



COUNCIL BUDGET

STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

[SLC Budget FY23](#)

TO: City Council Members

FROM: Allison Rowland
Public Policy & Budget Analyst

Item Schedule:
Briefing: May 24, 2022
Budget Hearings: May 17, June 7
Potential Action: June 14 (TBD)

DATE: May 24, 2022

RE: FY2023 BUDGET – PUBLIC SERVICES DEPARTMENT - UPDATED

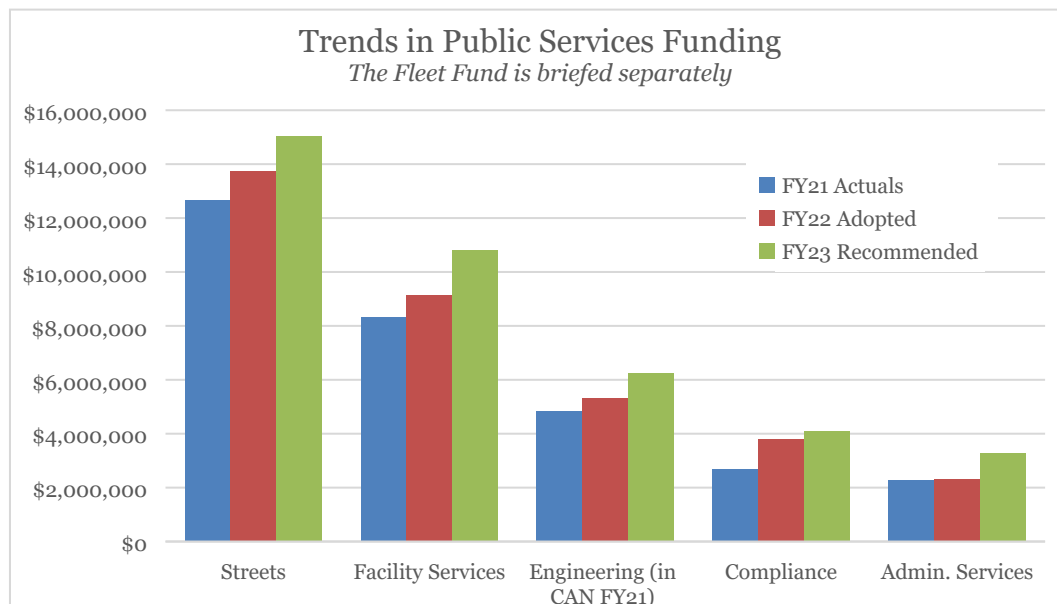
MAYOR’S RECOMMENDED BUDGET PAGES:

Key Changes, 44. Department Overview, 211 to 218. Staffing, 276 to 281

UPDATED: Several changes were made to the staff report after it was initially forwarded to the Council based on additional information from the Department. These are marked in red text below.

The Public Services Department is charged with managing and administering services to the public, through its Streets and Compliance Divisions, as well as support services to virtually every other City function, through the Facilities Services, Engineering, Administrative Services Divisions, and the Fleet Enterprise Fund. The proposed Fiscal Year 2023 (FY23) budget for the full Public Services Department would reach nearly \$70 million, which is 12% (\$7.5 million) higher than in FY22. As in other departments this year, the increase primarily reflects increases to Personal Services costs, that is, salaries, merit changes, and insurance rate changes. Because the Public Services Department is one of the largest, with over 300 FTEs, this amount is large, more than \$4.4 million. The proposed budgets of the Public Services Divisions that are supported by the general fund are reviewed in this report; the Fleet Fund is briefed separately.

General Fund Budget. Together, the FY23 budgets for the five Public Services Divisions that are supported by the general fund are proposed to reach nearly \$39.5 million, which is 15% (\$5.1 million) higher than in FY22. Each of the Divisions would see an increase, ranging from 8%, up to 41% (see figure below).



Staffing. The full-time employees (FTEs) in these Public Services Divisions are expected to rise to 261 in FY23. This total includes 23 who would be paid with ongoing revenue from FOF for Streets, and three homeless encampment “Rapid Intervention Team” positions that were funded by Federal ARPA grants in FY22, whose salaries would be transferred to FOF’s Public Safety rubric. Proposed new employees for FY23 would include six paid from the general fund, and another six in FOF. These positions are funded for only 10 months, which means additional ongoing funds would be needed for their fully annualized salaries in FY24. See each Division for additional detail. *Staff note: Some clarification is needed for several proposed new FTEs that appear in the MRB with incomplete information. Staff will work with Public Services and the Finance Department for further information.*

In response to a Council staff question, the Department stated that “all new positions proposed are responding to the growth experienced in the City and its demand for municipal services, and could be considered as critical to accomplish the Department’s mission.”

Vacancies. The Department reports that “a challenging and highly competitive labor market has impacted recruitment and retention, from entry-level to professional positions. Services have not been suspended but in many cases the public experiences increased wait and response times.” In addition to the compensation-related measures proposed across the City, the Public Services budget includes a pay increase for part-time workers, primarily school crossing guards, which totals \$44,524.

- ***The Council may wish to ask how many employees would be affected by this increase and whether it is sufficient to attract and keep the part-time workers the Department needs.***

BACKGROUND AND ADDITIONAL INFORMATION

- A. **Public Utilities and Contractual Charges.** Unlike many other City departments, Public Services is responsible for paying expenses whose ultimate size is largely determined by other departments. The primary example are utilities bills for departments that are housed in the City County Building and Plaza 349. Facilities pays for public EV charging. Streets pays street signal electricity costs. Several other departments—Fire, Police, and Public Lands—along with most enterprise funds, do pay their own utilities. Budgeting in the face of this variety is further complicated by year-to-year fluctuations that depend on

weather conditions, the City’s new asset purchases, contractual changes, and more. With FY22 spending that surpassed \$13.3 million, precise budget forecasts are challenging.

Several years ago, at the Department’s request, the Council adopted an approach that funds Utilities and Contractual Increases for Public Services on an annual basis. By explicitly placing anticipated amounts for these items in the annual budget, the Department avoids the mid-year need to shift funding from approved areas into what are essentially predictable but unfunded expenses. Now, the annual Utilities and Contractual budget request is based on CPI plus proposed rate increases for public utilities. Fuel costs have been separated out from other Utilities this year because of the special volatility that can result in much larger price swings than the other two categories.

Estimates for Utilities and Contractual Changes		
	FY22 Adopted	FY23 Recommended
Utilities Increases	128,500	464,000
Contractual Increases	115,100	340,500
Fuel		96,709
Total	243,500	901,209

In FY22, the Department offered the following caveat on these estimates:

“Both Public Lands and Public Services monitor utility, and all other operational expenses, on a monthly basis and shift budgets as necessary across the Department to cover utilities, which are for the most part non-discretionary expenses. And at times in the past, we have requested budget amendments. For FY22, contractual budgets are being watched very closely due to the effects of COVID in the market for many items, especially contracted services and construction materials.”

- B. **Public Services Department /Administrative Services (\$3,297,887, 18 FTEs).** In a significant City administrative reorganization in FY22, nearly half of the divisions in Public Services at the time were separated to form a new Public Lands Department. This change also moved the Youth and Families Division from Public Services to the Department of Community and Neighborhoods (CAN), and CAN’s Engineering Division was moved to Public Services. The goal of moving Engineering, as stated in the that budget, was to “bring general fund asset development and management together under one leadership structure.”

The result is five Public Services Divisions: Streets; Facilities Services; Engineering; Compliance; and Administrative Services.

1. **Goals and Metrics.** Public Services reports that each Division establishes its own goals and metrics, with the overall Department will be focusing on four strategic goals this year:
 - Optimizing construction project delivery;
 - Promoting and participating in a City-wide capital planning effort;
 - Developing a culture that embraces diversity, equity and inclusion; and,
 - Consolidating intra- and interdepartmental programs.

The Department’s strategic goals from FY22 are being carried on, through the leadership transition. The recently-confirmed Director provided the following assessment:

- a. Create a life-cycle picture of capital assets from conception to renewal: Although not at the ideal level of funding, moderate success has been accomplished as this year the CDCIP board has recommended funding for the Facilities' 10 year Capital Asset Replacement Plan.
- b. Improve emergency capabilities: Multiple employees in the Department have received FEMA sponsored training. In addition, COOP plans for each Division have been reviewed over the past year making necessary adjustments to include pandemic response and telecommuting alternatives for bad air quality days.
- c. Continue critical workforce evolution planning: The Department has been successfully filling most supervisor and lead worker positions with internal talent. However entry-level positions, as well as certain trades positions, continue to be difficult to fill. The plan is to continue to incorporate apprenticeships as a strategy to succession.
- d. Optimize technology tools for asset management and forecasting: Using more of the full power and capability of CARTEGRAPH OMS software to streamline work order management and customer surveys. Skyspark, a predictive diagnostics software, allows us to predict failures so work orders are being created before a shutdown. This effort expands the life cycle of our assets and improve customer service, reducing downtime of any equipment.
- e. Invest in diversity, inclusion, and equity work to support both employees and the public they serve: The Department recognizes past inequities and has implemented diversity and inclusion in all hiring, promotion, reclassification policies and procedures. Especially in offering career opportunities and mentoring of those not previously provided these opportunities.

2. **Staffing.** New staff proposed would include the following. **Three new FTEs, with the Division total increasing from 15 to 18.**

	10-month salaries	12-month salaries
Deputy Director	161,069	193,283
Safety Coordinator	98,815	118,578
Financial Analyst	106,175	127,410

- C. **Streets Division (\$15,042,306, 113 FTEs).** The largest Division in Public Services would remain so, with 38% budget growth and three new FTEs proposed. (*Note: Streets is separate from the Transportation Division located in the Community and Neighborhoods Department.*) The Streets Division provides snow plowing, street sweeping for storm water management, and traffic signals maintenance—all of which require after-hours response capacity. In addition, the Division provides all roadway painting (including crosswalks); maintenance activities such as pothole patching and chip seal projects; and significant asphalt road maintenance. In FY22, the City initiated an ongoing concrete street maintenance program to complement its asphalt street maintenance program, which serves the vast majority of City streets. The Division stated that “As part of the bond projects, Engineering is also paving numerous local streets with concrete in place of asphalt. This increases the service life of a road while reducing the annual maintenance costs for those road segments.” (For additional information on asphalt versus concrete street surfaces, see Attachment C1.)

The Division's primary goal with the FY23 proposed budget is to provide vital maintenance of the transportation infrastructure. It will use metrics as follows to track its progress:

- Number of asphalt road lane miles treated
- Number of potholes filled
- Percentage of annual signal inspections completed
- Response time for service calls on traffic signals

1. **Funding.** In addition to general fund revenue, the proposed budget would allocate \$5.2 million of the City's Funding Our Future (FOF) revenue to the Streets Division to enhance care for the City's roads (see figure below). Most of this amount (\$3.5 million) would go to the Streets repair crew and one-time equipment replacement costs, which are covered in the Fleet Fund staff report. FOF Streets funding would also cover three new FTEs, adding to the existing 20: two Traffic Maintenance Operator and a Traffic Signal Technician, as well as their program and equipment expenses (see New Programs, below).

Trends in FOF Streets Funding

	FY2021 Actual	FY22 Adopted	FY23 MRB
Streets Crew (includes reclass)	1,550,937	1,604,237	1,831,998
Streets Crew Supplies (including inflationary adjustment, and supplies for concrete street work)	785,348	985,348	985,348
Fuel	16,746	16,746	16,746
Fleet Maintenance (Fleet)	138,500	138,500	138,500
Streets Fleet Equipment [One Time]	-	950,916	1,700,000
Concrete maintenance Equipment	-	58,000	0
Concrete Road Maintenance Initiative [One Time]	-	69,500	0
Traffic Sign & Marking Maintenance FTEs (2)			138,460
Program Expenses			20,000
Equipment (Fleet)			133,000
Traffic Signal Maintenance FTE			83,175
Program Expenses			16,300
Equipment (Fleet)			170,300
TOTAL	\$4,891,531	\$6,123,247	\$5,233,827

3. **Staffing.** The Division's overall number of employees would rise slightly in the proposed budget. Salaries of the three new FTEs mentioned listed in the FY23 MRB with 10-month salaries, and the ongoing costs for FY24 are calculated below as well. "Rolling vacancies" have been present throughout the past year, with two positions (Concrete Finisher, and Asphalt Equipment Operator) open for over two months.

	10-month salaries	12-month salaries
Sales Tax Option: Traffic Maintenance Operator (2)	158,460	190,152
Sales Tax Option: Traffic Signal Tech	99,475	119,370
Total	\$257,935	\$309,522

4. **New Programs.** The Division provided the following information on the two new programs planned for Streets:

- f. **Expansion of Traffic Signal Maintenance Initiative.** *“The addition of an FTE Traffic Signal Technician provides the capacity necessary to meet the increased maintenance demand created by the increase of additional devices and enabling an overall increase to the level of service provided to all devices in the City. The current number of devices each technician is responsible for exceeds the number recommended by the Federal Highway Administration. An additional FTE Signal Technician would reduce the total number of intersections each tech is responsible for which allows for more time to be allocated to each device. Additionally, creates the ability to complete annual PMI cycles and provides the capacity to complete plan set reviews, final walkthrough inspections, and other additional tasks. This request also includes \$170,300 for Fleet equipment of an aerial lift truck for this position.”*
 - g. **Traffic Marking Maintenance Expansion Initiative.** *“The significant workload increases from the expanded surface treatment program and striping layout changes that require the Signs and Markings Program to layout and paint these markings. This increased maintenance demand has exceeded our current capacity and impedes the ability to complete all annual maintenance cycles including devices imperative to safety such as crosswalks and stop signs. The addition of two FTE Traffic Maintenance Operators will provide the service level increase necessary to meet the demand of the current workload. This request also includes \$133,000 for Fleet equipment of two (2) service body utility trucks for these positions.”*
5. **Fees Outside the Consolidated Fee Schedule (CFS).** The Division reports that the only fee included in the CFS is the placement of orange flags at crosswalks. Revenue is collected from the Concrete Program (Residential 50/50 and Commercial), but it is not in the CFS. No revenue is collected for special event sweeping, parade route temporary striping, and displaced parking (temporary signage installation).
 6. **Efficiencies.** Streets has been implementing Cartegraph, the asset management system, which has led to more efficient and productive operations. With the ability to track and analyze daily operations data with Cartegraph, the Division can make real-time adjustments and has created new processes to improve output, accountability, and efficiency. Street signs and signals projects have been updated this year and standardized to reduce future maintenance costs. All cost-saving measures previously implemented will be continued with the adoption of this budget.
- ***The Council may wish to discuss with the Administration a contingency plan in case actual sales tax revenue does not match budgeted amounts.***

D. Facilities Services Division (\$10,809,352, 52 FTEs). The key goals for the Facilities Services Division are the following:

- Maintain the overall Facilities condition index for City-own and occupied buildings
 - Timely response to service work orders
 - Reduce the energy used by a building in relation to its area
 - Successful operation of the Rapid Response Team
1. **Funding.** As noted above, in addition to general fund revenue, the proposed budget would allocate \$5.2 million of the City’s Funding Our Future (FOF) revenue to the Streets Division. The remaining amount, \$390,552, from the Public Safety rubric, was approved by the Council in FY22 Budget Amendment #4 for the Community Commitment Program Rapid Intervention Team, which was previously funded by ARPA. This Facilities Services Division program is considered a pilot, as equipment and personnel needs are being assessed as the program

becomes fully established. The Department will coordinate with the HEART team to identify any additional funding needs.

2. **Staffing.** During the FY22 budget process, the Division stated that it would need additional staff in the future:

“Each new square foot of public plaza, business district, or building requires staffing. Currently, Facilities is not able to fully meet its work order completion goals because staff are spread thin. After-hours response to vacant buildings is expensive both in time and actual OT and call-out pay. We did not request new FTE’s in the FY22 budget but anticipate needing them soon. The proposed addition of Engineering in Public Services, management of additional vacant buildings, and the proposed requests for bond and ARPA funding will require Facilities to add more project support staff in future years.”

Five new FTEs are proposed to be added for FY23. Staff will work with Public Services and the Finance Department to clarify information.

	10-month salaries	12-month salaries
Sr. Project Manager - Facilities	139,160	166,992
Operations Manager - Business Districts – Facilities	\$123,479	\$148,175
District Supervisor	Approved in FY22 Budget Amendment #4	
Beautification Maintenance Workers (2)	Approved in FY22 Budget Amendment #4	

- **The Council may wish to ask the Division how many additional employees would be ideal for FY23.**

3. **New Responsibilities.** Two new properties will become part of Facilities’ maintenance inventory in FY23; \$48,000 is included in the MRB to cover ongoing expenses. The Division states that they expect ~~the soon-to be completed~~ 300 North Bridge, to have minimal needs for now and proposed funding would cover the maintenance contract for the elevator, preventative maintenance on ice melt systems, and landscaping. The Fisher Carriage House also is scheduled to be activated with new programing this summer, and maintenance is projected to be covered with this funding, as well.
4. **Cost savings.** To save costs, Facilities will resume the Phase III water saving measures and reduce 20% on grass controllers and 10% on trees and shrubs.

Commented [A1]: soon-to-be-completed, expecting its operation late Summer, early Fall.

E. **Engineering Division.** The key goals for the Engineering Division are the following:

- Expand project volume capacity
- Improve project delivery turnaround time
- Streamline project budget support

The Division reports that measures that have historically been tracked are: Project bid count (up from 40 to 45) and public way permits issued (flat from last year at 2,600), and metrics added for tracking in FY23 are: Closed out construction projects (50), constituent complaints addressed (50), processed contractor amendments (90), projects surveyed (40), average days to execute construction contract (45).

5. **Staffing.** The staffing document lists two new Division FTEs, but the information is not consistent with that information. *Staff will work with Public Services and the Finance Department for further clarification.*

	10-month salaries	12-month salaries
Sr. Project Manager - Engineering	142,290	170,748
Engineering GIS/Asset Management Specialist – erroneously listed as a new position in the Staffing Document	Reclassification, not new FTE	

7. **Efficiencies.** The Division notes that the new FTEs that support project delivery will reduce project delivery time. It also reports that it is constructing 300 West to be 20 feet narrower than its current width. This should reduce the future pavement maintenance costs for the road segment between 900 South and 2100 South. The 20 feet of reduced width on the roadway is within the current 300 West right-of-way, and this space will be used to widen and improve sidewalks, widen, and improve the park strips and install a cycle track (bike path separated from the road with a barrier of some sort) behind the new curb and gutter. These amenities will remain City property. *Note: These improvements will be more expensive to maintain as cycle-tracks require different equipment to maintain than roads.* The department estimates that with less roadway to maintain the impact to the budget may be neutral, but the Council may wish to confirm understanding that equipment is available to maintain a cycle-track.

Φ. **Compliance Division.** FY23 goals for the Compliance Division include the following:

- Increased school crossing coverage with dedicated crossing guards.
 - Consistent response time to safety-related calls for service
 - Equitable parking enforcement throughout the City
1. **Staffing.** No additions or reductions in staffing levels are proposed for FY23. The staffing situation in Compliance appears to have improved relative to the past several years. Only one enforcement officer position has remained for more than two months during the fiscal year. Still, Compliance continues to cover eligible school crossings because recruiting and retaining crossing guards has posed a challenge year after year. This may put the division in a vulnerable position if staffing levels fall below the minimum required. To address this risk, the Division reports that it is diversifying its recruitment strategies, including the creation of a short video to showcase its culture and employee story to encourage more applicants. Their social media is used to post open jobs, and they will attend job fairs when these become available. Additionally, they are evaluating increasing the hourly rate to \$17.00 per hour to recruit and retain crossing guards.
 2. **Efficiencies.** Parking pay stations are due to be replaced in FY23. The Compliance Division reports that it will work with the Transportation Division in CAN on new curb management strategies to optimize the placement of parking pay stations. The modernization of parking pay stations is expected to provide a more reliable and cost-efficient service to the City and the users of the metered parking spaces.
 - ***Given the difficulties experienced six or seven years ago, when the City last replaced its parking pay stations, the Council may wish to request additional information on this process and its expected results, including whether it will be a new RFP or just an improvement on the existing system.***

In addition, with a 75% fully electric fleet, Compliance continues to save on fuel expenses.

3. **Parking Enforcement.** Metered parking and increasing on-street parking usage is noticeably rising back to pre-pandemic levels. Enforcement of metered stalls was higher in 2021 than it was in the same period in 2020, with 30% more citations issued for expired or non-paid meters. The Division reports show a steady increase in meter usage and revenue.

COUNCIL RETREAT – PROJECTS & PRIORITIES

At the Council retreat on January 25th, Council Members discussed a variety of policy projects that are of particular interest, and will likely affect either the City as a whole or individual Districts. Below is a list of those topics that related in some way to this Department budget. The Council may wish to ask for any updates the Department representatives may have on any of the projects or if there is funding that could help move a related item ahead.

- 1) Homelessness
 - a) Encampments, also non-Council role / steps
 - i) Number of camping locations around the City
 - ii) Related issues & response
 - iii) Identify solutions, outreach needs, resource barriers, models used in other cities, etc.
 - iv) Services for people in the camps

Note: The City continues to schedule resource fairs for both cleaning and offering services and assistance to people living in homeless camps. There are a number of points needing coordination with other stakeholders.
- 2) Business & Procurement
 - a) Review procurement policies for higher preference to environmental companies, and small/minority/women owned businesses
 - b) Apprenticeship opportunities
- 3) Air Quality & Environment
 - a) Inland Port
 - i) Continued City role, involvement
 - ii) Assessing the impact of the project

ATTACHMENTS

Attachment C1. Information on Asphalt versus Concrete Street Surfaces.

Attachment C1. Information on Asphalt versus Concrete Street Surfaces.

What are the advantages and disadvantages of each surface? Why not pave all roads with concrete?

Concrete is a rigid pavement and does not rely on the soil below it for support. Concrete roads do not require routine maintenance for it to reach its life span. Any maintenance required is usually in areas that have cracked and spalled and need to be replaced to keep the road whole.

Asphalt, on the other hand, is a flexible pavement and relies on the rigidity of the soil below for the required support. Asphalt flexes every time a vehicle drives over the road. As asphalt ages, it loses its flexibility. To keep the asphalt flexible, routine maintenance requires the coating of the asphalt with a slurry seal. The slurry seal helps to rejuvenate the surface by reducing the brittleness of the asphalt.

Concrete pavement costs more to install, but less cost is required to prepare the soil below the concrete pavement. Concrete pavement needs very little routine maintenance while asphalt pavement should have a slurry seal every 4 years or so. The current cost of a slurry seal is around \$15,000 per lane mile.

Asphalt pavement costs less to install, but costs more to install the soil below correctly since the asphalt relies on the soil strength for support. All things considered, concrete pavement does cost more per square foot than asphalt pavement.

In terms of installation costs, concrete and asphalt prices flux with the market. In today's market with the increase in crude oil the cost to install a concrete pavement road is only slightly higher than the cost to install an asphalt pavement.

The two significant drivers to using concrete are as follows:

- Concrete pavement on roads with higher speeds tends to be noisy. Staff takes that into consideration when determining concrete versus asphalt, and
- Engineering works closely with Public Utilities on where and when to install concrete versus asphalt. A utility break below a concrete pavement is much more costly to repair than a break below an asphalt pavement. Engineering will not propose a concrete pavement if the utilities below the road are aged and may need to be repaired/replaced in an immediate time frame.

Information from FY22 on the Concrete Road Maintenance program.

There are 186 lane miles of concrete roads with more in the planning stage. Concrete roads are more expensive than asphalt roads to build but last longer and do not need the same types of surface treatments to keep them in good condition. Repairs to them, however, are not as easy as with asphalt roads and are very expensive. The proposed program is designed to prevent those repairs by providing preventive maintenance (cleaning and sealing joints) and limited slab repair to eleven lane miles annually. Not all of the 186 lane miles need treatment every year. The program anticipates a 12-18 year maintenance cycle, so the plan is to address older roads first based on OCI information in Cartegraph. It is important to note that the program is only available because Streets was able to find efficiencies in their asphalt road program to free up employees during the winter season to perform the work. The request is for \$80,000 in ongoing materials and \$127,500 in one-time equipment (\$69,500 for smaller equipment in the Streets budget; \$58,000 for larger equipment is in the Fleet budget). It is important to clarify that this is not the ideal concrete road maintenance program, but it is one that can be done with existing FTEs, thanks to efficiencies found and available labor hours because of milder winters."

The Streets Division can perform preventive maintenance on concrete streets, as well as limited slab repair, but large slab removal and replacement must be done by a contractor managed by the Engineering Division. Streets does not fund sidewalk, curb, and gutter replacement, other than through the 50/50 program, and the

completion of 25 to 30 ADA ramps each year. Sidewalk, curb, and gutter replacement projects are funded in the Capital Investment Program (CIP).