

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2004-05

DATE: May 14, 2004

BUDGET FOR: DEPARTMENT OF PUBLIC SERVICES

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The budget for the Department of Public Services for fiscal year 2004-05 is proposed to be \$33,603,440. This proposed budget represents a decrease of 1.12% or \$381,394.

DEPARTMENT OF PUBLIC SERVICES PROPOSED BUDGETS				
	Adopted 2003-04	Proposed 2004-05	Difference	Percent Change
Office of the Director (budget, planning, training, safety, communications, contract management)	\$2,097,889	\$1,944,610	\$(153,279)	(7.31%)
Streets (maintenance of streets, sidewalks & signals; snow removal; signing and marking; street sweeping)	7,814,222	7,394,605	(419,617)	(5.37%)
Parks (maintenance includes City Cemetery and Graffiti Removal program)	6,702,021	7,138,765	436,744	6.52%
Engineering (engineering, surveying, mapping, design of City-owned facilities, oversight of work in the public way, review of private development projects,)	4,560,828	4,316,267	(244,561)	(5.36%)
Facility Management (maintenance of City-owned buildings, Franklin Covey Field, downtown and Sugarhouse business districts)	5,650,883	5,586,827	(64,056)	(1.13%)
Compliance (parking enforcement, crossing guards, impound lot)	2,137,899	2,109,439	(28,460)	(1.33%)
Gallivan Utah Center (reimbursed by Redevelopment Agency)	1,225,596	1,291,529	65,933	5.38%
Youth & Family Programs (provides intervention activities and assistance for at-risk youth and families primarily at the Sorenson Multi-Cultural Center)	1,484,444	1,588,603	104,159	7.02%
Urban Forestry (protects and maintains City-owned trees.)	1,764,395	1,752,554	(11,841)	(0.67%)
Community Events (including activities at the Gallivan Utah	546,657	480,241	(66,416)	(12.15%)

Center, Celtic Festival, SLC Class, 24 th of July celebration)				
Total	\$33,984,834	\$33,603,440	\$(381,394)	(1.12%)

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.

POTENTIAL MATTERS AT ISSUE

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

- Youth Program Participation Fee Increase - The Administration is recommending that the fees charged for participation in the YouthCity After School, YouthCity Summer, and the Global Artways programs. There is a sliding fee scale for the After School and Summer program for students who qualify for reduced and free lunch status. The increases are as follows:

<u>After School Program</u>	<u>Current Fee</u>	<u>Proposed Fee Fall 2004</u>	<u>Proposed Fee Fall 2005</u>	<u>Proposed Fee Fall 2006</u>
	\$30 per month	\$50, 25 and 12 Per month	\$75, 38, 20 per month	\$100, 50, 25 per month
<u>Summer Program</u>	<u>Current Fee</u>	<u>Proposed Fee Summer 2005</u>	<u>Proposed Fee Summer 2006</u>	
	\$0 per month	\$40, 20 and 10 Per month	\$50, 25 and 12 Per month	
<u>Ceramics Youth</u>	<u>Current Fee</u>	<u>Proposed</u>		
	\$20 plus 10 for materials	Same		
<u>Ceramics Parent Child</u>	<u>Current Fee</u>	<u>Proposed</u>		
	\$0	\$30 plus 10 for materials		
<u>Ceramics Adult</u>	<u>Current Fee</u>	<u>Proposed</u>		
	\$0	\$40 plus 10 for materials		
<u>Dance Youth</u>	<u>Current Fee</u>	<u>Proposed</u>		
	\$20	Same		
<u>Dance Parent Child</u>	<u>Current Fee</u>	<u>Proposed</u>		
	\$0	\$30		

<u>Music Youth</u>	<u>Current</u>	<u>Proposed</u>
	<u>Fee</u>	
	\$0	\$20
<u>Music Parent</u>	<u>Current</u>	<u>Proposed</u>
<u>Child</u>	<u>Fee</u>	
	\$0	\$20
<u>Guitar</u>	<u>Current</u>	<u>Proposed</u>
	<u>Fee</u>	
	\$0	\$20
<u>Visual Arts</u>	<u>Current</u>	<u>Proposed</u>
<u>Youth</u>	<u>Fee</u>	
	\$20	Same
<u>Visual Arts</u>	<u>Current</u>	<u>Proposed</u>
<u>Parent Child</u>	<u>Fee</u>	
	\$0	\$30

- Youth City Advisory Board and Recreation Board Information – The Council formed a subcommittee to review the YouthCity Advisory Board and the Recreation Board and determine if there was a way to combine them. The Administration has been asked to provide; a written statement on the City' current recreation program and the purpose behind combining the two boards, and a new draft of the ordinance that reflected the changes the Council subcommittee requested that the Administration make. These items were asked for during October of 2003. Once these items are prepared, the subcommittee will meet
- Elimination of positions – The Department of Public Services is recommending the elimination of 12.29 FTE. Positions that are being eliminated include:
 - \$(56,303) – Safety program coordinator position -1.0 FTE
 - \$(68,524) – Surveyor II position – 1.0 FTE
 - \$(107,306) – Engineer VII position – 1.0 FTE (Partial year elimination)
 - \$(90,885) – Senior architect II - 1.0 FTE
 - \$(38,000) – Seasonal security 1.18 FTE - Franklin Covey Field
 - \$(15,824) – Part-time special events 0.51 FTE
 - \$(55,877) – Parks field supervisor 1.0 FTE
 - \$(576,794) – Concrete program 6.60 – Transfer budget to CIP
- Addition of positions – The Department is recommending the addition of 1.0 FTE. This position is a Night and Weekend Assistant Manager at the Sorenson Center (The budget book misstated the title on the staffing document.)
- Salary Increases – (the ongoing negotiations are with fire & police – AFSCME has a contract) the recommended budget shows \$226,065 in increases for contractual obligations.

- 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 8.3%. Pension expenses are expected to increase 10.3%. The City's share of the health insurance rate increase is \$163,848 and the pension rate increase is \$217,050.
- Salt – The City is recommending that the City increase the amount of salt that is purchased based on the average usage of the past four years. The proposed increase is \$26,000.
- Parking meter installation – The Administration is recommendation the elimination of a one-time expenditure of \$95,100 for the installation of parking meters.
- 50/50 Concrete Program – The Administration is recommending that the 50/50 Concrete program be revised to have new allocations of 1/3 City cost and 2/3 Private cost. The new program is proposed to be named the “Volunteer Concrete Replacement Program”. There is a reduction of \$576,794 for this program. The Capital Improvement Program is being charged \$62,000 for the City's portion of the new program. This is the “net” amount of the total cost, \$186,000; minus the resident's portion \$124,000. The Administration indicates that this will allow the city to accomplish a similar amount of residential property concrete work (approximately 100 properties) with a contractor rather than in-house. The reason the CIP amount is less than the general fund cut is that this concrete crew performed city-responsible concrete work, snow removal, and other emergency and special street projects; however, the Administration indicates that a majority of the group's work relates to concrete – either the 50/50 program or concrete projects that relate to over-all City maintenance. This other maintenance would be performed by the second concrete crew and may be take longer to accomplish depending upon workload. Additional information on this proposed shift to the CIP and also the elimination of the concrete program employees were submitted in conjunction with the May 13, 2004 CIP follow-up briefing. One Council Member has asked about the potential for the City employees working for this program to be employed in other City positions. Council staff understands that the City does have other job openings for which these individuals could be considered.

This staff report is only for the General Fund programs of the Public Services Department. Additional staff reports have been prepared for the Fleet Internal Service Fund, Refuse Fund and Golf Funds.

PERFORMANCE MEASURES

Performance Measurement	2004 Target	<i>Mar 2004</i>
<i>Customer Service</i>		
Citywide (Dan Jones) Survey: Customer Satisfaction with City Services	Mean score of at least 6.5 out of 7 points = = 92% satisfaction	n/a
Division Customer Service Surveys: Percent Satisfied with Service Provided	= 92% satisfied with the service provided	96%
Citywide (Dan Jones) Survey: Perceived Park Safety During Day	Mean score of at least 6.0 out of 7 points = = 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 = = 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 = = 85% (high to very high rating)	n/a
Percent Reduction in Amount of Energy Used by City	= 11%	n/a
Increase in Amount of Alternate Fuel Used by City	= 20%	n/a
Increase in Percentage of Waste Stream Recycled (in tons) from City and Residents	= 14%	n/a
Reduction in Amount of Water Used for City Landscaping	= 14%	n/a
<i>Financial Health</i>		
Year to date actual revenues as compared to year to date budgeted revenues	= 100% of budgeted revenue	102%
Year to date actual expenditures as compared to year to date budgeted expenditures	= 100% of budgeted expenditures	94%
Implementation of Zero-Based/Activity-Based Costing Approach to Budgeting (100% of department over 5 years)	= 40% of department	n/a
Percent of Goals and Objectives Established During 5-Year Business Planning Process	= 85%	n/a
Fleet Fund will Maintain Adequate Retained Earnings by Adding at Least 1% of Revenues Per Year to their Retained Earnings	= 1%	n/a
Department will Perform a Quarterly Analysis of their Actuals to Budgeted Expenditures and Revenues	100%	100%
<i>Efficiency & Effectiveness</i>		
Percent of performance measurement targets addressing program efficiency and effectiveness met	= 90% of division performance measurement targets met	61%

Identify and Benchmark 1 Significant Process Against Best-in-Class	= 1	n/a
Implement Process Improvement Teams and Continuously Improve the Process	= 2	n/a
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	= 1%	n/a
Establish a Baseline for Community Participation and Improve Upon Baseline by 25% over 5 Years	= 5%	n/a
Golf and Sanitation will Make Capital Investments in Accordance with their 5-Year CIP	= 100%	n/a
Workforce Quality		
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	= +25%	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	40%	n/a
Update Employee Performance Plans annually	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	40%	n/a

AUDIT REPORTS

The Council's contract auditor issued an audit report on the special events permit processing and a separate report on the YouthCity Program.

The following are the observations and recommendations contained in the audit report of the special events permit processing:

1. In section 3.50.020 Salt Lake City Code, the terms "basic city services," "city costs," and "city services" were vaguely defined and open to interpretations. As a result, full cost recovery was rarely achieved. The City should clearly define the terms "basic city services," "city costs" and "city services."
2. The Events Review Committee, as defined in the ordinance, did not exist.
3. The City should develop policies and procedures for the special events process.
4. The wording in subsection 3.50.050.B. of the City Code regarding filmmaking activities is contradictory and unclear. The Administration is drafting a separate ordinance to meet specific filming needs.
5. The Council asked the auditors to determine whether escorts for some parades or events could be provided by crossing guards or private security companies rather than police officers at overtime rates. The City uses crossing guards for some traffic control during special events. The auditors pointed out that legal and liability issues surround the use of crossing guards and private security guards. The auditors recommend that the City Attorney research legal restrictions and liability concerns surrounding the use of crossing guards and private security guards.
6. The auditors provided examples from other cities (Denver; Portland; and Vancouver, Canada) including depositing a cost recovery estimate prior to the event, charging a fee based on the size of the event, charging a fee for parades or runs based on the number of blocks, requiring the event sponsors hire off-duty police officers, etc.

The following are the observations and recommendations contained in the audit report of the YouthCity Program:

1. After-school and summer programs served 295 individuals in 2002. Several thousand youth participated in Global Artways, the Kennedy Center Imagination Celebration, YouthCity Government activities, and job fairs.

2. The Salt Lake City School District and YouthCity appeared to coordinate services for the Global Artways program; however, the extent of coordination with other YouthCity programs appeared to be limited. The auditors recommended increasing the level of service coordination between YouthCity and the Salt Lake City School District. There were 11 course categories with similar programs delivered by both YouthCity and the School District.
3. Additional opportunities exist to partner with established organizations and utilize their infrastructure to deliver programs. The auditors recommended augmenting the use of other service providers' infrastructure in an effort to reduce costs.
4. Performance criteria for all but one program had not been determined by YouthCity and consequently, there were no performance criteria available for the auditors to evaluate against. The auditors noted that they received the evaluation date for the YouthCity After-School and Summer program after their fieldwork was completed and could not validate the reasonableness of the criteria. [Note: Janet Wolf informed Council Staff that independent evaluations are performed two times per year for After-School and Summer programs; independent evaluations are performed annually for Refugee Youth & Family Consortium; in-house evaluations are performed for Global Artways and Kennedy Center Imagination Celebration; and an evaluation tool was recently designed for the Employment program.]

LEGISLATIVE INTENT STATEMENTS

The Council issued the following legislative intent statement in June 2004 that relates to the Department of Public Services. The Administration is working with the Department of Public Utilities on the requested study.

Bonding for Efficient Irrigation Systems for Parks and Golf Courses - It is the intent of the City Council that the Administration investigates the possibility of bonding for improving the water efficiency of some of the City's golf courses, parks and other green space. Efficient systems should include secondary water systems using reclaimed water, springs, shallow ground water, or other water sources. It is the intent of the City Council that the study includes the repayment of the bonds through savings in the cost of water including projected future increase to the cost of culinary water.

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.