

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2003-04**

**DATE:** May 16, 2003

**BUDGET FOR:** **DEPARTMENT OF PUBLIC SERVICES**

**STAFF REPORT BY:** Michael Sears

**cc:** Rocky Fluhart, David Nimkin, Rick Graham, Kevin Bergstrom,  
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The budget for the Department of Public Services for fiscal year 2003-2004 is proposed to be \$34,063,834. This proposed budget represents an increase of 4.52% or \$1,474,613.

<b>DEPARTMENT OF PUBLIC SERVICES PROPOSED BUDGETS</b>				
	Adopted 2002-2003	Proposed 2003-2004	Difference	Percent Change
Office of the Director (budget, planning, training, safety, communications, contract management)	\$1,883,951	\$2,072,994	\$189,043	10.03%
Streets (maintenance of streets, sidewalks & signals; snow removal; signing and marking; street sweeping)	8,673,947	7,890,222	(\$783,725)	(9.04%)
Parks (maintenance includes City Cemetery and Graffiti Removal program)	6,313,465	6,712,021	\$398,556	6.31%
Engineering (engineering, surveying, mapping, design of City-owned facilities, oversight of work in the public way, review of private development projects.)	4,580,445	4,560,828	(\$19,617)	(0.43%)
Facility Management (maintenance of City-owned buildings, Franklin Covey Field, downtown and Sugarhouse business districts)	4,934,602	5,650,883	\$716,281	14.52%
Compliance (parking enforcement, crossing guards, impound lot)	1,621,569	2,147,899	\$526,330	32.46%
Gallivan Utah Center (reimbursed by Redevelopment Agency)	1,200,319	1,233,491	\$33,172	2.76%
Youth & Family Programs (provides intervention activities and assistance for at-risk youth and families primarily at the Sorenson Multi-Cultural Center)	1,095,556	1,484,444	\$388,888	35.50%
Urban Forestry (protects and maintains City-owned trees.)	1911875	1764395	(\$147,480)	(7.71%)
Community Events (including activities at the Gallivan Utah Center, Celtic Festival, SLC Class, 24 <sup>th</sup> of July celebration)	373,492	546,657	\$173,165	46.36%
<b>Total</b>	<b>\$32,589,221</b>	<b>\$34,063,834</b>	<b>\$1,474,613</b>	<b>4.52%</b>

## POTENTIAL MATTERS AT ISSUE

Some of the major changes reflected in the proposed budgets include:

- Elimination of positions – The Department of Public Services is recommending the elimination of 6.96 FTE. The reduction of clerical support in Forestry accounts for 0.37 of this. This is offset by a 0.10 increase for the general fund portion of a fleet accountant. A vacant engineering survey party chief accounts for 1.00 FTE of the total and the remaining 5.69 FTE is a result of the proposed reduction in the 50/50 concrete program.
- Addition of positions – The Department is recommending the addition of 9.85 FTE. A new safety position to assist in reducing department worker compensation and third party liability costs, increased weekend and night-time supervision at the Sorenson Center and seasonal park employees represent 5.35 FTE of the total 9.85 increase. The remaining 4.51 FTE increase to Department staffing is a result of a proposed transfer of employees from the Mayor's Office and from Community and Economic Development. As noted in the budget book there were 2.27 FTE added during fiscal year 2002-2003 budget amendments.
- Attrition – The Department is showing attrition expense reduction of 68,446. Attrition is a gradual, natural reduction of personnel through retirement, resignation or termination.
- Park and Tennis, Special Event Fee Increases – The Department is recommending several changes to the Parks and Recreation Fee Ordinance. **The Council may wish to review the Administration's Park Use Policy as they review the proposed revisions to the ordinance.** The Department is recommending fee increases in park rental fees and tennis court rental fees.
  - A. The Department is recommending city owned athletic facility rates be revised, that staff time for cleaning be charged and that park facility fees and recreation kit fees be increased. **The Council may wish to include maintenance or repair of property in the section that discusses staff time for cleaning. There may be instances where damage to the athletic facility occurs, rather than just the need to clean the facilities. The Council might also wish to review the recreation kit fees and choose fees that are whole dollar amounts.** There are separate charges proposed for residents and non-residents. These rates were the result of activity based costing and were set to recoup the full cost of providing these services. The desire to provide a financial benefit to residents resulted in a separate fee structure for residents and non-residents. This is consistent with previous Council statements. A market study of surrounding municipalities and other capital cities showed city charges comparable to most local municipalities (though not all) but lower than all capital cities.
  - B. The department is recommending an increase in tennis court fees. Fees are only charged at the Dee Smith Tennis facility and Liberty Park Tennis Center. The fee at Dee Smith Tennis courts is proposed to increase from four dollars per hour, per court, to five dollars. This fee would apply every day, all day, from facility open to close. During non-operation hours, when facility supervision is not present, tennis play is free. The fee at Liberty park

Tennis Center is proposed to increase from two dollars to three dollars, per hour, per court, on weekdays between the hours of 8:00 AM and 5:00 PM and four dollars to five dollars, per hour, per court, between the hours of 5:00 PM to close. On weekends and holidays at Liberty Park, the fee is proposed to increase from four dollars to five dollars per hour per court all day from open to close. During non-operation hours, when supervision is not present, tennis play is free at Liberty Park. Except for Dee Smith and Liberty Park Tennis centers, play on any other tennis court owned by the City is provided free of charge. The fees charged at Liberty Park are to remain different than fees charged at Dee Smith Tennis courts because Liberty Park functions as a community park that serves a community constituency with a lower and more diverse economic demographic. **The Council may wish to confirm the court rental policy of the City and determine if the courts should be charged the same rate. Previously there was a differential between fees at the Steiner Aquatic Center on Foothill and the aquatic center associated with the Sorenson center. Since the facilities have been moved to County management, the fees have been standardized.**

- C. The department is recommending changes to the section of the Parks and Recreations Fees Ordinance that deals with Special Events entrance fees. As noted on the revised ordinance some Salt Lake City produced or sponsored events are to be free to the public, other City special events are to have no more than a \$25 entrance fee. Other City special events are proposed to have entrance fees set by outside private companies.
- Parking Meter – The Department is showing and added expense of \$92,700 in the recommended budget to pay for the installation of parking meters on 300 South, 300 East and 400 West. The Department of Public Services is responsible for the installation, maintenance and enforcement of the parking meters. Planning for the location of the meters is handled by the Transportation Division. Parking meter revenue collection is handled by the Police Department and expenses for the collection are paid by the Department of Management Services. The revenue from parking meters is received by the Treasurer’s Office. It is estimated that 350 parking meters will be installed. The cost to install one meter is \$450. The Council may wish to confirm that there are sufficient funds available to install the necessary meters. The Council may wish to ask the Administration whether maximum efficiency can be maintained with the involvement of 4 different City Departments in issues associated with parking meters. The Council may also wish to ask the Administration what level of use the estimated revenue is based upon; for example, has the Administration considered whether the use rates could drop due to the increase in the hourly rate? In addition, the Council may wish to ask how the Administration is estimating ticket revenue – will the same number of parking enforcement officers be able to monitor an expanded area and is it anticipated that ticket revenue be increased?
  - Pension/Insurance rate changes – The Department is recommending increases to the pension rate and insurance rate expenditure categories due to higher costs to the City. Health insurance is projected to increase by 2%. Pension expenses are expected to increase 8.7% and 10.7%.

- Increase Maintenance Expenses – The Department is now responsible for the maintenance of additional buildings and City facilities that have come “online” during fiscal year 2002-2003. The maintenance and utility expenses at Plaza 349 result in a \$290,000 increase to the Department budget. The West Side Police Precinct adds \$123,000 and the Library Square Plaza area \$60,400. There is also a transfer from Management Services of \$82,000 for maintenance expenses at the Courts Building. There will be an additional increase in the Library Square expenses next year as the east side of the block is completed.
- Youth Services – The Department is recommending the addition of the Youth Services program from the Mayor’s Office. The addition of the program and the corresponding staff increase results in a department reorganization. Staff transferred from the Mayor’s Office will now manage the Youth and Family Programs division. The division now has Global Artways, Sorenson Multi-cultural Center and Youth Programming/Youth City Government. With the proposed transfer, \$157,000 in youth services budget will come from non-departmental and \$161,474 from the Mayor’s Office.
- Events Program – The Department is recommending the addition of the Events Programming from the Community and Economic Development Department. The proposed addition of the program and the corresponding staff increase will result in a consolidation of the City’s events programming. The proposed transfer increases the Department budget by \$189,992.
- Salary Increases – The Department is recommending an increase of \$502,518 in salary expenses. This increase is approximately one third of the department budget increase. The proposed personal service cost increase assumes a 3% increase in base salaries plus merit increases for employees covered by union contracts.
- Fleet – The Department is recommending that \$568,944 in fleet replacement costs be transferred to the Non-Departmental Fund. There is an additional savings of \$208,999 in fleet maintenance and fuel savings. The transfer to Non-Departmental is a result of the prior year transfer of Forestry and Street Sweeping from the Refuse Fund to the General Fund. The amount reflects the ongoing fleet replacement costs of these programs and it should be consolidated with the other General Fund fleet replacement budget which is in Non-Departmental rather than in the Department budget. The Department fleet savings is a result of newer vehicles and equipment, better fleet maintenance practices, more efficient use of vehicles, and lower fuel costs.

This staff report is only for the Public Services Department. Additional briefings on the Fleet Internal Service Fund, Refuse Fund and Golf Fund will occur in the coming weeks.

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*Additional Information*

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**BACKGROUND**

The Public Services Department provides many of the direct, day-to-day services Salt Lake City residents and visitors receive. They repair streets, maintain parks

and public open spaces, operate golf courses, provide culture, education & recreation activities for at-risk youth and families, remove snow, remove graffiti, trim trees, dispose of refuse, sweep streets, maintain traffic signs and signals, enforce parking ordinances, and many other activities. The department also provides services which are more indirect, or long-term, in nature such as managing the City’s vehicle fleet, and maintaining public buildings.

**FIVE-YEAR BUSINESS PLAN** (Goals and measurable results)

The Department of Public Services prepared a five-year business plan in fiscal year 2000-01 to help guide the budgeting process and provide a means for management to better evaluate overall Department performance. The business plan identifies goals and objectives of the Department. The plan was updated for fiscal year 2003-2004 to include department targets through fiscal year 2008-2009. In order to assist the Council in evaluating progress, Council staff has attached the Administration’s responses to the measures.

The Department has the following six service guidelines that they follow as they interact with their customers:

- Professionalism
- Responsiveness
- Partnership
- Stewardship
- Cost Effectiveness
- Creativity

The following core values are examples of the statements that make up the Department’s guidelines:

- We perform accurate, complete and fully planned work.
- We attempt to satisfy every customer we serve.
- Our activities are done at customer convenience.
- We make every attempt to cut through “red tape.”
- We provide timely response to questions and timely resolution of problems.
- We seek input from and listen to our customers and employees.
- We provide safe conditions for ourselves and our customers.

**BALANCED SCORECARD PERFORMANCE MEASURES**

Performance Measurement	2003 Target	<i>Mar 2003</i>
<i>Customer Service</i>		

Item A-7

Citywide (Dan Jones) Survey: Customer Satisfaction with City Services	Mean score of at least 6.5 out of 7 points = $\geq 92\%$ satisfaction	n/a
Division Customer Service Surveys: Percent Satisfied with Service Provided	$\geq 92\%$ satisfied with the service provided	95%
Citywide (Dan Jones) Survey: Perceived Park Safety During Day	Mean score of at least 6.0 out of 7 points = $\geq 85\%$ feel safe to very safe in the day	n/a
Citywide (Dan Jones) Survey: Perceived Park Safety During Night	Mean score of at least 3.5 out of 7 points = $\geq 50\%$ feel safe at night	n/a
Citywide (Dan Jones) Survey: Overall Quality of Life Rating	Mean score of at least 6.0 out of 7 points = $\geq 85\%$ (high to very high rating)	n/a
Percent Reduction in Amount of Energy Used by City	$\geq 8\%$	n/a
Increase in Amount of Alternate Fuel Used by City	$\geq 10\%$	n/a
Increase in Percentage of Waste Stream Recycled (in tons) from City and Residents	$\geq 12\%$	n/a
Reduction in Amount of Water Used for City Landscaping	$\geq 12\%$	n/a
<b><i>Financial Health</i></b>		
Year to date actual revenues as compared to year to date budgeted revenues	$\geq 100\%$ of budgeted revenue	97%
Year to date actual expenditures as compared to year to date budgeted expenditures	$\leq 100\%$ of budgeted expenditures	92%
Implementation of Zero-Based/Activity-Based Costing Approach to Budgeting (100% of department over 5 years)	$\geq 20\%$ of department	n/a
Percent of Goals and Objectives Established During 5-Year Business Planning Process	$\geq 85\%$	n/a
Fleet Fund will Maintain Adequate Retained Earnings by Adding at Least 1% of Revenues Per Year to their Retained Earnings	$\geq 1\%$	n/a
Department will Perform a Quarterly Analysis of their Actuals to Budgeted Expenditures and Revenues	100%	100%
<b><i>Efficiency &amp; Effectiveness</i></b>		
Percent of performance measurement targets addressing program efficiency and effectiveness met	$\geq 90\%$ of division performance measurement targets met	70%
Identify and Benchmark 1 Significant Process Against Best-in-Class	$\geq 1$	n/a
Implement Process Improvement Teams and Continuously Improve the Process	$\geq 2$	n/a

Item A-7

Implement 2 Environmental Improvement Tasks per year from the Environmental Management System (EMS) Priorities	≥ 2	n/a
Train 1/3 of Department Employees in Customer Service Skills Yearly	≥ 33%	n/a
Establish a Baseline for Customer Satisfaction and Improve Upon Baseline by 5% over 5 Years	establish baseline (see customer service)	n/a
Establish a Baseline for Community Participation and Improve Upon Baseline by 25% over 5 Years	establish baseline	n/a
Golf and Sanitation will Make Capital Investments in Accordance with their 5-Year CIP	≥ 100%	n/a
<b><i>Workforce Quality</i></b>		
Employee survey results	≥ 80% of employees satisfied with position as a whole	n/a
Ensure 90% of new hires are rated satisfactory or above on their five-month new employee performance appraisal	≥ 90%	n/a
Ensure that the ratio of applicants remains higher than the ICMA's benchmark per year	≥ 25	n/a
Maintain a turnover rate below 10% per year	≤ 10%	n/a
Develop a strategic training plan by June 2003 and have employees complete required training 90% of the time and improve by 5% over 5 Years	establish baseline	n/a
Percent of division training and technology targets met	≥ 80%	100%
Increase percentage of minority employees hired per year	≥ +1%	n/a
Increase percentage of female employees hired per year	≥ +1%	n/a
Increase outreach and recruitment of disabled individuals. Establish baseline and improvement goals	establish baseline	n/a
Increase participation in diversity training at all levels of the organization. Train all managers and supervisors in FY03 and all employees within five years	20%	n/a
Complete Employee Performance Plans by June 2003	100%	n/a
Evaluate full-time employees semi-annually	100%	n/a
Complete 100% of the Infrastructure Replacement Schedule per year	100%	n/a
Complete 20% of the identified internal business services via the web per year	20%	n/a

## **LEGISLATIVE INTENT STATEMENTS**

The Council issued the following legislative intent statements in June 2002 that relate to the Department of Public Services. The Council may wish to consider both of these Legislative Intents complete and close them.

**Privatization of the City's Impound Lot Operations** - It is the intent of the City Council that the request for proposals to privatize the impound lot operations be broad enough to allow the existing employees to bid as a group, if they so desire.

Results/Steps Taken: An RFP was prepared that was consistent with the Council's intent. No employee groups bid on the contract. Services were ultimately kept in-house. The Council was briefed on this topic November 21. A budget amendment was approved on December 10 increasing fees to a level that would fully recover the costs of the program.

**Engineering Costs** - It is the intent of the City Council that the cost of engineers and architects within the Department of Public Services be more fully allocated to capital improvement projects. The Council requests that the Administration provide a quarterly report to the Council regarding the costs that were allocated compared to total costs.

Results/Steps Taken: The Public Services Department performed a review of engineering fees billed to the CIP Fund and have adopted new engineering fee policies to ensure that fees are billed to the CIP Fund in a manner consistent with Council intent. The engineering fee policies as adopted by the department are attached.

*During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Department of Public Services.*

*During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.*