

MACHINERY MANAGEMENT COMMITTEE CHAIRMAN'S REPORT 2008 WINTER HIGHWAY CONFERENCE

Since the last WCHA conference, the Machinery Management Committee (MMC) has taken action on numerous items. The following is a brief summary:

At the July meeting, **class 112 trucks** were discussed. These are the large horsepower, all-wheel drive, Oshkosh type units. The low recent utilization had driven the rates of these units to over \$150/hour. The MMC members discussed several options for these units when being used in applications such as mounted with impact attenuators in work zones on freeways. The committee concluded that the maintenance manual policy clearly states that when the units are running in service they should be charged out actual hours of usage and not an arbitrarily reduced amount.

Pressure washer existing classifications were reviewed and it was concluded that too many classes existed with many similarities between these classes. Ultimately, five of the eight classes were eliminated and all the units were incorporated into the three remaining classes with newly established rates.

The committee reviewed a handout showing the actual **average age of all equipment classes**. This was then compared to the rate book estimate age, which is the number of years used for depreciation schedules. The committee concluded that no changes were necessary at this time, however, would continue to monitor all classes.

Several meetings were filled with discussions regarding **class 106 (single axle, 5-yard patrol trucks)**. The committee considered a request to reinstitute a standby or guarantee pay. The committee also listened to feedback from representatives of all the regions in Wisconsin of which the recommendations and results varied. After numerous discussions, the committee concluded that leaving the rate as is (at \$35/hour) and allowing the rate book to adjust through the formula would be the best course of action.

Statewide fuel survey results from the second and third quarter of 2007 were also reviewed. The survey results showed that as of September the average weighted cost for gas and diesel was up by 13% from the previous year. The impact to the rates was 1.05% which didn't meet the 2.0% criteria, which is a

standing committee action needed in order to adjust machinery rates. Thus, no machinery rate changes were implemented in 2007.

The 2008 machinery rates were reviewed and approved at the November meeting. The overall weighted average was 6.0% higher than the 2007 machinery rates.

Respectfully Submitted,

Alvin J. Geurts, Outagamie County Highway Commissioner
Machinery Management Committee Chairman

Jan. 23, 2008