

## Assets Supporting Vehicle & Equipment Services

### STRATEGY OUTLOOK

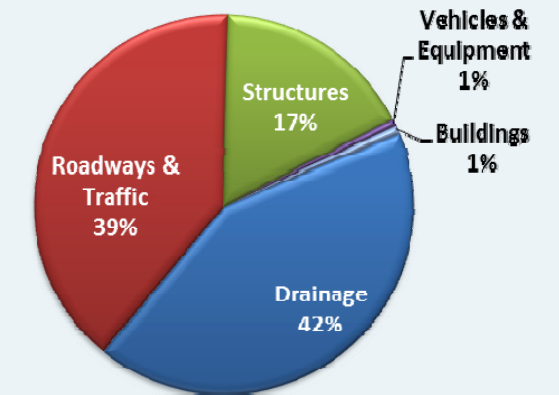
- The community has recently added additional revenues which has slowed the County road system's deterioration; however resources are insufficient to meet needs.
- Tillamook County manages an old road system. Approximately one-third of County transportation assets are in poor / very poor condition. This will grow over the next 10 years in spite of recent additional funding.
- The Road Department is not able to maintain current service levels for the next 10 years. The majority of expenditures are reactive maintenance with most resources allocated to reacting to potholes, failed bridges, culverts & guardrails. The one exception to this is vegetation management (spraying), the only preventative maintenance program currently. Moving forward with more revenue, the focus will be on renewal.
- Despite this, Tillamook County's Road Department performs at a very high level because of the skills, knowledge of the road system and experience of its people. These people are very effective at managing increasing risks as assets reach the end of useful operating life. Staffing continues to be insufficient.
- The Department's asset management plan captures current knowledge and experience and has helped guide County road system planning. However this overarching asset management plan is the first stage of asset management improvement. The County needs to further develop asset plans that show varying funding scenarios, what can be done, what can't be done and how the service level consequences and risks will be managed. This plan reflects this move.
- Even with monies approved by voters in 2013, funding is insufficient. The County will continue to seek opportunities to fund needs outside budget authority by partnering with key stakeholders and applying for grants.
- The County will continue to communicate levels of service based on best knowledge of the road system and available resources.

### SERVICE / ASSET ACTIVITIES

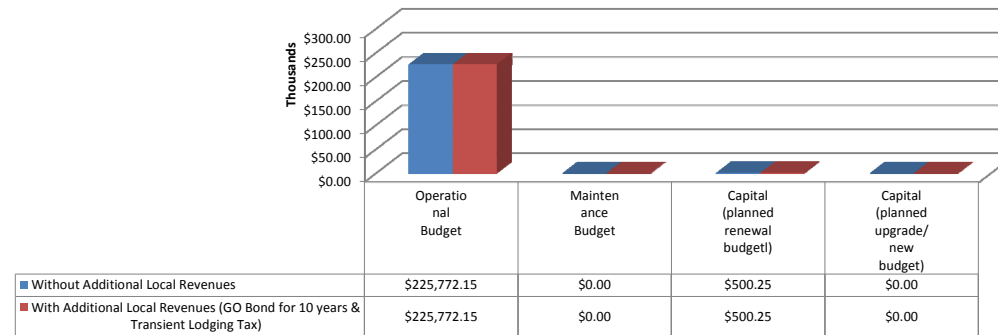
⇒ Vehicles

⇒ Equipment

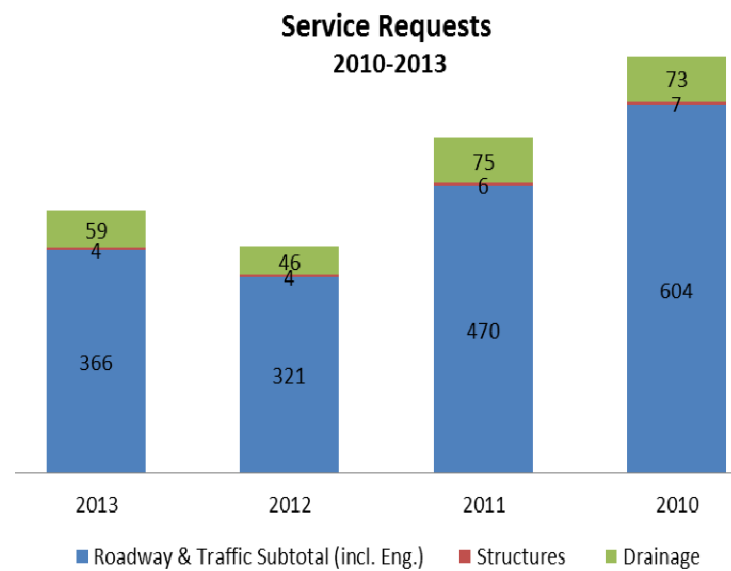
### Tillamook County Public Works Department Transportation Assets \$686M



Vehicles & Equipment - 2014 Budget



### Comments on Tillamook County's Vehicles & Equipment



- Nearly ¾ of County vehicles exceed the County's adopted useful life for vehicles.
- It is difficult to set aside replacement funds, However, in 2014, \$303,000 new/used equipment will be purchased to address equipment needs.
- Tillamook is a member of MORE, the Managing Oregon's Resources Efficiently cooperative, which is an equipment and vehicle resource sharing consortium. Through this agreement, equipment services as well as new and used equipment can be purchased more cost effectively.

### Service Activities

- Maintained and inspected 94 pieces of road equipment

### WHAT SERVICE LEVELS LOOK LIKE (examples)

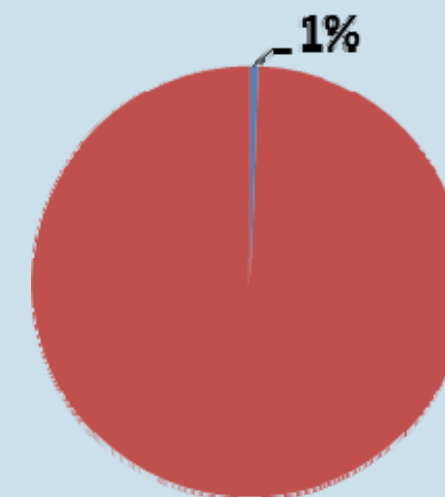
GOOD / FAIR QUALITY

POOR QUALITY

### VEHICLES



### Assets Supporting Services



**\$3,966,527**  
Total Value of Vehicles & Equipment Assets

Source: Tillamook County Road Network—Inventory, Condition & Value, July 2013

# Tillamook County: Vehicles & Equipment



## FUNDING SCENARIO 2A – CURRENT INVESTMENT LEVEL WITHOUT ADDITIONAL LOCAL REVENUES

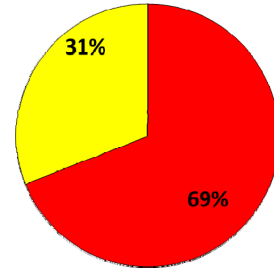
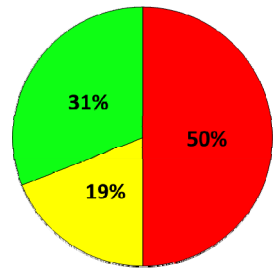
This Funding Scenario Summary shows the current and projected service levels, budget and expenditure profiles for the current Long Term Financial Plan balanced to the Asset Management

### OVERALL ASSET PROVISION - FUNDING SCENARIOS

#### CURRENT QUALITY/CONDITION

#### 10 YEAR QUALITY/CONDITION - SCENARIO 2A

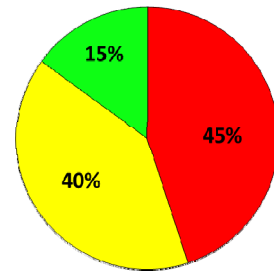
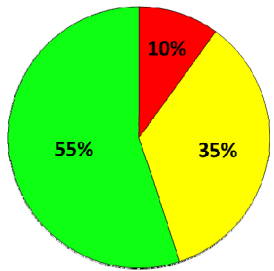
Confidence in Data
High
Moderate
Low



#### CURRENT FUNCTION

#### 10 YEAR FUNCTION - SCENARIO 2A

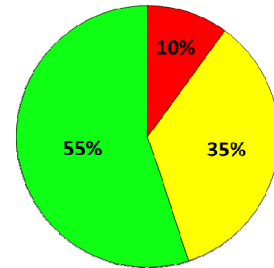
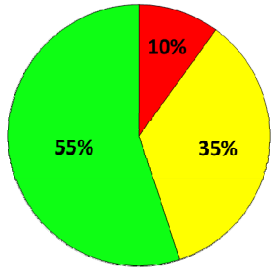
Confidence in Data
High
Moderate
Low



#### CURRENT CAPACITY

#### 10 YEAR CAPACITY - SCENARIO 2A

Confidence in Data
High
Moderate
Low



Good Fair Poor

### FUNDING DESCRIPTION

- ⇒ Current condition/function/capacity
- ⇒ Scenario 2A – No additional local revenues
- ⇒ Scenario 2B - With Additional Local Revenues (GO Bond & Transient Lodging Tax)

The lifecycle and 10 year costs are what is determined that needs to be spent annually to maintain the current levels of service for the asset class and prevent further decline in service levels. The available funding reflects the budgeted funding allocation for the category. The 2013 equipment costs are 18% less than 2012. 54% of the 2013 budget was used to repair vehicles. The lifecycle and 10 year costs are what is determined that needs to be spent annually to maintain the current levels of service for the asset class and prevent further decline in service levels. Only 31% of lifecycle needs are being funded under both scenarios. This demonstrates that no additional funding is made available for the capital renewal of vehicles from the GO bond & transient lodging tax

### SUMMARY OF ASSET COSTS

#### LONG TERM - LIFECYCLE COSTS

Life Cycle Gap it is estimated that there will be an average annual funding shortfall of **\$495,000** each year over the whole of life of the Vehicles & Equipment asset class. This is based on the depreciation value from the Asset Register.

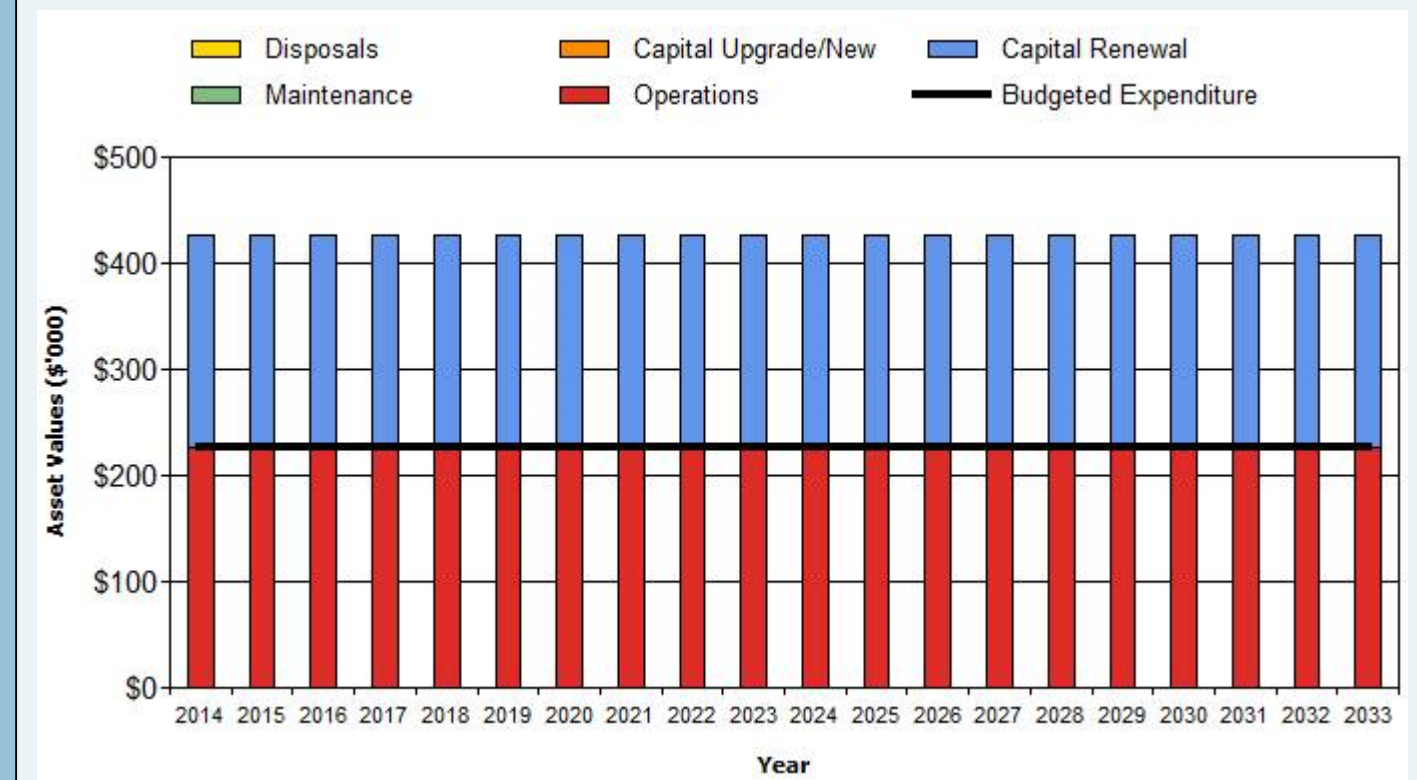
Lifecycle Cost (annually)	\$722,000
Lifecycle Available Funding (annually)	\$226,000
Lifecycle Gap (annually)	<b>\$495,000</b>
Lifecycle Financing Indicator	31%

#### MEDIUM TERM - 10 YEAR FINANCIAL PLANNING PERIOD

It is estimated that there will be a funding shortfall of **\$199,000** each year over the next 10 years to maintain the current level of service for the Vehicles & Equipment asset class.

10 Year Cost (annually)	\$426,000
10 Year Available Funding (annually)	\$226,000
10 Year Gap (annually)	<b>\$199,000</b>
10 Year Financing Indicator	53%

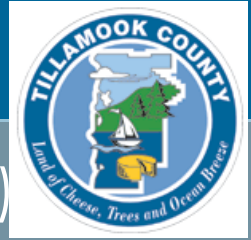
### 20 Year Projected Operating & Capital Expenditure



Source: NAMS PLUS2 Vehicles\_2014\_No Add Local Funding\_S2\_V1 (Where no bars displayed the projected expenditure for this funding type is \$0)



# Tillamook County: Vehicles & Equipment



## FUNDING SCENARIO 2B – WITH ADDITIONAL LOCAL REVENUES (GO BOND FOR 10 YEARS & TRANSIENT LODGING TAX)

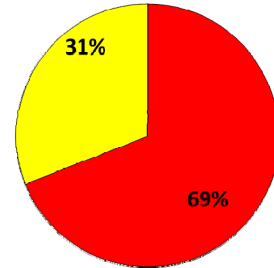
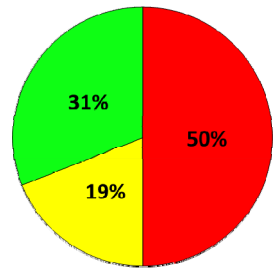
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### OVERALL ASSET PROVISION - FUNDING SCENARIOS

#### CURRENT QUALITY/CONDITION

#### 10 YEAR QUALITY/CONDITION - SCENARIO 2B

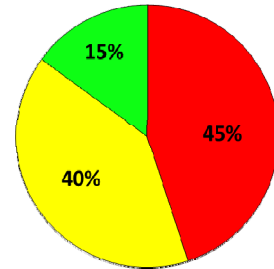
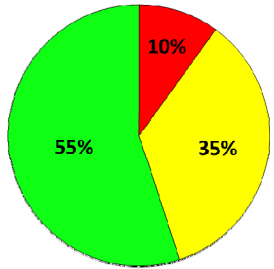
Confidence in Data
High
Moderate
Low



#### CURRENT FUNCTION

#### 10 YEAR FUNCTION - SCENARIO 2B

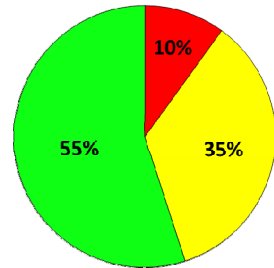
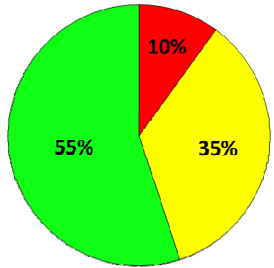
Confidence in Data
High
Moderate
Low



#### CURRENT CAPACITY

#### 10 YEAR CAPACITY - SCENARIO 2B

Confidence in Data
High
Moderate
Low



■ Good ■ Fair ■ Poor

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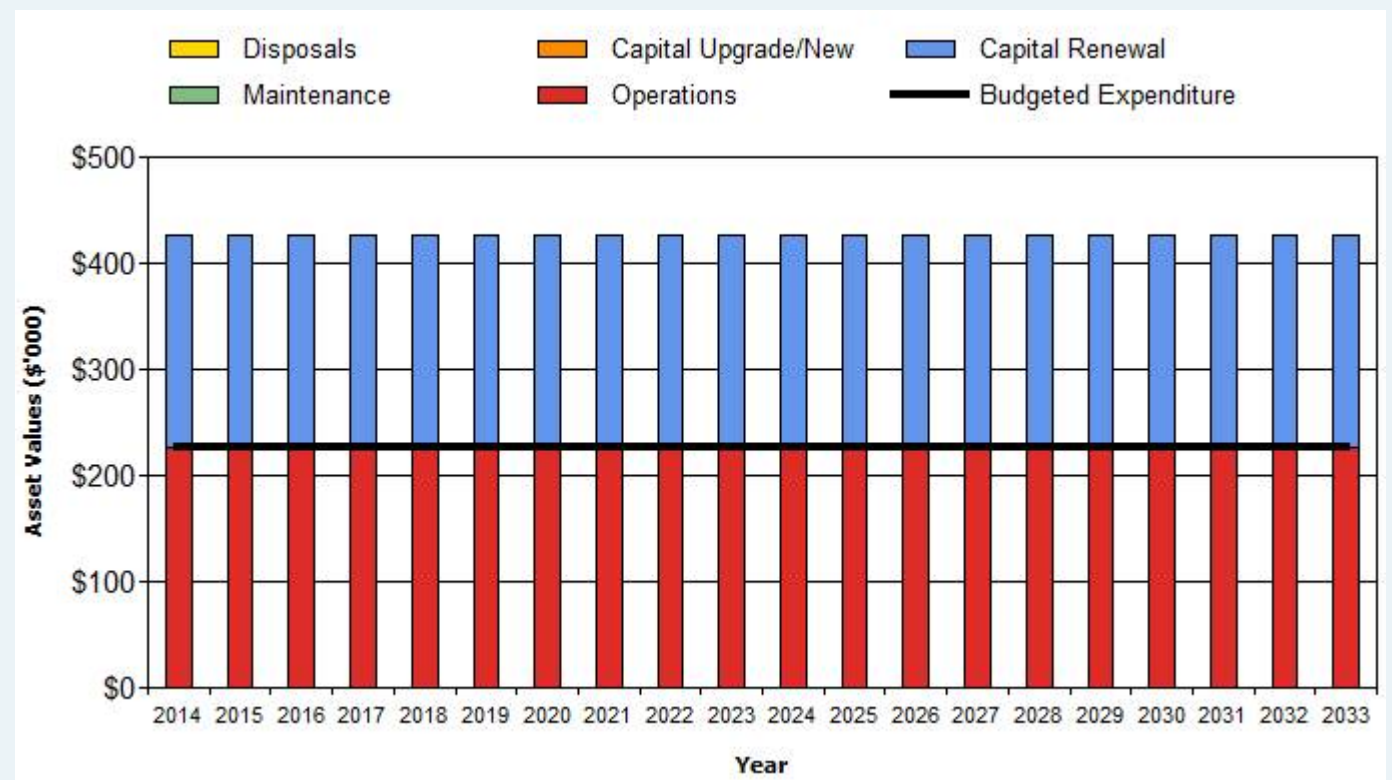
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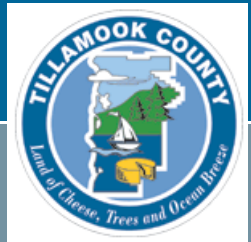
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# Tillamook County: Vehicles & Equipment



## COMPARISON OF FUNDING SCENARIOS

### OUTCOMES & STRATEGIC OBJECTIVES

In 2013, the County managed 115 pieces of equipment and vehicles valued at \$3,966,527. Equipment management ensures vehicle availability and reliability for road crews managing the least lifecycle cost by providing timely maintenance and repairs given available resources.

### MANAGEMENT ACTIVITIES

10% percent of the Road Department fleet received Level A Maintenance, and 115 (100%) an annual safety inspections in 2013. Level A servicing means the vehicle was lubricated, the oil and filter changed, and the vehicle inspected for safety. This is a lower level of service due to the overall reduced number of Road Department staff. One foreman and one mechanic must perform all equipment maintenance, and are also required to perform other road maintenance activities.

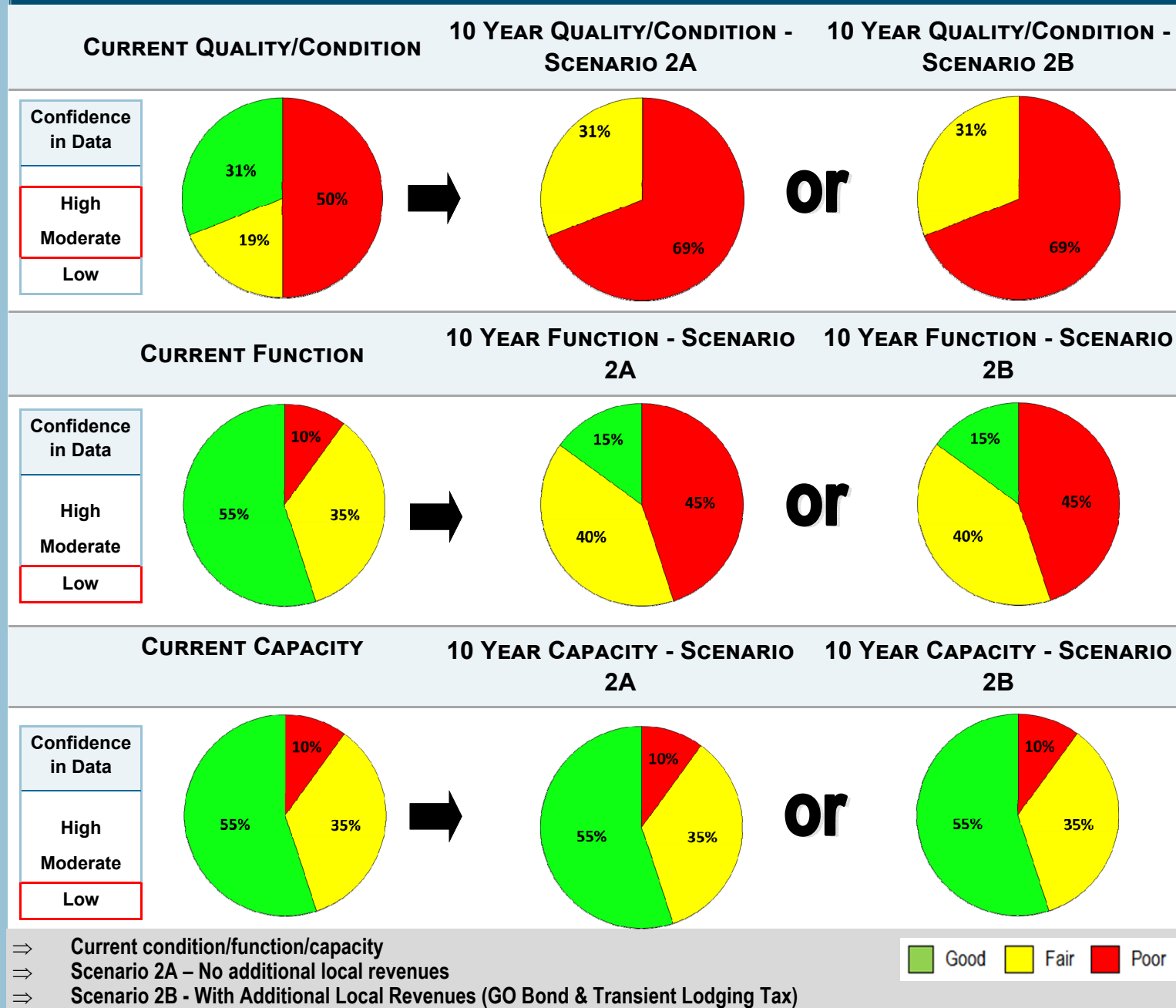
### RISKS

- Nearly 75% exceed the County's adopted useful life for vehicles; almost all 5-yard dump trucks exceed 30 years. Vehicle replacement funds are used to replace high maintenance vehicles.
- Some vehicle parts are not available and must be made in house.
- Equipment reliability and safety is an increasing concern.
- Equipment may not be appropriate for all job requirements.
- Inadequate staffing levels

### RISK MANAGEMENT STRATEGY

- Continue annual equipment replacement fund set aside
- Continue tracking time and hours of performance & maintenance cost per vehicle
- Report on need
- Target key vehicle replacement based on cost & risk management (e.g., paver, asphalt roller, snow plows).

### OVERALL ASSET PROVISION - FUNDING SCENARIOS



### ASSETS IN GOOD / FAIR CONDITION

50% Current → 31% Scenario 2A **or** 31% Scenario 2B



### ASSETS IN POOR CONDITION

50% Current → 69% Scenario 2A **or** 69% Scenario 2B



# Dashboard Document Control



## Document ID: Tillamook County - Vehicles & Equipment

Version No.	Creation Date	Revision Details	Author	Reviewer	Approver
V1 140204	29 Jan 2014	Creation of Dashboard with information provided by PBS and Tillamook County; (4 Feb 2014) applied edits provided by PBS via email on 1 Feb 2014	KA		
V2 140207	29 Jan 2014	Applied formatting edits only, no data changes made.; (4 Feb 2014) applied edits provided by PBS via email on 1 Feb 2014. Updated risk and responses and review (10 Feb2014)	KA, CL	PBS, JRA	
V3 140213	12 Feb2014	Updates to C/F/C and NAMS outputs. Edits as per comments from PBS (received 11 Feb 2014). Update to funding scenario description on p2 as per PBS comments.	CL	PBS	
V4 140219	17 Feb 2014	Applied multiple formatting, and data changes per "Review with Client" edit document provided. Updated pie charts and figures to reflect the 2 scenarios	KA, CL		
V5 140307	7 Mar 2014	Update capacity pie chart to reflect no change over 10 years	CL		
V6 140313	13 Mar 2014	Final edits following client review—font size & color	PBS		

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