

Minneapolis Public Works 2011 Budget

Ways and Means / Budget Committee Presentation
October 2010



THE MINNEAPOLIS
DEPARTMENT
OF PUBLIC WORKS
WORKS

Minneapolis Department of Public Works



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Director

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Vision: To provide "Excellent urban infrastructure and services for Minneapolis."

Mission: To build, operate and maintain the public infrastructure and provide services with a high performing public works department, where collaborative leadership and public/private engagement are standard business practices.

ADMINISTRATION



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Permit Coordination
Management Analysis
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Department Procedures
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Clean City Program

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Distribution
Maintenance
Gopher State One Call
Water Connection & Permits
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INTERNAL SERVICES BUSINESS LINE



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TRANSPORTATION BUSINESS LINE



Don Elwood
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Transportation Planning
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Right-of-Way / Special Assessments

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Street Maintenance
Street Construction
Bridge Maintenance & Inspection
Street Sweeping
Public Plazas & Green spaces
Snow & Ice Control
Special Service Districts

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Updated: October 2010

Summary of Presentation

Department Overview

General Fund

A New Level of Investment

Enterprise Funds

Internal Services

Public Works Business Priorities

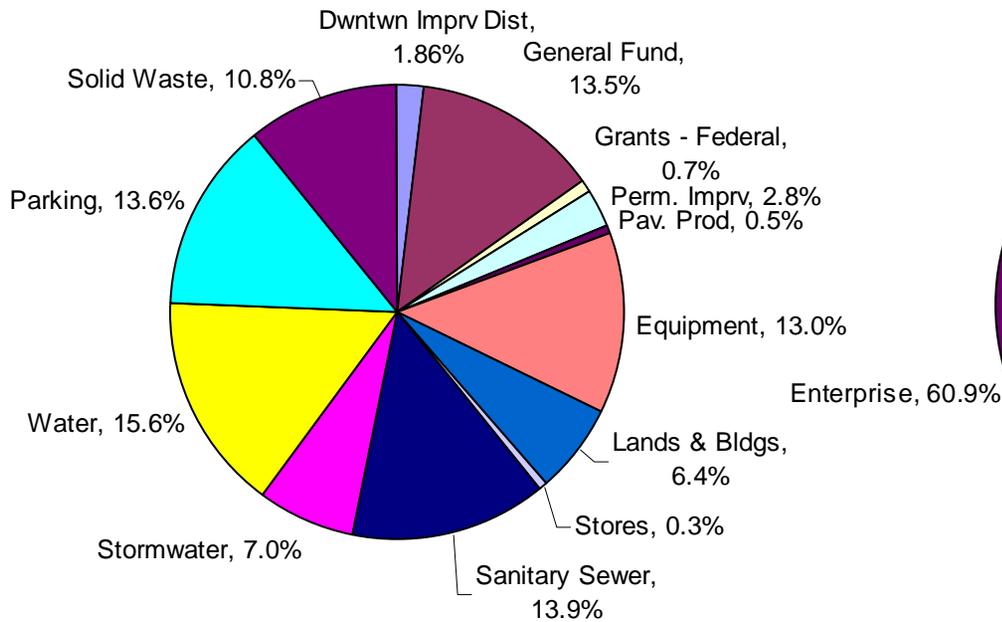
- Strong partnerships & collaboration**
- Maximize the value of every dollar spent**
- Customer Service is a top priority**
- Improve the Infrastructure & Environment**
- Focus on People**

Public Works Significant Events /Accomplishments

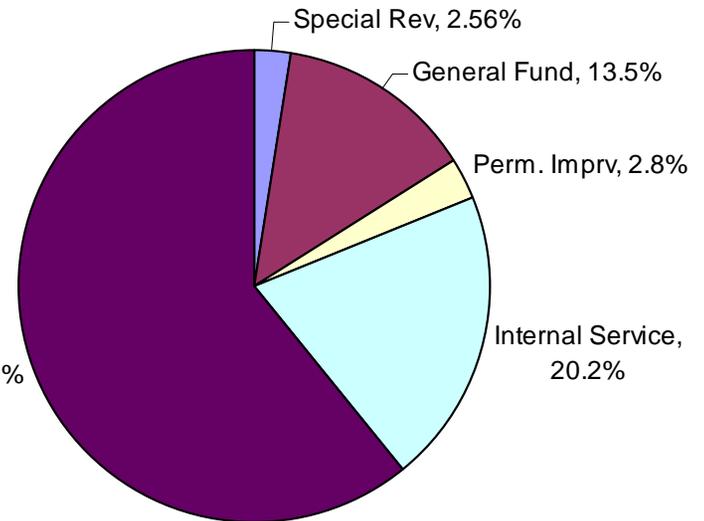
- **Hiawatha Maintenance Facility**
- **Downtown Action Plan Progress**
 - » **Hennepin and 1st – Two-Way**
 - » **Marquette and 2nd Avenue**
 - » **13th Street South**
- **Camden Bridge**
- **Chicago Avenue Reconstruction**
- **Water Filter Press Facility**
- **Infrastructure Acceleration Program**

Public Works 2011 Mayor's Recommended Budget Total Operating Expenditures by Fund [\$312.3 million]

All Public Works Funds



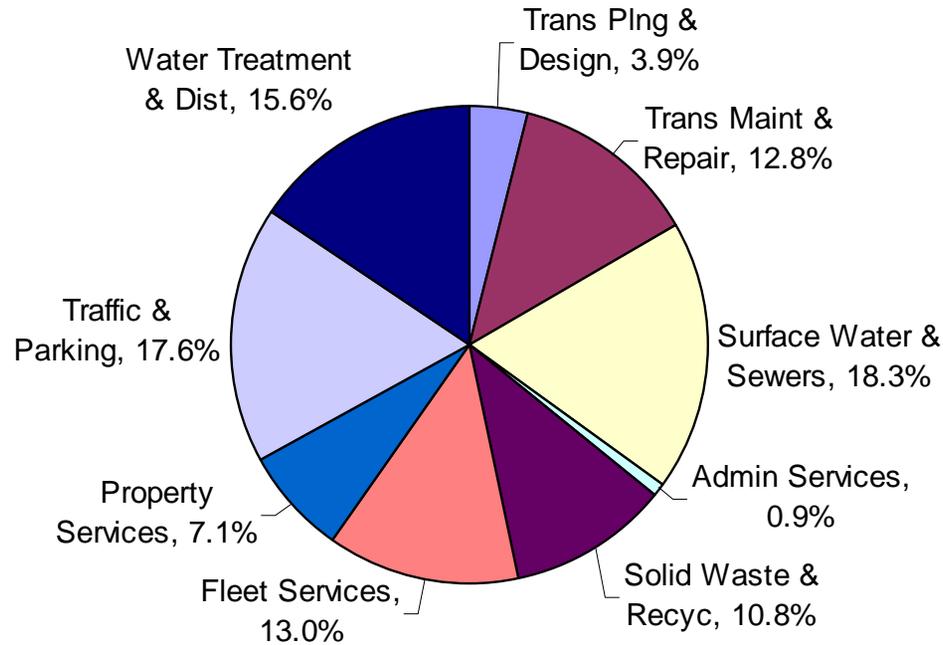
Fund Categories



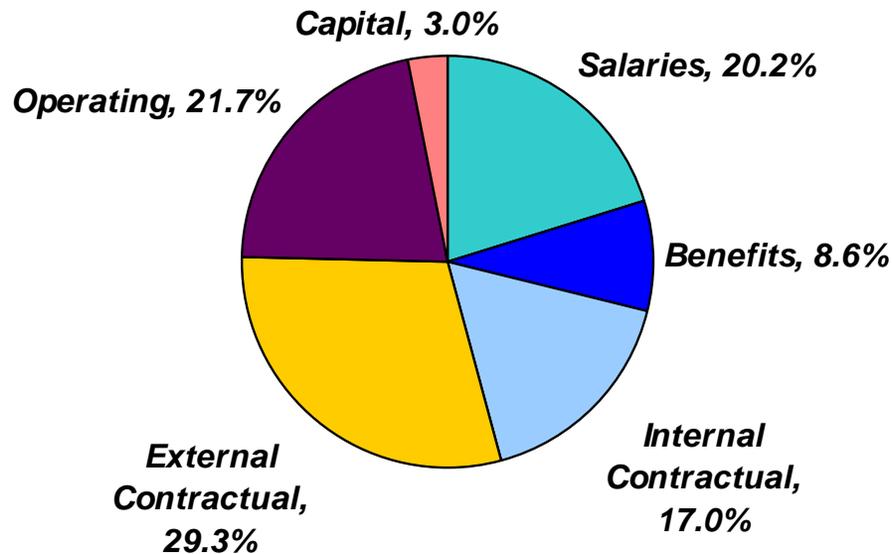
ref Budget Book – 498

Dept. Overview

Public Works 2011 Mayor's Recommended Budget Total Operating Expenditures by Division [\$312.3 million]

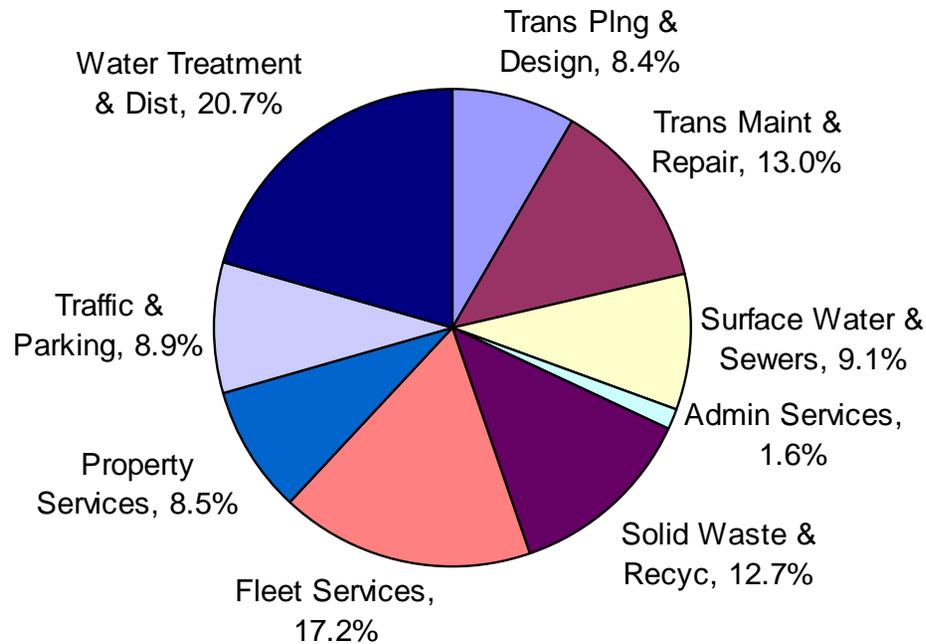


Public Works 2011 Mayor's Recommended Budget Total Operating Expenditures by Type [\$312.3 million]



ref Budget Book – 498

Public Works 2011 Mayor's Recommended Budget Total Operating FTEs by Division [1,001]



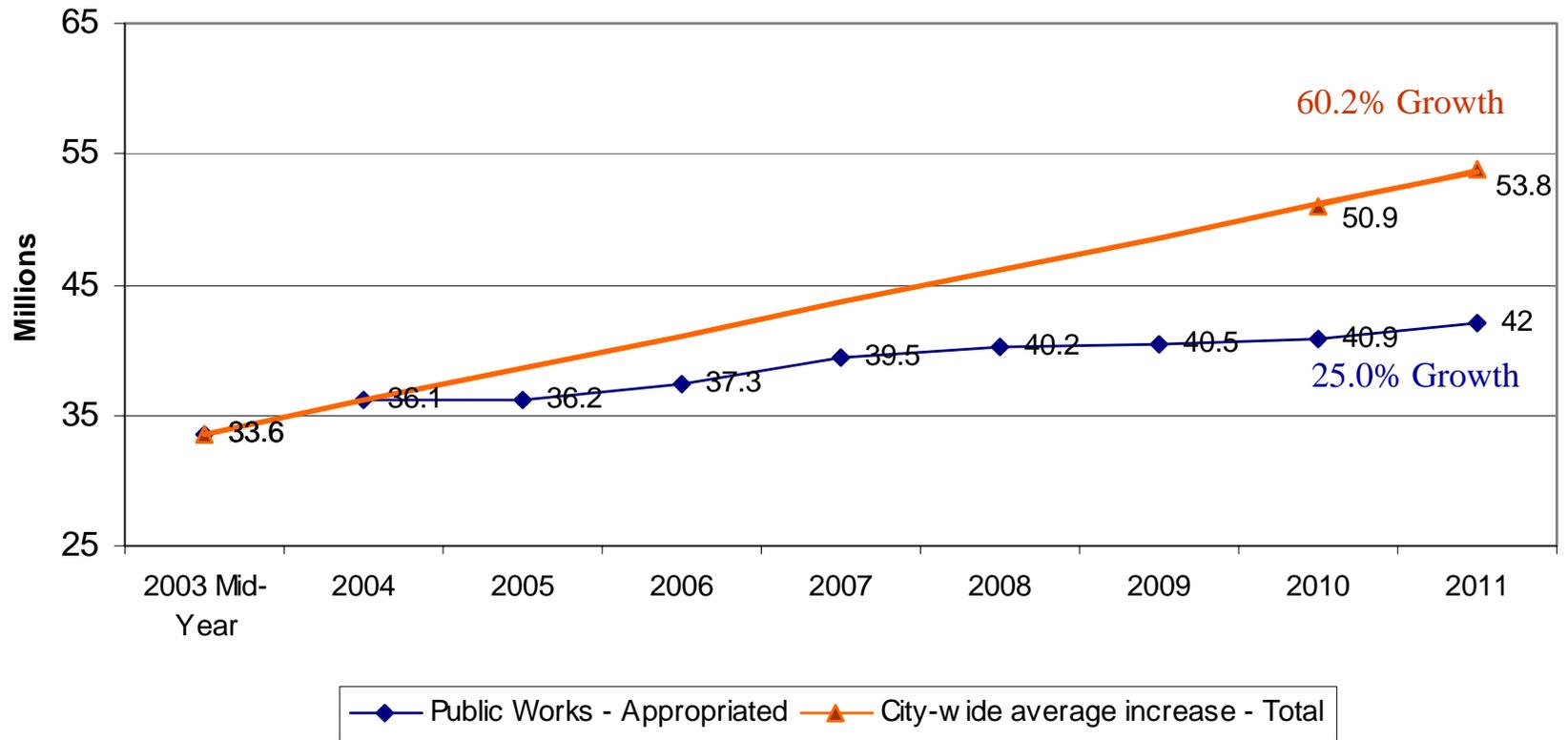
ref Budget Book – 501

Public Works 2011 Health Care Savings

	Health Care Savings	Add'l Exp WiFi	Add'l Exp MERF
Total General Fund	\$143,787	\$51,662	
Total Permanent Improvement	\$46,656		
Total Internal Service Funds	\$238,464	\$84,232	\$223,487
Total Enterprise Funds	\$433,080	\$235,911	\$789,553
Total	\$861,987	\$371,805	\$1,013,040

Public Works General Fund Discussion

Public Works General Fund Increase Less Than City-wide Average – Operating Budget



General Fund Infrastructure

The transportation system includes: (responsibility of the City)

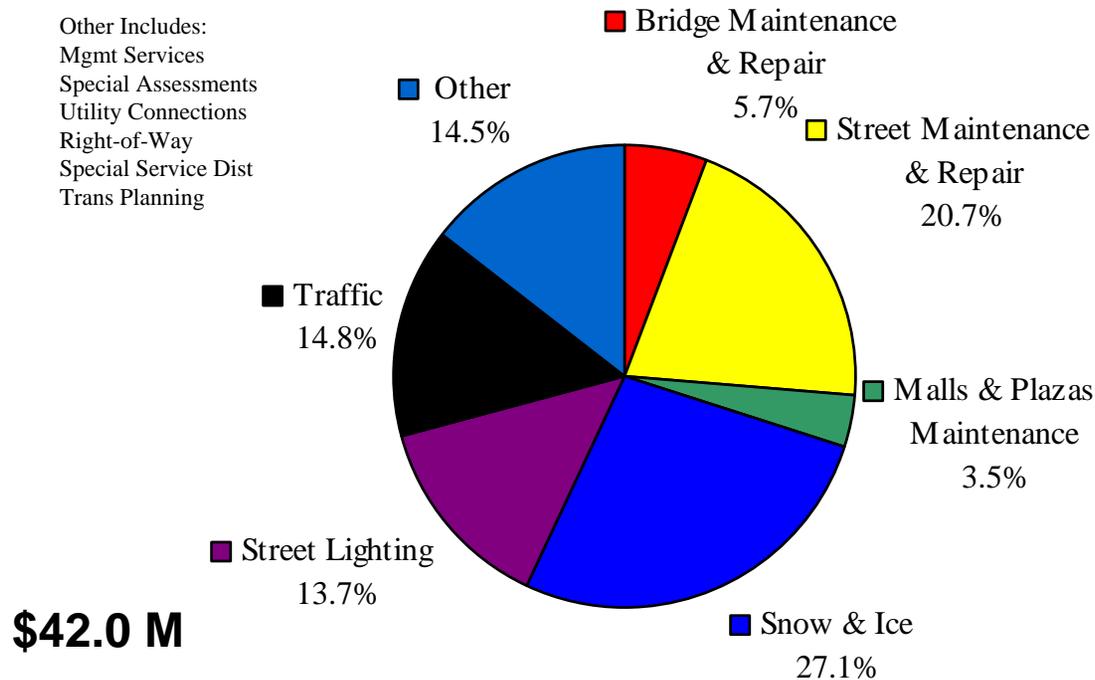
Maintenance and Repair:

- **Streets, Parkways, & Alleys** (1,069 miles of streets; 379 miles of alleys)
- **Sidewalks** (1,900 miles of sidewalks)
- **Bridges** (directly responsible for maintenance on 111 bridges)
- **Bikeways** (15 miles of off-street bikeways; 35 miles of on-street bike lanes)
- **Green spaces, Malls & Plazas, & Streetscapes (303 Acres)**

Traffic:

- **Traffic Signals, Signs, and Markings** (804 signalized intersections; 100,000 signs; 300 miles markings)
- **Street Lights** (17,000 street lights)

2011 Mayor's Recommended Operating Budget - General Fund Allocation within Public Works



General Fund



Bridge Maintenance and Repair

5.7% \$2.4 M

- Repairs
- Preventive Maintenance
- Graffiti Abatement



Street Maintenance and Repair

20.7 % \$8.7 M

- Street Patching and Repair
- Utility Cut Restoration
- Minimal Preventive Maintenance
- Some IAP Capital funding to augment these activities



Malls and Plazas Maintenance

3.5% \$1.5 M

- Loring Greenway
- Peavey Plaza
- Hennepin – Dunwoody
- Roadway medians (i.e. Central, Broadway, Washington)
- Triangle Park



General Fund

Snow and Ice

27.1% \$11.4 M

- Citywide snow and ice control
- Post-storm clean-up
- Sidewalk clearing enforcement



Street Lighting

13.7% \$5.7 M

- Design, install and maintain 20,000 streetlights
- 12 day response time
- Some IAP Capital funding to augment these activities



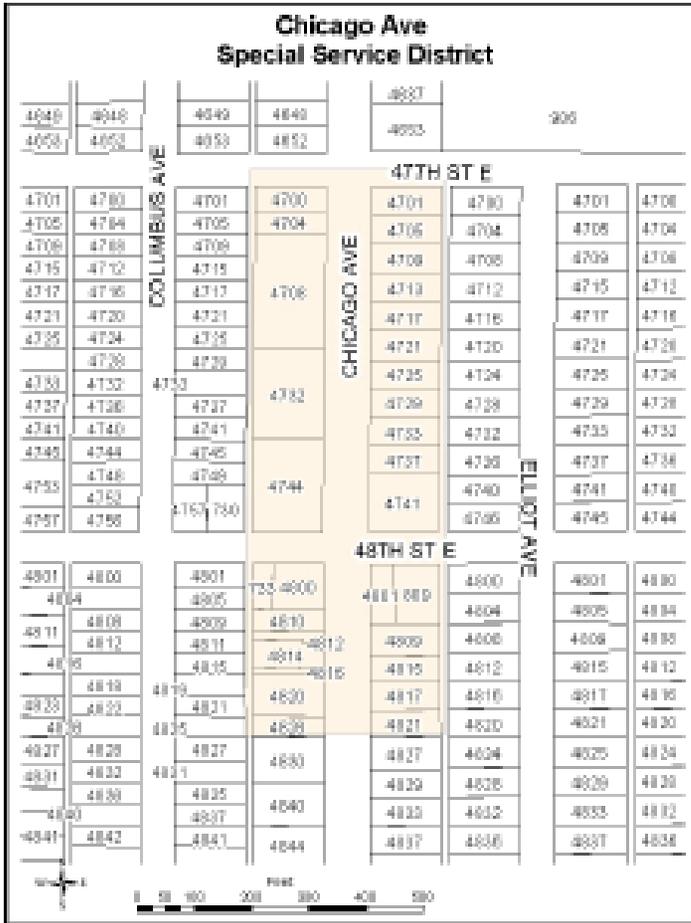
Traffic

14.8% \$6.2 M

- 120,000 Street Signs
- 800 Traffic signals
- Roadway striping



Other
14.5% \$6.1 M



Other includes: Mgmt Services, Special Assessments, Bridge Inspections, Utility Connections, Right-of-Way, & Special Service Districts, Trans. Planning

General Fund

Actions to achieve the 5-Year Financial Direction

General Fund (00100)

\$816,000 – Gap between Current Service Level and 5-Year Financial Direction

\$429,000 – Additional revenue generated in 2011 to cover the required reduction in the 5-Year Financial Direction.

- Renegotiated state maintenance agreements for Trans. Maintenance & Repair
- Revenue from Traffic capital project overheads that was not being captured in the general fund where expenditures were incurred

\$387,000 – One-time transfer of IAP revenue to fund street maintenance in the General Fund

- Reduces IAP funding for sealcoating in Capital Program

General Fund

Mayor's Recommended Initiative (unfunded projects)

Transportation Planning & Engineering

- Transportation Planner \$ 98,000
- One-time funds \$430,000
\$528,000

One-time funds will cover expenses of projects like the East/West Spine, Street car study, Transit Access, Central Corridor LRT, and for staff time to be part of the Northern Lights Express and the 35W Solutions Alliance and other task forces that are similar.

General Fund

Trends & Challenges

Trends and Challenges:

- Lack of stable, predictable funding source for transportation.
- Successive years of General Fund reductions have adversely impacted City's related infrastructure (Streets & Traffic)
- Current roadway condition are requiring more re-active maintenance which reduces dollars available for preventative maintenance
- Costs for materials and service growing faster than current service level adjustments

General Fund

Infrastructure Study

Transportation Infrastructure to include:

- Streets – Bridges – Traffic Signals – Lighting

Objectives:

- Report on condition of infrastructure
- Report on anticipated future condition based on current and additional funding levels
- Report on comparable cities – funding and infrastructure conditions
- Alternative funding options
- Analysis of outcomes based on prioritizing infrastructure spending
 - Projected conditions resulting from different prioritization scenarios

General Fund

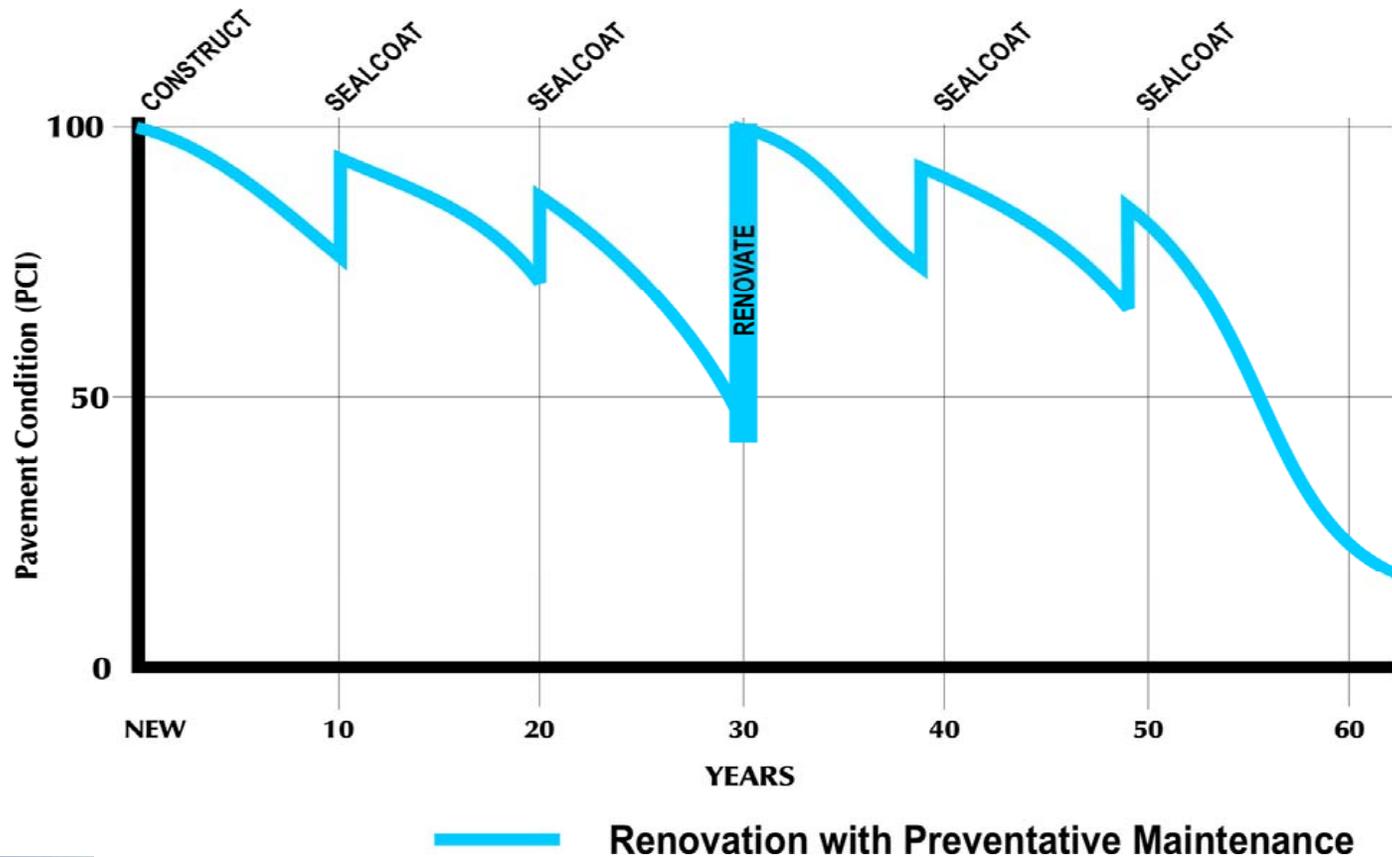
A New Level of Investment

The Minneapolis Street System – A Significant Asset



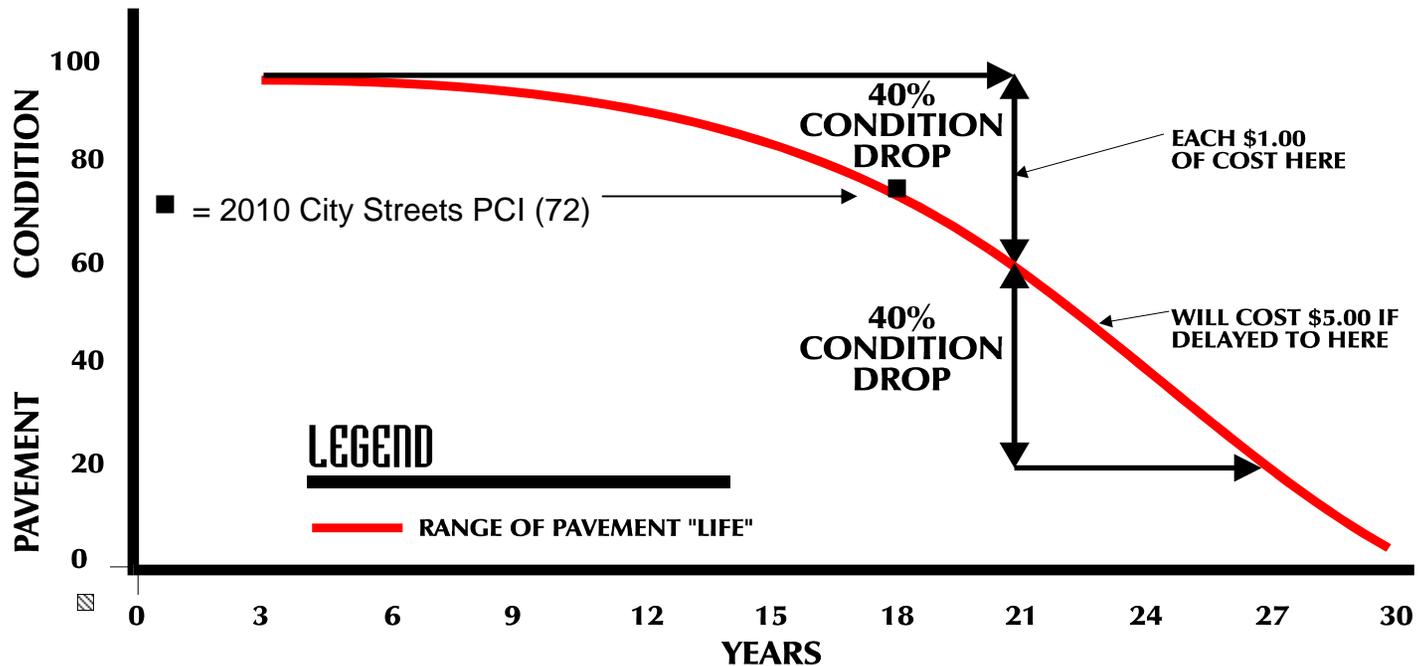
A New Level of Investment

Lifecycle Street Maintenance Chart



A New Level of Investment

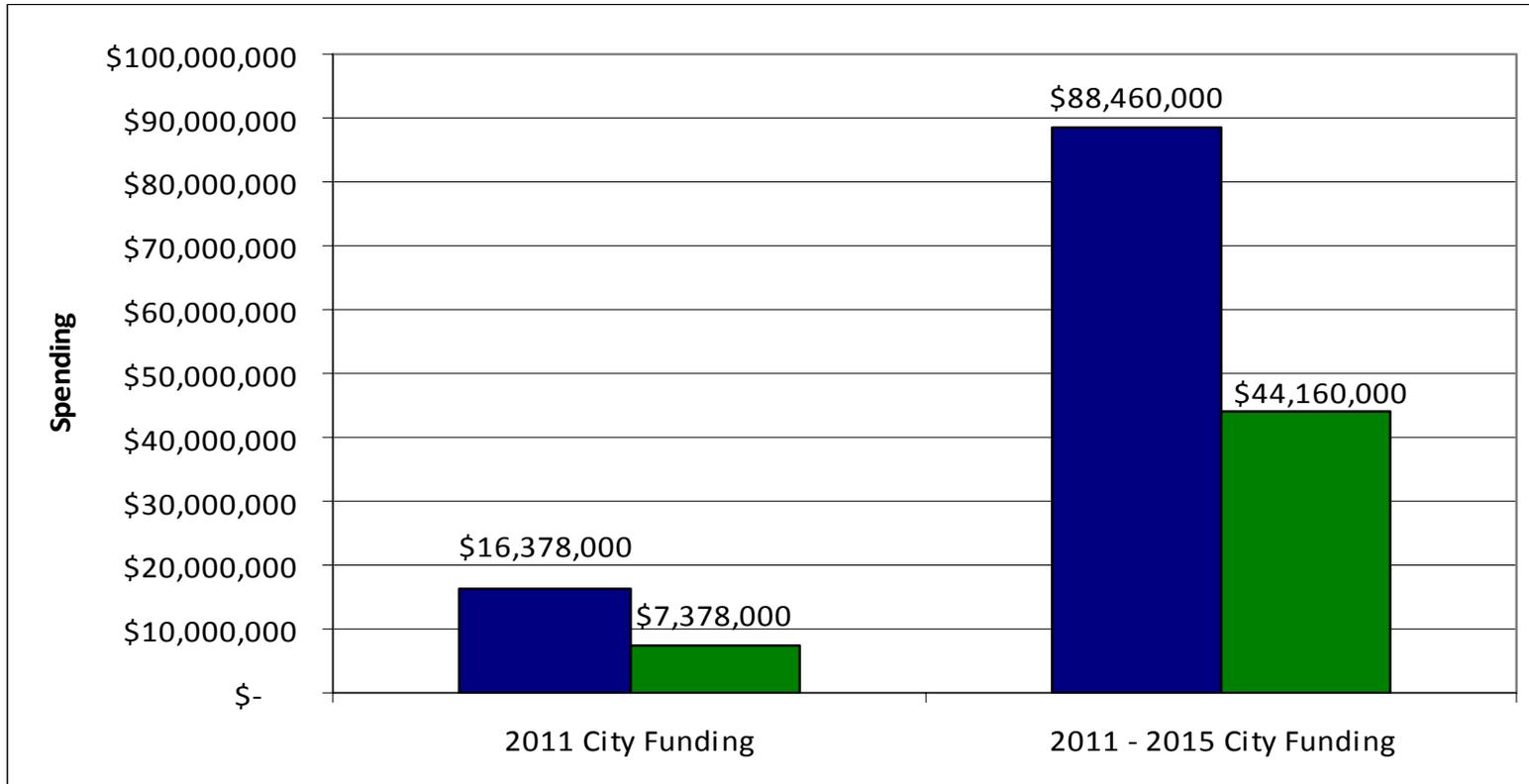
Lifecycle Street Maintenance Chart THE COST OF "TIMELY" MAINTENANCE...



A New Level of Investment

Plan A – Current Law Budget

Plan B – State Deficiency Budget



A New Level of Investment

Alley Renovation	Current Law Budget 5 YR	State Deficiency Budget 5 YR
City Funding	\$5,128,000	\$1,128,000
Results	13 Miles	8 Miles Not Renovated
Pavement Resurfacing	Current Law Budget 5 YR	State Deficiency Budget 5 YR
City Funding	\$47,757,000	\$17,457,000
Results	170 Miles	66 Miles Not Resurfaced
Major Pavement Maintenance	Current Law Budget 5 YR	State Deficiency Budget 5 YR
City Funding	\$12,413,000	\$2,413,000
Results	372 Miles	300 Miles Less Preventative Maintenance

Public Works Enterprise Division / Funds

- Water
- Surface Water & Sewers
 - Sanitary Sewer Fund
 - Stormwater Fund
- Solid Waste & Recycling
- Traffic & Parking Services (parking portion)

Water Treatment & Distribution



Enterprise Funds

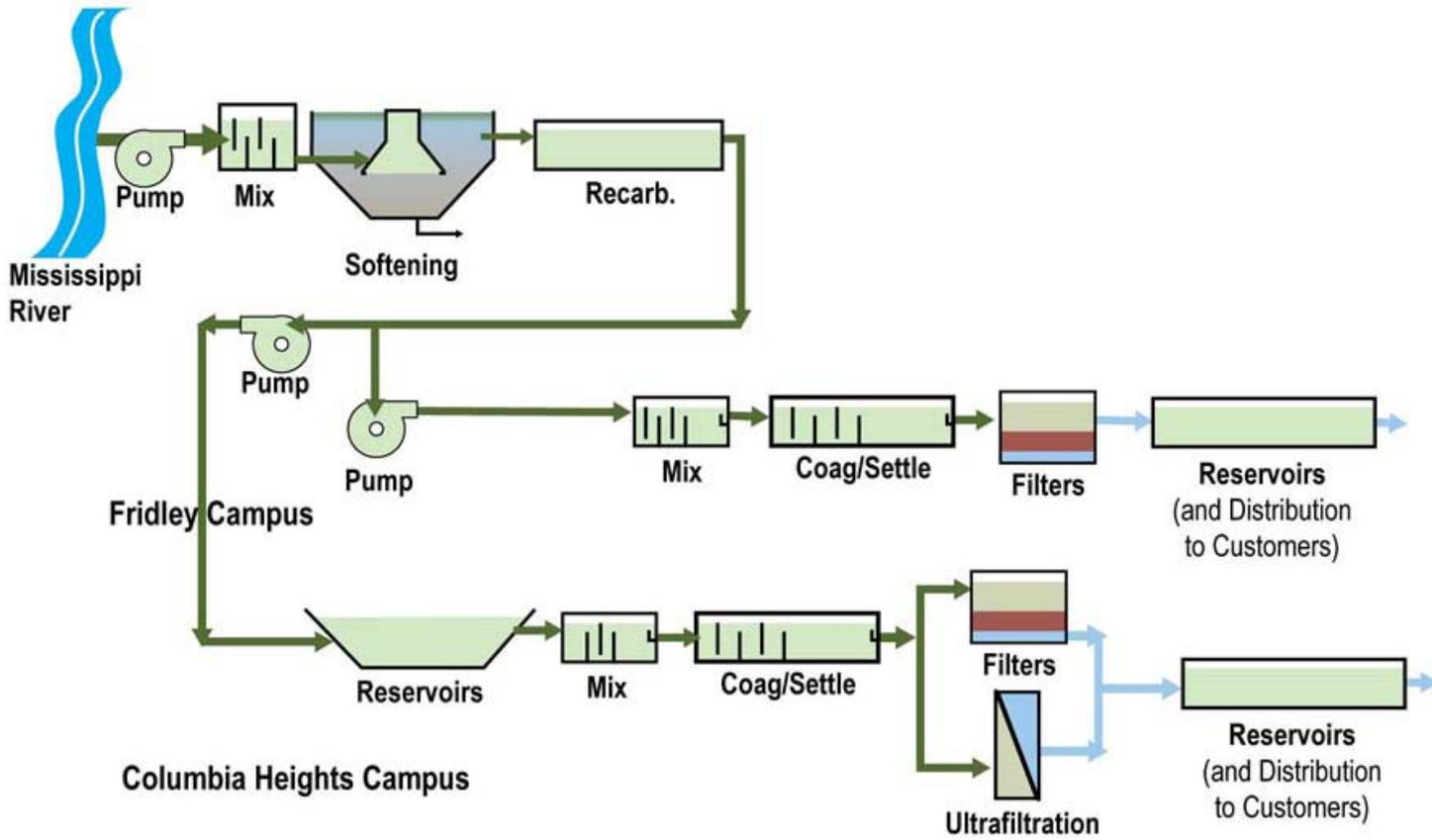
Water Fund

Drinking Water System

Current Drinking Water System Infrastructure Elements:

- 2 Water Treatment Campuses
- Average water production: 58 MG per day/21 BG per year
- 8 Finished water reservoirs – with 130 million gallons of storage capacity (about 2 day supply)
- 12 Pump Stations
- 1,000 miles of pipe (range from 6” to 84” in diameter)
- 8,000 hydrants
- 16,500 valves
- 15,000 maintenance access holes (manholes)

Water Fund MWW Treatment System



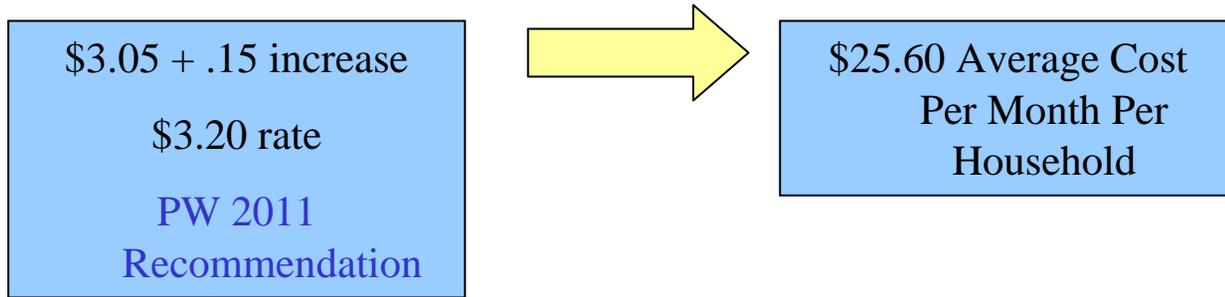
Water Trends and Challenges - 2011

- The Water division's financial situation is improving:
 - Identifying commercial meters not reading correctly – increased revenue will result
 - Reducing costs where possible
 - Low fund balance is improving
- Aging water infrastructure (plant & distribution lines-750 miles unlined)
 - Testing meters more regularly
- Distribution losses are greater than department goal
- Reduction in water consumption by consumers (residential & comm'l)

2011 Water Recommendations

- Water Priority Improvements Plan
 - Identify prioritized studies and high value improvements to provide another 20 to 30 years of useful life for assets
 - Focus on projects that provide:
 - A rapid payback
 - Improved reliability
 - Improved water quality
 - Reduced costs
 - Replacement limited to those assets that cannot adequately operate during the timeframe
- Reinstating cleaning and lining program
- Looking into redundant water supply source options

Recommend Increase in 2011 Water Rate Based on the 2010 approved plan



- Rate is the cost per 100 cubic feet; Average household cost is rate x 8 units;

ref Budget Book – 155

Water Rates – Fund 7400

Recommended Rates			
Year	Rate (cost per 100 cubic feet)	Cost per Month for avg household (Rate x 8 units)	% Increase
2010	\$3.05	\$24.40	
2011	\$3.20	\$25.60	4.9%
2012	\$3.36	\$26.88	5.0%
2013	\$3.54	\$28.32	5.4%
2014	\$3.72	\$29.76	5.1%
2015	\$3.91	\$31.28	5.1%

Water Fund

Efficiencies/Cost Saving Measures

- Continue cost reduction efforts
 - Filter Press saves on sludge hauling
 - Structural lining saves on winter repairs
 - Preventative maintenance will save staff time in maintenance



Sanitary Sewer



Sanitary Sewer Fund

Sanitary Sewer System

Current Sanitary Sewer System Infrastructure Elements:

- 772 miles of sanitary pipe (date as far back as 1870)
- 5.5 miles of sanitary tunnels
- 10 sanitary pump stations
- 29,000 maintenance access holes (manholes)

ref Budget Book – 145 & 517

Sanitary Sewer

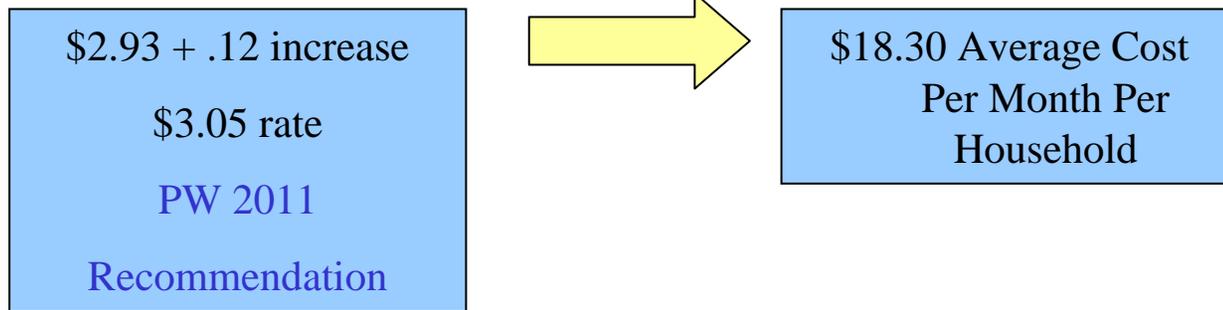
Trends & Challenges - 2011

- Goal of no CSO events (2 in 2010 after 3 years of no overflows 06-09)
 - CSO is short for Combined Sewer Overflow
- Revenue projections versus actual (tied to Water consumption)
- Evaluate a more stable rate structure
- MCES I & I surcharge program (Inflow & Infiltration)
- MPCA CSO Permit

Recommendations - 2011

- Slight decrease to the Mayor's recommended rate plan

Recommend Increase in 2011 Sanitary Sewer Rate Based on updated Sanitary information



- Rate is the cost per 100 cubic feet; Average household cost is rate x 6 units;

Sanitary Rates – 07100 Fund

Mayor's Recommended Rates			PW Recommended Rates		
Year	Rate (cost per 100 cubic feet)	Cost per Month for average household (rate x 6 units)	Rate (cost per 100 cubic feet)	Cost per Month for average household (rate x 6 units)	% Increase
2010	\$2.93	\$17.58	\$2.93	\$17.58	
2011	\$3.17	\$19.02	\$3.05	\$18.30	4.1%
2012	\$3.41	\$20.46	\$3.18	\$19.08	4.3%
2013	\$3.65	\$21.90	\$3.29	\$19.74	3.5%
2014	\$3.89	\$23.34	\$3.42	\$20.52	4.0%
2015	\$4.09	\$24.54	\$3.57	\$21.42	4.4%

ref Budget Book – 146

Sanitary Efficiencies / Cost Saving Measures

- Cured in Place sanitary sewer pipe lining is roughly one-third the cost of total pipe replacement under the street.



Storm / Surface Water



Bassett Creek Tunnel

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Enterprise Funds

Stormwater Fund

Surface Water Drainage System

Current Stormwater Drainage System Infrastructure Elements:

- 600 miles of stormwater pipe
- 16.7 miles of stormwater tunnels
- 28 stormwater ponds and wetlands
- 25 storm pump stations
- 147 grit chambers
- 500 outfalls
- 18,900 maintenance access holes (manholes)
- 30,000 catch basins/inlets

ref Budget Book – 149 & 520

Stormwater

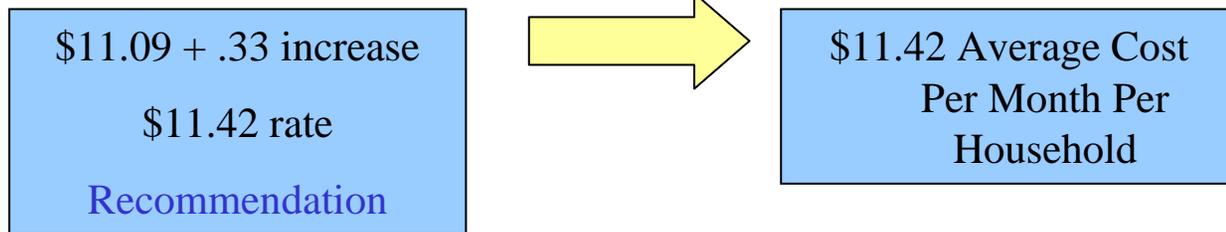
Trends & Challenges - 2011

- Fund Balance is positive
- Funding stream is stable
- Need for accelerated maintenance of Storm Tunnels has caused the increase of capital spending on a storm tunnel program.
- MPCA MS4 Permit – new draft language

Recommendations for 2011

- No modification to adopted rate plan for 2011

Recommend Increase in 2011 Stormwater Rate Based on the 2010 approved plan



Stormwater Program & Rates – Fund 7300

Recommended Rate			
Year	Rate / ESU (Equivalent Stormwater Unit) = 1,530 square feet of impervious surface	Cost per Month for average household	% Increase
2010	\$11.09	\$11.09	3.0%
2011	\$11.42	\$11.42	3.0%
2012	\$11.70	\$11.70	2.5%
2013	\$11.93	\$11.93	2.0%
2014	\$12.17	\$12.17	2.0%
2015	\$12.41	\$12.41	2.0%

Estimated Additional Revenue - each 1 cent = \$30,000

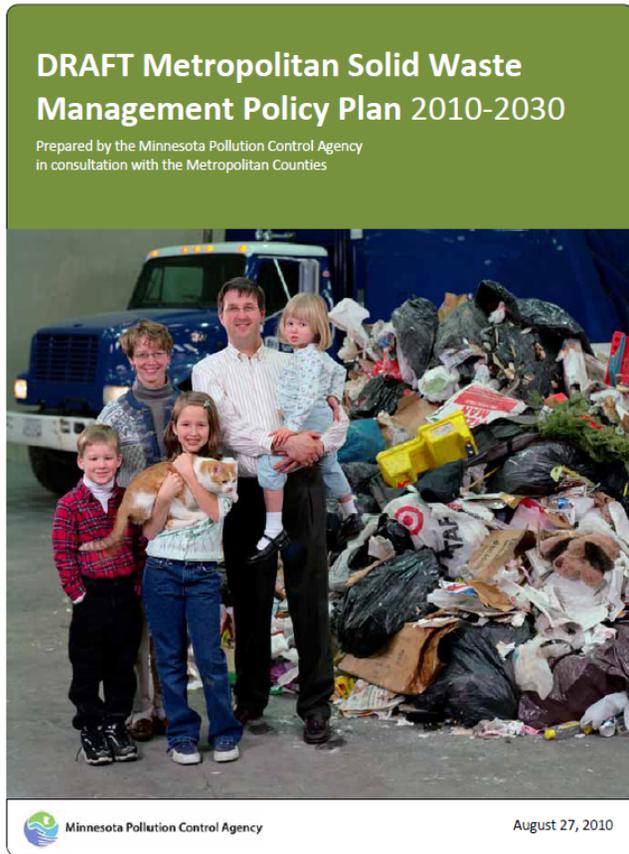
Solid Waste & Recycling



ref Budget Book – 141 & 514

Enterprise Funds

Solid Waste & Recycling Trends & Challenges - 2011



- Upcoming state and county policy and regulatory changes that govern solid waste management.
 - Metropolitan Solid Waste Plan
 - Hennepin County Master Plan
- Aligning Minneapolis Solid Waste & Recycling activities with state and county policies.
 - Recycling
 - Organics
- Our role in the regional solid waste discussion.

Solid Waste Program & Rates – Fund 7700

- Public Works is recommending that the Solid Waste & Recycling base rate for 2011 remain at \$24.00, prior to a recycling rebate and the cart fees.
- Public Work recommends that the fee for a large solid waste cart be raised from \$4.00 per month to \$5.00 per month. Small cart fees will remain at \$2.00 per month. This increase is intended to provide incentive to residents to modify their habits and thus reduce the solid waste stream and recycle more.
- Rate Table - Solid Waste & Recycling fees (per month, per dwelling unit)

	2010 Adopted	2011 Proposed	% Change
Base fee for collecting garbage & recyclables	\$24.00	\$24.00	
Recycling credit	(\$7.00)	(\$7.00)	
Large cart fee	\$4.00	\$5.00	
Small cart fee	\$2.00	\$2.00	
Average total customer bill for large cart holder	\$21.00	\$22.00	4.8%

2011 Impact on Typical Household

- Residential Average Monthly Bill

	Current 2010	Proposed 2011	
Sanitary	\$17.58	\$18.30	Rate x6 Units
Storm	\$11.09	\$11.42	Rate x1
Water	\$24.40	\$25.60	Rate x8 Units
Solid Waste	\$21.00	\$22.00	Rate x1
Total	\$74.07	\$77.32	

Parking



Parking Fund

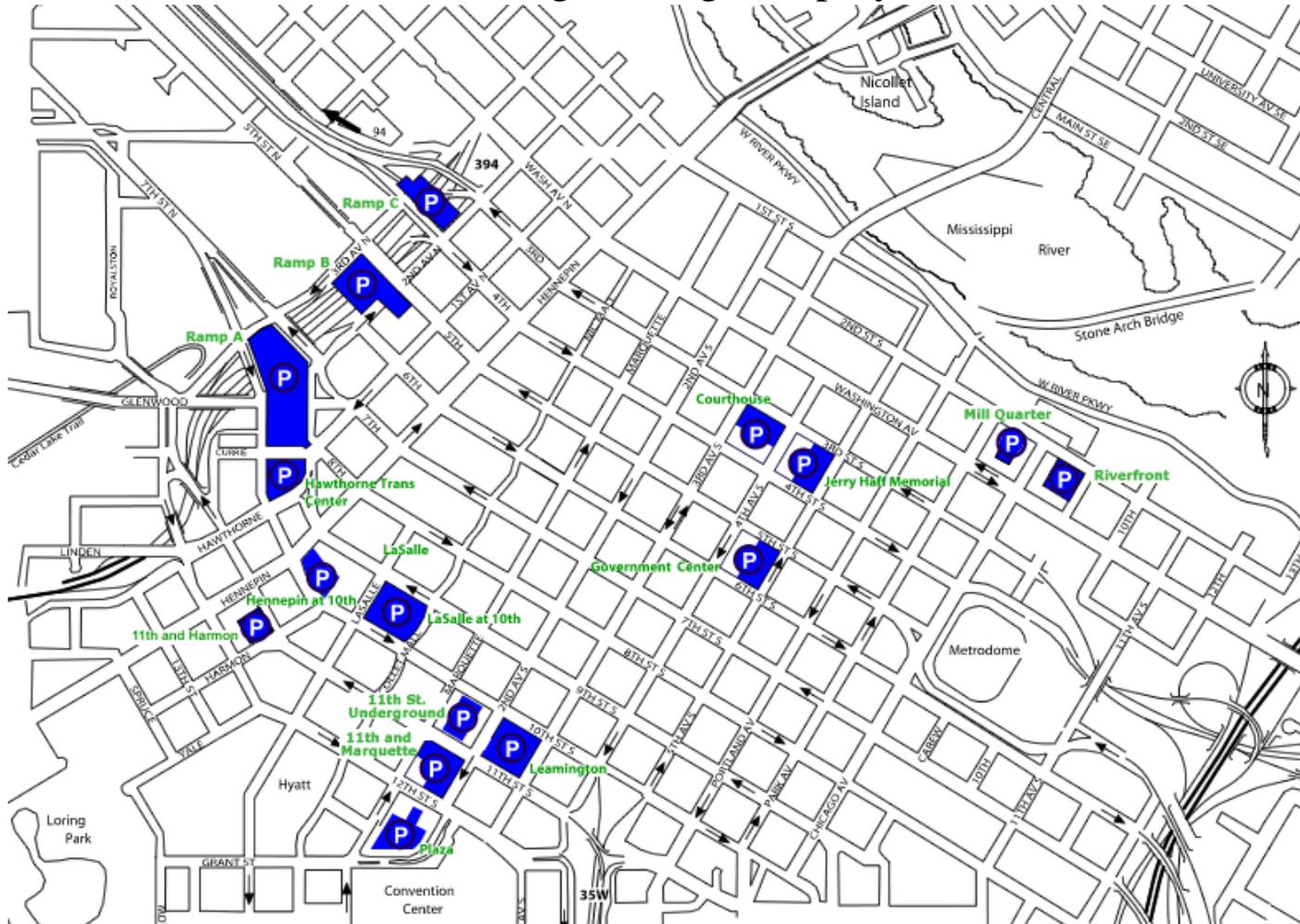
Traffic & Parking Services

- # of Parking Ramps = 17
- # of Parking Stalls (ramps) = 18,985
- # of Parking Lots = 8
- # of Parking Stalls (lots) = 1,343
- # of Parking Meters = 6,400
- # of Bike lockers = 246
- Length of skyways maintained = 9,250 feet or 1.75 miles
- # of vehicles impounded (2009) = 36,140

ref Budget Book – 136 & 523

Parking Fund - Traffic & Parking Services

2009 Existing Parking Ramp System*



***Vineland Ramp** at the Walker Art Center is just off the map in the lower left.

Parking Fund Trends & Challenges - 2011

Completing the Parking Financial Plan (late 2010/early 2011)

- Parking Initiatives
 - New parking meters
 - Automation/Centralization
 - RFP for Parking Operator
 - Economy
 - Capital needs
- Finance Initiatives
 - Debt – reduction and restructuring payments
 - Fund transfers
 - General Fund dividend
 - Other

Internal Services Business Line

Engineering Materials and Testing (Fund 06000)

Central Stores (Fund 06300)

Fleet Services (Fund 06100)

- Fleet Supply & Management
- Fleet Maintenance
- Fuel Supply
- Rental Fleet
- Drivers & Operators Dispatch

Property Services (Fund 06200)

- Radio Procurement, Installation and Maintenance including 800 Mhz and Mobile Data Computers
- Facility Maintenance and Management
 - Property Services expenses are tracking slightly higher than their revenues

Fleet Services

ref Budget Book – 168 & 507



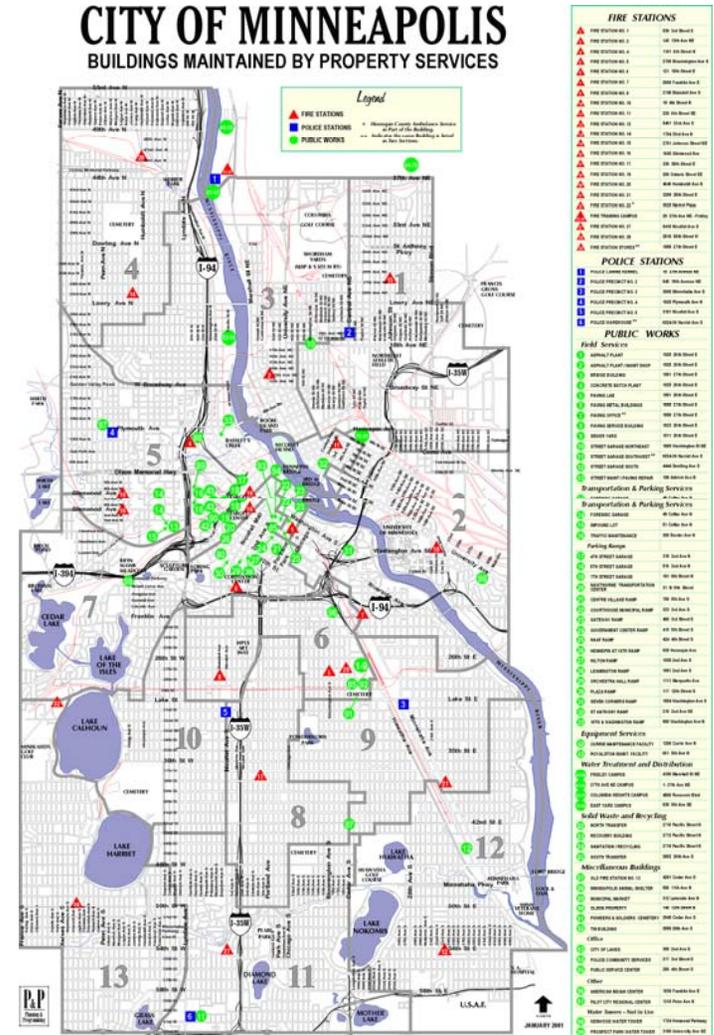
Fleet Services Trends and Challenges

- Forecasting and managing balanced equipment and personnel resources across winter and summer and across construction and maintenance.
- Sustainable fleet and alternative fuels are being accomplished within current service level operating and capital budgeting
- Fuel costs
- Fuel Strategies: Consortium purchasing - Future of E85

ref Budget Book – 168 & 507

Property Services

ref Budget Book – 172 & 510



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Internal Service Funds

Property Services

Trends and Challenges

- Energy Management
- Strategic Space Planning
- Increased indirect costs
 - General Fund Overhead
 - MERF Pension

2011 Mayor's Recommended Public Works Operating Budget (in millions)

Agency	Agency Name	General	Down town Imprvmt District	Grants - Federal	Perm. Improve	Paving Products	Equipment	Lands & Buildings	Stores	Sanitary Sewer	Stormwater Fund	Water	Parking	Solid Waste	
		00100		01300	4100	6000	6100	6200	6300	7100	7300	7400	7500	7700	TOTAL
600	Trans. Plng & Eng.	2.6			8.1	1.5									12.2
607	Trans. Maint. & Repair	24.7	5.8		0.7						8.1				39.3
630	Surface Water & Sewers - Stormwater										13.8				13.8
631	Surface Water & Sewers - Sanitary									43.5					43.5
640	TP & E Paving Products								0.7						0.7
650	Mgmt. Services - Administration	2.8													2.8
664	Solid Waste & Recycling Services													33.8	33.8
675	Fleet Services						40.6								40.6
680	Property Management			2.2				20.1							22.3
685	Traffic & Parking Services	12.0							0.3				42.6		54.9
690	Water Treatment & Distribution Services											48.6			48.6
	TOTAL	42.1	5.8	2.2	8.8	1.5	40.6	20.1	1.0	43.5	21.9	48.6	42.6	33.8	312.5

