



# Fleet Management Department

**FY2027 Proposed Budget  
Workshop Presentation  
May 12, 2026**

**Gary Glasscock - Director**

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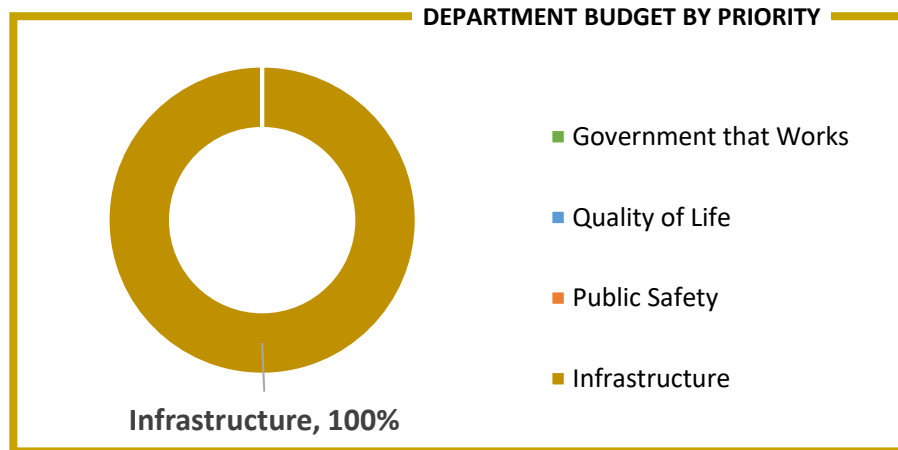


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# Strategic Alignment



| Government that Works  | Public Safety          | Quality of Life        | Infrastructure         |
|------------------------|------------------------|------------------------|------------------------|
| Fleet Operations       | Fleet Operations       | Fleet Operations       | Fleet Operations       |
| Fleet Business Support | Fleet Business Support | Fleet Business Support | Fleet Business Support |



# Plans to Eliminate the Gap (PEG)



| Name of Program        | FTEs Filled | FTEs Vacant | Personnel Cost     | Other Cost      | Total Approved Reduction |
|------------------------|-------------|-------------|--------------------|-----------------|--------------------------|
| Fleet Operations       | 0.0         | 23.0        | \$1,898,101        | \$0.0           | \$1,898,101              |
| Fleet Business Support | 0.0         | 3.0         | \$401,034          | \$52,028        | \$453,062                |
| <b>Total</b>           | <b>0.0</b>  | <b>26.0</b> | <b>\$2,299,135</b> | <b>\$52,028</b> | <b>\$2,351,163</b>       |

## Other Cost Reducing Initiatives

- Department Restructure Complete
- Strategic Contracting
- Mechanic Training
- Paperless/Connected Garages

# Expenditures by Fund [in thousands]



| Category  | FY25 Actual       | FY26 Budget       | FY26 Estimate     | FY27 Proposed     | Variance FY27 Proposed/ FY26 Budget | % Change    |
|---|-------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------|
| <b>Revolving Fund</b><br>(Fleet Management Fund - 1005) | \$ 108,249        | \$ 110,600        | \$ 110,600        | \$ 113,673        | \$ 3,073                            | 2.8%        |
| <b>Totals</b>   | <b>\$ 108,249</b> | <b>\$ 110,600</b> | <b>\$ 110,600</b> | <b>\$ 113,673</b> | <b>\$ 3,073</b>                     | <b>2.8%</b> |

## Expenditure Highlights

- Expenses: All labor, supplies, services and fuel necessary to operate the City fleet.
- Customers: All City departments, Houston Forensic Science Center, Houston First.
- Service Locations: 24 City garages plus contractors
- 67 City Fuel Sites
- Motor Pool: FleetShare
- Capital Programming

# Expenditures by Program [in thousands]



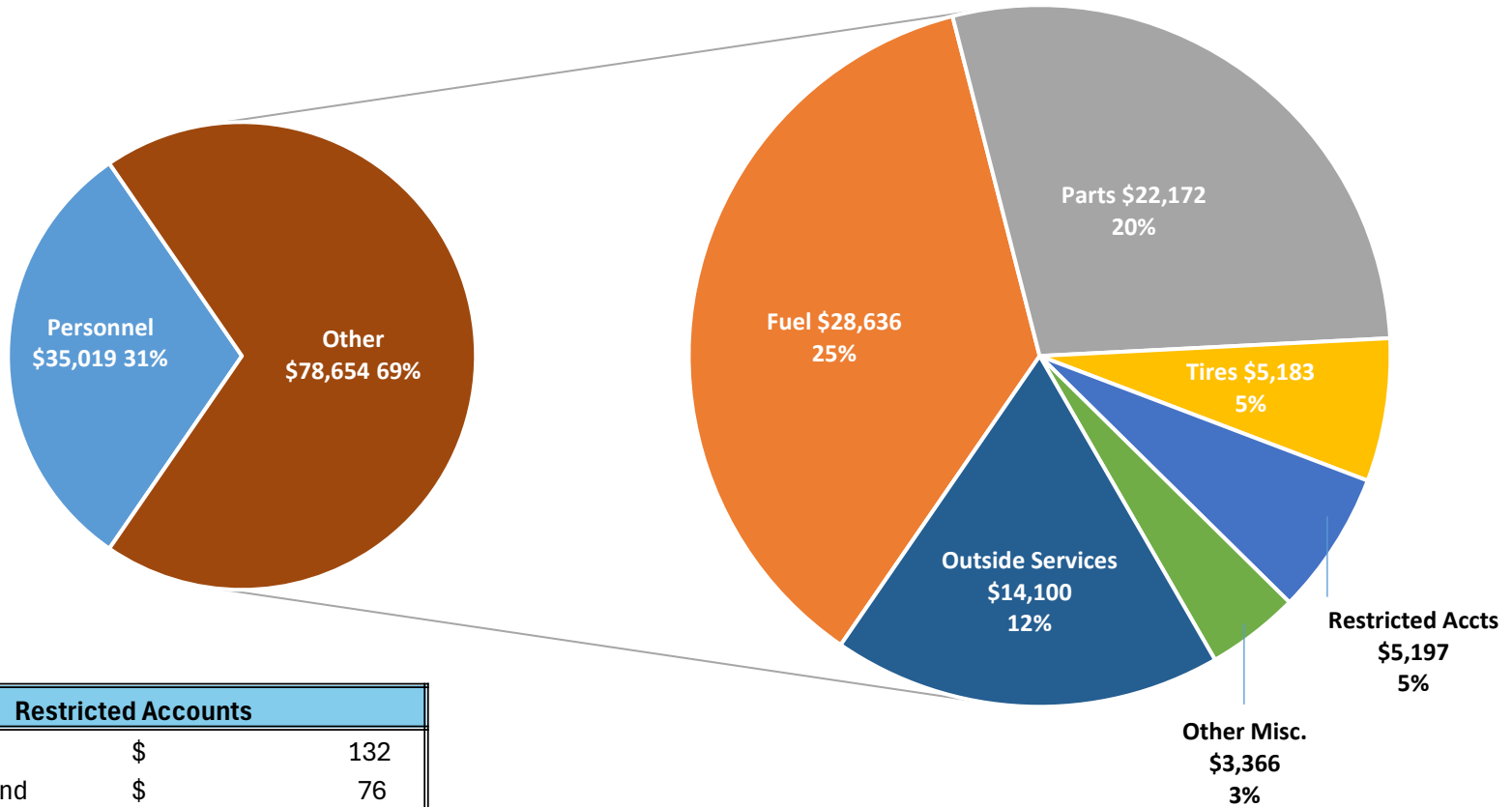
| Program                       | FY25<br>Actual   | FY26<br>Budget   | *FY26<br>Estimate | FY27<br>Proposed | Variance FY27<br>Proposed/ FY26<br>Budget | %<br>Change |
|-------------------------------|------------------|------------------|-------------------|------------------|---|-------------|
| <b>Fleet Operations</b>       | \$100,093        | \$101,716        | \$101,828         | \$105,155        | \$3,439                                   | 3.4%        |
| <b>Fleet Business Support</b> | \$8,156          | \$8,884          | \$8,772           | \$8,518          | \$(366)                                   | -4.1%       |
| <b>Totals:</b>                | <b>\$108,249</b> | <b>\$110,600</b> | <b>\$110,600</b>  | <b>\$113,673</b> | <b>\$3,073</b>                            | <b>2.8%</b> |

\* Budget adjusted for higher-than-expected vehicle maintenance and fuel costs (tariffs, rising fuel prices).

# Personnel vs. Non-Personnel [in thousands]



## Expenditures by Category



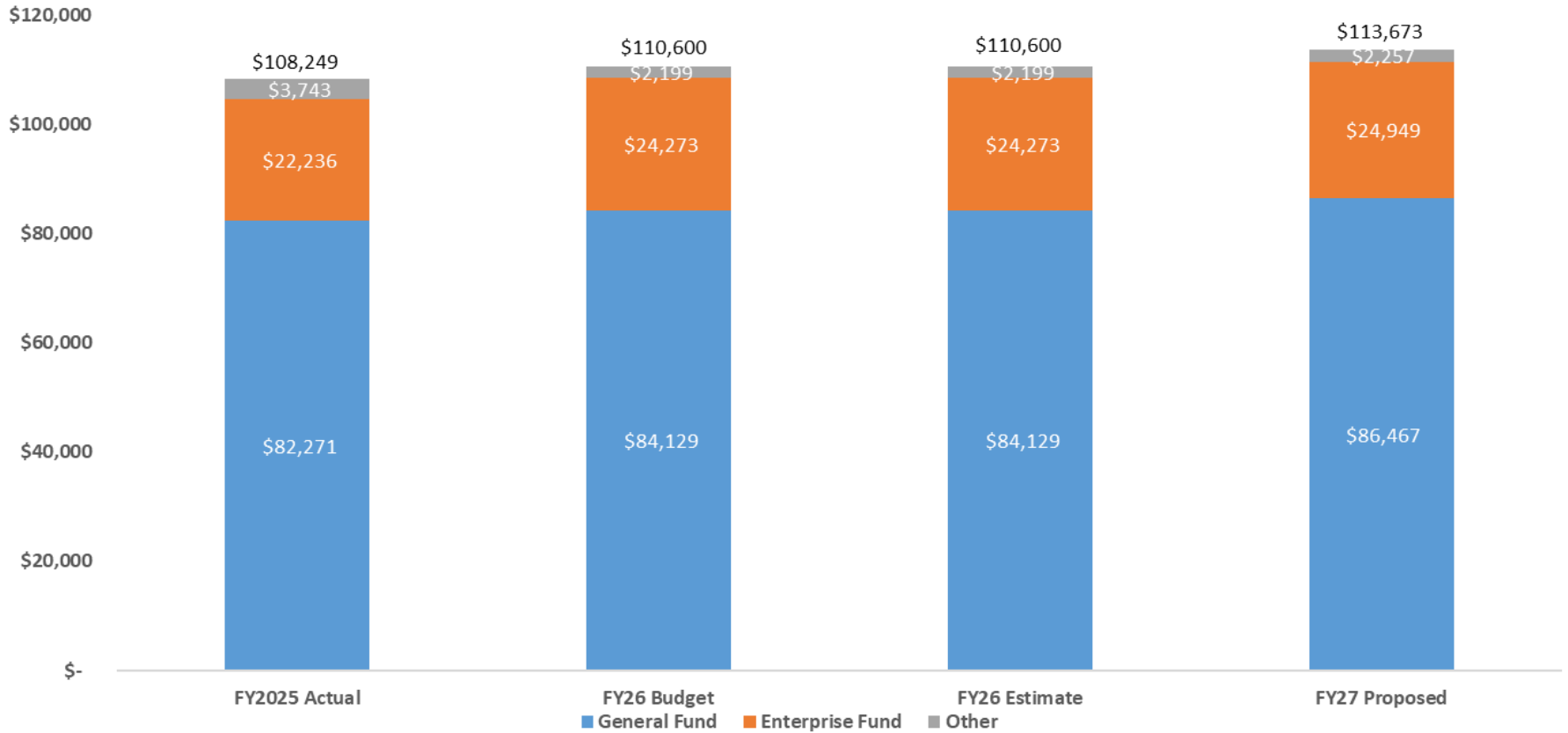
| Restricted Accounts |    |       |
|---------------------|----|-------|
| ARA Interfund       | \$ | 132   |
| Energy Interfund    | \$ | 76    |
| HITS Interfund      | \$ | 1,204 |
| HR Interfund        | \$ | 850   |
| FIN Interfund       | \$ | 2,076 |
| GSD Interfund       | \$ | 858   |

# Revenue by Program [in thousands]



| Program                | FY25<br>Actual   | FY26<br>Budget   | FY26<br>Estimate | FY27<br>Proposed | Variance<br>FY27 Proposed<br>/ FY26 Budget | %<br>Change |
|------------------------|------------------|------------------|------------------|------------------|--|-------------|
| Fleet Operations       | \$107,985        | \$110,600        | \$110,600        | \$113,673        | \$3,073                                    | 2.8%        |
| Fleet Business Support | \$264            | \$-              | \$-              | \$-              | \$-  | -%          |
| <b>Totals:</b>         | <b>\$108,249</b> | <b>\$110,600</b> | <b>\$110,600</b> | <b>\$113,673</b> | <b>\$3,073</b>                             | <b>2.8%</b> |

# Revenue by Fund [in thousands]



## Revenue Highlights

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

# Fleet Operations



|                          |                |
|--------------------------|----------------|
| <b>Priority:</b>         | Infrastructure |
| <b>FY2027 FTE Count:</b> | 306.8          |

## Program Description

- Operation of 24 City garages
- Oversight of contracted services
- Operation/maintenance of 67 fuel stations
- Management of FleetShare vehicle pool
- Spare parts inventory and distribution

## Significant Budget Items

- Operating program consolidation
- Elimination of vacancies
- HOPE pay and fringe increases
- Direct labor costs reduced
- Increased contracting
- Inf cost increases: parts/tires/fuel

## FY27 Prop Budget by Fund

|                         |                      |
|-------------------------|----------------------|
| Fleet Management Fund   | \$105,155,305        |
| <b>Total</b>            | <b>\$105,155,305</b> |
| Variance FY27 vs FY26 = | 3.4%                 |

## Performance

| Measure Name (Draft)  | FY25 Actual | FY26 Target | FY26 Estimate | FY27 Target | Target Context   |
|---|-------------|-------------|---------------|-------------|--|
| <b>Vehicle Availability:</b> Critical Vehicle Readiness             | 88%         | 93%         | 92%           | 93%         | Percent of critical vehicles available for service.                  |
| <b>Preventive Maintenance:</b> Performed Within Target Intervals    | 86%         | 90%         | 75%           | 90%         | Percent of preventive maintenance actions performed to schedule.     |
| <b>Technician Billable Hours:</b> Maximize Productivity             |             | New KPI     |               | 83%         | Percent of billable hours to total technician hours.                 |
| <b>Fuel Station Availability:</b> Unscheduled Service Interruptions | 95%         | 95%         | 93%           | 95%         | Fuel and dispensers available to support City services.              |
| <b>Parts Management:</b> Spare Parts Inventory Accuracy             | 88%         | 93%         | 94%           | 95%         | Maintain control of spare part inventory.                            |
| <b>FleetShare:</b> Reservation Hours                                | 67,970      | 50,000      | 70,876        | 75,000      | Motor pool optimized to reduce capital costs and provide best value. |

# Fleet Business Support



|                          |                |
|--------------------------|----------------|
| <b>Priority:</b>         | Infrastructure |
| <b>FY2027 FTE Count:</b> | 12             |

## Program Description

- Department planning, strategy and goal setting
- Data collection, analysis and reporting
- Personnel administration and training
- Contract management
- Capital planning, purchasing and project execution
- Asset management
- Oversight of GPS/telemetry services

## Significant Budget Items

- Support program consolidation
- Vacancy elimination
- HOPE pay and fringe increases
- Direct labor costs reduced
- Span of control improvements
- Interfund/restricted accounts

## FY27 Prop Budget by Fund

|                         |                    |
|-------------------------|--------------------|
| Fleet Management Fund   | \$8,517,938        |
| <b>Total</b>            | <b>\$8,517,938</b> |
| Variance FY27 vs FY26 = | - 4.1%             |

## Performance

| Measure Name (Draft)  | FY25 Actual | FY26 Target | FY26 Estimate | FY27 Target | Target Context  |
|---|-------------|-------------|---------------|-------------|---|
| <b>Client Department Satisfaction:</b> Satisfaction Rating  |             | New KPI     |               | 8 of 10     | Quarterly customer rating of department performance.                            |
| <b>Employee Training:</b> Technical Instruction Hours       | 23,013      | 11,200      | 11,053        | 12,720      | Employee training in automotive maintenance to reduce operating expenses.       |
| <b>Contracts:</b> Contracts Renewed/Issued On Time          |             | New KPI     |               | 100%        | Timely renewal of contracts to preclude interruption of services and supplies.  |
| <b>Capital Projects:</b> Purchase Orders Issued Within FY27 |             | New KPI     |               | 100%        | Purchase orders issued for all FY27 rolling stock capital projects within FY27. |
| <b>Safety:</b> Composite Human Resources Safety Score       |             | New KPI     |               | 8.5 of 10   | Employee and property risk/accidents minimized.                                 |



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# Questions



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# Appendix

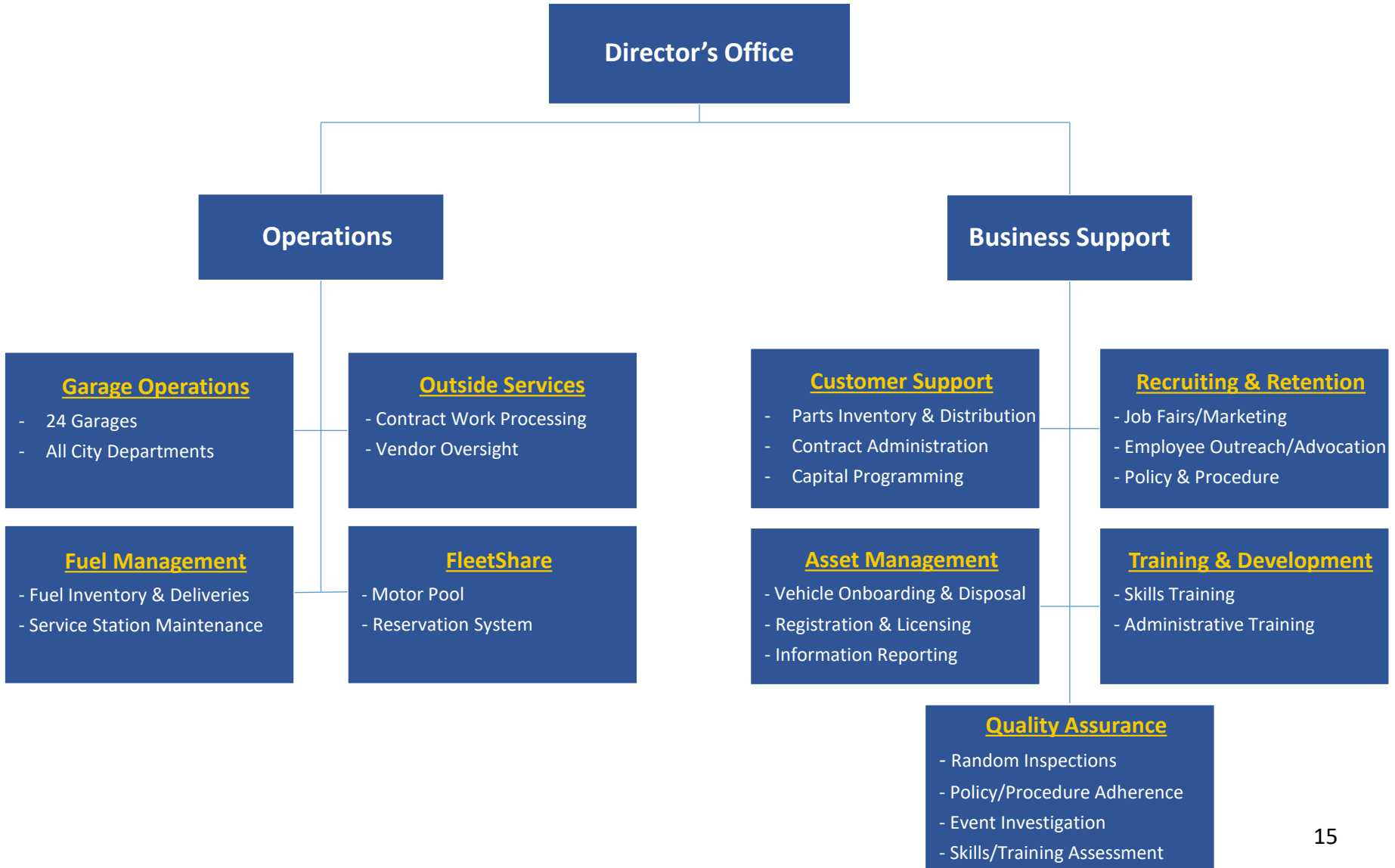
# Appendix

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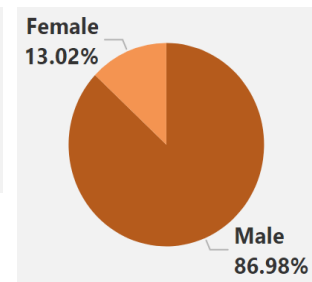
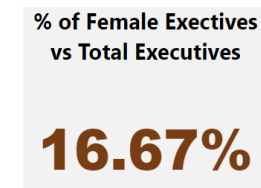
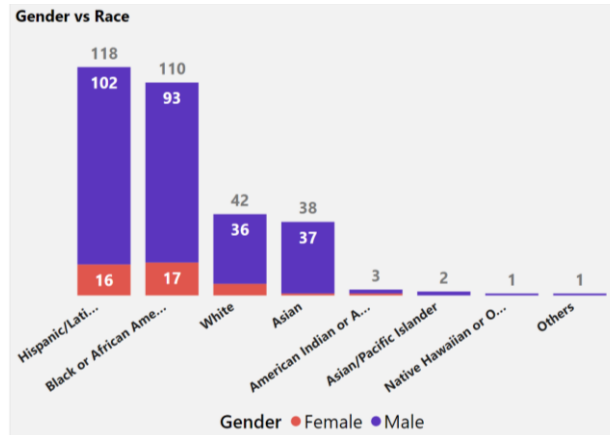
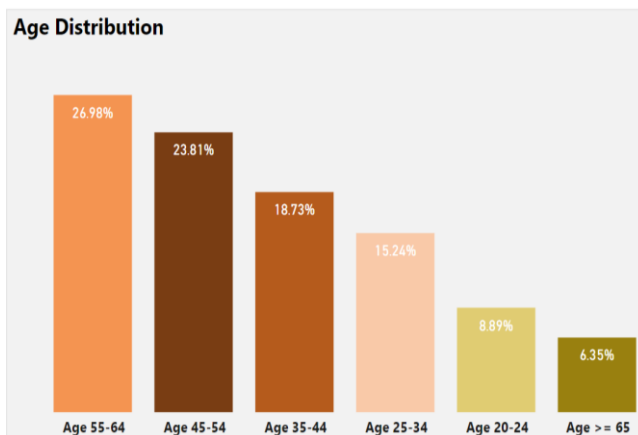
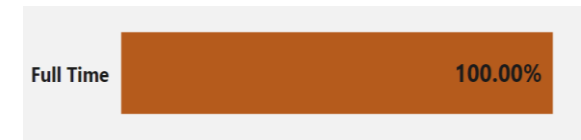
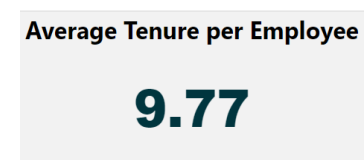
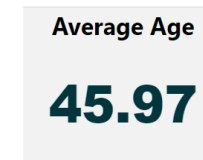
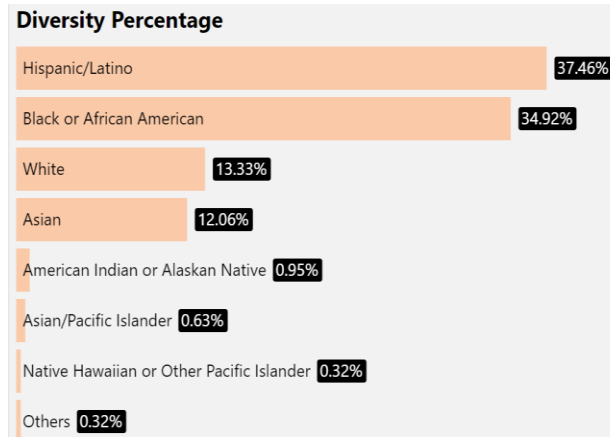
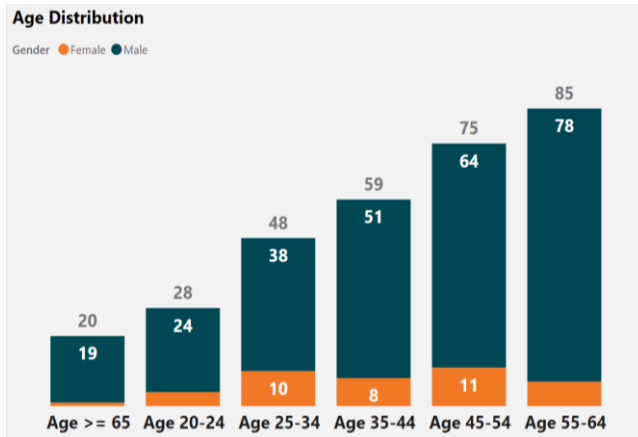


- Department Organizational Chart
- Fleet Management Department: Workforce Analysis
- Fleet Management Department: Overview
- Vehicle Count by Client Department
- Fleet Management Core Functions by Code of Ordinances
- Restricted Account Details

# Department Organization Chart



# Fleet Management Department Workforce Analysis



# 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>      | 13,426 vehicles and units of equipment                                     |
| <b>EMPLOYEES (FTEs):</b> | 318.8  |
| <b>GARAGE LOCATIONS:</b> | 24 (Additional HPD garage to be added in FY27)                             |
| <b>REFUELING SITES:</b>  | 67 (Additional site to be added in FY27)                                   |

# Fleet Management Department

## Vehicle Count by Client Department



**Total City Vehicles & Equipment: 13,426**

| Dept. | Qty.  | Dept. | Qty.  | Dept. | Qty.  |
|-------|-------|-------|-------|-------|-------|
| HPD   | 4,178 | HPW   | 3,914 | HFD   | 1,271 |
| PRD   | 1,114 | HAS   | 1,206 | SWD   | 655   |
| FMD   | 397   | HHD   | 221   | GSD   | 183   |
| ARA   | 111   | DON   | 18    | HCD   | 35    |
| MYR   | 51    | HITS  | 19    | HPL   | 19    |
| HEC   | 8     | HR    | 23    | 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.<br>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.<br>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.  |