

2016 Council Proposed Budget Questions - Public Works

- 1) Please summarize the major spending and financing changes included in your department's 2016 budget proposal. Please list the dollar amounts associated with these changes.**

See Attachment A

- 2) How will services be affected by the proposed budget changes (please provide specific examples)?**

See Attachment A

- 3) Please list any grants that are ending that have a significant impact on your budget? How are you handling it? What large grants are you applying for that will have long-term budget impacts or match requirements?**

The Department of Public Works has no grants ending that will impact the budget.

With regard to new grant applications, Public Works is committed to the City's racial equity initiatives and is currently seeking grants in conjunction with the YWCA to start a Service Worker Apprenticeship program which could create a pipeline of six or seven diverse candidates each year that have the licenses and skills we need to match the natural attrition of our street maintenance labor force.

- 4) Please describe FTE changes in your department's proposed 2016 budget? What types of position(s) and how many are being affected? If FTEs are being eliminated, please indicate if the position(s) are currently vacant or filled. If FTEs are being added, please describe the duties of the new position(s) and the need for the additional position(s).**

Overall the Department of Public Works is increasing 1.5 FTEs compared to the 2015 Council Adopted Budget. There are some shifts between funds for a promotion and changes in program responsibility substitution of an FTE for an Operations Manager for our anticipated service delivery model. There is also the need to make personnel tracking easier in the ROW Fund which will start in the 2016 budget leading to a 0.1 FTE increase.

The General Fund is increasing overall 0.9 FTE compared to 2015. General Fund Bridge Engineering is decreasing by 0.1 FTE. General Fund Parking Meter Repair and Maintenance is increasing 1.0 FTE for an additional Traffic Maintenance Worker who will be responsible for the increased meter maintenance for adjusting parking meter hours and locations. The Traffic Maintenance Worker will be paid for through anticipated revenues from the new parking meter system changes.

Transportation Planning Projects will be increasing 0.5 FTE. The planned change includes hiring a full FTE at a lower title (PW Technician I replacing a City Planning Administrator) with an approximate salary savings of \$10,000.

5) What innovations has your department recently accomplished? What innovations are you currently working on or planning for in the future?

Public Works is building on innovations of the past and becoming one of the most innovative departments in the City thanks in part to additional resources provided to us through Civic Consulting and the city's Innovation Team. This support has allowed the department to expedite progress on our Public Works Strategic Initiative, which includes developing winter street maintenance metrics, process improvements and communication strategies; evaluation of the department's service delivery model; streamlined and improved financial and cost accounting; and greater integration and collaboration with our capital project management and reporting. With support from these groups and engagement from staff at all levels, the department has developed a new strategic plan that will guide our work over the next two years. The plan includes four key strategies:

Public Works is also well underway in developing the implementation of recycling changes that will take effect in January 2017. Saint Paul went to single stream recycling in 2014, but cart deployment and organics collection are planned for 2017 when the City enters into new contracts for these services. Saint Paul will again become an environmental leader by implementing collection techniques and technologies that match the needs and environmental goals of recycling customers.

Public Works is implementing parking changes that not only dovetail with parking system planning in the downtown area but also making it easier for the public to find and pay for the spaces needed. Switching to the Cale parking meter system two years ago has allowed the City to improve payment options for customers including pay-by-phone technology which will be in use soon.

After adoption of the Citywide Bike Plan early this year, Public Works staff is hard at work planning and developing the downtown bike loop. This segment of the overall bike plan is perhaps the most difficult to design because of the complexity of the street grid downtown – needing to balance so many often competing uses while also making sure that the voices of all constituencies affected have an opportunity for input and involvement in the decision process.

Public Works believes that taking the correct and appropriate actions necessary to match the Sewer Utilities' revenue structure with its needs over the long-term will be beneficial to the department and the City as a whole. Working with the City's financial advisor Springsted, Inc., the department developed a phased approach to match the fixed expenses of the Sewer Utility with fixed (not volume) based revenue sources from customers. As the City's efforts on conservation impacts water and sewer flow volumes, the department can be certain that the ability to meet fixed obligations will not be adversely effected by billable flow. For more information, please see the rate change section.

6) Is your department anticipating any additional large budget needs or pressures in the future? How does your department plan to address changing service demands as a result of future demographic changes?

The Recycling fund anticipates pressures as service changes are implemented over the next several years. As you know, our current recycling contract expires December 31, 2016. We are planning to release a single RFP on October 26 that would request proposals for processing/marketing and collection of our recyclable materials. The contract will also include the use of new single sort roll out carts. The current plan is to order the carts sometime the last quarter of 2016. Ramsey County has committed to paying for half the cost of the new carts. We anticipate a proposed financing source for the city's share during the 2017 budget discussion as we will order in 2016 and pay in 2017.

7) If you had additional funding, what would you add to your budget to improve service delivery to the public?

There are two main items that we would address if we had the funding. Both follow the theme of the last couple of years related to better life cycle costing of replacement and maintenance.

1. Public Works would develop a long range plan for equipment life and replacement – that we stick to and do not deviate from because of short term budget stresses; and
2. Public Works would develop a life cycle preventive maintenance – major maintenance – reconstruction program and plan for all of our hard surfaces.

Additional information on specific department budget changes:

Sewer Rate Proposal. The Sewer Utility is proposing a slightly different rate structure for 2016 and following years. The new rate structure would split the Sanitary Sewer rate into a fixed charge and a volume based charge. Up to and including 2015, sanitary sewer revenue has been generated from the volume of water consumed. While this revenue model worked well for the city for many years, it does not take into account the fact that a large part of sewer's cost structure is fixed. Large parts of the sewer expenses remain the same from year to year regardless of volume charges necessitating implementation of a fixed fee. The sewer utility is also proposing a 3.5% rate increase to the sanitary and stormwater charges.

Public Works believes that implementation of a new structure will yield better management of cash, revenue, and smooth year-over-year trends and predictability. The proposed rate will also help Sewer Utility customers have consistency from year to year in rate increases needed to maintain the quality of service they expect from Sewers.

With the proposed rate structure, the department will be able to maintain the capital investment needed to keep the billion dollar sewer system in top working condition, prevent service interruptions, and keep up with preventive maintenance and repair. The proposed rate structure is very similar to the rate structure recently implemented by Saint Paul Regional Water Services.

Sewer Utility customers will have more consistency from year to year in rate increases needed to maintain the quality of service they expect and we will over the long-term be able to maintain the capital investments needed to keep pace with the reinvestment needed to keep this billion dollar

system in top working condition, preventing service interruptions through preventive maintenance and repair.

ROW Rate Proposal. The 2016 budget increases the ROW fee by 2.5%. This 2.5% raises approximately \$725,000 annually and translates to about \$5/year for a residential property owner. Taking into account inflationary increases paired with pothole savings and work efficiencies, the increase allows us to keep pace with our mill and overlay projects. Part of this work includes making our pedestrian ramps on Mill and Overlay projects compliant with present day Americans with Disabilities Act (ADA) standards.

The city has taken extra steps to increase the reconstruction and mill and overlaying of streets over the past two years. As streets are being redone, fewer roads need pothole and patch work fixes. This reduces the amount of money needed for short term fixes and the money can be reprogrammed for mill and overlay work. This extra boost in funding allows the department to keep pace with the number of mill and overlay projects the city intends to do.

Right-of-Way system users can be assured that Public Works is building and maintaining a transportation system that can be used by all of us as the department works to make improvements in drivability, walkability, and accessibility through modest and inflationary increments.

Parking Meter Proposal. During the past year, the city commissioned a downtown parking study. This study recommended some short term/ high impact solutions. The parking changes that are proposed for 2016 will work in concert with changes envisioned in the parking study. The changes will make driving and parking in Saint Paul a much more seamless experience for downtown customers, residents, and business owners.

Parking in Saint Paul needs to be managed as a system. The City should not be pricing street parking in a way that creates challenges for parking ramp operators or in a way that prevents those that wish to park on the street for just a short time to accomplish some quick business from finding that convenient spot.

The proposed budget includes a change to the downtown parking hours. The current hours of enforcement are from 8:00 am-5:00 pm and are proposed to be changed from 8:00 am-10:00 pm. The parking rates would become uniform across downtown and would stay the same amount for the hours of 8:00 am until 6:00 pm. From 6:00 pm until 10:00 pm, the rates would decrease to \$1.00 per hour.

The other major change in downtown is adding event rate parking. In order to encourage visitors to downtown, who might be attending an event at CHS Field or Xcel Energy Arena to use downtown parking ramps, the proposed budget includes increasing the hourly rate on event nights. In the Xcel Event district the cost would be \$3.75/hour (\$15 for 4 hours) and the cost in the CHS Field district would be \$2.50/hour (\$10 for 4 hours). The event parking hours would start at 6:00 pm on nights that an event is taking place. Since there is no meter collection on Sundays, no event parking would be charged.

The net revenue derived from the enforcement hour change and the event parking is approximately \$848,000 annually after accounting for ongoing meter maintenance and enforcement costs.

Public Works is also proposing to expand the parking meter network to a new commercial corridor outside of downtown with implementation expected by May 2016. The net revenue anticipated from the new commercial corridor meters is \$400,000.

Other items requested of all departments:

- List of fund balances with columns for name of fund; description of fund; 2012, 2013, and 2014 year-end fund balances; most recent cash balance; and notes/comments including how much is reserved and for what purpose
 - i. See attached list of funds and balances.
 - A list of proposed fee or rate changes with information on the amount of the fee/rate change, the reason for it, the last time the fee/rate was changed, how much the change is anticipated to raise, and homeowner impact, if applicable
 - i. See attached rate facts and comparisons.
 - A detailed org chart with job titles and the number of FTEs in them and a differentiation between management and line staff, if possible
 - i. See attached business lines organization chart.
 - List of top 3-5 department priorities, please also include specific performance measures and department goals
- 1) *Reflect, Rethink, Reorganize*: review and reorganize Public Works' current organizational structure to ensure the best delivery of services.
 - 2) *Create Transparency in Budgeting and Accounting*: work to create a more user-friendly budget and financing structure.
 - 3) *Communicate More Effectively*: develop a comprehensive internal and external communications plan that promotes the value that Public Works creates for Saint Paul residents and strengthens the department's outreach and engagement to the communities served.
 - 4) *Set Standards and Measure Progress*: create service delivery standards that are based on best practices and are supported by sound performance metrics that lead to improved services. Winter street maintenance is at the forefront of this work.
- Completed financial summary template for the general fund and any other funds requested
 - i. See attached financial summary data

DEPARTMENT OF PUBLIC WORKS FUND AND CASH BALANCES

Fund Number	Fund Name	Fund Balance as of 12/31/12	Fund Balance as of 12/31/13	Cash Balance as of 12/31/13	Description and Usage Restrictions
230	Right of Way Maintenance	11,604,881	10,326,077	(573,443)	Infrequent/Delayed timing of actual cash received, snow/ice events, uncertain market conditions, deferred maintenance, restricted by Ordinance, Statutes, and agreements
231	Street Lighting Districts	281,623	278,018	362,022	Revenue from assessments - restricted by district per Ordinance
241	Recycling and Solid Waste	1,181,216	1,132,444	1,025,515	Assigned for sanitation, restricted per joint powers agreement
640	Sewer Utility	45,906,518	44,596,748	46,604,179	Uncompleted projects, fixed assets, bond coverage, restricted by Ordinance
730	Public Works Administration	152,818	297,832	890,201	Used for capital costs related to office renovation
731	Public Works Equipment	1,201,577	2,996,630	973,247	Uncertain market conditions, investment in equipment
732	Engineering	1,005,778	787,659	751,662	Deferred charges for uncompleted work, unearned revenue
733	Asphalt Plant	1,744,422	1,813,047	1,581,564	Used for capital costs related to replacements of plant components
734	Traffic Warehouse	1,363,116	1,641,563	153,046	2013 Includes \$1,563,311 in supply inventory

City of Saint Paul, Department of Public Works
2016 Proposed Rates

ROW Maintenance Rates	2015	2016
Residential Downtown Paved (Class 1A)	\$ 3.62	\$ 3.71
Commercial Downtown Paved (Class 1A)	\$ 18.81	\$ 19.28
Residential Downtown Brick (Class 1B)	\$ 3.62	\$ 3.71
Commercial Downtown Brick (Class 1B)	\$ 22.76	\$ 23.33
Residential Outlying Commercial & Arterial (Class 2)	\$ 3.97	\$ 4.07
Commercial Outlying Commercial & Arterial (Class 2)	\$ 9.74	\$ 9.98
Residential Oil/Paved Residential (Class 3)	\$ 3.71	\$ 3.80
Commercial Oil/Paved Residential (Class 3)	\$ 7.16	\$ 7.34
Residential Oil/Paved Alleys (Class 4)	\$ 0.84	\$ 0.86
Commercial Oil/Paved Alleys (Class 4)	\$ 1.33	\$ 1.36
Residential Unimproved Streets (Class 5)	\$ 2.01	\$ 2.06
Commercial Unimproved Streets (Class 5)	\$ 3.55	\$ 3.64
Residential Unimproved Alleys (Class 6)	\$ 0.56	\$ 0.57
Commercial Unimproved Alleys (Class 6)	\$ 0.76	\$ 0.78

Sewer Sanitary Rates	2015	2016
Step 1 (first 100,000 ccf)	\$ 3.77	\$ 3.90
Step 2 (next 400,000 ccf)	\$ 3.69	\$ 3.85
Step 3 (after 500,000 ccf)	\$ 3.62	\$ 3.81

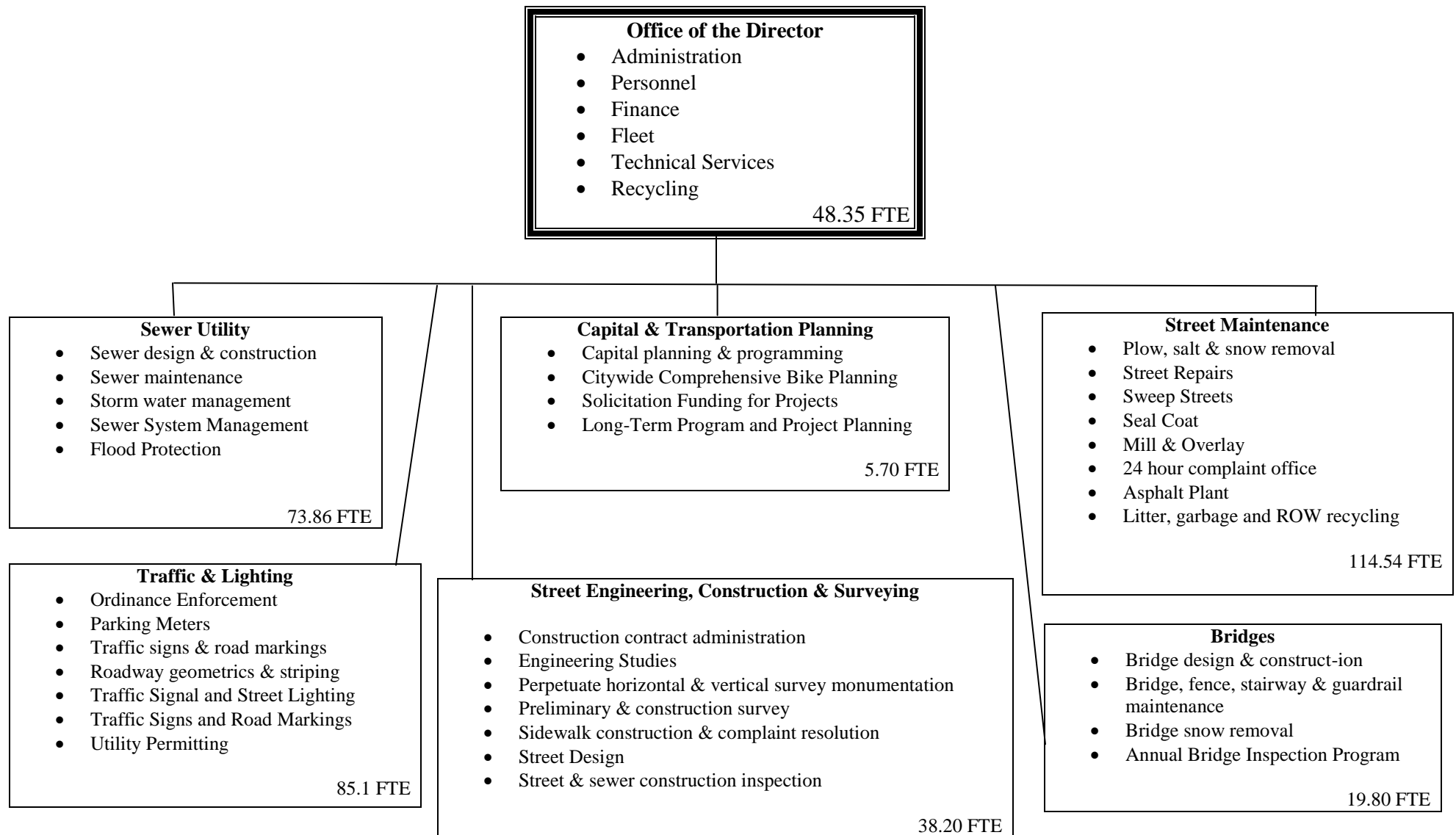
Storm Sewer Rates	2015	2016
Class A - Parks/Cemeteries/Vacant Land (per acre)	\$ 142.78	\$ 147.78
Class B - Railroad ROW (per acre)	\$ 541.57	\$ 560.52
Class C - One and Two Family Homes (per acre)	\$ 85.36	\$ 88.35
Class D - Condominiums and Townhomes (per unit)	\$ 57.42	\$ 59.43
Class E - Schools and Community Centers (per acre)	\$ 783.69	\$ 811.12
Class F - Multiple Dwellings/Churches (per acre)	\$ 1,045.95	\$ 1,082.56
Class G - Commercial/Industrial (per acre)	\$ 1,409.08	\$ 1,458.40

Sewer Monthly Base Fee	2015	2016
5/8 inch meter (Residential)	\$ -	\$ 1.00
3/4 inch meter (Residential)	\$ -	\$ 1.00
1 inch meter (Residential)	\$ -	\$ 2.77
1.5 inch meter	\$ -	\$ 3.91
2.0 inch meter	\$ -	\$ 4.95
3.0 inch meter	\$ -	\$ 7.00
4.0 inch meter	\$ -	\$ 8.75
6.0 inch meter	\$ -	\$ 12.37
8.0 inch meter	\$ -	\$ 15.65
10 inch meter	\$ -	\$ 18.77
12 inch meter	\$ -	\$ 22.48

Recycling Rates	2015	2016
Single Family	\$ 53.52	\$ 54.36
Multi-Family	\$ 33.28	\$ 33.78

Department of Public Works

To build, maintain and improve our infrastructure and services to ensure a safe and livable Capital City.



(Total 385.4 FTEs)

FINANCIAL SUMMARY FOR 2016 CITY COUNCIL BUDGET COMMITTEE PRESENTATION

Fund Name: General Fund

	2014	2015	2015	2016
	Actual*	Budget (Incl. Adjustments)	Year-to-Date**	Proposed Budget
Expenditures:				
Employee Expense	1,477,312	1,435,496	863,498	1,566,279
Services	576,262	602,468	170,383	620,801
Materials and Supplies	51,221	74,764	28,564	1,037,212
Transfers Out/Other Spending		-	-	
Capital Outlay	53,064	-	-	
Debt Service	324,524	-	-	
Non-operating Expense	367	2,000	967	2,000
Total Expenditures	2,482,750	2,114,728	1,063,411	3,226,292
Financing				
(list all non-property tax revenue sources):				
Charges for Service	2,634,083	2,403,662	1,592,258	4,139,860
Other Financing Sources	729,321	1,050,109	-	1,910,584
Total Financing	3,363,404	3,453,771	1,592,258	6,050,444

* Unaudited

** As of 8/27/15, and employee expense estimate through pay period 17

FINANCIAL SUMMARY FOR 2016 CITY COUNCIL BUDGET COMMITTEE PRESENTATION

Fund Name: ROW Fund

	2014	2015	2015	2016
	Actual*	Budget (Incl. Adjustments)	Year-to-Date**	Proposed Budget
Expenditures:				
Employee Expense	17,424,107	17,936,588	10,789,442	18,352,316
Services	11,268,583	10,621,996	1,441,617	10,282,011
Materials and Supplies	7,774,938	7,420,706	3,894,173	8,016,104
Transfers Out/Other Spending	2,317,844	2,582,881	-	2,654,728
Capital Outlay	254,335	415,000	281,457	415,000
Debt Service	246,595	80,121	-	80,121
Non-operating Expense	81,781	95,920	42,854	93,464
Total Expenditures	39,368,183	39,153,212	16,449,544	39,893,744
Financing				
(list all non-property tax revenue sources):				
Assessments	23,559,429	24,756,772	4,083,924	25,508,695
Charges for Service	5,246,073	5,181,525	1,273,882	5,197,238
Intergovernmental Revenue	5,740,864	5,755,173	3,114,626	6,154,135
Investment Revenue	-	(63,042)	-	-
License and Permits	1,538,906	1,481,500	1,093,892	1,466,500
Miscellaneous Revenue	242,747	180,000	120,079	180,000
Other Financing Sources	1,156,767	1,747,177	92	1,387,177
Taxes	29,383	31,000	19,380	-
Total Financing	37,514,169	39,070,105	9,705,875	39,893,745

* Unaudited

** As of 8/27/15, and employee expense estimate through pay period 17

FINANCIAL SUMMARY FOR 2016 CITY COUNCIL BUDGET COMMITTEE PRESENTATION

Fund Name: Sewer

	2014	2015	2015	2016
	Actual*	Budget (Incl. Adjustments)	Year-to-Date**	Proposed Budget
Expenditures:				
Employee Expense	5,284,099	6,422,375	3,863,268	6,636,268
Services	30,704,684	32,980,201	16,157,942	33,390,111
Materials and Supplies	533,776	543,606	229,360	569,747
Transfers Out/Other Spending	10,083,368	5,050,599	-	3,172,231
Capital Outlay	23,672,439	9,233,945	12,485,447	8,444,720
Debt Service	7,792,269	8,789,789	3,081,202	9,148,095
Non-operating Expense	1,544,364	1,205,430	401,028	708,311
Total Expenditures	79,614,999	64,225,945	36,218,246	62,069,483
Financing				
(list all non-property tax revenue sources):				
Assessments	5,007,794	253,918	2,243,574	244,508
Charges for Service	44,478,805	51,440,918	16,655,126	53,569,313
Intergovernmental Revenue	338,671	72,711	16,070	72,711
Investment Revenue	23,882	87,950	25,992	87,950
License and Permits	83,674	90,000	45,900	90,000
Miscellaneous Revenues	5,030	5,000	6,260	5,000
Other Financing Sources	12,697,221	10,000,000	8,764,271	8,000,000
Total Financing	62,635,077	61,950,497	27,757,193	62,069,482

* Unaudited

** As of 8/27/15, and employee expense estimate through pay period 17

FINANCIAL SUMMARY FOR 2016 CITY COUNCIL BUDGET COMMITTEE PRESENTATION

Fund Name: Recycling

	2014	2015	2015	2016
	Actual*	Budget (Incl. Adjustments)	Year-to-Date**	Proposed Budget
Expenditures:				
Employee Expense	104,023	91,299	54,919	93,909
Services	5,352,298	5,812,599	3,664,016	5,905,016
Materials and Supplies	3,310	35,337	7,841	34,590
Transfers Out/Other Spending	275,000	284,526	-	275,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Non-operating Expense	-	-	-	-
Total Expenditures	5,734,631	6,223,761	3,726,775	6,308,515
Financing				
(list all non-property tax revenue sources):				
Assessments	5,207,698	5,453,484	112,512	5,540,841
Charges for Service	-	-	-	-
Intergovernmental Revenue	-	767,674	-	767,674
Investment Revenue	6,100	(55)	-	-
License and Permits	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Other Financing Sources	-	-	-	-
Total Financing	5,213,798	6,221,103	112,512	6,308,515

* Unaudited

** As of 8/27/15, and employee expense estimate through pay period 17

2016 Proposed Budget

Public Works

Fiscal Summary

	2014 Adopted	2015 Adopted	2016 Proposed	Change	% Change	2015 Adopted FTE	2016 Proposed FTE
Spending							
100: General Fund	2,407,020	2,088,727	3,226,292	1,137,565	54.5%	14.80	15.70
230: Right of Way Maintenance	37,778,406	39,070,105	39,893,745	823,640	2.1%	185.89	185.99
231: Street Lighting District	356,788	358,634	357,154	(1,480)	-0.4%	-	-
241: Recycling	5,900,785	6,043,983	6,308,515	264,532	4.4%	1.00	1.00
640: Sewer	69,937,408	61,950,497	62,069,483	118,986	0.2%	67.36	67.36
730: Administration	2,806,218	2,883,276	3,014,451	131,175	4.5%	20.55	20.55
731: Equipment Services Internal	10,199,812	9,712,930	9,897,272	184,342	1.9%	22.00	22.00
732: Engineering Fund	9,366,074	9,640,840	9,875,910	235,070	2.4%	65.30	65.80
733: Asphalt Plant	3,655,256	3,653,628	3,656,130	2,502	0.1%	4.30	4.30
734: Traffic Warehouse	3,215,688	4,679,181	3,269,006	(1,410,175)	-30.1%	2.70	2.70
Total	145,623,455	140,081,801	141,567,958	1,486,157	1.1%	383.90	385.40
Financing							
100: General Fund	2,890,680	3,453,771	6,050,444	2,596,673	75.2%		
230: Right of Way Maintenance	37,778,405	39,070,105	39,893,745	823,640	2.1%		
231: Street Lighting District	356,788	358,634	357,154	(1,480)	-0.4%		
241: Recycling	5,900,785	6,043,983	6,308,515	264,532	4.4%		
640: Sewer	69,937,408	61,950,497	62,069,483	118,986	0.2%		
730: Administration	2,806,218	2,883,276	3,014,451	131,175	4.5%		
731: Equipment Services Internal	10,199,812	9,712,930	9,897,272	184,342	1.9%		
732: Engineering Fund	9,366,074	9,640,840	9,875,910	235,070	2.4%		
733: Asphalt Plant	3,655,256	3,653,628	3,656,130	2,502	0.1%		
734: Traffic Warehouse	3,215,688	4,679,181	3,269,006	(1,410,175)	-30.1%		
Total	146,107,114	141,446,845	144,392,110	2,945,265	2.1%		

Budget Changes Summary

The 2016 Proposed General Fund budget for Public Works includes increases due to inflationary pressures as well as expansion of the city's parking meter system.

Several notable special fund changes are also included. In the Recycling fund, recycling rates are proposed to increase to cover inflationary pressures. A 2.5% rate increase is proposed for the Right of Way fund that will support full funding of the mill & overlay program that was expanded in 2014. The proposed budget for the sewer utility includes a volume rate increase of 3.5%, as well as an introduction of a base fee to help support capital maintenance and the long-term health of the fund. The sewer utility also includes a reallocation of existing resources to fund an operations manager, who will be responsible for promoting service excellence and effective use of public works operations resources.

100: General Fund**Public Works**

	Change from 2015 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments	23,182	108,959	(0.10)
Subtotal:	23,182	108,959	(0.10)

Downtown Parking Meter Expansion

The proposed budget includes an expansion of both enforcement areas and hours of enforcement to the downtown parking meter system. Informed by the Downtown Parking Study, expanding meters will maximize use of the downtown parking supply by turning over street parking and encouraging ramp/lot use. In doing so the city will spur economic development, street vitality and transit use. The budget includes the following assumptions:

- Implementation begins on January 1st, 2016
- Enforcement of daytime rates are extended until 6:00 pm Monday through Saturday
- Evening enforcement is added at a reduced rate from 6:00 pm until 10:00 pm Monday through Saturday
- Event parking rates are instituted around both Xcel Energy Center and CHS Field during events at the respective facilities
- Metered spaces and pay stations are added west of the Xcel Energy Center and some coin operated meters may be replaced in certain areas
- Implementation costs are funded by the HRA parking fund
- Expanded enforcement costs are included in the Police budget (\$54,037)

Expanded enforcement coverage and extended daytime enforcement until 6 pm	-	245,000	-
Evening enforcement (6pm-10pm) at reduced rates	-	399,000	-
Event parking - Xcel Energy Center and CHS Field	-	395,000	-
Ongoing parking system maintenance	101,873	-	1.00
One-time implementation costs - pay stations and meter equipment	308,000	308,000	-
Subtotal:	409,873	1,347,000	1.00

100: General Fund**Public Works**

	Change from 2015 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Neighborhood Commercial Area Parking Meter Expansion			
<p>The proposed budget includes a pilot extension of the parking meter system to one or more neighborhood commercial areas, which will be determined after further stakeholder review and input. Like downtown, areas will be selected based on their ability to benefit from increased parking turnover that will allow patrons of local businesses easier access to short term parking options. The budget includes the following assumptions:</p> <ul style="list-style-type: none"> • Net revenue expectation (after ongoing costs) of \$400,000 • Expansion of up to 470 metered spaces and 55 pay stations • Implementation by May 1st, 2016 • Implementation costs are funded by the HRA parking fund • Expanded enforcement costs are included in the Police budget (\$36,204) 			
Parking meter collections (assuming a May 1st, 2016 implementation)	-	550,714	-
Ongoing parking system maintenance	114,510	-	-
One-time implementation costs - pay stations and meter equipment	590,000	590,000	-
Subtotal:	704,510	1,140,714	-
Fund 100 Budget Changes Total	1,137,565	2,596,673	0.90

230: Right of Way Maintenance**Public Works**

Costs associated with maintaining the public right-of-way are budgeted in the Right-of-Way (ROW) Maintenance fund. Services provided by this fund include: snow removal, street sweeping, sidewalk repairs, streetlight maintenance, traffic signs, and pavement markings.

		Change from 2015 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments		406,213	98,640	0.10
	Subtotal:	406,213	98,640	0.10
Mill & Overlay				
The city's mill & overlay program greatly expanded in 2014 to address significant deferred street maintenance, including fixing the "Terrible 20" city street segments. The resulting improvement in the city's street condition has reduced the historical cost of pothole patching. Those resources are being reprogrammed to help fully fund the expanded mill & overlay program.				
Pothole patching		(307,573)		-
Mill & overlay		725,000	-	-
	Subtotal:	417,427	-	-
ROW Rates				
The proposed budget includes an average rate increase of 2.5% to cover inflationary pressures and full funding of the mill & overlay program.				
Rate adjustment (2.5%)			725,000	-
	Subtotal:	-	725,000	-
Fund 230 Budget Changes Total		823,640	823,640	0.10

231: Street Lighting District**Public Works**

Costs associated with installing above standard lighting upon request by neighborhoods. The fund is 100% assessed.

		Change from 2015 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments		1,480	1,480	-
Subtotal:		<u>1,480</u>	<u>1,480</u>	<u>-</u>
Fund 231 Budget Changes Total		<u>1,480</u>	<u>1,480</u>	<u>-</u>

241: Recycling**Public Works**

The Public Works Recycling fund includes the budget for the Eureka recycling contract.

		Change from 2015 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments				
Current service level adjustments		264,532	-	-
Subtotal:		<u>264,532</u>	<u>-</u>	<u>-</u>
Recycling Revenue				
The proposed recycling rate adjustment (1.5%) will cover inflationary pressures. The budget also includes a small volume increase due to a change in the number of billable units in the city.				
Rate adjustment (1.5%)		-	81,577	-
Volume adjustment		-	5,835	-
Subtotal:		<u>-</u>	<u>87,412</u>	<u>-</u>
SCORE Grant				
Increased allocation amount for SCORE grant funds from Ramsey County to support recycling programs.				
SCORE Grant Increase		-	177,120	-
Subtotal:		<u>-</u>	<u>177,120</u>	<u>-</u>
Fund 241 Budget Changes Total		<u>264,532</u>	<u>264,532</u>	<u>-</u>

640: Sewer**Public Works**

The Sewer fund includes operating and capital maintenance budgets for the City's sanitary and storm water sewer systems.

		Change from 2015 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments				
Current service level adjustments		179,637	(9,410)	-
Subtotal:		<u>179,637</u>	<u>(9,410)</u>	<u>-</u>
Bond Issuance and Debt Service				
The budget includes planned adjustments in the amount of debt service payments made on sewer debt, as well as a return to historical bond issuance levels of \$8m dollars to help fund the capital infrastructure program.				
Debt service		358,306	-	-
WPA repayment		(1,868,958)		
Bond sale		-	(2,000,000)	-
Subtotal:		<u>(1,510,652)</u>	<u>(2,000,000)</u>	<u>-</u>
MCES Wastewater Charge				
Payment of the Metropolitan Council Environment Service charge has increased in 2016. The MCES charge helps fund the processing and cleaning of the City's wastewater.				
MCES Charge		1,550,000	-	-
Subtotal:		<u>1,550,000</u>	<u>-</u>	<u>-</u>
Infrastructure Investment				
The Sewer fund has a multi-year sewer construction program that maintains the long-term health of the City's sewer fund. The program is funded through bond proceeds and the use of current assets. The capital construction program includes reconstructing sewer lines and lining of pipes.				
Infrastructure		400,000	-	-
Subtotal:		<u>400,000</u>	<u>-</u>	<u>-</u>
Private Sewer Connection Program				
The Private Sewer Connection Program connects customers to the City's sewer system and is 100% assessed. The program budget is reduced to reflect historical usage.				
Private sewer connection		(500,000)	(500,000)	-
Subtotal:		<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>

640: Sewer

Public Works

The Sewer fund includes operating and capital maintenance budgets for the City's sanitary and storm water sewer systems.

		Change from 2015 Adopted		
		Spending	Financing	FTE
Sewer Rates				
The sewer utility is a one billion dollar asset that requires constant investment to ensure the city's sewer infrastructure is properly maintained. The proposed budget includes a volume rate increase of 3.5% for both sanitary and storm water sewer fees. In addition to the volume rate, the budget includes a base fee to help fund the permanent fixed costs of maintaining the sewer network.				
Rate increase (3.5%)		-	1,051,958	-
Base fee		-	1,576,437	-
Subtotal:		-	2,628,395	-
Fund 640 Budget Changes Total		118,985	118,985	-

Attachment A

730: Administration

Public Works

The Administration fund includes the budgets for administrative functions of Public Works, including the director's office, public relations, technology, and accounting.

	Change from 2015 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments	131,715	131,715	-
Subtotal:	131,715	131,715	-
Fund 730 Budget Changes Total	131,715	131,715	-

731: Equipment Services Internal

Public Works

Public Works' fleet and equipment services costs are budgeted in the Equipment Services Internal fund.

	Change from 2015 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments	184,432	184,342	-
Subtotal:	184,432	184,342	-
Fund 731 Budget Changes Total	184,432	184,342	-

732: Engineering Fund

Public Works

The Services and Supplies Internal fund includes budgets for engineering staff responsible for planning, design and construction management of major capital projects.

	Change from 2015 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Current Service Level Adjustments			
A vacant 0.5 FTE City Planning Administrator was filled with a 1.0 FTE at a lower title of Public Works Technician I for the equivalent salary dollars.			
	274,766	274,766	0.50
Subtotal:	274,766	274,766	0.50
Fund 732 Budget Changes Total	274,766	274,766	0.50

Attachment A

733: Asphalt Plant**Public Works**

Budget associated with running the City's Asphalt Paving Plant.

		Change from 2015 Adopted		
		Spending	Financing	FTE
Current Service Level Adjustments				
Current service level adjustments		2,502	2,502	-
Subtotal:		2,502	2,502	-
Fund 733 Budget Changes Total		2,502	2,502	-

734: Traffic Warehouse**Public Works**

Budget for maintaining and housing equipment and vehicles from around the city.

		Change from 2015 Adopted		
		Spending	Financing	FTE
Current Service Level Adjustments				
Adjustment to reflect the practice of materials purchased by the Traffic Warehouse being billed to capital projects to cover expenses. There was a large increase in the purchases of traffic warehouse materials in 2015. The reduction reflects the revenues and spending at historical levels.				
		(1,410,175)	(1,410,175)	-
Subtotal:		(1,410,175)	(1,410,175)	-
Fund 734 Budget Changes Total		(1,410,175)	(1,410,175)	-