

City of Minneapolis
Public Works Department

Addendum to the 2004 Business Plan

Draft – June 2004

Public Works Department Addendum to the Business Plan - June 2004

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BUSINESS PLAN ADDENDUM – JUNE 2004

A. Introduction to the Addendum

The purpose of this addendum is to clarify the interrelationship among the challenges facing Public Works, the financial plans and the key initiatives.

Following are matrixes that outline all of the key initiatives and their priority, cost and schedule. Initiatives were identified to address the challenges facing the department. The intent of most initiatives is to change the way existing tasks are completed. The results of the initiatives will not necessarily add work or costs. In some cases, efficiency will increase. The timelines for some of the initiatives have been changed from the original document and the 2004 Public Works Work Plan as a result of further discussion regarding resource allocation.

Secondly, information is also provided to clarify the financial outlook for each business line. The service levels over the next four or five years are graphically displayed. The criteria used for financial allocation decisions for services were, in priority order: 1) Promote safety, 2) Maintenance and operations, 3) Expansion. **The finance plans also reflect the costs of the initiatives.**

The focus of the 2003-2004 Business Planning effort was to begin a comprehensive multi-year planning effort. Over 100 PW employees worked to outline the major outcomes, performance measures and services. This discussion was critical in laying a solid foundation for future planning. The focus of the 2004-2005 effort will be to translate these outcomes into specific strategies that reflect financial realities. Work has already begun at the management level to clarify the department's organizational structure and to develop financial reporting systems that generate the information necessary to make critical decisions. The work is guided by the outcomes outlined in the plan.

The plan lays a solid foundation from which to think strategically about how the Department plans to tackle the challenges ahead. The plan is aggressive, yet manageable. (For example, while the Department expects a reduction in its workforce over the next four years, the goal will be to manage the reduction through attrition and reassignment.) The Plan provides the guidance and direction necessary for future planning and meeting the challenges.

Among the challenges facing the Department are:

- Lack of information systems to support business management
- Integration of the City-wide systems and services to support Public Works' business needs
- Limited resources
- Investment needed to maintain infrastructure and basic service
- Building a strong transportation system that improves movement throughout the city
- Attracting and retaining qualified diverse employees
- Increasing focus on emergency preparedness and security concerns
- Balancing efficiencies and services – looking for alternative service delivery options or eliminated services
- Ability of workforce to adapt to change
- Operating in a larger bureaucracy that can constrain procurement and management of personnel resources

B. Summary of Department-wide Key Initiatives

Department-wide Key Initiatives – Cost, Priority and Schedule

Key Initiative	Cost	Priority	Schedule					Comments
			2004	2005	2006	2007	2008	
Department-wide Key Initiatives								
Customer Response Improvement	PW cost only: Implementation cost is \$350,000; ongoing annual cost is \$180,000 plus BIS charges. Implementation cost does not include staff time.	High	█					
One Stop Shop/Development Review Center	Staff time in all Public Works divisions to continue to analyze and document processes is estimated to be at least 1000 hours through 2004 and into 2005. Process and automation improvements will be ongoing. The installation and ongoing costs of KIVA on PW workstations is yet to be determined.	High	█	█	█	█	█	
Asset Management	Development of a specific implementation plan and beginning the implementation steps in the Transportation business line are estimated to cost between \$300,000 and \$500,000 (\$275,000 currently in the 2004 PW budget and \$200,000 currently in BIS/PW capital funds for system work). Implementation will continue through 2008. Future costs for full implementation to be determined as project progresses and specific needs identified. Staff time across all PW divisions, BIS, and Finance estimated to be at least the equivalent of 2 FTE spread over several individuals.	High	█	█	█	█	█	

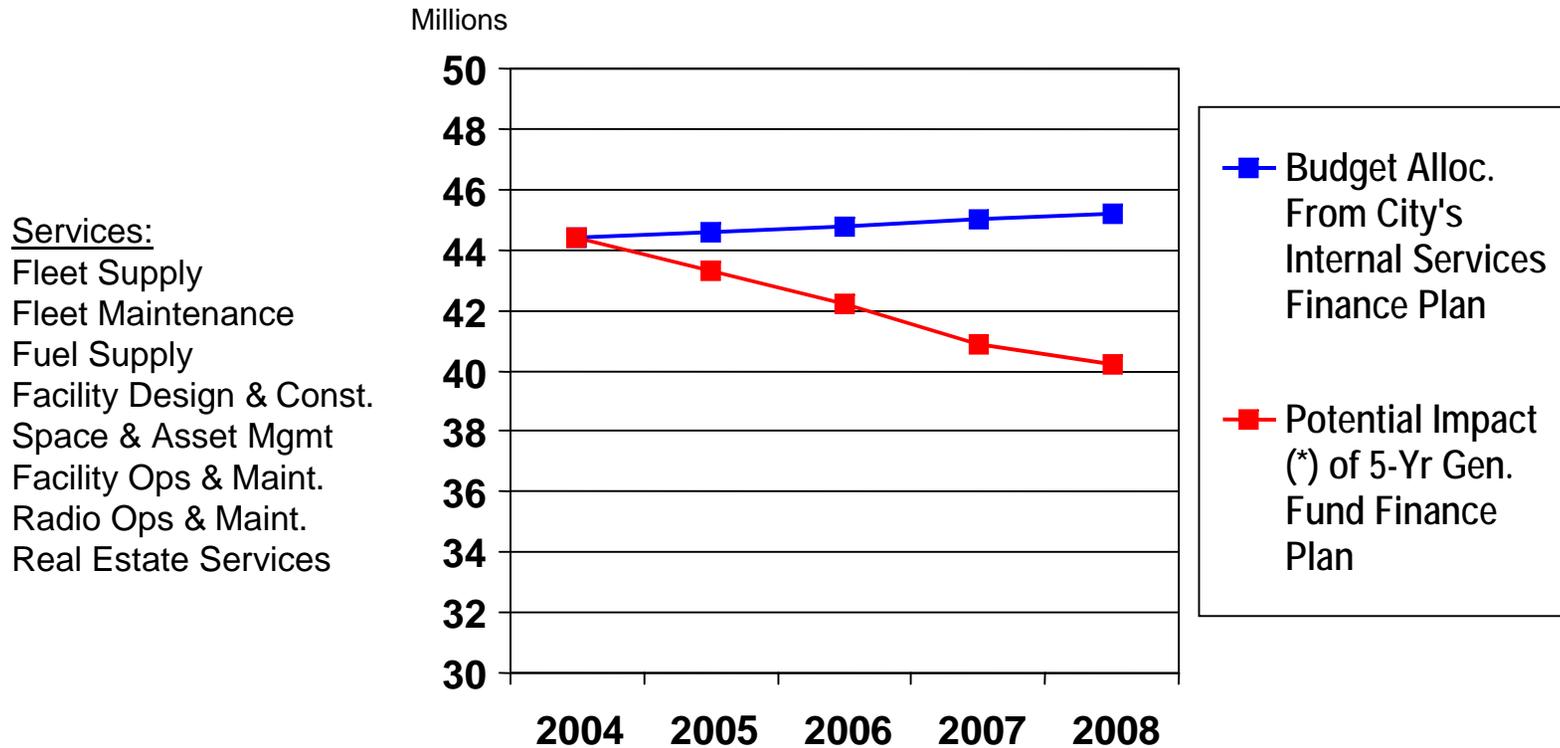
C. Internal Services

The Public Works Internal Services Business Line is comprised of services that are provided primarily to internal City departments and are funded mostly within formal Internal Service funds. Fees for these services are intended to recover the costs incurred for providing each service.

Summary of Internal Services Key Initiatives

Key Initiative	Cost	Priority	Schedule					Comments
			2004	2005	2006	2007	2008	
Internal Services Key Initiatives								
Educate customers about services provided	160 hours staff time	High	█					
Strategic Space Plan	\$100,000, 1000 hours of staff time	High	█					
Centralize energy management effort.	TBD and schedule on hold until funding can be determined	High						
Expand partnerships with other government agencies and the private sector	80 hours staff time	Medium	█	█				
Development of new wireless Data Communications System	Unknown at this time	Medium	█	█				Partnership with BIS
Develop fleet and dispatch management systems	TBD and schedule on hold until Balanced Workforce initiative is completed	Medium						
Review and modification of Collision Review Board policies and procedures	300 hours staff time	Medium		█				
Explore centralization/consolidation of common sets of services throughout the City	Internal staff time TBD	Low	█					
Explore expanding internal services; customer base outside Minneapolis	TBD	Low	█	█				
GPS: develop a global positioning system for locating and tracking vehicles and equipment	Costs will be determined by extent of use	Low	█					Currently conducting pilot tests.
Investigate obstacles to employees using their personal vehicles for work	160 hours staff time	Low						

Internal Services Allocation in Relation to 5-Year General Fund Finance Plan



(*) PW Internal Services will continue to provide full service. The reduction of General Fund Customers' budgets may result in reduced space and equipment needs, which in turn will lower revenue and expenditures for PW Internal Services

Internal Services

Strategies for Five-Year Allocation Plan

Assumptions:

- Internal Service Funds are balanced yearly so that expenditures do not exceed revenues.
- The balancing is on the expenditure side - Internal Services makes yearly adjustments in their budgets to match expected revenues.
- Internal Services will continue to provide basic service levels to department customers.

Strategy - Equipment Services Division:

- Adjust fleet size to meet department customer's needs by targeting high maintenance vehicles for disposition. Outcome: reduced fleet supply and maintenance expenses.

Strategy - Property Services Division:

- Property holdings will be reduced to accommodate department customers space needs by targeting lease space where appropriate. Outcome: reduced leasing expenses.

D. Sewer & Water

The Sewer and Water business line is comprised of services that promote the health and safety of people and property by providing potable water and managing non-potable water.

Summary of Key Initiatives

Key Initiative	Cost	Priority	Schedule					Comments
			2004	2005	2006	2007	2008	
Sewer & Water Key Initiatives	<i>Note: Costs includes an estimate for staff time, materials and software changes (where needed)</i>							
Develop new Customer Service Line Policy regarding service line leak repair	100 hours of staff time, approximately \$3,000	High	■					
Explore additional revenue sources	40 hours of staff time (\$2,000)	High	■					
Technology (funding and implementing): computerized Maintenance Management System (CMMS)	2,000 hours of staff time plus purchase of software (\$100K)	Medium						
Technology (funding and implementing): maintenance/rehabilitation/finance reporting	100 hours of staff time, plus software changes as needed (\$50K - \$75K)	Low		■				
Clearly identify the organizational impacts (including costs/benefits) of the Sewer/Water business line	1,000 hours of staff time (\$50K - \$75K)	Low	■					

Sewer Service Impacts

MAJOR CATEGORY	INCLUDED ACTIVITIES	2004 Service	2008 Service Level
Elected Operational Activities	Work for Others (Reimbursable); Outside Agency Maintenance Agreements; Capitol Infrastructure Improvements; Holding Pond Maintenance; FEMA and LOMAR Participation; Backwater Valve Reimbursement Program; Rainleader Disconnect Program Support; Flood & Drainage Studies; Water Quality Task Force Participation; Materials Research & Development; Work Practices Research & Development		
Administrative Services	Employee Records Management; Employee Training; Safety Management; Employee Performance Management; Unit Cost and Performance Management; Financial and Budget Analysis; Administrative Work Records and Files; Labor Management Support; Equipment & Tool Purchases Management; Contract Management; Injury & WorkComp Supervision; Damage Claims Supervision; Equipment & Building Rentals; Equipment & Building Energy Costs		
Enhanced Operating Maintenance & Storm Drain System Management	Pipe System Condition Assessment & Insp; Pipe System Rehabilitation/ Proactive Rprs; Pump Station Condition Assessment & Insp; Pump Station Rehabilitation/ Proactive Rprs; System Data Bases & Management Evals; Storm Water Management Planning; Water Quality Management Planning; Capitol Infrastructure Replacements; Standards & Practices Management		
Enhanced Operating Maintenance & Sanitary Collections System Management	Pipe System Condition Assessment & Insp; Pipe System Rehabilitation/ Proactive Rprs; Lift Station Condition Assessment & Insp; Lift Station Rehabilitation/ Proactive Rprs; System Data Bases & Management Evals; I&I/ Inflow Management; Capitol Infrastructure Replacements; Standards & Practices Management		
Citizen Support & Customer Services	Public Provided Advice & Plan Review; Public Provided Map & System As-Built; Rat & Rodent Control; Housing Inspections Support (Lateral Insp); Public Provided Field Response Support		
Legal Operational Mandates	Gopher State One-Call; NPDES/ CSO/Storm Water Permit; Erosion Control ; Permit Enforcement; Street Sweeping; Grit Chamber Cleaning & Maintenance; CSO Removal Capitol Improvements; Watershed Management Participation		
Sewage Treatment	MCES Treatment (Pigs Eye Plant)		
Basic Operating Maintenance (Storm Drain Collections System)	Pipe System Cleaning; Pipe System Failure Repairs; Pump Station Operation & Failure Repairs; Emergency Standby Failure Response		
Basic Operating Maintenance (Sanitary Collections System)	Pipe System Jet Wash/ Disk/ Flushing; Pipe System Failure Repairs; Lift Station Operation & Failure Repairs; Emergency Standby Failure Response		

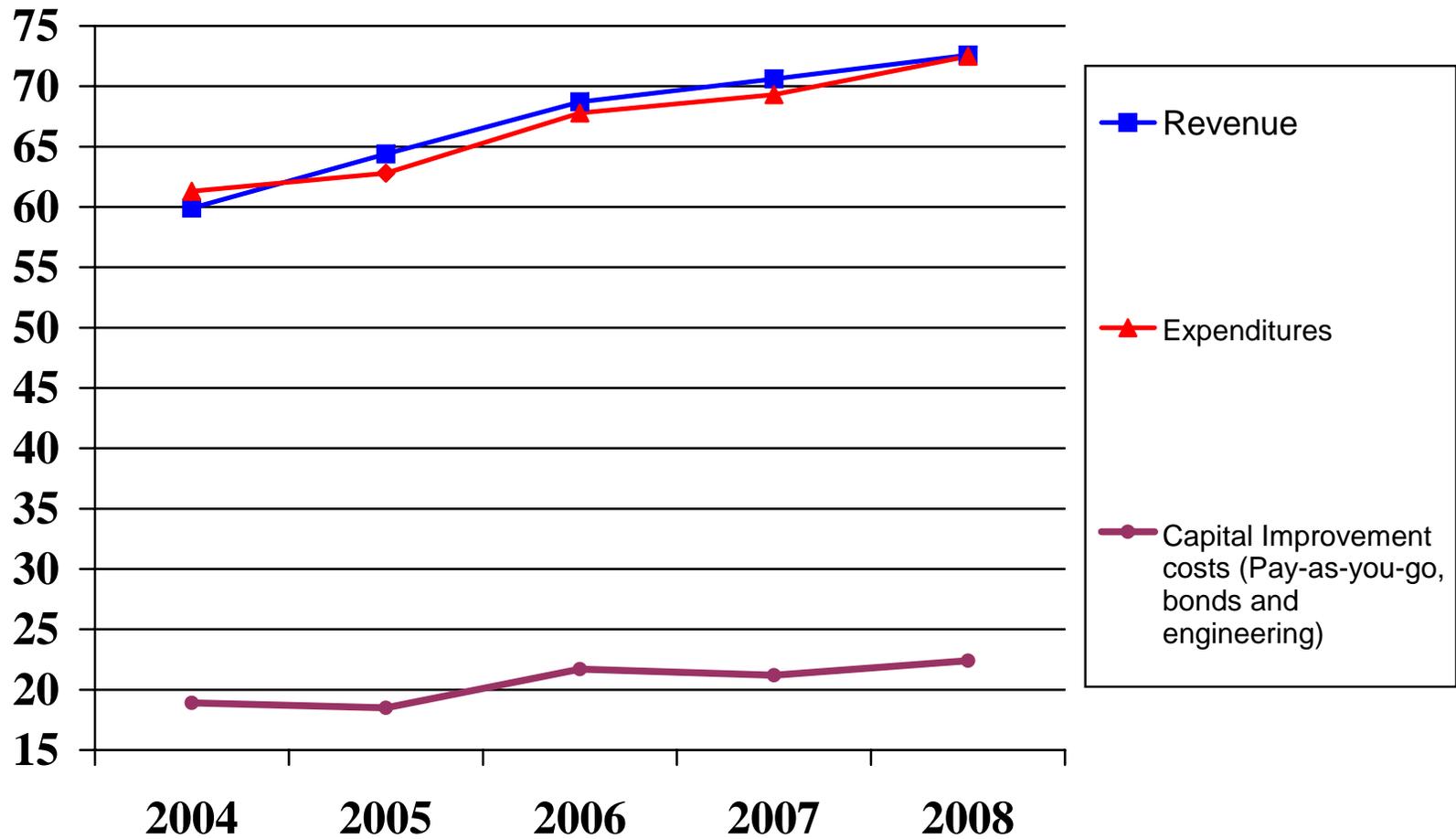
Denotes services provided

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Any changes in service levels in future years will be accommodated through delaying or postponing Capital Projects or activities that expand the system.

Water Services Projected Revenues & Expenses

Millions



Water Treatment, Maintenance, and Distribution Services Impact

Base Activity	More Detailed Activity Description/ Comment	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Major Repairs and Replacements	Infrastructure replacement Infrastructure repair Battery change-out for automatic meter reading equipment					
Meter/Meter Reading Equipment Repair & Replacement	Repair or replace automatic meter reading equipment. Repair or replace water meters					
Proactive/preventative Maintenance	Hydrant valves and manholes maintenance Water main corrosion protection Process and pumping equipment maintenance					
Routine and emergency Maintenance	**Hydrants, valves and manhole repair and maintenance water main repair Process equipment repair and maintenance					
Treatment, pumping and distribution system operation	*Equal priority for operating the treatment plants, pumping stations and distribution system					

Read from bottom up (decreasing priority as you read up).

*The Supervisory Control and Data Acquisition System (SCADA) is planned to be mostly implemented by the end of 2005. This system provides computer control and monitoring of plant operations and it will facilitate more efficient plant and pumping operation. In conjunction with SCADA, the change management plan is being implemented to provide more efficient delivery of services.

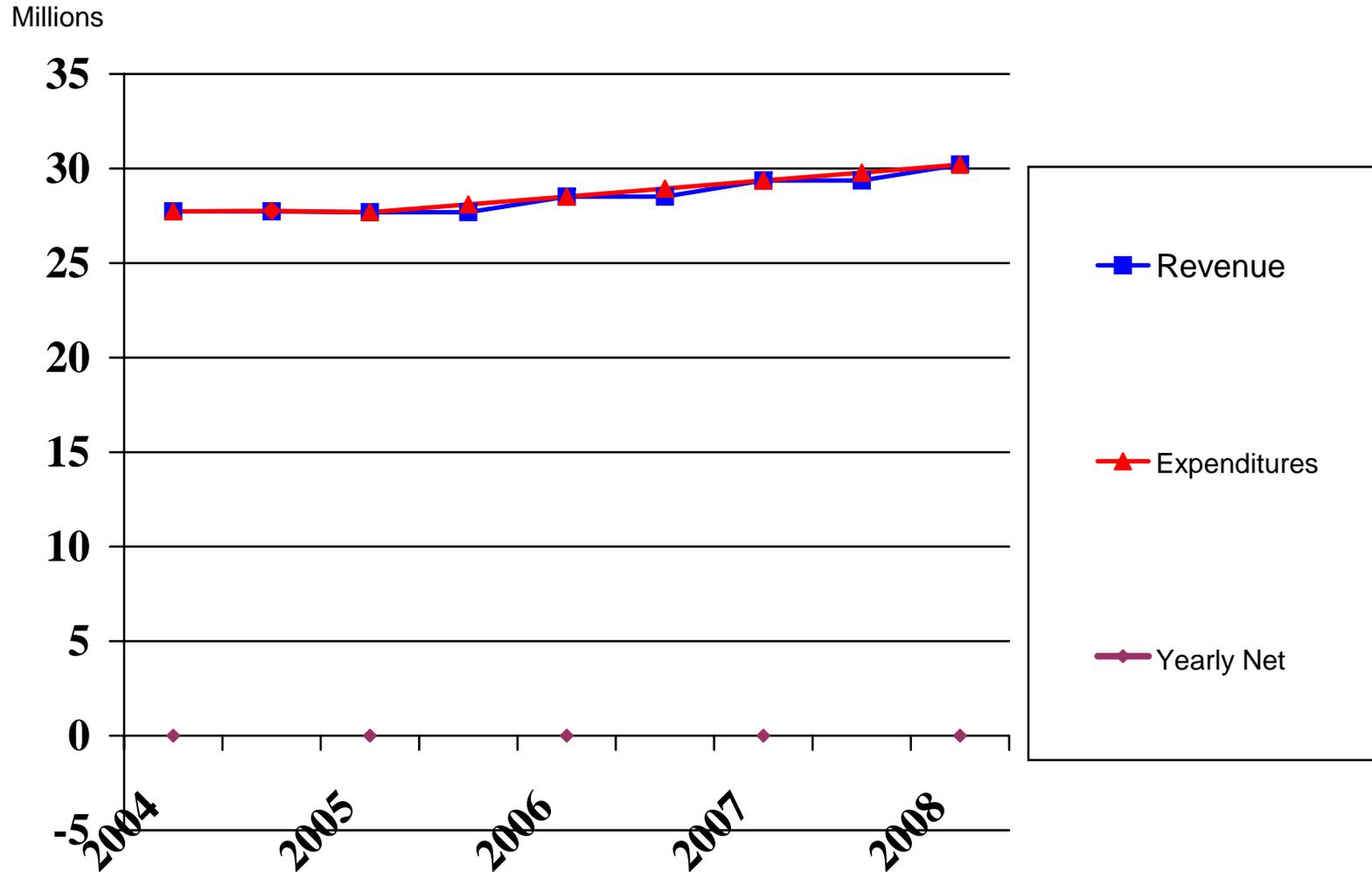
**A computer maintenance management System (CMMS) implementation was started in 2004. This system will facilitate more efficient maintenance operations. SCADA, CMMS, and Change Management efficiencies are planned to offset normal operational cost increases in excess of funded levels.

Denotes services provided

Key Initiative	Cost	Priority	Schedule					Comments
			2004	2005	2006	2007	2008	
Solid Waste & Recycling Key Initiatives								
Consider expansion of services: get into multi-family housing business by marketing to landlords.	N/A	Medium			██████████	██████████	██████████	Multi-year effort, start 2006
Health & Safety: Work with other areas of Public Works and the City to model Solid Waste and Recycling's Job Safety analysis and training.	N/A	Medium	██████████	██████████	██████████	██████████	██████████	Continuous, as requested
Consider changes to appliances and problem materials collection	N/A	Medium			██████████	██████████		
Make changes to operating procedures: eliminate problem materials processing rotation	N/A	Medium	██████████					Complete
Consider expansion of services: Compete for small business solid waste and recycling services.	N/A; this is a revenue source	Medium	██████████	██████████	██████████	██████████	██████████	Ongoing
Consider expansion of services: perform dirty collection points (DCP) services for locations with private service.	N/A; this is a revenue source	Medium		██████████	██████████			Coordinate with and compete for Inspections contract
Explore new methods for service delivery and pricing	N/A; this is a revenue source	Medium	██████████	██████████	██████████	██████████	██████████	Continuous improvement
Make changes to operating procedures: work with other areas of Public Works to develop checklists of standard operating procedures to enable cross-training and succession planning	N/A	Medium	██████████	██████████	██████████	██████████	██████████	Ongoing
Backyard (appliance/Pm area) needs supervision and better organization (possible training needs), and old salt shed needs remodeling.	N/A	Medium	██████████					Complete
Maintain transfer station with city employees and add one additional employee to decrease incidence of contaminated loads.	N/A; will not be provided	Medium						May go away with South Transfer Station pending Council action

Key Initiative	Cost	Priority	Schedule					Comments
			2004	2005	2006	2007	2008	
Solid Waste & Recycling Key Initiatives								
Provide specialized services for Downtown	\$250,000	Medium			■	■		Coordinate with Downtown Council
Develop a more aesthetically pleasing design for litter containers	\$800,000	Medium		■				
Improve recycling within the Department of Public Works	\$10,000	Low	■	■	■	■	■	Must coordinate with MBC, various facilities, education critical

Solid Waste & Recycling Projected Revenues & Expenses



F. Transportation

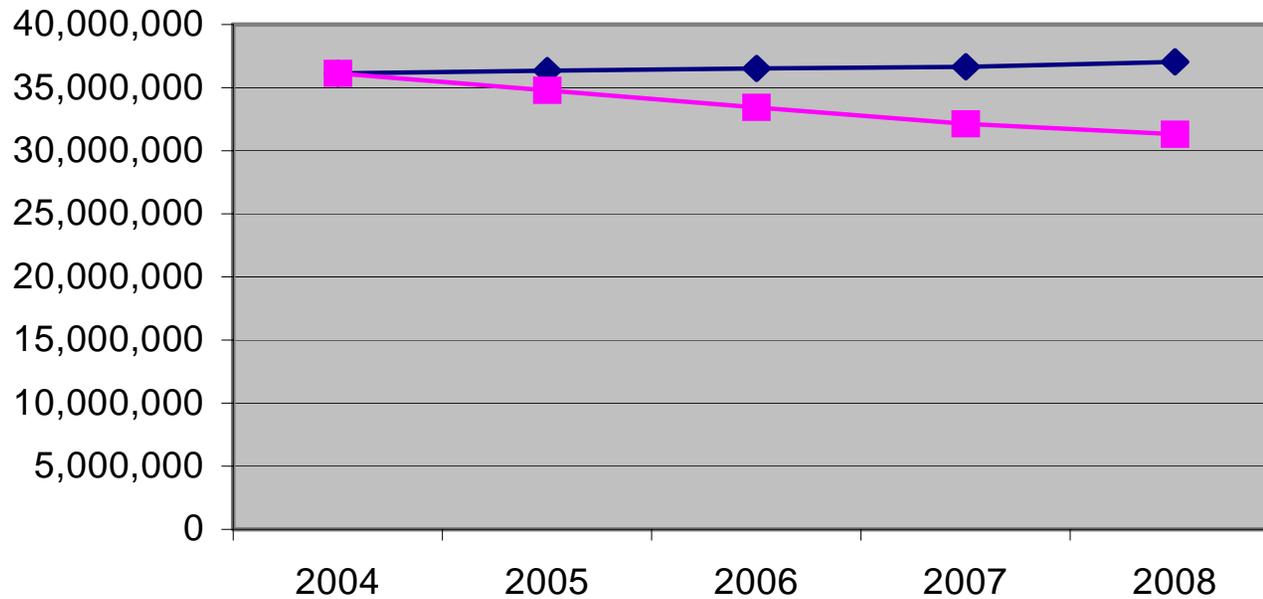
The Transportation business line within the Department of Public Works exists to offer people a variety of safe, convenient options for moving throughout the City and within the region. Transportation options enhance the aesthetics of the environment, improving livability, while contributing to economic vitality through the safe, efficient movement of people and goods.

Summary of Transportation Key Initiatives

Key Initiative	Cost	Priority	Schedule						Comments	
			2004	2005	2006	2007	2008	2009		
Transportation Key Initiatives										
Establish a Transportation Planning Function (department wide)	Citywide Trans Plan: \$300,000 in 2004 & \$150,000 in 2005/2006	High	█	█	█					\$300,000 appropriated (cost included in service assumptions) – Seeking \$150,000 of non-city revenue resources
	Ongoing Trans Planning: \$180,000 per year	High			█	█	█	█		Two positions (currently unfunded and not in current service level)
Improve Public Engagement for Major Construction Projects	For 2003 and 2004 projects Engineering Services has included in the existing capital budgets.	High	█	█	█	█	█	█		On-going
Improve efficiency and customer service in all parking service activities	see Parking Fund Workout Plan	High	█	█	█	█	█	█		(cost included in service assumptions)
Improve efficiency and customer services in all impound lot activities	see Parking Fund Workout Plan	High	█	█	█	█	█	█		(cost included in service assumptions)

Key Initiative	Cost	Priority	Schedule						Comments
			2004	2005	2006	2007	2008	2009	
Transportation Key Initiatives									
Traffic Signal Improvements and Efficiencies	LED (Light Emitting Diode) Program	High							2004-05 - Use Xcel rebates to max. extent possible for mat'ls. City labor unfunded. Considering amendment to CIP for this program (cost included in service assumptions)
	Signal Operations - estimated ongoing \$805,000 per year for new positions plus project costs. Estimated implementation over 8 years @\$100,000/year additive	High							2004 - FHWA Peer Review & develop recommendations; 2005-13 implement (cost included in service assumptions)
	ITS Upgrades – TBD and to balance with signal operations employee resources.	Medium							2005-08 Explore future ITS technology that will enhance the traffic signal operations to create more efficiency in traffic safety systems.
Increase Use of Durable Pavement Markings	If a positive cost/benefit is possible, then \$250,000 on-going per year	Medium							2004 - Test locations, prepare cost/benefit analysis and implement on capitol projects; 2005-08 Continue capitol projects and implement on O&M activities if C/B bears out (cost included in service assumptions)
Determine the best way to produce or procure Asphalt materials	\$375,000 for specification preparation, legal research, etc.- worst case (does not include any capital costs)	on-going							potentially funded from the reserve fund at the Asphalt plant and/or Capital projects.

Transportation Business Line General Fund Allocation



- ◆ 2004 - 2008
Financial
Allocation
- Adjusted
respective year
dollars (real
purchasing
power)

Street Maintenance & Repair Service Impacts

Basic activity	More detailed activity description / comments	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Sealcoating Concrete joint repair	Sealcoating of asphalt pavements that were prep'd Clean , repair and fill concrete joints					
Preventative Maintenance Sealcoat preparation	Crack sealing / Mill route and fill high severity cracks Permanent patch & Repair / fill depressions/ etc.					
Light preventative maintenance	Crack sealing / joint sealing Streets and alleys					
Routine patch & repair	Higher quality pavement repairs on streets and alleys Permanent alley repair Concrete pavement repairs					
Mandatory stop-gap repairs for public safety and basic operations	Basic temporary and permanent pothole filling and patching on streets and alleys, rr crossings. Sidewalk safety mitigation and repair. Guardrail and barricade repair Staff 24-hour shift workers Misc operating materials and supplies and equipment repair					
Reimbursable activities (revenue generating)	MSA \$ (stop -gap/routine/preventative maintenance) Maint. Agreements with State and County Work for others (capital sealcoat, traffic calming,railroads, etc.) Utility cut restoration					

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Denotes services provided

Bridge Maintenance & Repair Service Impacts

Basic activity	More detailed activity description / comments	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Preventative Maintenance and more discretionary activities	Tree & brush removal and replacement Additional deck flushing Protective coating treatments (cleaning, painting, etc.) Seal concrete decks					
Minimal Maintenance Bridges and retaining walls	Repair of structural elements - railings, fencing etc. Minor slope paving repair Expansion joint repair Graffiti removal Minor landscaping, grass weed control					
Routine Repairs Bridges and retaining walls	Flushing of beams and bearings, decks Misc. deck spall, abutment, and sidewalk repairs Crack seal asphalt decks Retaining wall patch and repair					
Safety / Emergency Repairs Bridge inspections	Bridge inspection River and creek soundings/inspections Pedestrian, skyway and tunnel inspections					
Mandatory stop-gap repairs for public safety	Basic temporary and permanent pothole filling and patching on bridge decks and sidewalks. Repair damage from vehicular accidents Repair wall and slope failures Inspect bridges, skyways after reported accidents Overhead and administrative costs					
Reimbursable activities (revenue generating)	MSA \$ (deck patching/railing repair/crack sealing/graffiti/etc.) Maint. Agreements with Hennepin County Maint. Agreements with State, capital reimbursement projects					

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Denotes services provided

Malls & Plazas Service Impacts

Basic activity	More detailed activity description / comments	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Preventative Maintenance / Other Other misc repairs and preventative maint of structures and systems	Seasonal plantings / tree & shrub replacement Repair & maint of minor structures Repair & maint of planters					
Minimal Maintenance Basic turf and landscape maintenance on city owned right-of-way/property Winter mall maintenance	Grass mowing, weed cutting, fall leaf raking, fertilizing, weed control, turf establishment, grass watering Repair & maint of plaza lighting Irrigation system Maint & repair Sweeping and litter control Sidewalk and plaza snow & ice control Equipment repair, misc materials and supplies					
Mandatory work and Safety / Emergency Repairs Utility charges	Minimum required cycle times to meet City weed ordinance requirements. Water for irrigation and fountains / electricity for lighting and other systems					
Reimbursable activities (revenue generating)	State and County Routine Maintenance Agreements Grass cutting, basic landscape maintenance, litter control, etc. Landscape maintenance for other city departments					

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Denotes services provided

Snow & Ice Control Service Impacts

Basic activity	More detailed activity description / comments	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Preventative Maintenance and more discretionary activities	Maintain Sand Barrels Install & Maintain Snow Fence					
Routine Snow Clearing Enhanced snow cleaning services after snow events.	Clean Bus Stops Clean Corners Clear Snow from Viaducts Removal of snow banks from around City Hall					
Preparatory Snow & Ice Control activities prior to next snow event. Other enhanced cleaning and repair activities in between snow events	Misc Sand & Salt / complaints Street widening Enhanced cleaning activities					
Routine Snow & Ice Control and basic operations	Machine Sand Streets Clean Sidewalks & Parking Lots Snow Plow Non-Emergency					
Mandatory stop-gap for public safety	Clean Bridge sidewalks Water Main Breaks Machine Salt Streets Snow Emergency Residential plowing Snow Emergency Route plowing					
Reimbursable activities (revenue generating)	MSA \$ Maint. Agreements with Hennepin County and State Winter street sweeping Sidewalk snow removal ordinance, Alley Plow & Sand Special Service District					

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Denotes services provided

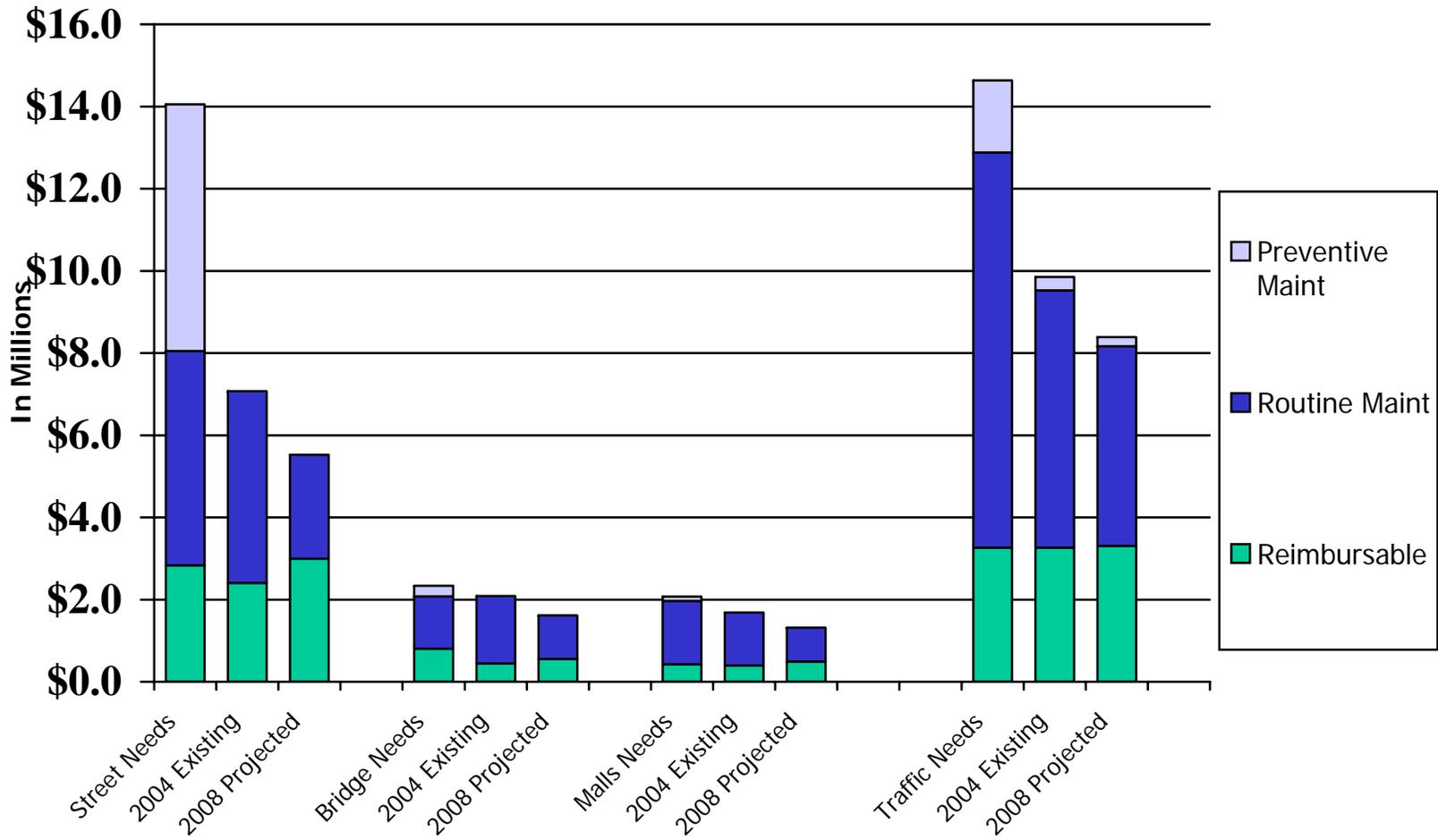
Traffic Service Impacts

Basic activity	Signals	Street Lights	Signs	Pavement Markings	2004 Service Level	2005 Service Level	2006 Service Level	2007 Service Level	2008 Service Level
Preventative Maintenance / Other	100 - 150 low priority signals, most ped heads	25% of downtown lights	Street name signs, misc. guide signs, graffiti removal	Travel lane edge lines, most lane lines on low volume					
Minimal Maintenance / Rehabilitation	Accident damage not reimburseable or or emergency, most signal hardware failures controller upgrades	Most street light hardware plus the Park Board System		Some crosswalk speed bumps					
Routine Repairs	Some signal hardware failures	Some street light hardware	Bus stops, no parking, no stopping, most yellow warning signs						
Safety & Emergency Repairs	Accident & technology failures, signal coordination, a few detectors and push buttons	Mid block, alley, and short block lights, plus 55% of downtown lights	Regulatory signs, some yellow warning, snow emergency and disability signs	Most crosswalks, stop bars, bike symbols, turn arrows, some lane lines on low volume					
Mandatory stop-gap repairs for public safety and basic operations	650 - 700 high priority signals	All intersection lights (includes 20% of downtown)	Stop signs and turn lane signs	center & lane lines on high volume streets, railroad crossings					
Reimbursable activities (revenue generating)	MSA, CSA, Trunk highways	Special Service Districts	MSA, CSA, Trunk highways	MSA, Trunk highways					

Read from bottom, up. Base activities are required and become more discretionary as you move up.

Denotes services provided

**Transportation General Fund Major Service Categories
Infrastructure Maintenance and Operation Needs
Compared to 2004 Existing & 2008 Projected**



G. Addendum Summary

This addendum addresses the issues raised regarding the interrelationship among the challenges facing Public Works, the financial plans and the key initiatives. The business plan, including the addendum, is a first step to identifying meaningful tools and processes for future resource allocation. The plan lays a solid foundation from which to think strategically about how the Department plans to tackle the challenges ahead. The plan is aggressive, yet manageable. (For example, while the Department expects a reduction in its workforce over the next four years, the goal will be to manage the reduction through attrition and reassignment.) The Plan provides the guidance and direction necessary for future planning and meeting the challenges.

