



Saint Paul Minnesota
The most livable city in America

2018 Proposed Budget Presentation to the City Council

Public Works September 13, 2017

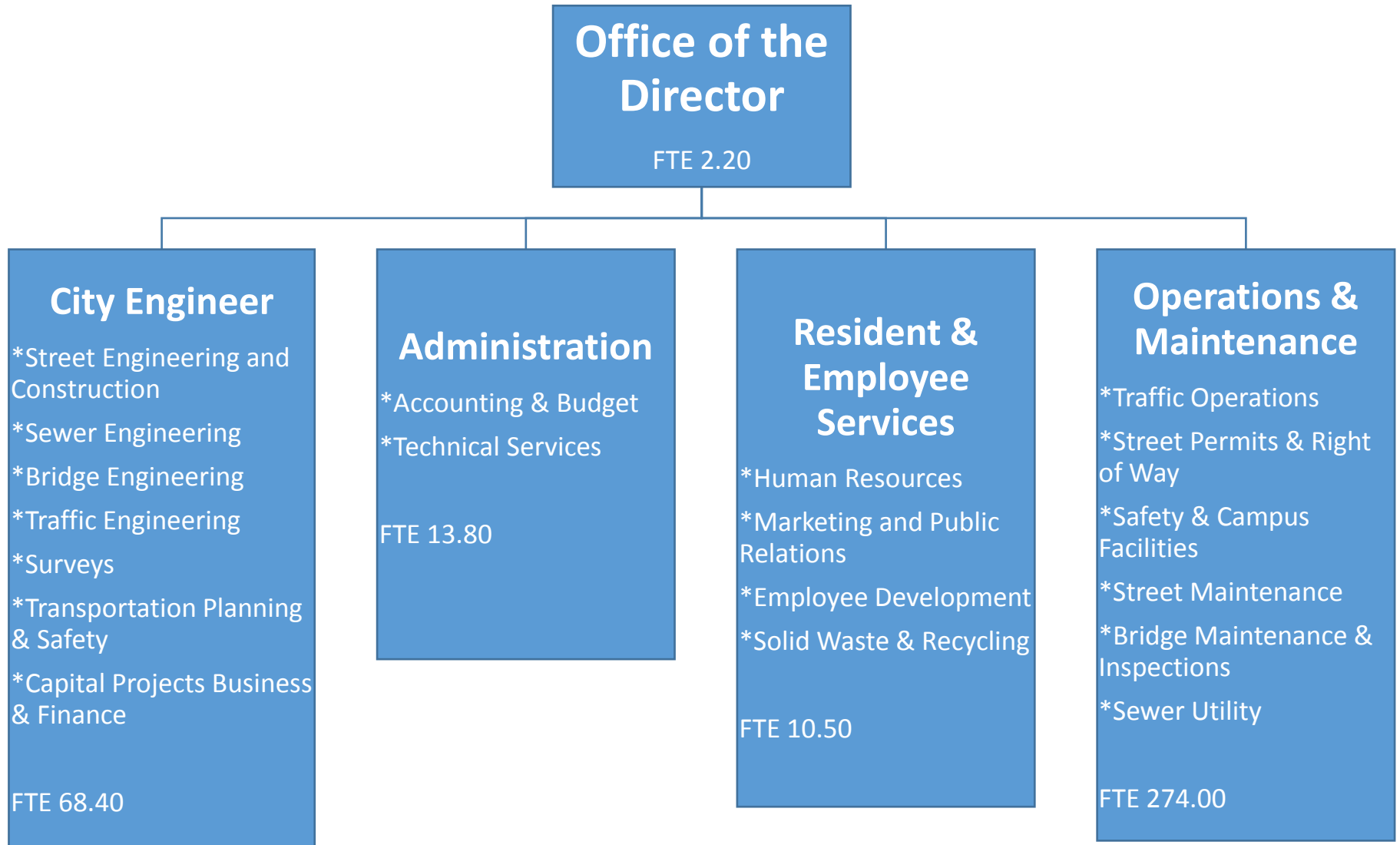


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Department Overview



Organization Chart





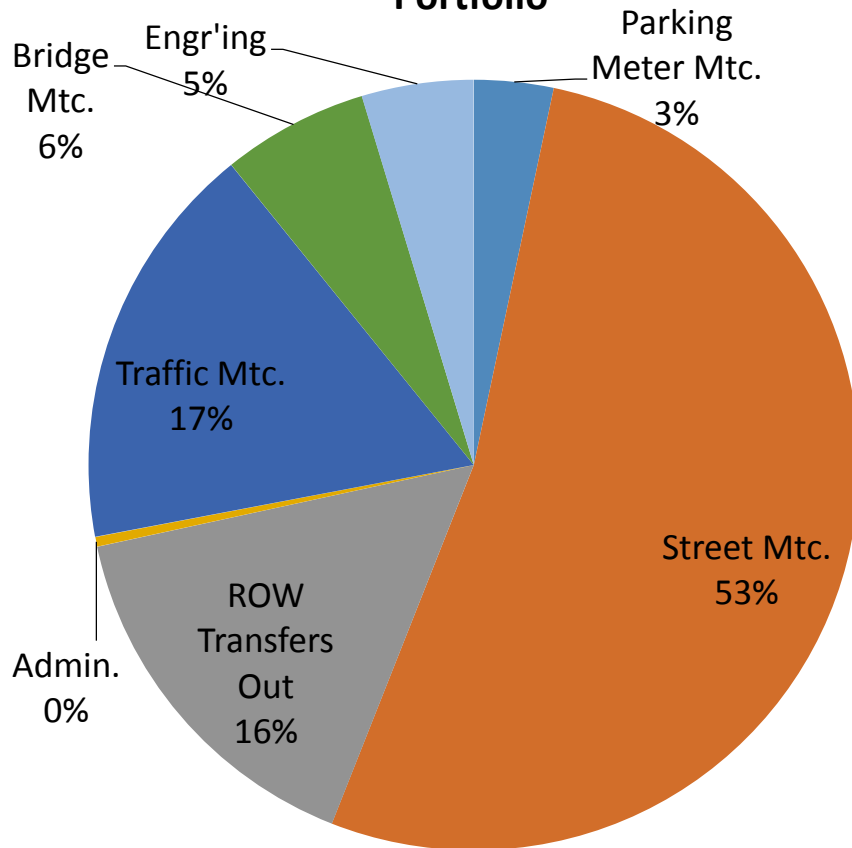
Business Line Descriptions

Public Works provides essential services to the people of Saint Paul in a prompt, courteous, safe, efficient, and cost effective manner. Through its dedicated employees, Public Works designs, builds, maintains and operates public infrastructure in a manner that respects the environment and preserves these assets for future generations.

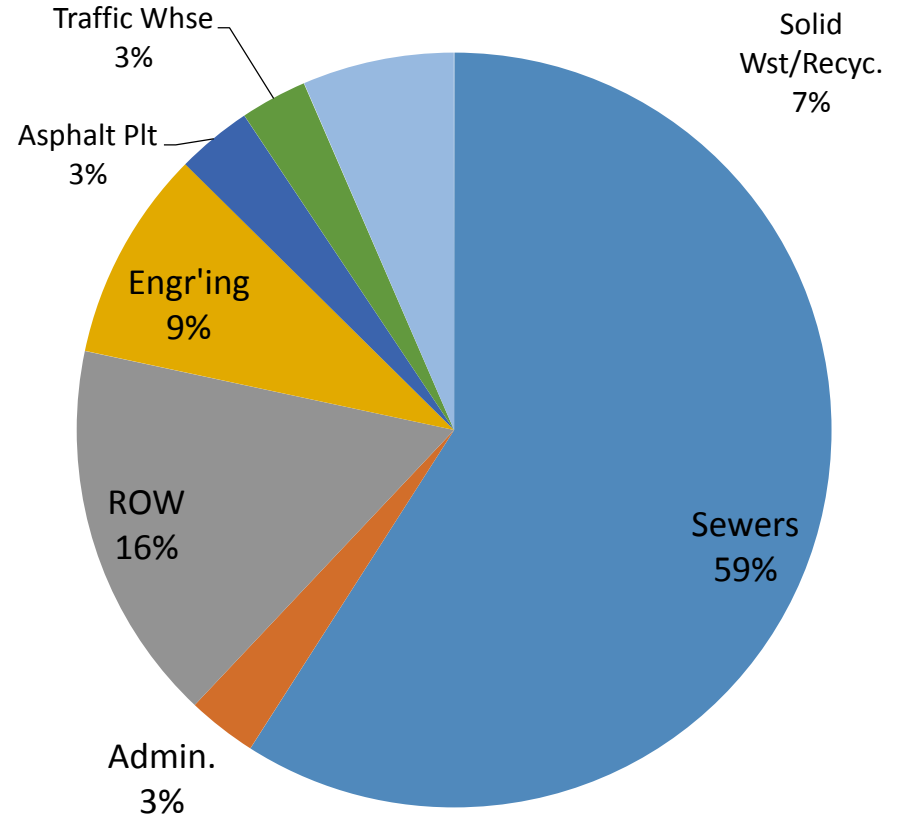
This infrastructure includes: Streets, Bridges, Sidewalks, Alleys, Sewers, Traffic Signals, Public Lighting, Pavement Marking, Signs, Parking Meters, Surveys and Recycling/Solid Waste.

Public Works Business Line Portfolio for General and Special Funds

General Fund Business Lines as a % of the Portfolio



Special Fund Business Lines as a % of the Portfolio





Public Works Business Line Portfolio for General and Special Funds (continued)

General Fund Spending

Parking Meter Maintenance	\$ 959,915
Street Maintenance	\$ 15,129,062
ROW Transfers Out	\$ 4,485,496
Administration	\$ 116,267
Traffic Maintenance	\$ 4,932,919
Bridge Maintenance	\$ 1,763,067
Engineering	\$ 1,348,045
	\$ 28,734,771

Special Fund Spending

Sewers	\$ 67,696,918
Administration	\$ 3,410,233
ROW	\$ 18,718,491
Engineering	\$ 10,366,160
Asphalt Pant	\$ 3,697,581
Traffic Warehouse	\$ 3,281,565
Solid Waste and Recycling	\$ 7,455,440
	\$ 114,626,388








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Strategic Goals



Department Strategic Objectives (Top 3-5)

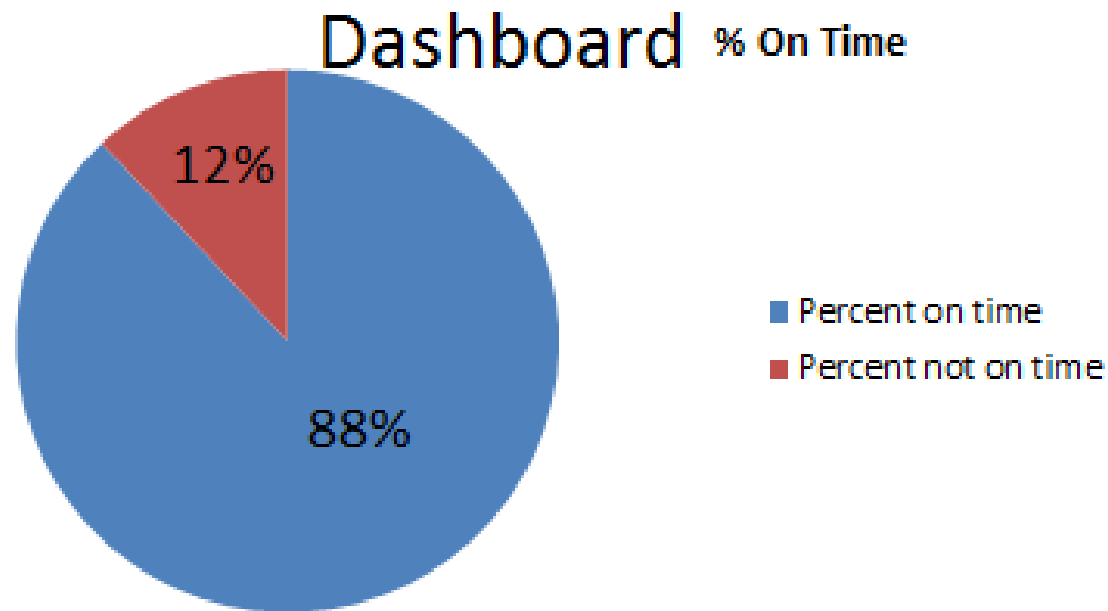
Goals	Performance Measures	Targets for 2017/2018	Performance
Customer Focused	Clear and consistent communication on an on-going basis is provided to our stakeholders.	Execute a communications plan for key projects, i.e. road work, annual programs and include funding.	
Codify Processes	Identify and document all critical processes in divisions.	Build on the good work already done as part of the APWA accreditation process to flesh out dept. knowledge.	
Use Data to Drive Decisions	Ongoing measurement of key department work streams to clearly show stakeholders our value.	Each division will further develop measures. Items will be easy to quantify and relevant to our work.	
Innovate	Seek innovation to improve ourselves	Identify, research & implement at least one large initiative per year and one relevant change that improves our service or financial position.	
Create a Culture of Respect	Racial Equity as a value becomes woven into the fabric of the department.	The new hires in Public Works will reflect the communities we serve. We will do this by expanding our outreach and recruitment to a broader group.	



Deliver and Complete all Capital Projects on Time

- Project Manager and City Engineer set project phase deadlines prior to project start; project manager logs completion date for all phases and compares with originally planned dates. **[Codify Processes]**
 - 95% of phases completed as planned
- Identify and answer all questions critical to successful project completion well in advance of project start through scoping meetings, templates and notes. **[Codify Processes]**
 - 80% of critical questions identified and addressed

Current Performance



Ongoing analysis of exactly which projects & which phases of which projects are not on time will allow us to immediately focus on exactly where challenges are occurring & improve performance.



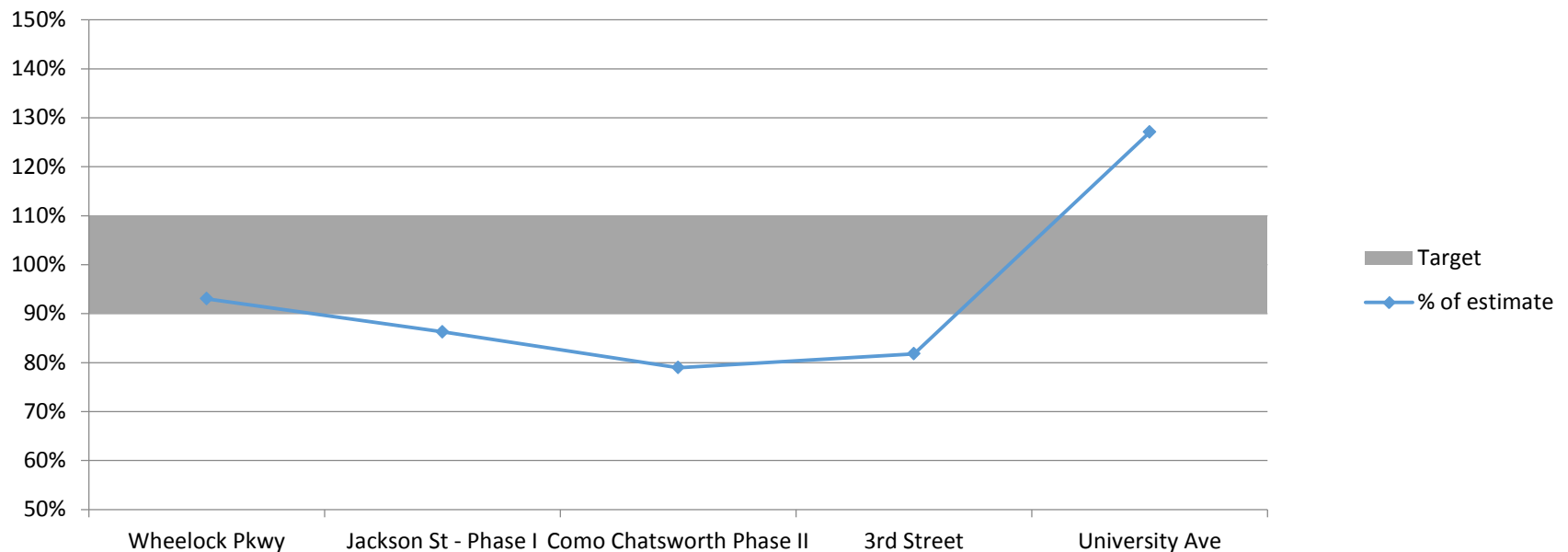
Deliver and Complete all Capital Projects on Budget

- Establish a method for how unit prices will be determined from year-to-year managing the percent variation between adopted budget and project award. [Codify Processes; Use Data to Drive Decisions]
 - Performance target: within 10% of adopted
- Ensure accuracy of project bid items and quantities through quality control checks to reduce the number of change orders and the dollar amount of change orders. [Codify Processes; Use Data to Drive Decisions]
 - Limit # of change orders to less than or equal to 3
 - Dollar amount of change orders = 10% or less of contract

Deliver and Complete all Capital Projects on Budget

- In 2016, Public Works established the method for determining unit prices and developed quality control measures for project estimating. Implementation began with the 2017 projects. In 2016, the first year of data collection, 4 out of 5 project awards were under the estimate and 1 project award was within 10% of the estimate.

2016 Street Projects – Variance between estimate and award





Increase Productivity and Cost-Effectiveness of Operations

- For example: LED lighting [Use Data to Drive Decisions; Innovate]
 - Continue LED street lighting conversion
 - Total of 1,800 cobrahead fixtures
 - Target is 100% replacement
- LED lighting field evaluation [Use Data to Drive Decisions; Innovate; Customer Focused]
 - Establish test sections of various LED types
 - Field installation and public involvement information collected by Sept. 1, 2017



Increase speed and availability of document retrieval

- Reduce time and effort finding and using documents related to department business functions. [Codify Processes; Innovate]
 - Public Works has approximately two million pages of documents such as engineering plans and permanent records that need to be transformed into knowledge from simply information
 - Six document sets planned for transition in 2017, 2018 to include 12 document sets (of approx 150)
 - Significant time savings estimated from 20 min to access to 3 min (available on screen)



Achieve racial make up of full time employees that mirrors the city's population

- Increase the number of full time Public Works employees that are people of color. [Customer Focused; Codify Processes; Use Data to Drive Decisions; Innovate; Create a Culture of Respect]
 - Current performance is 19.8%
 - Target is 24% by January 1, 2018
 - Public Works would need to hire 16 employees and retain existing staff



Follow Up from 8/23/17 meeting

Revised 8/30/2017

Street Reconstruction Projects

	SIB Bonds	Blocks
2017 Street Reconstruction	\$11.5 M	21

2017 Projects with other funding sources

	Budget	Blocks
2017 Jackson (Federal)	\$2.6 M	4
2017 Battle Creek Road (MSA)	\$2.4 M	2
2017 Como Ave (MSA)	\$3.5 M	5

Mill & Overlay Projects

	Budget	Blocks
2017 Mill and Overlay	\$2.21 M	43
2018 Mill and Overlay	\$2.46 M	44

	SIB Bonds	Blocks
2018 Street Reconstruction	\$15.5 M	22

Notes:

Project funding shows budgeted amounts not actual project costs.

Actual blocks were counted regardless of length.



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Budget Proposals



Financial Summary

	2017 Adopted	2018 Current	% Change	FTEs
General Fund	3,193,025	28,734,761	799%	138.79
Special Funds	143,367,325	114,626,391	-20%	226.31
Total	146,560,350	143,361,151	-2%	368.90

Significant Investments from past		
2013	Change over of meter system to Cale pay stations from single space meters	\$1,392,360
2015	W 7 th meter expansion and prep for event rates	\$360,000
2016	Parking Rate Increase (Revenue)	\$1,039,000
2017	Recycling Services	\$4,600,000
2017	Sewer Utility increases (Revenue)	\$2,916,821



Summary of 2018 Budget Changes

Program	Total Cost
General Fund - Fully Fund Pedestrian Planner (addition of second half of our pedestrian planner [was grant funded in 2017])	51,769
General Fund - Shift of Street Maintenance functions from ROW Maintenance Fund	26,310,534
General Fund - Net revenue impact of the ROW shift	11,400,991
Recycling Fund - Coordinated trash collection start up costs	864,626
Sewer Utility – current service level (spending)	2,374,618
Sewer Utility – Infrastructure Investments (spending)	589,303
Sewer Utility – Private Sewer Connection Program	200,000
Sewer Utility – Rate Increases (financing)	2,979,921
Fleet Services - Shift of Fleet and Equipment Services to OFS	(9,243,087)

Fully Fund Pedestrian Planner

Is this proposal tied to a department strategic objective?

Yes

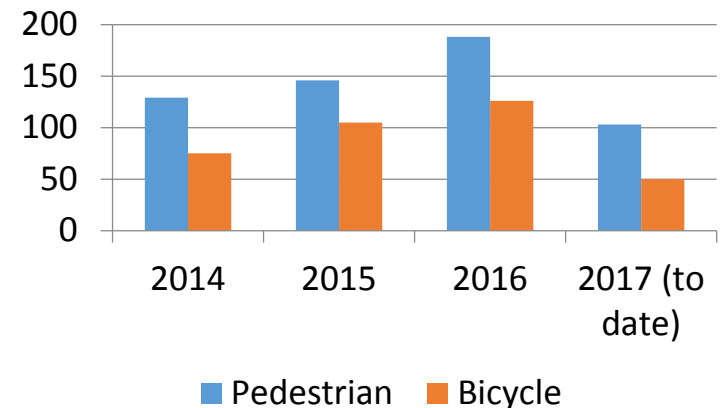
Use Data to Drive Decisions

Description / Data

After receiving grant funding to partially pay for this position we are moving forward with a pedestrian plan and related strategic work to target the resources that we receive toward pedestrian safety opportunities and improvements.

We are only beginning our data collection and do not have information to share yet.

Auto/Ped & Auto/Bike Crashes



Estimated Costs	FTEs	Funding
General Fund	Additional (if applicable)	One-time (yes/no)
51,769	0.46	Not one-time, equal reduction in other line items

Right-of-Way shift to General Fund

Is this proposal tied to a department strategic objective?

Yes

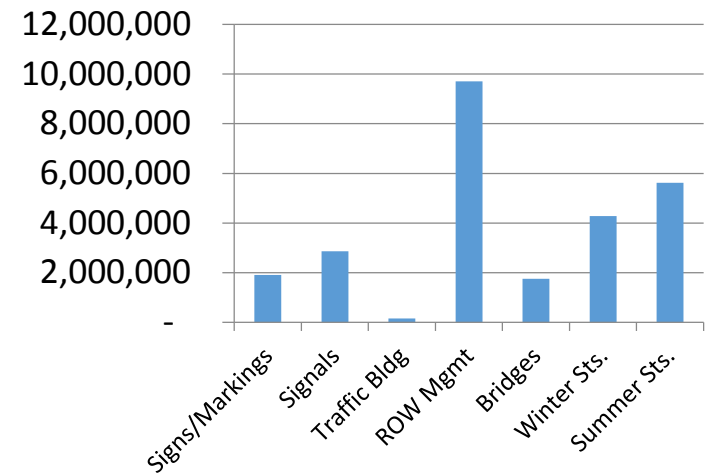
Use Data to Drive Decisions

Description / Data

Public Works has moved a significant portion of the ROW Maintenance fund to the General Fund for 2018 as a result of 2016's court decision.

The ROW Management accounting unit includes transfers from the General Fund for corner subsidies for those services remaining in the special fund (sweeping, lighting, seal coating, mill and overlay and sidewalks).

Right of Way Budgets



Estimated Costs	FTEs	Funding
General Fund	Additional (if applicable)	One-time (yes/no)
26,310,534	122.84	No



Net Revenue Impact of ROW Shift

Is this proposal tied to a department strategic objective?

Yes

Customer Focused

Description / Data

Starting in 2017, the new Street Maintenance Program replaced the Right-of-Way Maintenance program. As part of this change, the General Fund will now support street services such as snow plowing, pothole patching, traffic signs and signals and pavement markings. With minor exceptions, the activities performed in the Right-of-Way Maintenance program that are now in the General Fund have revenue associated with them that are now in the General Fund.

Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
\$11,400,991	0	0	No



Coordinated Collection Start Up Costs

Is this proposal tied to a department strategic objective?

Yes

Innovate

Description / Data

Costs related to the administration of an organized trash collection system for the city in 2018, assuming a third quarter 2018 roll-out of the program.

These costs include three staff members (two permanent, one temporary), fringe benefits, communications expenses, consulting services, department and city central services costs including space rental and miscellaneous supplies.

The estimated costs below are funded by reserves in the Solid Waste and Recycling Fund so there is no impact on the city's general fund in 2018.

Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	\$864,626	3.0	No

Sewer Utility – Current Service Levels

Is this proposal tied to a department strategic objective?

Yes

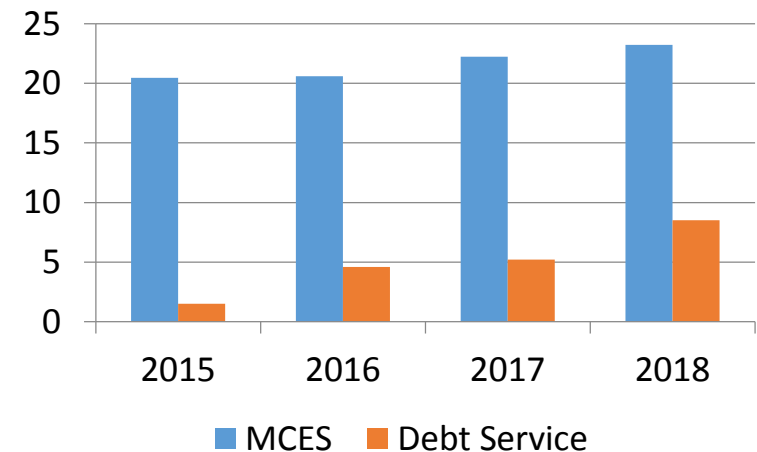
Customer Focused

Description / Data

A significant part of our annual budget is the amount that we pay to Metropolitan Council Environmental Services (MCES) for sewage treatment. This cost generally grows by about 5% per year and is based on flows measured at the treatment plant.

Annual Debt Service related to the Sewer Utility is growing due to slightly higher borrowing when interest rates were favorable to fund our ongoing system rehabilitation needs.

Expenditures (\$M)



Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	\$2,374,618	0	No



Sewer Utility – Infrastructure Improvements

Is this proposal tied to a department strategic objective?

Yes

Customer Focused

Description / Data

The Sewer Utility has a solid system reconstruction and rehabilitation program. Depending on project work load and changes in the projects planned from year-to-year we will make slight adjustments in the amount of funding that is allocated to capital projects.

Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	\$589,303	0	No

Sewer Utility – Private Connection Prog.

Is this proposal tied to a department strategic objective?

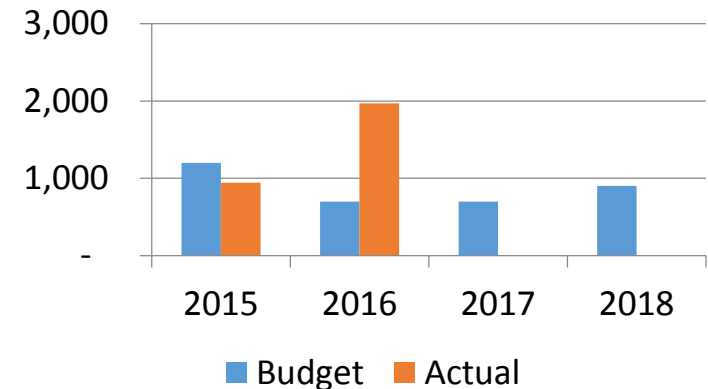
Yes

Customer Focused

Description / Data

The private sewer connection repair program is popular with residents and is a great way to partner with our customers to reduce the overall flow that gets recorded by the MCES. Assisting property owners with the financing of these improvements helps remove clear water flow from our pipes. These loans are repaid through the assessment process.

Private Connection Program



Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	\$200,000	0	No

Sewer Utility – Sewer Rate Increases

Is this proposal tied to a department strategic objective?

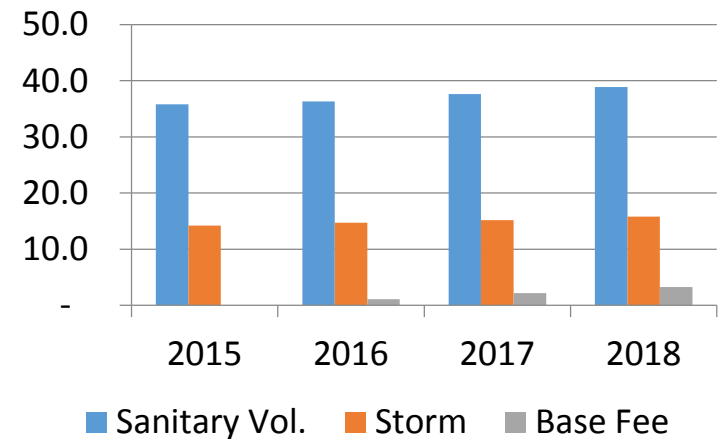
Yes

Customer Focused

Description / Data

2018 is the third year of our phased implementation of the Summer 2015 Sewer Rate Study completed by Springsted Inc. This rate study recommended that the City establish a fixed base fee that has been phased in over three years, as well as implementing annual rate increases of 3.5% each on both sanitary sewer charges and storm sewer charges.

Sewer Rate Revenue



Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	\$2,979,921	0	No



Shift of Fleet to OFS

Is this proposal tied to a department strategic objective?

Yes

Use Data to Drive Decisions

Description / Data

During 2016 Public Works, Parks and OFS worked with the Innovations Team to understand better how we might manage our equipment needs, maintenance and replacement in the future. The process began in April 2016 and was completed in December 2016. Several decisions were made through this process with one being the shift of fleet operations from the user departments into a department that serves line departments. The Office of Financial Services was determined to be the best place to house the management of these critical city assets.

Estimated Costs		FTEs	Funding
General Fund	Special Fund	Additional (if applicable)	One-time (yes/no)
0	(9,243,087)	22.0	No



Previous City Council Investments

City Council Investments in Previous Cycles			
2016	Safe Routes to School/Pedestrian Safety (Capital)	\$150,000	One time
2016	Cleveland Bike Lane (Capital)	\$200,000	One time
2016	Parking Permit Study	\$47,000	One time
2016	Solid Waste Planning	\$330,000	One time
2017	Solid Waste Planning	\$140,000	One time
2017	Pedestrian Safety Coordinator	\$50,000	One time

Describe how that funding has been used and results to date?

See next page.

Previous Council Investments (continued)

Safe Routes to School

This funding went toward a collaborative effort (City Council, Public Works, Police, Saint Paul Public Schools, Ramsey County) that resulted in the creation of planning documents and educational materials for 5 schools within the City. The planning documents identify missing infrastructure and pedestrian safety elements for specific routes to these schools in order to help leverage capital resources to fill in these missing elements. Educational materials and events (such as bike/walk to school day) for students and parents were also developed to promote safe biking and walking along these routes.

Cleveland Bike Lane

This funding was utilized to aid in the design and construction of the Cleveland Avenue bike lane including striping, signage and parking bays. The construction of the bike lane was completed in the fall of 2016. Recent bicycle counts have indicated a 160% increase in bike traffic on Cleveland Avenue south of Marshall Avenue since the lanes were installed.

Parking Permit Study

This funding was utilized to hire SRF Consulting Group, Inc. to help public works review and analyze our current Residential Permit Parking Program and provide guidance on new technologies and best practices for enforcement and administration; potential tools for renewal of parking permits; guidelines for implementation of parking areas; and lessons learned from other cities. A report has been prepared and recommendations for changes to policy, administration, and enforcement are being developed.

Solid Waste Planning

This funding was utilized to advance the city's efforts toward the planning and implementation of organized trash collection. Foth Infrastructure and Environment, LLC was hired to assist with overall planning efforts and negotiations with the 15 residential trash haulers in the city. Staff capacity for planning, negotiations, and implementation was created with the addition of an employee in our Recycling and Solid Waste division. Communications, including a resident survey, report on current conditions, website and social media education have been utilized to support the endeavor. These efforts have resulted in a proposal from the haulers for organized trash collection that is currently in contract negotiations.

Pedestrian Safety Coordinator

This funding was matched with funds from the Saint Paul Foundation to hire Fay Simer as the city Pedestrian Safety Advocate. Her work this year has focused on the development of a city-wide pedestrian safety plan, including an RFP for consulting services and preliminary outreach to residents (including the collection of 1,363 resident surveys). She has also taken a leadership role in the Safe Routes to School and Stop for Me Campaigns.



Fee Schedule - Sewers

Fee Type	2017 Adopted Unit Cost	2018 Proposed Unit Cost	Additional Revenue in 2018	% Change	Rationale for Change
Sanitary Sewer (Residential Per CCF)	\$4.04	\$4.18	\$1,317,613	3.5%	Continued implementation of sewer system financing stability plan
Sanitary Base Fee (Residential per month)	\$2.00	\$3.00	\$1,126,690	50%	
Storm Sewer (Residential Annually)	\$91.44	\$94.64	\$534,911	3.5%	

Fee Schedule – ROW Maintenance

Fee Type	2017 Adopted Unit Cost	2018 Proposed Unit Cost	Additional Revenue in 2018	% Change	Rational for Change
Street Sweeping (Residential Per front foot)	\$0.30	\$0.25	-\$861,047	- 20%	Based on refinement of 2017 estimates
Street Lighting (Residential per front foot)	\$0.50	\$0.50	-	-	Based on refinement of 2017 estimates
Seal Coating (Residential per front foot)	\$3.90	\$3.49*	-	-11%	Refinement of 2018 program still underway
Mill/Overlay (Ave. arterial per front foot)	\$72.17	\$75.77	-	5%	Change in mix of projects and expected inflation

**The 2018 seal coating rate is continuing to be refined. An updated estimated rate will be available once the front footage for the 2018 project area is known, and other cost variables are confirmed by Public Works*



Fee Schedule – Solid Waste/Recycling

Fee Type	2017 Adopted Unit Cost	2018 Proposed Unit Cost	Additional Revenue in 2018	% Change	Rational for Change
Recycling (Single Family Residential Per Month)	\$4.85	\$4.85	\$0	0%	Based on actual experience and new contract
Recycling (Multi Family Residential Per Month)	\$3.01	\$3.01	\$0	0%	Based on actual experience and new contract
Coordinated Collection (Residential Per Month)	-	\$2.05	\$1,944,335	100%	Based on OFS and Springsted projections

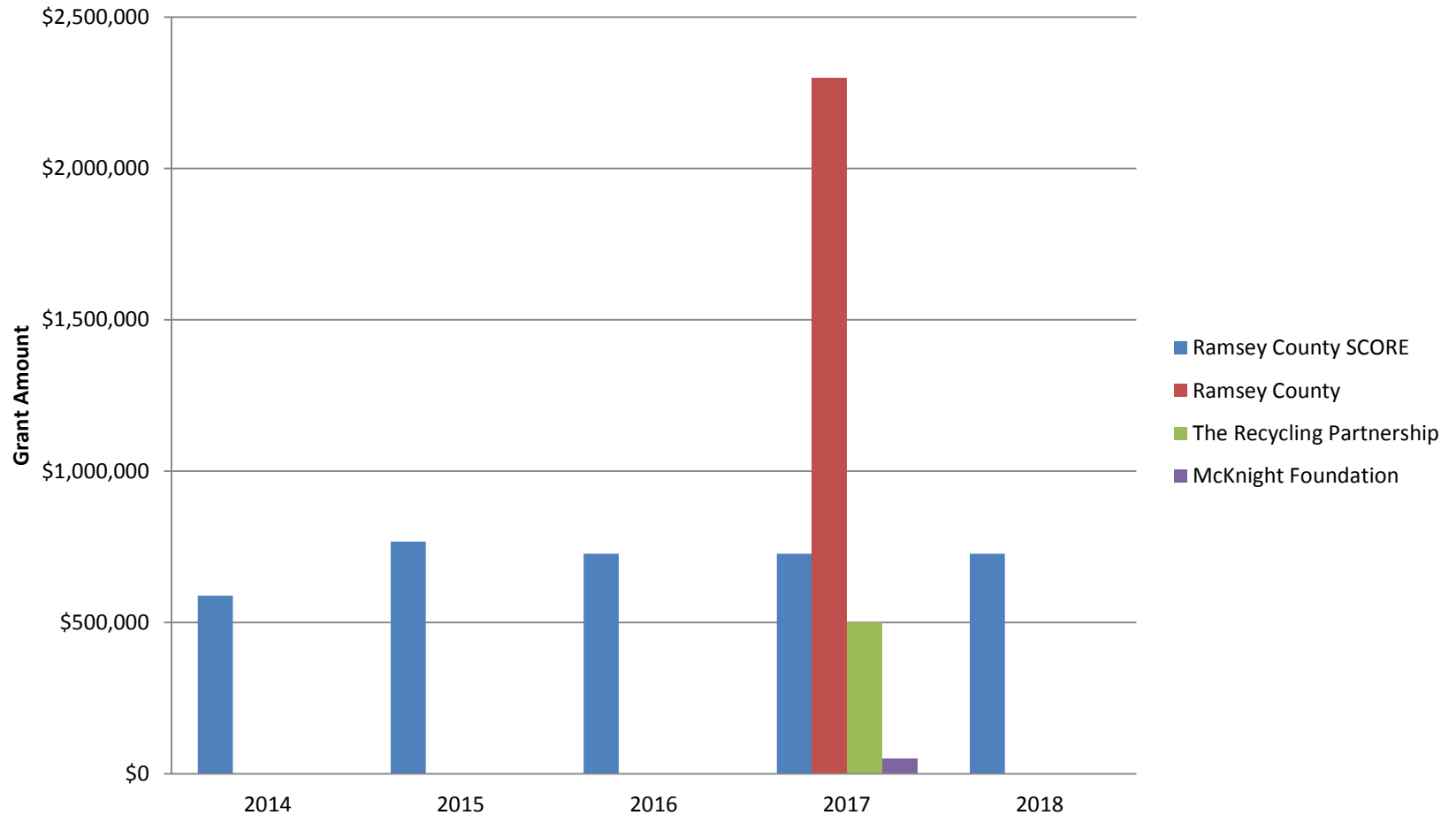


Grant Funding

Name	Timing	Amount \$	Purpose
Ramsey County SCORE Grant	2014	\$589,209	Recycling Program Assistance
	2015	\$767,674	
	2016	\$727,685	
	2017	\$727,685	
	2018	\$727,685	
Ramsey County	2017	\$2,300,000	Cart Purchase Assistance
Recycling Partnership	2017	\$500,000	Cart Purchase Assistance
McKnight Foundation	2017	\$50,000	Pedestrian Coordinator

Grant Funding History

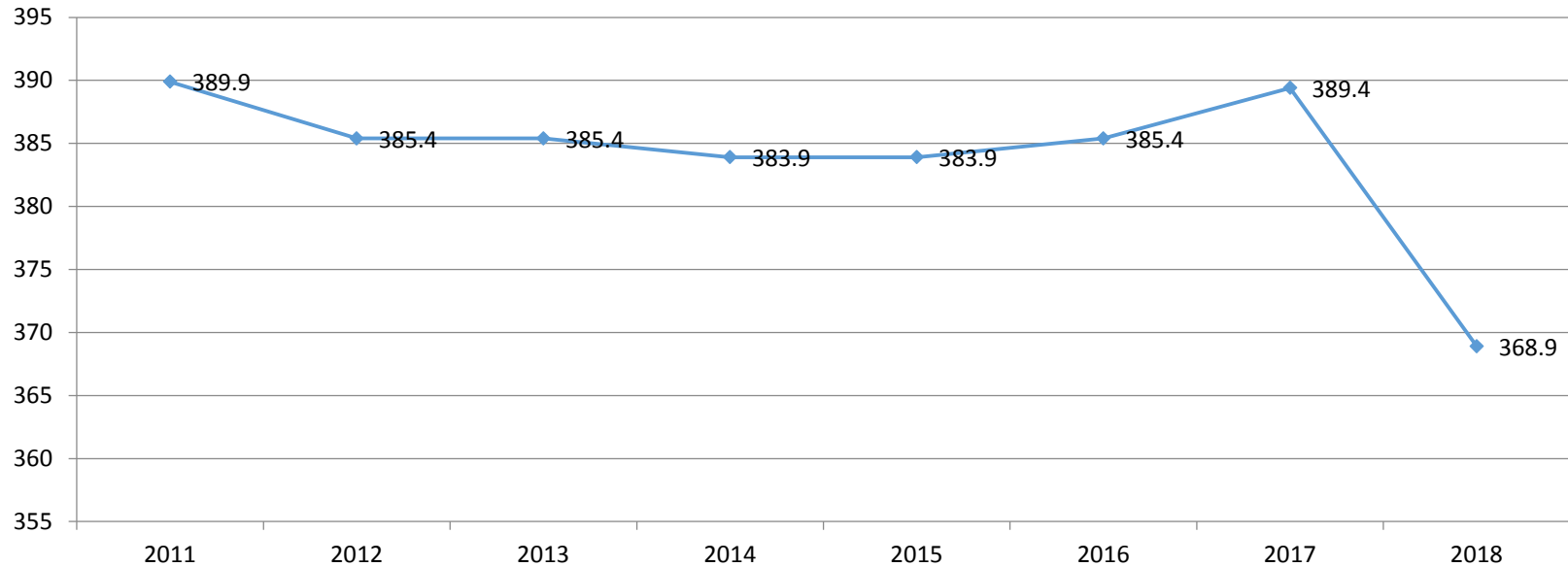
Revenue History





FTE History (5 years)

Public Works



Vacant Position Title	How long Vacant	FTE's	Position Budget Amount \$
Accountant III	3 months	1.0	75,710
Civil Engineer III	6 months	1.0	98,648
Assistant City Engineer	4 months	1.0	108,001



Diversify the street reconstruction vendor pool

What innovations has your department accomplished in the last year and what further improvements are planned for 2018 and beyond? If your department has worked on projects with the Innovations Team, please describe them.

How:

Partner with What Works Cities to change the bidding process and did an outreach campaign.

Results:

In the past year Public Works had an average of 2.4 contractors bidding on projects and awarded 6 different contractors street reconstruction projects this construction season; an increase from 2-3 contractors. This produced more competition in the market and the projects came in under estimated bid.



Live in the Field Snow Emergency Ticket Tracking

What innovations has your department accomplished in the last year and what further improvements are planned for 2018 and beyond? If your department has worked on projects with the Innovations Team, please describe them.

What:

Public Works has been working with the Office of Technology to create an application that our snow emergency ticketers can use in the field to immediately record and map the locations where tickets are issued during a snow emergency.

How:

Ticketers would use the live in the field app to record the location of their ticket on a mobile phone or wifi enabled device. The location of the ticket would immediately appear on a GIS map and additional information such as ticketer identification, time and route would be recorded for additional analysis.

Results:

The ability to track and map our snow emergency tickets live time creates several benefits:

- Provides information about how long it is taking ticketers to issue tickets and get through their routes;
- Provides instant information about ticketing locations so staff can direct tow trucks and/or assistance to ticketers in the field;
- Eliminates the time intensive need for staff to review paper tickets following the snow emergency to identify ticket locations on a map for internal analysis and public information;
- Helps staff more quickly identify areas that need additional education and outreach;
- Provides additional, more detailed information on ticket location that can be used when tickets are disputed.



Fleet Innovations

What innovations has your department accomplished in the last year and what further improvements are planned for 2018 and beyond? If your department has worked on projects with the Innovations Team, please describe them.

During 2016 Public Works, Parks and OFS worked with the Innovations Team to understand better how we might manage our equipment needs, maintenance and replacement in the future. The process began in April 2016 and was completed in December 2016. Several decisions were made through this process with one being the shift of fleet operations from the user departments into a department that serves line departments. The Office of Financial Services was determined to be the best place to house the management of these critical city assets.

As part of this process OFS has hired a fleet manager.



Snow Emergency Communication Innovations

What innovations has your department accomplished in the last year and what further improvements are planned for 2018 and beyond? If your department has worked on projects with the Innovations Team, please describe them.

We are focused on improving our snow emergency communications by being metrics driven and accountable. We anecdotally know that in the past we would receive thousands of phone calls per a snow emergency. We also know that with our improved communications during snow emergencies phone calls have dropped drastically – to a few hundred per an event. Last winter we began tracking calls. In the first event we had 294 calls. The second event we had 53. We can't expect this big of decrease each time – but we know what people are calling for and what we need to improve. We are in the process of applying this model to the entire department.



Other innovations

What innovations has your department accomplished in the last year and what further improvements are planned for 2018 and beyond? If your department has worked on projects with the Innovations Team, please describe them.

Example-What: To catalyze the adoption of best-in-class infrastructure funding models that can deliver long-term economic benefits to public stakeholders and their funding partners by using water as a resource in development projects.

How: We applied to the City Accelerator program to help us advance this work. For the last 18 months we have been working with 3 other cohort cities to explore funding strategies to bring this work to fruition at 3 main sites: Midway Stadium, West Side Flats and Ford.

Results: Through the expertise of City Accelerator and other partners we have used the grant money awarded to help us develop possible solutions to pay for the upfront cost of this infrastructure, financing the ongoing operations and maintenance of this type of system and to make it replicable. We continue to work at all of these items and are narrowing down options as to how to accomplish this and develop a road map for implementation.

Cost Saving Efficiency



What cost-saving efficiency has your department implemented and what is the estimated annual \$ savings? Are there further improvements planned for 2018 and beyond, what is the estimated annual cost savings?

This year we are taking a slightly different approach to our seal coating process. In the past we patched potholes by hand and then seal coated over that, sometimes yielding an inferior final result.

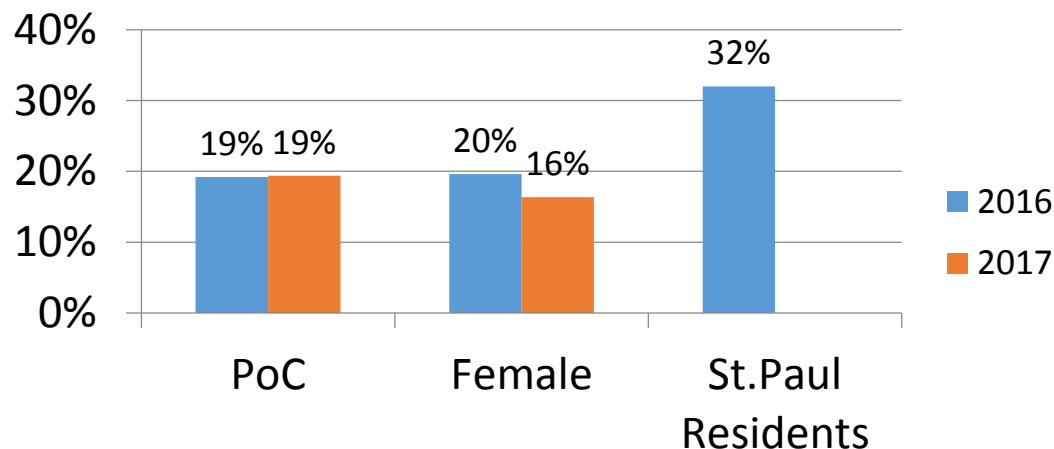
This year we are doing more skim paving of the areas before seal coating, which costs a bit more upfront but that we expect to see longer term savings in the amount of money we spend on pot hole patching. It may take us a few years to start compiling good data but we feel like this work will pay off in the long run.

Racial Equity

How does this proposal impact racial equity in Saint Paul?

Some examples of our progress in this area:

- 1) We attended Rondo Days in 2016 and 2017 as outreach to a more diverse group of potential employees
- 2) Attended People of Color Job Fair
- 3) Fifty supervisors/managers attended the Inclusive Workforce Hiring Workshop in 2017
- 4) Partnership with Saint Paul College's Trading Up Program – 3 Hires





Future Outlook

How does your department plan to address changing service demands as a result of current and future demographics? Looking ahead 5-10 years, do you anticipate that your department will face additional significant budget needs or pressures, and how do you plan to address them?

Looking ahead five or so years, an important work product will be determining how under our new street maintenance program we plan for disciplined life cycle costing that provides transparency for policy makers about future decisions and operations. Self-driving cars are going to be a reality soon, and we need to understand this technology more so that we can be prepared from an infrastructure point-of-view.

If you had additional funding, what would you do to improve service delivery to the public or meet an unmet need?

Technology projects like completing our Automated Vehicle Location system (AVL) rise to the top as well as unmet needs for sidewalk replacement and infill connections to fill gaps in the existing sidewalk system.