522	2002 DODGE STRATUS 4DR	DETECTIVES	568
19	3066	1990 INTERNATIONAL w/salt brine truck	STREET	657
20	0020	1990 INTERNATIONAL w/10 yard dump	WATER MAINTENANCE	686
21	80001	2009 INTERNATIONAL With Vactor	WATER MAINTENANCE	697
22	3021	2002 FORD F550 4X4 CREW w/snow plow	STREET	772
23	0006	2004 CHEVROLET COLORADO 4X2 P/U	ENGINEERING	850
24	0306	2000 CHEVROLET ASTRO VAN	WATER RESOURCES	1,023
25	3092	1988 INTERNATIONAL w/10 yard dump	STREET	1,080
26	1882	1998 DODGE GRAND CARAVAN	PARKS DEPARTMENT	1,116
27	1341	1999 FORD TAURUS	COMMUNITY DEVELOPMENT	1,236

## DISCUSSION OF LOW MILEAGE

A brief description of the vehicles in the table is present below. They are listed in the order presented above.

1. #1485: Pickup that is kept at the Police pistol range which is near the Gold Mountain golf course. It is used to haul targets and trash around the range. Actual annual mileage is unknown.
2. #0010: Flatbed truck with two trench boxes loaded on it. (The intent is that the truck is ready to go if water or sewer needs a trench box for an excavation.)
3. #2221 Sedan for use by the Special Operations Group. (This vehicle has since been sold.)
4. #0029: Kenworth truck with a 38,000 pound capacity hydraulic boom mounted on it. The boom is used to lift pumps and motors for the wastewater system and other heavy items for other departments.
5. #1891: Dump truck that has been kept because it is fitted for a small snow plow that is used in residential areas
6. #0364: Pickup assigned to the Municipal Court but used by Kitsap Community Resources under contract to the city for operating the community services work program. During 2013 KCR reported they had limited staff and did not use this vehicle.
7. #0077: Truck with a specialized body used to spread sludge from the wastewater treatment plant in the city watershed forest. It travels only in the forest.
8. #1408 Van that was originally acquired under the DARE program and is now used by the Police department community services officer in the crime prevention program
9. #1468: Police patrol vehicle used for EVOC (Emergency Vehicle Operations Course) training. The training is usually at Port of Bremerton property.

10. #2217: Van used by the Special Operations Group
11. #0049: Forestry truck with a fire pump unit mounted on it
12. #3022: Truck that can be equipped with different beds but is retained for the snow plow that can be attached
13. #2140: Pickup with a utility box used by the Fire department for various uses
14. #0009: 5 yard dump truck used by the Water department
15. #3081: Large truck with a bucket used by Electronics
16. #0358: Truck tractor that pulls a 5,000 gallon tank trailer for use by the wastewater treatment plant primarily in emergencies at a sewer lift station
17. #0059: Pickup used occasionally by water resources staff
18. #1522: Staff sedan used by the police department detectives
19. #3066 Flatbed truck with the salt brine unit mounted on it. The salt is used for snow and ice control on the streets
20. #0020: 10 yard dump truck used by the water department
21. #80001: Vactor unit. This is a large truck with a vacuum unit on it that is used to clean and maintain sewer and storm drain lines. It is parked at a manhole or catch basin while the hose is run through the main to clean it.
22. #3021: Truck that can be equipped with different beds but is now used for its snowplow attachment
23. #0006: Pickup used by engineers while inspecting projects and other uses
24. #0306: Van used by water resources which has recently been modified for other current needs
25. #3092: 10 yard dump truck
26. #1882: Dodge caravan, the only city vehicle available for use by the Parks department administrative staff and recreation program (six employees).
27. #1341: 1999 Ford Taurus used by the DCD staff

## **ANALYSIS OF SELECTED VEHICLES**

A more detailed analysis of five vehicles is presented.

#2. 0010 A 1974 GMC was driven about 17 miles in 2013. This vehicle has trench boxes loaded on its bed. They are on the truck and ready to go if the water or sewer departments need to dig a deep trench. With the overhead cost allocation methods proposed for 2015, a more economical procedure may be advantageous.

#8. 1408 A 1998 Dodge van is used by the Police department for the Community Resource person. This van traveled about 179 miles in 2013. If the employee were paid at the current IRS mileage rate of \$0.56 per mile, the cost would have been \$100.24. In 2013 the actual cost for labor, materials and sublet work was \$659. Dividing by the 179 miles gives a cost per mile of \$3.68. Using the 2015 budget projection for overhead, the cost per mile in 2015 would be \$6.99 per mile or \$1,635.69.

#3. 2221 A 2001 Mercury Sable used by the Police department special operations group had little use in 2013. It also had little use in 2012 and 2011. It was sold at auction in 2014. There is no provision for fleet management to annually review vehicle use and require departments to justify keeping those with little use.

#27. 12341 The Ford Taurus used by DCD has limited use. Since the vehicle is stored at the Government Center, it could be used by staff from legal, finance, city council and HR. These staff members have been observed using their own personal vehicles for city business which is generally not reimbursed.

## **ABSENCE OF POLICIES**

For many years internal audit reports have stated that the city does not have current or sufficient policies to adequately manage the vehicle and equipment fleet. The fleet manager has suggested policies for many years but none have been approved. These deficiencies include missing policies:

-Requiring annual justification to keep vehicles that have had minimal use in the last year. There is no policy in place that looks at the use of department vehicles annually. Such a review could take place as part of the budget process. Responsibility and authority for conducting such a review should be established.

-Prohibiting departments from retaining vehicles that have been replaced without specific management approval. Fleet creep, the process by which vehicles are “retired” or “disposed of” but are actually kept, is a constant challenge. There are no policies which prohibit keeping “retired” vehicles without approval of someone at the overall city management level. Individual departments now can choose to keep vehicles. There is no one designated to review that decision.

-Encourage shared uses. There may be opportunities to share vehicles within a department or at a work site. For example, in the Norm Dicks Government Center is an automobile “owned” by DCD which was used 1,236 miles in 2013. City employees in the Finance, Legal, Risk and City Council have been observed using their personal vehicles for city business. Most do not get reimbursed for mileage on their personal vehicles. The underutilized DCD automobile could be shared with other city departments.

-Authority and responsibility for determining replacements. The replacement of vehicles has worked but perhaps the process could be improved.

-Administrative authority to retire vehicles.

## **FUNDING OF ERR**

Analysis and management of the vehicle fleet includes not only an annual assessment of use but the ability to replace vehicles when needed. Fund 510 Equipment Rental Reserve accumulates money for vehicle and equipment replacement. Transfers are usually made annually to support anticipated needs. However in three of the last five years there has not been a transfer to support General Fund vehicle and equipment replacement. There have been transfers to support replacement in the utility funds.

The water, wastewater and storm water funds have sufficient resources to ensure their vehicles and equipment are replaced when needed. General Fund departments such as Fire, Police and Parks compete with operating expenditure needs of their departments and all the other departments funded in the General Fund for vehicle replacement budgets.

At the end of 2013 there was a cash balance of \$5.9 million in the fund but only about 16% or \$986,000 was allocated to the General Fund. There most likely will be continued limitations of available money in the General Fund to support vehicle replacements. A long term fine-tuned replacement schedule and a funding plan should be developed.

## **RECOMMENDATIONS**

- 1.** Vehicles with limited use should be evaluated annually to determine if they could be better utilized or if they no longer are needed.
- 2.** Policies should be adopted to manage the acquisition, operation and replacement of vehicles in the fleet.
- 3.** The future availability of funding sources for general fund vehicles should be explored.