

FISCAL -REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary-2005 Proposed Budget: DPW – Operations Division

Building and Fleet Sections

**Administration
Fleet Services
Operations & Dispatch
Facilities Development & Management**

1. The 2005 proposed budget for DPW-Buildings and Fleet Services is \$30,430,642, a 5% reduction from 2004 (Page 2).
2. Various position changes are proposed through Building and Fleet Services including the net reduction of 100 positions, 74 of which are unused auxiliary. These position eliminations, while predominantly vacant and unneeded auxiliary, include 7 positions currently filled (Pages 3-6).
3. The elimination of positions, especially those in facilities maintenance, will most likely increase the time needed for building repairs and custodial services (Pages 5-6).
4. Non-capital equipment purchases fleet services in the 2005 proposed budget total \$616,625, a decrease of 29% from 2004. No autos will be purchased (Pages 4-5).
5. In 2005, DPW will work with the Department of Administration to analyze reductions to the fleet including major capital purchases and the replacement cycle (Page 5).
6. The City Hall Restoration project is budgeted for \$8.2 million for 2005 (Pages 7-8).
7. Capital Improvements are budgeted for **\$23,403,073** in the 2005 proposed budget, including \$6.52 million for major capital equipment (Pages 8-10).

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2005 Proposed Budget Summary: DPW – Operations Division

**Administration
Fleet Services
Operations & Dispatch
Facilities Development & Management**

2005 Proposed Budget Overview

Section	2003 Actual	2004 Budget	2005 Proposed	Change
Administration	\$753,581	\$586,213	\$596,420	1%
Fleet Services	\$11,657,573	\$11,699,056	\$11,033,260	-5%
Operations/Dispatch	\$10,299,410	\$10,091,088	\$9,543,184	-5%
Facilities Dvlp&Mgnt.	\$11,529,462	\$9,721,676	\$9,257,778	-4%
Total	\$34,240,026	\$32,098,033	\$30,430,642	-5%
<i>Capital*</i>	\$7,740,684	\$26,202,000	\$26,021,000	<1%

* *Reflects capital funding for projects appropriate to DPW-Operations, Fleet Services and Facilities Development and Management.*

Historical Information

The creation of the DPW-Operations Division in 2002 was designed to promote flexibility in the assignment of human resources around sanitation, forestry and driving-related operations. The reorganization simplified operations by removing barriers that had prohibited the interchange of personnel when short-term vacancies existed or seasonal-related duties came to a close.

The following DPW-Operations Division sections are included in this review:

Administration Section

The **Administration Section** of the Operations Division provides administrative and financial service support to the various operations sections of the division: Sanitation, Forestry, Fleet Services, Operations/Dispatch and Facilities Development and Management.

Fleet Services

The **Fleet Services Section** provides equipment to other DPW divisions and operates and maintains DPW's centralized fleet of over 4,000 motor vehicles and related equipment. The Fleet Services section provides this equipment to other DPW divisions (excluding the Water Works, Sewer Maintenance Fund and Parking Fund) free of charge. It also rents vehicles and

equipment on a permanent or temporary basis to other city departments. This section maintains vehicles owned by the Library, Health Department, Police and Water Works.

Operations/Dispatch

The **Operations/Dispatch Section** provides personnel for equipment operations.

Facilities Development and Management

The **Facilities Development and Management Section** provides building services, such as overseeing construction and maintenance at city facilities, excluding the Port of Milwaukee and the Milwaukee Public Library. These sections oversee 160 of the city's 220 buildings.

The merger of the Design and Construction Section with the Facilities Management Section has created efficiencies in the sharing of more responsibilities among the management team. In 2005, an estimated \$100,000 in annual savings will be realized by eliminating one of the management positions. Each manager has become more familiar with each other's daily activities, administrative duties, written and oral reporting requirements and overall operations.

In 2002, a condition assessment report was prepared for 109 DPW buildings and structures. This assessment, leading to a condition report, rated 89% of the building surveyed less than "good" with 82.6% rated "poor." This assessment did not separate the site from the building, which in some cases lowered the rating of the building. In 2005, DPW expects to have access to new measuring tools that will separate site from building and more accurately rate the facility condition.

Analysis by Section

Various position titles throughout Buildings and Fleet have been retitled or reclassified in order to reflect new duties assumed by managers, supervisors and frontline staff, in light of a proposed smaller workforce.

Administration

Net salary and wage expenses for 7 positions within the Administration Section total **\$388,250**. No personnel changes are proposed for 2005.

The 2005 proposed budget includes **\$30,000** for Other Operating Services. These services include mileage reimbursement and the consolidation of cost items such as repair, property and information technology services.

Professional Services is budgeted for **\$25,000**. This budget line is to pay expenses for outside consulting services.

The proposed Operating Expenditure total for 2005 is **\$65,000**, a similar amount as 2004.

Fleet Services

Net salary and wages total \$ 4,715,908, a 5% reduction from 2004. The following personnel changes are proposed:

- 1 Field Service Mechanic
 - 2 Auto Maintenance Mechanics
 - 2 Vehicle Service Technicians
 - 5 Garage Attendants, 3 filled
 - 2 Vehicle Service Technicians Heavy are reclassified to Vehicle Evaluator
 - 1 Office Assistant II is reclassified to Vehicle Service Writer
 - 4 Field Service Mechanic (Auxiliary) are added
- } *Eliminated*

Fleet Services position summary: 10 eliminations of regular positions with 6 vacant and 3 currently filled and the addition of 4 Auxiliary for a net decrease of 6 positions.

DPW-Operations will work with the at-risk employee and the Department of Employee Relations in order to find a solution for individuals in the currently filled positions.

Operating Expenditures total \$4,003,000 a less than 1% decrease from 2004.

- **\$2,800,000** is proposed for Tools and Machinery Parts. This amount is for repair parts and materials associated with the maintenance and repair of the DPW fleet equipment. This amount is reflective of historical experience and a decrease of \$62,000 from 2004.
- **\$725,000** is proposed for Vehicle Repair Services. These monies include the cost of repairs completed by private vendors. These services include spring repair, glass repair, and major aerial lift overhaul. Funding in this line item is used for both specialty repairs in-house or, when cost effective or during peak workload periods, to pay for outside vendors. This amount has been budgeted relative to historical expenditure experience and is an increase of \$25,000 from 2004.
- **\$312,000** is proposed for other operating expenses including supplies, rentals, and operating and property services.

Proposed equipment purchases total \$616,625 for 2005 as a component of the general operating budget. This amount reflects a 29% decrease from the 2004 budget.

Fleet Services monitors and maintains a fleet of equipment with a replacement value of approximately \$101.3 million.

If a piece of replacement equipment is less than \$50,000, it is budgeted in the operating expenses for the Fleet Section. Equipment purchases over \$50,000, with a life expectancy of at least 10 years, are budgeted under capital expenditures.

Proposed equipment purchases in the operating budget include:

- 1 brush chipper, \$29,000
- 1 concrete breaker, \$28,000
- 6 12-foot plows, \$42,000
- 1 roller, \$14,000
- Assorted trucks including (3) 2-yd. dump trucks, (3) 2-ton pickups, (2) 4-ton pickups, (1) 4.5 ton pickup with a plow, (1) platform truck with a compressor, (1) 11,000 platform truck, and (5) cargo vans 16 pieces total \$431,000.
- 15 pieces of computer hardware, \$32,625
- 1 engine diagnostic analyzer, \$5,000
- 1 scanner, \$5,000
- 5 vehicle lift racks \$30,000

In light of the recent Comptroller audit analyzing the City of Milwaukee's vehicle fleet, DPW-Operations has decided to include no funding for automobiles and has made the equipment purchase reduction in 2005. In 2005, DPW will work with the Department of Administration to further analyze reductions to the fleet including major capital purchases and the replacement cycle.

Operations/Dispatch

Net salary and wages total **\$5,223,297**. This total includes **\$920,726** for Overtime. This salary amount represents an 8% decrease from 2004. The following personnel changes are proposed:

- 1 Equipment Operations Supervisor I, 1 *filled* Clerk Dispatcher II and 1 *filled* Garage Custodian are eliminated
- 65 vacant auxiliary positions are eliminated. 61 of these positions are related to winter relief and snow operations drivers including 2 supervisory positions; 4 positions are auxiliary field service mechanics

Fleet Dispatch position summary: 68 eliminations with 65 vacant auxiliary, 2 vacant regular and 2 filled regular.

DPW-Operations will work with the at-risk employee and the Department of Employee Relations in order to find a solution for individuals in the currently filled positions.

Operating Expenditures total **\$2,439,500**, a 7% increase from 2004.

The 2005 proposed budget includes **\$2,000,000** for Energy. This budget item is for vehicle fuel and is an increase of 8% from 2004. This proposed expenditure is based upon historical information and an average cost of approximately \$1.37 per gallon, a 10% increase from 2003 and 2004. Fuel consumption is based upon average use but can vary dependent upon snow operations in the winter. Additionally, the price of fuel will vary contingent upon market conditions and world events. The cost of gasoline will be subject to the current volatility of the crude oil market. At this time, it is impossible to predict the actual expenditures for gasoline that may eventually be incurred by the end of 2005.

\$350,000 is included for Vehicle Rental in the 2005 proposed budget. This category is used for contingency rentals and for the commercial rental of specialty equipment.

\$79,000 is proposed for other operating expenses including supplies, rentals, and services.

Facilities Development and Management

Net Salaries and Wages total **\$3,512,322**. This total includes **\$250,000** for Overtime. The salary budget represents a 6% decrease from the 2004 budget. The following personnel changes are proposed:

- 13 vacant and unused auxiliary positions are eliminated
- 2 Building Services Supervisor SG 02 positions are eliminated to create 1 Area Maintenance Supervisor SG 04 position
- 1 Custodial Worker III position is added
- 5 Custodial Worker II/City Laborer positions are eliminated (1 **filled**)
- 4 Maintenance Technician II SG 258 positions are reclassified to Maintenance Technician III SG 268
- 3 Electrical Mechanic, 1 Carpenter, 1 Painter and 1 Bridge Laborer I (**filled**) positions are eliminated
- 1 Facilities Design and Construction Manager position is eliminated
- 1 Engineering Technician V position is eliminated
- 1 Architect III is reclassified to Architect IV
- 1 Mechanical Engineer III is re-titled to Methods and Standards Engineer

Facilities Development and Management position summary: 13 vacant auxiliary position eliminations and a net reduction of 13 regular city positions with 2 currently filled.

DPW-Operations will work with the at-risk employee and the Department of Employee Relations in order to find a solution for individuals in the currently filled positions.

The reduced facilities staff will result in increased time to respond to building maintenance and custodial needs, including window cleaning, vacuuming, mechanical, electrical and construction repairs. Staff response time will increase related to operation and repair needs, especially related to carpentry and painting. Critical items and emergencies will be the priority with routine maintenance backlogged. DPW estimates that backlogged maintenance will continue to be a concern. (DPW sites a book titled Stewardship of Federal Facilities, in which it is suggested that annual operating budgets should be funded at 2%-4% of the asset value for routine, recurring maintenance, repairs and replacements, exclusive of facilities operations, alterations and capital improvements. With this consideration, DPW continues to express concern related to the funding for maintenance and capital needs and its ability to keep pace in extending the service life of the facilities and their components).

The reduction of 5 custodians will primarily affect the City Hall complex level of cleaning including cleaning, scrubbing and waxing of lobbies and will reduce the frequency of carpet shampooing. DPW is concerned that these reductions will reduce its ability to meet the

standards of a Class "A" building. Class "A" buildings require a defined regimen in overall facility cleaning and maintaining floor surfaces.

Operating Expenditures total \$4,427,775, a 1% reduction from 2004.

The 2005 proposed budget includes \$1,800,000 for Energy. This amount is a less than 1% decrease from 2004. This cost is based upon historical data relative to utility expenses including natural gas, electric and steam. This amount could vary depending upon the market rate for natural gas and the severity of the winter season.

The 2005 proposed budget includes \$1,687,775 for Property Services. These services include contracts for outside vendors, building management contracts, contracted security services and other services and building support. This is a 3% reduction from 2004.

\$310,000 is budgeted for construction supplies, a similar amount as in 2004.

\$580,000 is budgeted for other operation supplies, services and rentals and information technology services.

Equipment Purchases are budgeted at \$53,245. These purchases include computer equipment and various hand tools and small power equipment.

Capital Improvement Projects DPW- Buildings and Fleet Sections-Operations Division

\$23,892,798

Electrical Code Compliance \$610,000

This funding will be used to correct electrical conditions in City Hall.

Environmental Remediation Program \$700,000

This program seeks to provide a safe environment in city-owned buildings through removal of hazardous building materials including asbestos and lead abatement as well as soil and groundwater remediation at 26 sites.

In 2004, quarterly groundwater and soil monitoring is continuing as well as the removal of asbestos and lead. Consultants have been retained to design the state mandated Storm Water Pollution Prevention Plans for storm water best management practices at sites including the Central Garage, Northwest Garage and Self-Help Center-South.

City Hall Restoration Program \$8,200,000

This program was introduced in the 2003 budget in order to address the structural needs and historical integrity of City Hall. The project scope was identified over the past two years by an architectural engineering firm specializing in the evaluation of historic structures. This project is

estimated at \$44 million over four years. This funding will be used to secure a full exterior restoration contract. Work schedule for 2005 will include the scaffolding, demolition and partial restoration of City Hall's south tower.

ADA Compliance Program \$422,000

This program seeks to assure compliance with the federal Americans with Disabilities Act. Improvements include increased access to restrooms, offices, telephone and drinking fountains in city-owned buildings. 2005 projects include restroom areas in the 6th and 7th Floor of City Hall, and Municipal Building basement.

For 2004, alterations to City Hall's basement and the 4th Floor toilet rooms, and the Zeidler Building's 5th and 10th Floor toilet rooms have been completed. Design consultants are presently completing an ADA facilities study, and design alterations for the City Hall 1st–3rd Floors. The Zeidler Building lower parking floor toilet rooms with work to begin this winter.

Recreation Facilities Program \$439,725

Improvements in this program include maintenance and renovations in neighborhood recreation facilities, children's play areas and stand-alone recreation sites. DPW plans to upgrade play areas at Carmen, Sijan and Lewis Playfields and to reconstruct the tennis court at Vincent Playfield.

All 2004 project will be completed by the end of the year.

Facility Systems \$3,663,273

This program funds upgrading mechanical systems, boiler replacement, and various fire and safety improvements. A variety of projects include air handling units, elevator motors and controls, and various electrical and mechanical systems.

In 2004, designs and contract documents are underway for projects in City Hall and the Zeidler Building with the contracts to be awarded in late 2004 or early 2005. The heat exchangers and emergency generator projects in the Zeidler Building are currently under contract and construction is proceeding.

Downtown Complex Remodeling \$367,800

This program funds interior remodeling and upgrades for various city agencies. This includes lighting upgrades and HVAC improvements to meet the state energy code requirements. Planning and development for office space and development are included in this program. City Hall projects include Information Center remodeling and 3rd Floor East Exiting requirements.

The work in the Comptroller's Office is scheduled for completion in fall 2004. Engineering for the Zeidler Building lower parking floor is scheduled for December 2004.

Facility Exterior Upgrades \$750,000

This program helps to maintain the exterior for city facilities in a watertight and energy efficient condition. Roofing, yard and parking lot improvements are included.

In 2004, roofing work in the Northwest Garage and the Tow Lot facilities has been completed. Engine Houses #4, #8 and #24 roofing projects are under way with completion slated for this fall. The Safety Academy window replacement project is going out for bid with completion of the project scheduled for spring 2005. The MacArthur Square Plaza condition assessment and Zeidler Building and 809 Building exterior façade inspection will begin in fall 2004 with construction documents to begin in the spring of 2005.

Space Planning-Facilities \$50,000

This program provides funds for architectural and engineering services related to office space studies including planning and cost estimates for proposed projects.

No funds were allocated in 2004.

In 2005, \$10,000 is designated for space planning for study of general office space needs and proposed alterations in various city facilities. \$40,000 is designated for general departmental reorganization alterations and engineering. This amount will provide for un-programmed office alterations due to personnel or equipment changes incorporated in the annual budget.

Major Capital Equipment \$6,520,000

This program is specified for equipment that exceeds \$50,000 and has a life expectancy of at least 10 years. This money is proposed to focus upon equipment replacement funding including garbage and recycling collection, snow and ice control and pick-up and dump trucks for use as pool equipment.

The following pieces of equipment are proposed for purchase:

- 1-tractor, backhoe/loader - \$100,000 per unit, 37 fleet total with a current average age of 4.6 years.
- 3-sweepers-3 yd. - \$117,000 per unit, 30 fleet total with a current average age of 10 years.
- 6-light multi-purpose tractors - \$70,000 per unit, 43 fleet total with a current average age of 12.5 years.
- 3-truck aerial – (1) 50-ft. utility, (1) 40 ft. utility (2) chipper box- \$130,000 per unit, 36 fleet total with a current average age of 8 years.
- 2-2-yd. dump trucks with compressor, \$85,000 per unit, 66 fleet total with a current average age of 8 years.
- 10-5 yd. dump trucks with underbody plow- \$85,000 per unit, 32 fleet total with an average age of 8 years.
- 2-16 yd. tri-axle dump trucks - \$130,000 per unit, 22 fleet total with current average age of 7 years.

- 1-Log Loader - \$109,000 per unit, 4 fleet total with current average age of 6.8 years.
- 10-25-yd. rear load packers- \$180,000 per unit, 130 fleet total with a current average age of 10.3 years.
- 2-20-yd. container packers - \$110,000 per unit, 8 fleet total with a current average age of 9.6 years.
- 5-25-yd. recycle packers - \$210,000 per unit, 56 fleet total with a current average age of 7 years.
- 1-truck, roll-off - \$130,000 per unit, 13 fleet total with a current average age of 7.4 years.
- 1-31-yd. top load packer - \$160,000 per unit 12 fleet total with a current average age of 8.3 years.

It should be noted that the average age of equipment may be less than 10 years. The average of all current equipment is comprised of fairly new equipment plus pieces that far exceed 10 years. At this time, the average age of all equipment comprising the city fleet is 9.9 years. The optimal maximum average age of municipal fleet equipment is 8.5 years.

In light of budget considerations and adjustments over the past three years, which, in some cases, have extended the replacement cycle of some city equipment, the average age of some particular fleet pieces has increased slightly.

DPW-Fleet Services had requested \$7.56 million for Major Capital Equipment purchases.

Municipal Garages and Outlying Facilities \$2,000,000

The 2005 proposed budget includes funds for continuing the remodeling of the Central and Lincoln Avenue Garages. The emphases of this program is to address the replacement of major operational systems including hydraulic lifts, material handling equipment and pneumatic systems that do not comply with current safety codes.

2-Way Radio Replacement \$170,000

This program will provide funding to design a two-way radio communication system to utilize the Milwaukee Police Department's new digital radio infrastructure and to systematically replace obsolete radio equipment. The system, when fully implemented, will improve dispatch of all vehicles, help optimize ice and snow operations while providing the capability to connect city and surrounding agencies to respond to major emergencies.

Revenues – Buildings and Fleet Sections

Category	2003 Actual	2004 Budget	Change	2005 Proposed	Change
Charges for Services	\$3,830,739	\$3,756,700	-1%	\$1,976,500	-47%

Revenue is generated from Buildings and Fleet Services and billing reimbursable services. The decrease in estimated revenue in 2005 is attributed to emergency board-ups considered now an expenditure item rather than revenue as in the past.

Grant Funding

At this time, no grants are anticipated for 2005. However, DPW is actively pursuing available grant sources to aid in the design and/or construction of various projects.

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