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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

660 J STREET
ROOM 250
SACRAMENTO, CA
95814-2413

OFFICE OF THE DIRECTOR

PH 916-808-7100
FAX 916-264-5573

May 7, 2003

City Council
Sacramento, California

CONTINUED
FROM 5/27/03
TO 5/29/03

Honorable Members in Session:

**SUBJECT: FY 2003/04 PROPOSED BUDGET
DEPARTMENT OF PUBLIC WORKS**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report provides information on the FY 2003/04 proposed budget for the Department of Public Works, and requests Council direction.

CONTACT PERSONS: Marty Hanneman, Traffic Manager, 808-7508
Gene Moore, Maintenance Services General Manager, 433-6319
Thomas V. Lee, Interim Director of Public Works, 808-5704

FOR COUNCIL MEETING OF: May 27, 2003

SUMMARY:

This report provides information on the FY 2003/04 proposed budget for the Department of Public Works. It includes a department description, budget summary, and policy issues for City Council consideration.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND INFORMATION:

Department Description

As one of the largest and most diverse City departments, Public Works constructs and maintains the City's transportation system and public facilities, and delivers essential services such as garbage pick-up, animal control, and parking enforcement. The

department also manages the City's fleet, all City street related operations, recycling and garden refuse collection, street cleaning, development services, traffic management and controls, and much more. These programs and services contribute positively to economic development, neighborhood livability, and quality of life in our City.

Reduction Options

As part of the planning for the FY 2003/04 budget, each department was asked to prepare a set of reduction options totaling two and one-half percent for public safety and five percent for non-public safety. Those reduction options for the Department of Public Works are shown in Attachment A. At five percent, the reduction options for the Department of Public Works would be \$632,623 and 2.5 FTE.

The impacts of these reductions could include:

- A delay in implementation of work management systems that would achieve greater efficiencies and cost savings;
- Journey-level staff performing entry-level services;
- A decreased ability to: implement business and organizational improvement initiatives; provide training necessary to keep staff current on industry trends and professional/technical practices; provide technology support and keep department technology up to date.

FINANCIAL CONSIDERATIONS

The FY 2003/04 proposed budget for the Department of Public Works includes 754.0 full-time equivalent (FTE) positions and an operating budget of \$100,073,058. Major funding sources for the department budget are:

General Fund	\$ 14,742,216	15%
Solid Waste Fund	36,413,973	36%
Fleet Fund	22,103,949	22%
Transportation Funds	12,635,089	13%
Landscaping & Lighting	3,561,329	3%
Cal/EPA	7,864,177	8%
Other	<u>2,752,325</u>	<u>3%</u>
Total	\$100,073,058	100%

Note: The Public Works Department generates \$9.3 million in General Fund Revenue (parking fees, license fees, permit and processing fees, etc.)

The proposed budget includes the following FTE augmentations:

Animal Care Services: 1.0 FTE Veterinarian, 1.0 FTE Veterinarian Technician and 1.0 FTE Volunteer Coordinator. These augmentations, along with the associated services and supplies budget, will enable the department to meet the requirements of Senate Bill 1785 (Hayden) for the humane treatment of animals, as well as the recommendations

of The Humane Society of the United States and the City Manager's Blue Ribbon Committee on Animal Care Services.

Maintenance Services: 1.0 FTE Stationary Engineer and 1.0 FTE Building Maintenance Worker. These augmentations, along with the associated services and supplies budget, will enable the department to attempt to meet increased maintenance demands created by additional square footage from new City facilities, including but not limited to, the Public Safety Administration Building, Freeport Square Retail Space, Cole Building, North Natomas Community Center and Library, and BofA Building.

Other services and supplies augmentations include funding for a Small Project Delivery Team consistent with the Smith-Culp Report to develop a more efficient and cost-effective way to deliver small projects more quickly. The augmentations also include funding to meet the growing demand for sidewalk repairs due to an increase in public awareness of the sidewalk repair program which, in turn, creates an increase in the City contribution for associated curb and gutter replacement.

ENVIRONMENTAL CONSIDERATIONS

None

POLICY CONSIDERATIONS

As part of the FY2003/04 budget process, each department has been asked to identify the top policy issues facing the department. The key policy issues facing the Department of Public Works are discussed below:

- Geographic decentralization of City services. Despite tremendous growth in North Natomas and surrounding areas, the City currently has no presence in Sacramento's north area to dispatch City field crews for solid waste collection, street maintenance operations, utility, park, concrete, and facility maintenance activities. Further, the City lacks a north area transfer station for transfer of waste collected from its residential and commercial customers. This means that unnecessary dollars and time are dedicated to traveling back and forth between the City's south area facilities. Establishing both a north area corporation yard and a north area transfer station – bringing City services closer to key service areas – could result in significant savings in terms of staff utilization, vehicle maintenance, and fuel costs, as well as provide faster response to customer service requests. Projected savings for dispatching solid waste services alone are approximately \$500,000 annually upon full build-out of North Natomas.
- Long-term funding for maintenance of City assets, facilities, and other infrastructure. The City could benefit from a consistent approach to ensuring the availability of long-term, ongoing funding for maintenance of City assets including street maintenance, streetscapes, buildings, street lights and traffic signals, among others, prior to their approval. Budgeting for projected maintenance

costs as much as possible before construction begins could help avoid unexpected budget challenges down the road.

- Delivery of facility projects. As recommended in the recent report by Smith-Culp Consulting, the City's delivery of facility projects could be improved and streamlined to help ensure that more projects (particularly smaller projects, which can deplete time and dollars if not managed efficiently) are delivered on-time and within budget. Implementing key Smith-Culp recommendations including developing an overall CIP strategic planning process managed by the City Manager's Office; developing clearly defined scopes, schedules, and budget processes to control mid-project changes; developing a separate process to better manage small projects; and implementing a more formal quality control program would all contribute to better planning, faster delivery of completed projects, and ultimately, reduced costs.

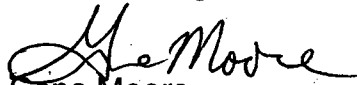
ESBD CONSIDERATIONS

Not applicable.

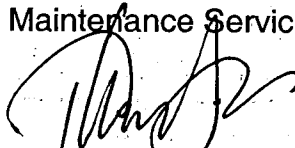
Respectfully submitted,



Marty Hanneman
Traffic Manager



Gene Moore
Maintenance Services General Manager



Thomas V. Lee
Deputy City Manager

RECOMMENDATION APPROVED



 ROBERT P. THOMAS
City Manager

Table of Contents:

1. Attachment A – page 5
2. Power Point presentation – page 6

Reduction Options Department of Public Works

Reductions	Amount	FTE	Operational Impact
Reduce Support Staff and Services and Supplies Budgets in the Director's Office.	\$254,462	1.0	Will decrease the ability to implement business and organizational improvement initiatives, as well as reduce general clerical support to the Director and staff.
Reduce technology support services and supplies budget in Advanced Solutions.	\$171,979	0.0	Will impact the ability to provide technology support, and keep department technology up to date.
Reduce Service and Supply budget in Development Services.	\$17,400	0.0	Will decrease the ability to provide training necessary to keep staff current on industry trends and professional/technical practices, and require journey-level staff to perform entry-level services.
Reduce Student Trainee positions and service and supply budgets in Project Delivery.	\$145,593	1.5	Will decrease the ability to provide training necessary to keep staff current on industry trends and professional/technical practices, and require journey-level staff to perform entry-level services.
Reduce services and supplies budget (other professional services) in Maintenance Services	\$43,189	0.0	Will delay implementation of work management systems that would achieve greater efficiencies and cost savings.
Total Reductions at 5%	\$632,623	2.5	

FY 2003/04 Proposed Budget Department of Public Works

May 20, 2003

Department of Public Works

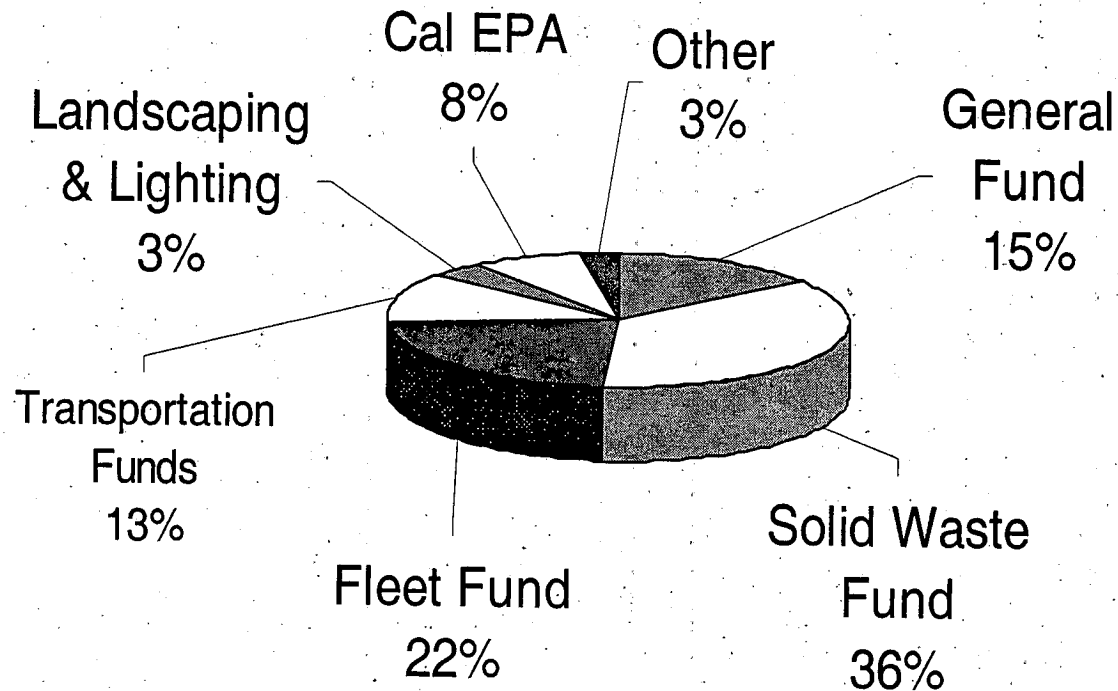
Budget Summary

- Total Proposed FY 2003/04 Budget:
 - \$100.1 million
 - 754.0 FTE
- General Fund: \$14.7 million

Note: The Public Works Department generates \$9.3 million in General Fund Revenue (parking fees, license fees, permit and processing fees, etc.)

Department of Public Works

Funding Sources (as a percentage of operating budget)



Department of Public Works

Reduction Options

- Five percent reduction
 - \$632,623
 - 2.5 FTE
- Impacts could include:
 - A delay in implementation of work management systems that would achieve greater efficiencies and cost savings;
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 - A decreased ability to: implement business and organizational improvement initiatives; provide training necessary to keep staff current on industry trends and professional/technical practices; provide technology support and keep department technology up to date.

Department of Public Works

Proposed Augmentations

■ Animal Care Services	\$ 400,000	3.0 FTE
■ Facility Maintenance	400,000	2.0 FTE
■ Small Project Delivery Team	300,000	0.0 FTE
■ Sidewalk Repair	70,000	0.0 FTE
Sub-Total	1,170,000	5.0 FTE
Less: Offsets & Revenue	<u>183,000</u>	
Net GF Impact	\$ 987,000	5.0 FTE

Department of Public Works

Policy Issues

- Geographic Decentralization of City Services
 - Growth in North Natomas and surrounding areas has created need for north area dispatch facility
 - Unnecessary dollars/staff time devoted to travel from south area facilities
 - Bringing City staff and facilities closer to key service areas could result in significant savings

Department of Public Works

Policy Issues

- Funding for maintenance of City facilities
 - Consistent approach needed to ensure long-term funding
 - Ongoing funding will protect the City's infrastructure investment

Department of Public Works

Policy Issues

- Delivery of facility projects
 - Streamlining project delivery process will ensure more projects are delivered on-time and within budget



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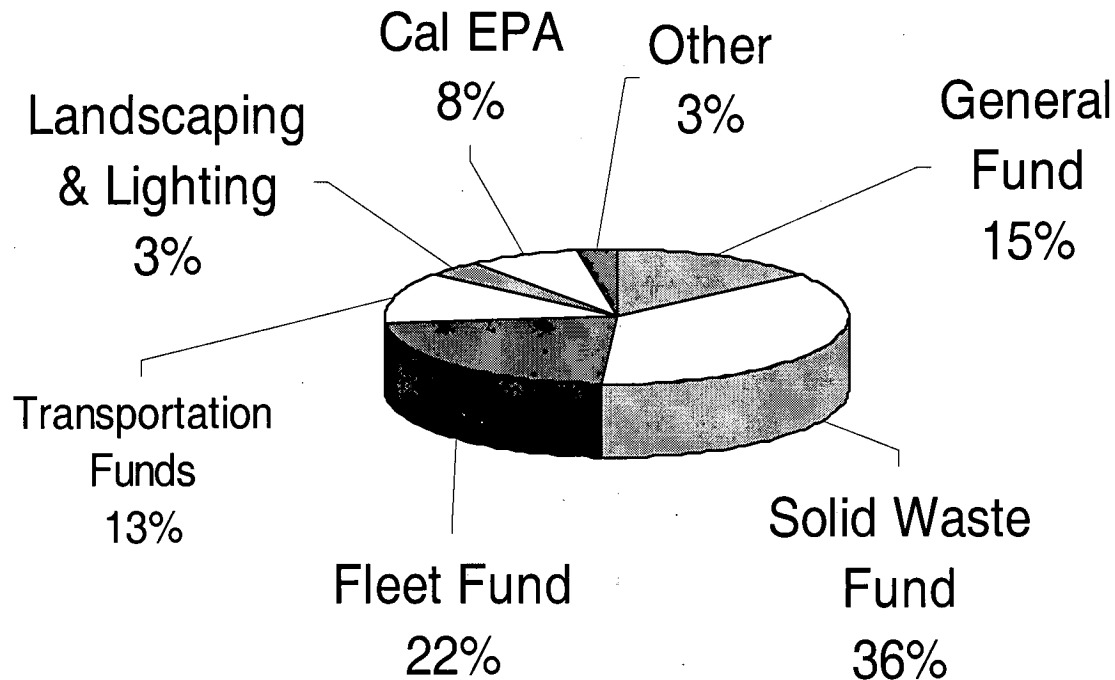
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