



# Fleet Management Department

**FY2026 Proposed Budget  
Workshop Presentation  
May 16, 2025**

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# Strategic Guidance Alignment

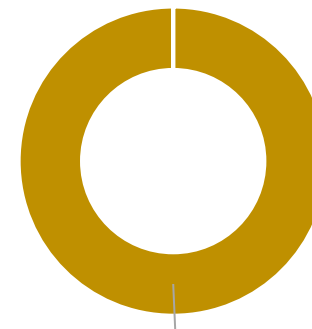


Government that Works	Public Safety	Quality of Life	Infrastructure
Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations
Fuel Management	Fuel Management	Fuel Management	Fuel Management
Outside Services	Outside Services	Outside Services	Outside Services
Executive Oversight	Executive Oversight	Executive Oversight	Executive Oversight
Parts Management	Parts Management	Parts Management	Parts Management
Business Support	Business Support		Business Support
Human Capital Management	Human Capital Management	Human Capital Management	Human Capital Management
Fleetshare Management	Fleetshare Management		Fleetshare Management

## ALIGNED INITIATIVES

- Improve City Infrastructure
- Improve Delivery of City Services
- Improve Public Safety
- Fiscal Responsibility
- Workforce Development
- Emergency Operations
- Recruiting & Retention
- Support Economic Growth
- Resilient Houston Plan
- Prioritization of Critical Services

## DEPARTMENT BUDGET BY PRIORITY



Infrastructure, 100%

- Government that Works
- Quality of Life
- Public Safety
- Infrastructure

# Plans to Eliminate the Gap (PEG)



Name of Program	FTEs Filled	FTEs Vacant	Personnel Cost	Other Cost	Total Approved Reduction
Executive Oversight	1	0	\$126,981	\$34,040	\$161,021
Fleet Operations	2	26.8	\$2,212,823	\$1,642,461	\$3,855,284
Fuel Management	2	0	\$228,377	\$1,893,680	\$2,122,057
Business Support	0	1	\$89,129	\$10,000	\$99,129
Parts Management	4	1	\$405,414	\$563,000	\$968,414
Human Capital Management	1	1	\$190,028	\$27,800	\$217,828
Outside Services	2	0	\$203,216	\$0	\$203,216
<b>Total</b>	<b>12.0</b>	<b>29.8</b>	<b>\$3,455,968</b>	<b>\$4,170,981</b>	<b>\$7,626,949</b>

# Voluntary Municipal Employee Retirement Payout Option (VMERPO)



Number Eligible for VMERPO	Number Accepting Option	% Accepting
96	44	46%

Reductions Included in Proposed Budget		
	Number of Employees	Value of Reduction
Non-Critical Positions Accepting Offer before April 20 <sup>th</sup>	18	\$2,031,739

FMD Positions	Number Accepting
Mechanics	22
First Line Supervisors	10
Executive Level	3
Parts Employees	3
Wrecker Drivers	2
Administrative	2
Inspector, Service Writer	1 Each

# Proposed Department Restructure



	Current State	Proposed State
Average Span of Control	5.75	16.8
% Managers/Supervisors with Less Than 4 Direct Reports	5%	0%
Layers of Management	6	5

## Streamlined Operations

- Merging Asset Management and Human Capital & Development programs with Business Support
- Reduced layers of management
- Enhanced Outside Services (contracting) Program
- Reclassifying positions

# Expenditures by Fund [in thousands]



Category	FY24 Actual	FY25 Budget	FY25 Estimate	FY26 Proposed	Variance FY26 Proposed/ FY25 Budget	% Change
<b>Revolving Fund</b> (Fleet Management Fund - 1005)	\$ 104,395	\$ 111,788	\$ 111,788	\$ 109,928	\$ (1,860)	-1.7%
<b>Total</b>	<b>\$ 104,395</b>	<b>\$ 111,788</b>	<b>\$ 111,788</b>	<b>\$ 109,928</b>	<b>\$ (1,860)</b>	<b>-1.7%</b>

## Expenditure Highlights

- Expenses cover all labor, supplies, services and fuel necessary to operate the City fleet of 13,309 vehicles/units.
- Service provided to all City departments, Houston Forensic Science Center, Houston First.
- 24 City Service Garages
- 67 City Fuel Sites

# Expenditure by Program [in thousands]



Program	FY24 Actual	*FY25 Budget	FY25 Estimate	FY26 Proposed	Variance FY26 Proposed/ FY25 Budget	% Change
Fleet Operations	\$51,540	\$57,732	\$57,732	\$54,193	\$(3,539)	-6.1%
Fuel Management	\$30,408	\$28,492	\$28,492	\$29,379	\$887	3.1%
Outside Services	\$9,985	\$12,822	\$12,822	\$13,156	\$334	2.6%
Executive Oversight	\$6,528	\$5,537	\$5,537	\$5,908	\$371	6.7%
Parts Management	\$3,803	\$3,943	\$3,943	\$3,663	\$(280)	-7.1%
Business Support	\$1,021	\$1,731	\$1,731	\$2,189	\$458	26.5%
Human Capital Management	\$602	\$844	\$844	\$708	\$(136)	-16.2%
FleetShare Management	\$508	\$687	\$687	\$732	\$45	6.6%
<b>Totals:</b>	<b>\$104,395</b>	<b>\$111,788</b>	<b>\$111,788</b>	<b>\$109,928</b>	<b>\$(1,860)</b>	<b>-1.7%</b>

\* Budget adjusted for higher-than-expected Personnel Cost & Veh Maintenance.

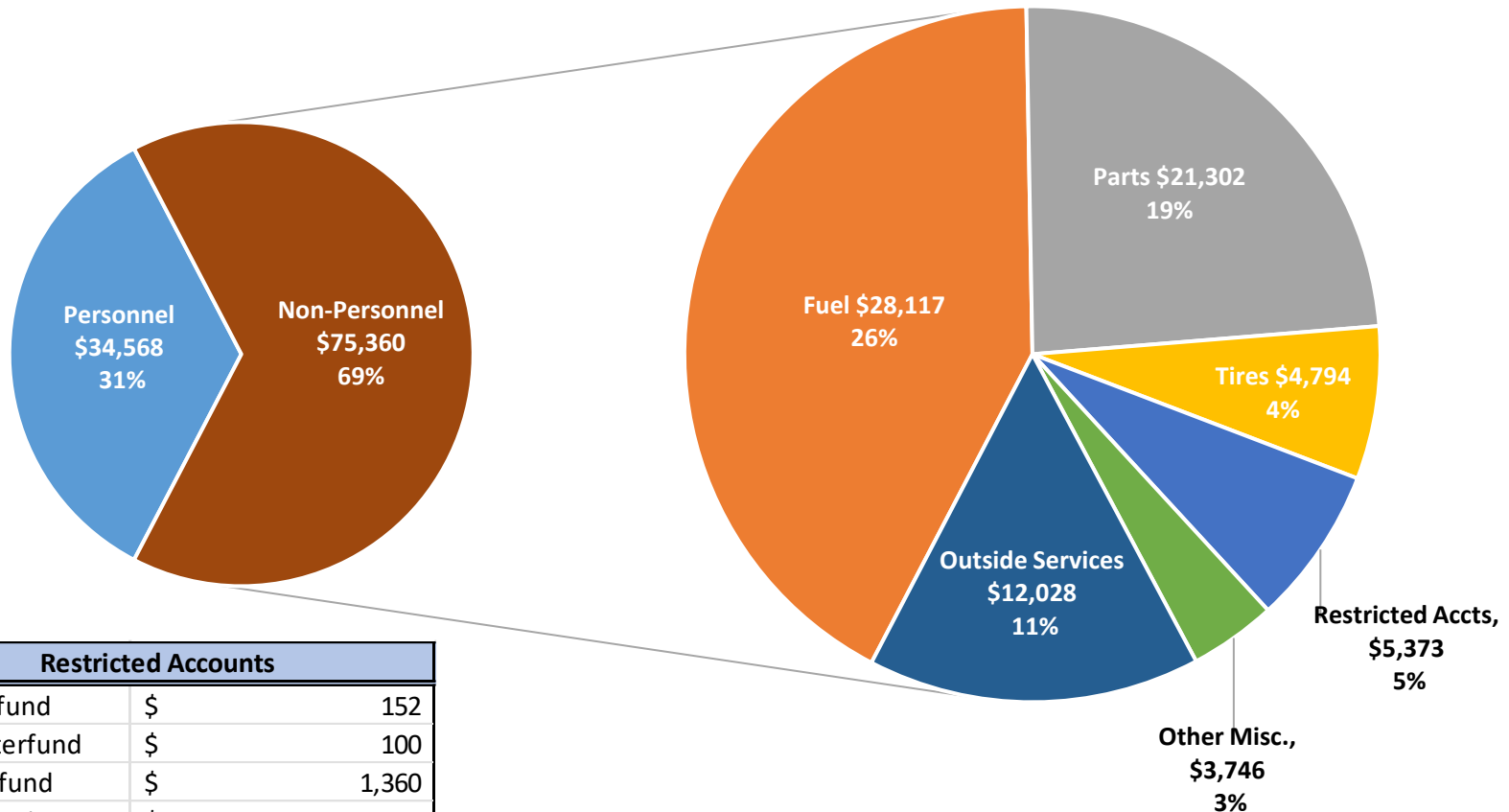


# Personnel vs. Non-Personnel [in thousands]



## Expenditures by Category

Breakdown of Non-Personnel Expenses



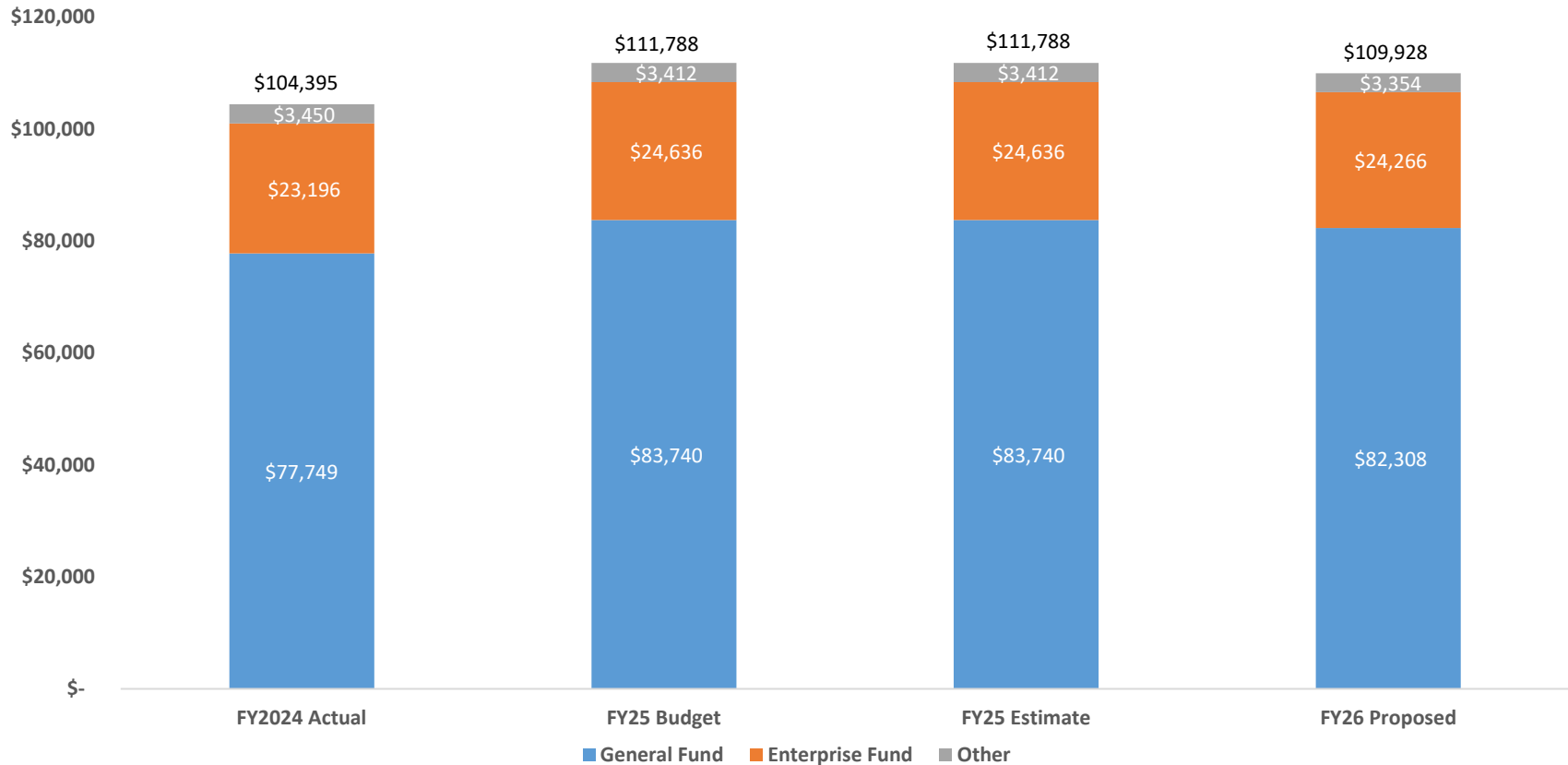
Restricted Accounts		
ARA Interfund	\$	152
Energy Interfund	\$	100
HITS Interfund	\$	1,360
HR Interfund	\$	910
FIN Interfund	\$	2,008
GSD Interfund	\$	843

# Revenue by Program [in thousands]



Program	FY24 Actual	FY25 Budget	FY25 Estimate	FY26 Proposed	Variance FY26 Proposed/ FY25 Budget	% Change
Fleet Operations	\$73,646	\$81,840	\$81,840	\$78,262	\$(3,578)	-4.4%
Fuel Management	\$30,755	\$29,030	\$29,030	\$30,763	\$1,733	6.0%
Outside Services	\$0	\$0	\$0	\$0	\$0	0.0%
Executive Oversight	\$0	\$0	\$0	\$0	\$0	0.0%
Parts Management	\$0	\$0	\$0	\$0	\$0	0.0%
Business Support	\$0	\$0	\$0	\$0	\$0	0.0%
Human Capital Management	\$0	\$0	\$0	\$0	\$0	0.0%
FleetShare Management	(\$5)	\$917	\$917	\$902	\$(15)	-1.6%
<b>Totals:</b>	<b>\$104,395</b>	<b>\$111,788</b>	<b>\$111,788</b>	<b>\$109,928</b>	<b>\$(1,860)</b>	<b>-1.7%</b>

# Revenue by Fund [in thousands]



## Revenue Highlights

- The Fleet Management Department operates with a revolving fund.
- Revolving fund: Expenses = Revenues

# Fleet Operations



**Priority:** Infrastructure

**FY2026 FTE Count:** 271.0

## Program Description

The Fleet Operations Division is responsible for management and oversight of all vehicle maintenance activities at each of the 24 garage locations. The Fleet Operations Division works with customer departments to meet vehicle and equipment readiness requirements. Performs maintenance/repairs of vehicles and equipment used by City of Houston departments.

## Significant Budget Items

- Voluntary Municipal Employee Retirements - 33 employees
- Vacancies Cut

## FY26 Prop Budget by Fund

Fleet Management Fund	\$54,192,920
<b>Total</b>	<b>\$54,192,920</b>

Variance FY26 vs FY25 =

-6.1%

## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Preventive Maintenance Inspections Performed Within Target Interval	82%	90%	84%	90%	Percent of Preventive Maintenance Inspections Performed On-Time.
Vehicle Availability: Maintain Critical Operational Readiness	88%	93%	89%	93%	Percent of Vehicles Available for Service

# Fuel Management



**Priority:** Infrastructure

**FY2026 FTE Count:** 6.0

## Program Description

The Fuel Division is responsible for acquisition of unleaded gasoline, diesel, and jet fuel for citywide use. Manages inventory and distribution of fuel at 67 city refueling sites. Conducts daily fuel site inspections to ensure operating compliance with local, state, and federal regulation. Repairs, monitors, and maintains fuel sites to keep fuel readily available for City use. Oversees the City of Houston's Fuel Card Program.

## Significant Budget Items

- Reduction of 3.8 FTE's realigning the org with improved span of control ratios.
- Voluntary Municipal Employee Retirements - 3 employees

## FY26 Prop Budget by Fund

Fleet Management Fund	\$29,378,739
<b>Total</b>	<b>\$29,378,739</b>

Variance FY26 vs FY25 = 3.1%

## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Station Compliance – TCEQ Inspections Passed	100%	100%	100%	100%	Compliance with Environmental Regulation (Minimum)
Station Uptime - % of Operational Dispensers	99%	95%	96%	95%	Operating Dispensers Citywide (Minimum)

# Outside Services



**Priority:** Infrastructure

**FY2026 FTE Count:** 4.0

## Program Description

The Outside Services Division is responsible for overseeing contracted maintenance/repairs of vehicles and equipment used by City departments. The Outside Services Division works with vendors and customer departments to meet vehicle and equipment readiness requirements in a cost-effective manner. Reviews purchase requisitions and completes invoice receivers in SAP.

## Significant Budget Items

- Increased budget related to third party vehicle repair costs.

## FY26 Prop Budget by Fund

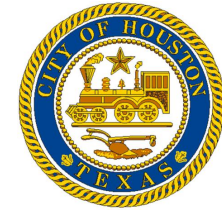
Fleet Management Fund	\$13,155,532
<b>Total</b>	<b>\$13,155,532</b>

Variance FY26 vs FY25 = 2.6%

## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Percentage of City's Vehicles at external vendor repair facility over 8 months	20%	4%	0.3%	4%	Contractor Work Pending More than 8 Months (Maximum)
Vendor In-Person Contacts per Week	9	10	15	10	Vendor Motivation Meetings (Minimum)

# Executive Oversight



<b>Priority:</b>	Infrastructure
<b>FY2026 FTE Count:</b>	2.0

## Program Description

Provides strategic and operational leadership to the department. Sets goals, strategies, and performance indicators necessary to ensure an efficient and effective execution of the department's mission. Develops plans, policies, and procedures to align all department activities with City objectives. Responsible for communication of department information to internal and external stakeholders. Oversees budget development and adherence.

## Significant Budget Items

- Increases in restricted account charges.

## FY26 Prop Budget by Fund

Fleet Management Fund	\$5,907,669
<b>Total</b>	<b>\$5,907,669</b>

Variance FY26 vs FY25 =	6.7%
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## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Rolling Stock Equipment in City's Fleet	13,172	13,000	13,351	13,000	Count - Maximum
Expenditures Adopted Budget vs Actual Utilization	102%	98%	102%	98%	
Revenues Adopted Budget vs Actual Utilization	102%	98%	102%	98%	

# Parts Management



<b>Priority:</b>	Infrastructure
<b>FY2026 FTE Count:</b>	40.1

## Program Description

The Parts Division is responsible for management of the FMD inventory and distribution system for spare parts and vehicle maintenance related supplies. The Parts Division oversees 24 parts warehouse locations, reviews outside services and purchase requisitions for contract compliance, and completes invoice receivers in SAP. Establishes third party vendor contracts, conducts compliance meetings and contract reviews with vendors.

## Significant Budget Items

- Voluntary Municipal Employee Retirements - 5 employees
- Reorganization

## FY26 Prop Budget by Fund

Fleet Management Fund	\$3,663,340
<b>Total</b>	<b>\$3,663,340</b>

Variance FY26 vs FY25 =	-7.1%
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## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Inventory Accuracy	96%	93%	90%	93%	Annual and Cycle Counts (Minimum).
Part Availability: "A" Classification Parts	84%	85%	87%	85%	Common Parts Orders Filled (Minimum)



# Business Support



**Priority:** Infrastructure

**FY2026 FTE Count:** 6.5

## Program Description

Responsible for fleet planning and the following vehicle lifecycle activities: vehicle budgeting, specification, procurement, acquisition, on-boarding, assignment, preventive maintenance scheduling, performance monitoring and reporting, and disposal. Oversees the collection, tracking, and reporting of vehicle maintenance information. Analyzes performance and maintenance data to identify issues and optimize performance. Oversees maintenance software systems and vehicle databases.

## Significant Budget Items

- Budget includes inclusion of SAMSARA telemetry services.
- Budget includes transfer of contract management functions from Parts management.

## FY26 Prop Budget by Fund

Fleet Management Fund	\$2,189,448
<b>Total</b>	<b>\$2,189,448</b>

Variance FY26 vs FY25 = 26.5%

## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Vehicle Disposal Processed Within 2 Weeks	99%	100%	100%	100%	Maximum Time From Request
Vehicle On-Boarding Complete Within 2 Weeks	99%	98%	100%	98%	Maximum Time From Delivery
Vehicle Purchase Package Submitted Within 6 Weeks of Quote	100%	100%	100%	100%	Percent On-Time

# Human Capital Management



**Priority:** Infrastructure

**FY2026 FTE Count:** 4.3

## Program Description

The Human Capital Management Division manages the implementation and administration of the FMD training and personnel development program, oversees quality assurance activities, creates and administers employee policies and procedures based on industry best practices, regulatory compliance, and departmental strategic initiatives. Oversees strategic recruiting and retention plans.

## Significant Budget Items

- Reduction related to span of control initiative.

## FY26 Prop Budget by Fund

Fleet Management Fund	\$707,627
<b>Total</b>	<b>\$707,627</b>

Variance FY26 vs FY25 = -16.2%

## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
Employee Training Hours	5,620	11,200	19,223	11,200	Total Employee Training Hours.

# FleetShare Management



<b>Priority:</b>	Infrastructure
<b>FY2026 FTE Count:</b>	3.0

## Program Description

The FleetShare Division is responsible for management and oversight of the City's shared motor pool for all City Departments. This includes the procurement and deployment of vehicles, administration of the reservations system, analysis of vehicle utilization, vehicle maintenance, onboarding and training of users, and customer service.

## Significant Budget Items

- Additional vehicles and hubs.

## FY26 Prop Budget by Fund

Fleet Management Fund	\$732,604
<b>Total</b>	<b>\$732,604</b>

Variance FY26 vs FY25 =	6.6%
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## Performance

Measure Name	FY24 Actual	FY25 Target	FY25 Estimate	FY26 Target	Target Context
FleetShare Vehicle Utilization Hours	18,400	50,000	50,216	50,000	Total Reservation Hours (Minimum).



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# Questions



# Appendix

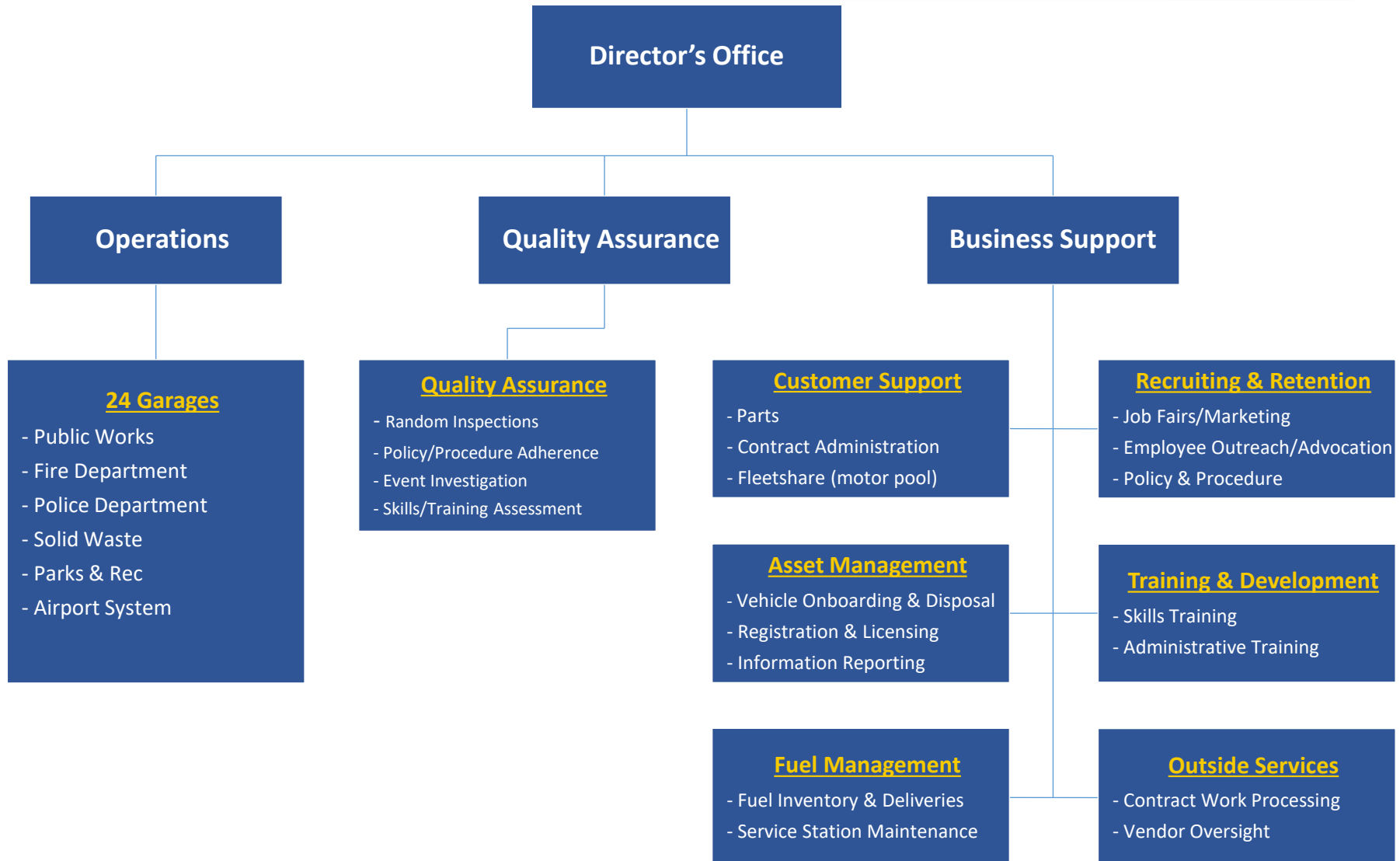
# Appendix

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- Department Organizational Chart
- Fleet Management Department: Workforce Analysis
- Fleet Management Department: Overview
- Vehicle Count by Client Department
- Fleet Management Core Functions by Code of Ordinances
- Restricted Account Details

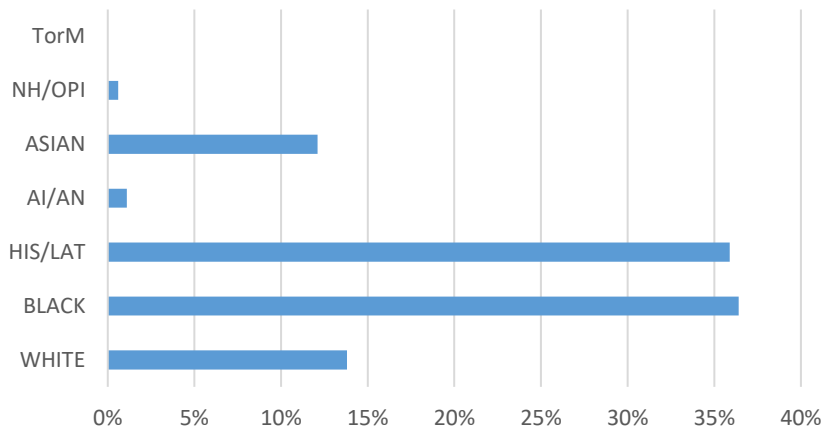
# Department Organization Chart



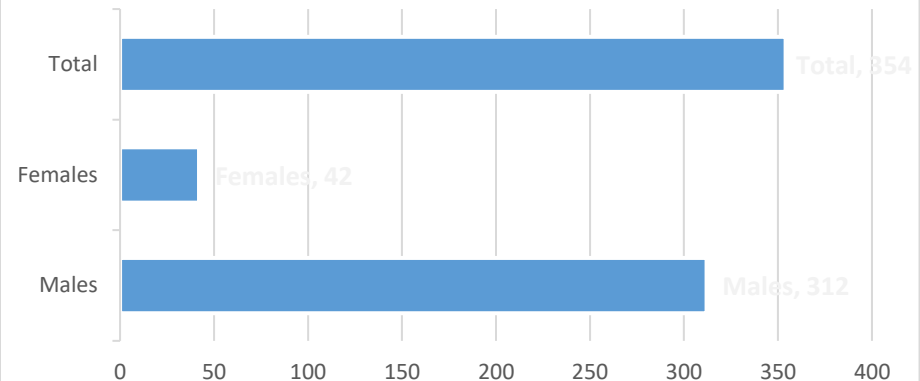
# Fleet Management Department Workforce Analysis



*FMD Ethnicity*



*Fleet Management Department  
Headcount/Gender*



## Legend

HIS/LAT - Hispanic /Latino

AI/AN - American Indian or Alaskan Native

NH/OPI - Native Hawaiian or Other Pacific Islander

TorM - Teo or More Races



# Fleet Management Department

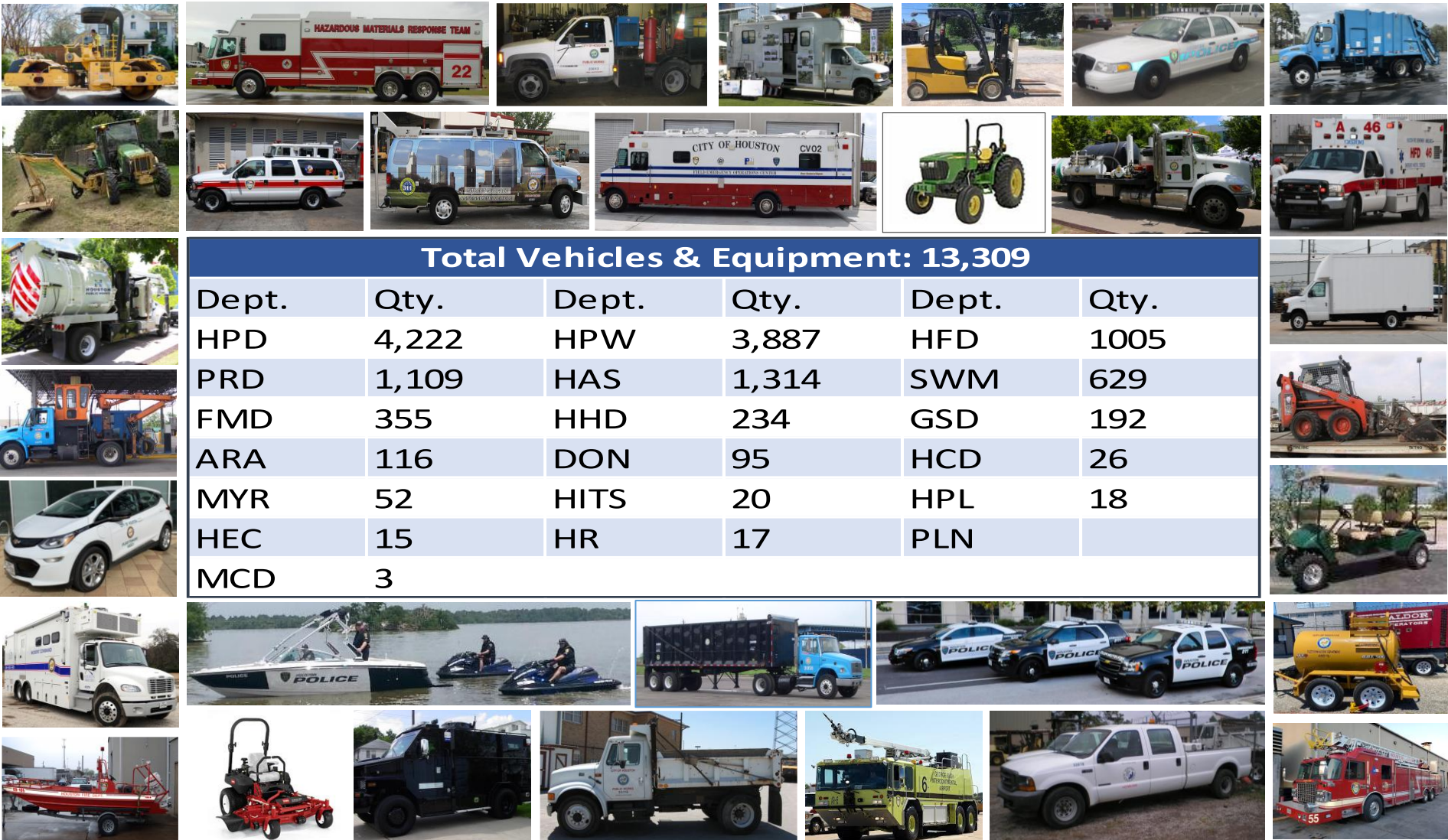
## Overview



<b>MISSION:</b>	To provide the City of Houston with best value, fleet management services.
<b>VISION:</b>	To be recognized as the best managed fleet in the country.
<b>FLEET COUNT:</b>	13,309 vehicles and units of equipment
<b>EMPLOYEES (FTEs):</b>	336.9
<b>GARAGE LOCATIONS:</b>	24
<b>REFUELING SITES:</b>	67

# Fleet Management Department

## Vehicle Count by Client Department



### Total Vehicles & Equipment: 13,309

Dept.	Qty.	Dept.	Qty.	Dept.	Qty.
HPD	4,222	HPW	3,887	HFD	1005
PRD	1,109	HAS	1,314	SWM	629
FMD	355	HHD	234	GSD	192
ARA	116	DON	95	HCD	26
MYR	52	HITS	20	HPL	18
HEC	15	HR	17	PLN	
MCD	3				

# Fleet Management Core Functions

## *By Code of Ordinances*



Code of Ordinances  
ARTICLE XVII Fleet Management

**Fleet Planning & Capital Programming**

Sec. 2-603(1)

**Vehicle Procurement, Acquisition, On-Boarding, Assignment**

Sec. 2-603(1)(2)

**Fuel Management**

Sec. 2-603(6)

**Parts Management**

Sec. 2-603(4)

**Contracts Management**

Sec. 2-603(4)

**Fleet/Maintenance Performance Tracking and Reporting**

Sec. 2-603(4)

**Fleet Maintenance**

Sec. 2-603(4)

**Vehicle Disposal**

Sec. 2-603(7)

**Fleetshare (Vehicle Pool) Management**

Sec. 2-603(3)

**Personnel Management**

Sec. 2-603(3)

# Restricted Account Details



GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.