



Motor Fleet Budget Deviations

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Internal Service Funds

- Internal Service Funds are defined in §143 C-1-3 (a) 7

“Accounts for any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund.”

- State agencies pay Internal Service Funds (such as Temporary Solutions or Motor Fleet Management) for services through monthly billing invoices paid with appropriated funds or budgeted receipts
- The net of receipts over expenditures result in Internal Service Funds’ accumulated cash balance



Presented to Justice and Public Safety
Oversight Committee on 11/14/2013



MOTOR FLEET MANAGEMENT

An Overview

11/14/2013

Dee Jones, Chief Operating Officer,
Department of Administration

Speros Fleggas, Sr. Deputy
Secretary, Department of
Administration



FY 2013/2014 Plan

- \$27M now available to purchase vehicles
 - 1,330 vehicles
 - 788 (59%) could go to DPS
 - Delivery/deployment within 4-5 months
- Delivery contingencies
 - Flexibility to substitute vehicles per availability
 - Manufacturer's capabilities



Presented to Justice and Public Safety
Oversight Committee on 3/13/2014



North Carolina Department of Administration

Motor Fleet Management



JPS Oversight Committee Meeting

Dee Jones
Chief Operating Officer



Kathryn Johnston
Deputy Secretary Service Operations

03/13/14



Vehicle Orders - Round 1

Replacement Vehicles ordered in last 60 days

# On Order	Cost	Entity
702	\$15.0M	DPS
507	\$11.2M	Other Agencies
1,209	\$26.2M	

Note: 630 vehicles remain with over 125,000 miles across all agencies



Vehicle Orders - Round 2

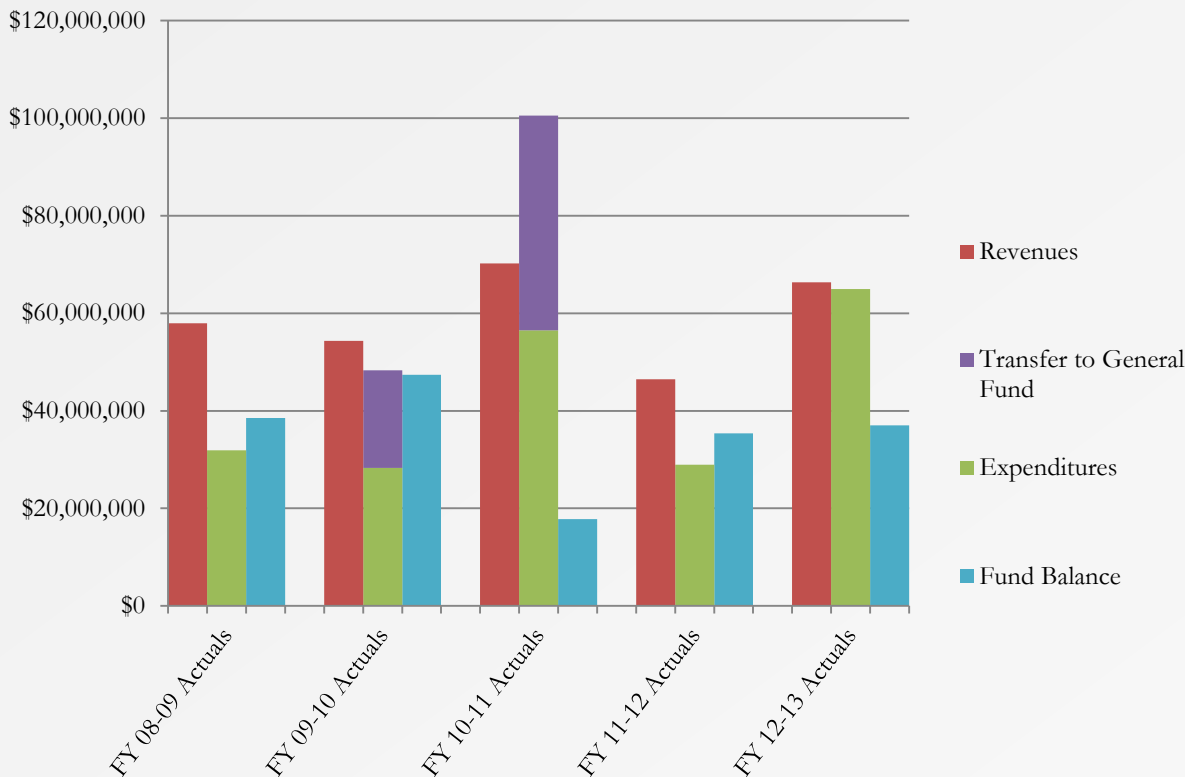
Vehicles to be ordered - with Gov Ops approval

# On Order	Cost	Entity
277 (new)	\$5.0M	DPS
8 (replacement)	\$0.3M	DPS
285	\$5.3M	



Motor Fleet Fund History

- Motor Fleet Revenues, Expenditures and Fund Balance FY 2009-FY 2013



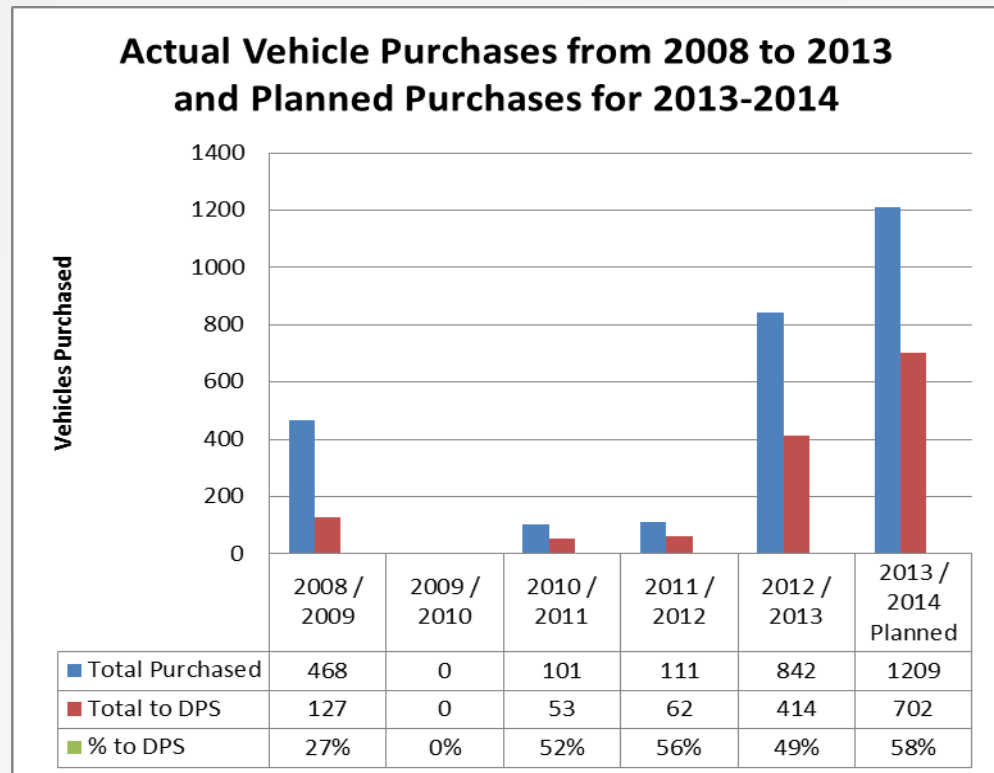
FY 09-10 expenditures include \$20 million transfer to General Fund

FY 10-11 expenditures include \$44 million legislatively mandated transfer to General Fund



Replacement Vehicle Purchase History

- Due to budget crisis, purchases were minimal from 2009-2013
- Motor Fleet has replaced a total of 2,051 vehicles in FY 13 and FY 14





Projected April 2014 Fund Balance

Activity	Fund Balance
Beginning Fund Balance at July 2013	\$37.0M
Vehicle Orders (DPS and Non-DPS) – round 1	(\$26.2M)
Purchase of Telematics (1500)	(\$0.5M)
Transfer of Lapsed Salaries from DPS	\$5.0M
Purchase Impalas (277) and EM vehicles (8) – round 2	(\$5.3M)
Ending Fund Balance at April 2014	\$10.0M
Operating Fund Balance Required (4 months)	\$10.0M



New Vehicles for Public Safety

- Department of Public Safety has vehicle needs beyond those being replaced by DOA through its replacement schedule.
- Need for new vehicles predominantly driven by the reallocation of lower level probation/parole officers to field officers which require a 1:1 ratio of officer to vehicle, and the 2013 legislative funding of new probation/parole officer positions.
- Public Safety requested and OSBM authorized transfer of \$5,067,161 in lapsed salaries to Motor Fleet for purchase of 277 vehicles for probation/parole officers. These vehicles have not been purchased, as this potential expenditure will result in a deviation for the Motor Fleet fund.