

CITY OF CHARLOTTE FUEL CONSERVATION

Tips from Charlotte's experience in
dealing with the recent fuel shortages and
related budget shortfalls

League of Municipalities Conference
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City of Charlotte – Fuel Conservation

- During the recent fuel shortages that we all experienced due to Hurricanes Katrina and Rita, the City began a series of fuel conservation measures to decrease our daily need for fuel and continued those measures already in place.
- These efforts, combined with extra efforts to increase fuel delivery and our access to fuel allowed the City to continue all major services without interruption or delay.

City of Charlotte – Fuel Fast Facts

- City operations consume over 7 million gallons of fuel a year
 - Over 2 million gallons of gasoline
 - Over 5 million gallons of diesel fuel
- City fuel sources
 - Over 3 million gallons from private sector service stations under a master contract
 - Over 4 million gallons from bulk fuel providers delivered to city owned fueling locations

A one cent increase in the price per gallon equals a \$70,000 increase in annual fuel costs

City of Charlotte – Budget Impact

- **FY 2005**
 - **\$2.2 million shortfall in all major funds**
 - **\$1 million General Fund shortfall was made up within the existing budget**
- **FY 2006**
 - **Increased the General Fund budget by \$1.2 million within existing resources**
 - **We now project another overrun of \$1 million given recent fuel price increases**

In Charlotte, \$1 million equals 1/6 cent in the General Tax Rate

City of Charlotte – Fuel Conservation Employee Measures

- Encouraged use of public transit.
- Flexible work schedules to facilitate carpooling to work, and telecommuting where possible.
- Early Implementation of the SMARTride program that allows City workers to ride the Transit system free when going to and from their City jobs.
- Eliminated City provided take home vehicles.

City of Charlotte – Fuel Conservation Operational Measures

- Enforced anti-idling policies in City vehicles and equipment.
- Police officers parked in neighborhood “hot spots” instead of cruising.
- Fire Department stopped nonessential training and community service.
- Transportation combined maintenance crews to minimize equipment mobilization.

City of Charlotte – Fuel Conservation Operational Measures

- Operational units parked heavy equipment at nearby City facilities instead of driving them back to their domicile for the night.
- Aviation modified shuttle bus service to provide a pickup every 10 minutes, instead of the usual 5 minutes.
- Use of more smaller, more fuel efficient equipment to perform tasks wherever possible.

City of Charlotte – Fuel Conservation Fleet Management Measures

- PM services performed on time without exception.
- Older and less fuel efficient equipment is replaced in a timely manner.
- Only the latest technology, the highest fuel efficiency and most environmentally friendly equipment is included in fleet specifications.
- Customers are assisted in making good procurement decisions that correctly size equipment to the job they plan to perform.
- Customers are encouraged to consider and purchase hybrid technology.

City of Charlotte

The Hybrid Technology Invasion

- City has 20 hybrid vehicles in service or on order.
- Hybrids cost more but have an initial payback period of 2.2 to 5.5 years for the difference in cost.
- Hybrids get 20 to 50% better gas mileage than their non-hybrid counterparts.
- Hybrid maintenance costs may also be lower.
- Hybrids have long warranties on their electrical systems, further reducing maintenance costs.
- Resale values may be higher.

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Hybrids - Who is driving them?

- The Police Chief, plus two units in Planning & Research and Administration, with two more being field tested for possible use by Detectives.
- Transit will use four hybrids for police patrol duty of the transit system.
- Landscape Management will use two hybrids to monitor City contracts.
- Two hybrids serve as departmental pool cars.
- One is used as a loaner to attract more buyers.

Performance: In town 54 MPG & Highway 43 MPG

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Have fuel contracts in place

- Find the right balance of government owned and private owned tanks and distribution locations to serve your operational needs.
- Consider having a Fleet Card System contract in place that:
 - **Ties fuel prices to an index, like OPIS**
 - **Gives you many, many more locations to fuel**
 - **Avoids fuel tank liability**
 - **Allows equipment operators and Police officers to remain in their service areas.**
 - **Provides automated billing to the end customer**
 - **Triggers the equipment PM process**

City of Charlotte – It is extremely important to know where tomorrow's fuel is today

- **City Owned Tanks**

- Location, capacity, contact
- Current product inventory

- **Private sector fueling sites**

- Location, capacity, contact
- Current product inventory
- Status of their access to fuel

- **Bulk fuel suppliers**

- Contact
- Status of their access to fuel

Vendor Relationships really matter and make a huge difference in times of short supply

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Have fuel contracts in place

- Charlotte current Fuel Card contract is expiring and we are now accepting proposals for “Fuel Supply Products and Services”.
- A copy of this recently updated RFP is posted on the North Carolina IPS Website at www.ips.state.nc.us .
- It is listed under Bid Number 269-2006.004.
- Questions regarding the posting should be referred to Barbara Scott in Charlotte’s BSS Procurement Division.

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Encourage Public Conservation Measures

- Carpool To Work (Using Charlotte's Rideshare Program)
- Ride CATS (Charlotte Area Transit System)
- Reduce Idling Time
- Combine errands and shopping trips
- Refuel in the morning and only when needed

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Encourage Public Conservation Measures

- Ensure that your car is in proper working condition
 - Replace dirty air filters
 - Check and replace worn spark plugs
 - Frequent oil changes
 - Make sure the gas cap is tight
 - Inflate tire pressure to the manufacturer's recommended rating

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Encourage Public Conservation Measures

- Limit the use of air conditioning when possible to increase the mpg's
- Clean out the trunk and eliminate unnecessary weight
- Drive at moderate speeds
- Use cruise control for highway driving
- Plan your trips
- Avoid fast starts