

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: 5/21/2026

To: Marcelia Nicholson-Bovell, Chairwoman, Milwaukee County Board of Supervisors

From: Joe Lamers, Director, Department of Transportation
John Blonien, Fleet Director, Department of Transportation

Subject: From the Director, Department of Transportation and the Director of Fleet Management, Department of Transportation providing an informational report on rising fuel costs on Milwaukee County fleet vehicles.

File Type: Informational Report

BACKGROUND

Milwaukee County Department of Transportation's Fleet Management Division manages the purchase of fuel in bulk through a shared municipal agreement, which typically results in lower per-gallon costs. For 2026, Fleet Management budgeted diesel fuel at **\$3.12 per gallon** and unleaded fuel at **\$2.52 per gallon**. However, the most recent bulk delivery in early May reflected significantly higher market prices: **\$4.87 per gallon for diesel** and **\$4.12 per gallon for unleaded**.

Departmental Fuel Responsibilities

Each County department or division is responsible for monitoring its own fuel usage and identifying operational efficiencies where possible. The largest fuel-consuming departments include:

- **Milwaukee County Sheriff's Office**
- **Milwaukee County Parks**
- **Highway Maintenance Division**
- **Milwaukee Mitchell International Airport**

Funding sources vary by department:

- **Highway Maintenance** is reimbursed by the **State of Wisconsin** for state highway maintenance activities.
- The **Sheriff's Office** and **Parks Department** rely primarily on **property tax levy** to cover fuel expenses.
- **Milwaukee Mitchell International Airport** funds fuel costs through **airport-generated revenue**, which does not include property tax levy.

Projected Fuel Consumption and Budget Impact

Based on actual 2026 usage patterns, the Fleet Division anticipates that from May through December 2026, County departments will consume approximately:

- **218,000 gallons of diesel**
- **250,000 gallons of unleaded fuel**

If current prices remain unchanged through year-end, Milwaukee County is projected to exceed its fuel budget by **approximately \$718,500**. Should fuel prices increase by an additional **\$0.50 per gallon**, the overage could rise to **approximately \$1,000,000**.

Operational and Budget Considerations

The Department of Transportation does not oversee how individual departments manage or mitigate their fuel costs. Departments facing overages will likely need to identify reductions in other operational areas to remain within their overall budgets.

Fleet Management will continue to:

- Maintain regular communication with all user departments regarding fuel trends
- Monitor petroleum market conditions
- Collaborate with the **Office of Strategy, Budget, and Performance** to evaluate potential adjustments for the development of the 2027 Budget

ALIGNMENT TO STRATEGIC PLAN

3B: Enhance the County's fiscal health and sustainability.

FISCAL EFFECT

There is no net fiscal impact.

VIRTUAL MEETING INVITES

Joe Lamers, Director, Department of Transportation
John Rodgers, Deputy Director, Department of Transportation
John Blonien, Fleet Director, Department of Transportation

PREPARED BY:

John Blonien, Fleet Director

APPROVED BY:



Joe Lamers, Director, Department of Transportation

ATTACHMENTS:

PowerPoint

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk