

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Capital Improvement Program Staffing		
DEPARTMENT:	Public Works		
PRESENTED BY:	Randy Witt, Director of Public Works		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

In the adopted 2016 budget and 2016-2021 Capital Improvement Program (CIP) there are more capital and operating projects and programs than staff resources available to manage the projects and complete the project phases as presented in the adopted CIP. The capital project budgets include funding for staff to manage the projects, however the number of staffing positions authorized in the budget is not adequate meet the project needs.

RESOURCE/FINANCIAL IMPACT:

The adopted 2016 budget and 2016-2021 CIP include adequate financial resources to provide the staffing necessary to deliver the capital and operating projects and therefore no new financial resources are necessary.

RECOMMENDATION

Staff recommends adding two Term Limited (2016-2018) Engineer II positions to assist in delivery of projects included in the 2016-2021 adopted CIP.

Approved By: City Manager **DT** City Attorney **MK**

INTRODUCTION

In the adopted 2016 budget and 2016-2021 Capital Improvement Program (CIP) there are more capital and operating projects and programs than staff resources available to manage the projects and complete the project phases as presented in the adopted CIP. The capital project budgets include funding for staff to manage the projects, however the number of staffing positions authorized in the budget is not adequate to meet the project needs. This gap needs to be addressed such that activities are prioritized and expectations are met.

The focus of this report is the Capital Project Managers and the Senior Transportation Planner who are key to delivery of the capital and operating projects. It does not account for other Public Works engineers and staff who support delivery of projects, notably the Traffic Engineering, Construction and management teams, the engineers in Development Review or the operation activities which utilize the same staff resources.

BACKGROUND

Development of the CIP requires balancing project priorities, funding and staff or other project resources; it is a dynamic and iterative process. During the development of the 2016-2021 CIP, as well as after its adoption several factors contributed to the current gap between funding and staff resources, including:

- A lack of continuity in the Public Works team developing the CIP and budget due to vacancies and/or interim hires and new hires in key positions. This ranged from the Director to project managers, all of whom are instrumental in the development and/or delivery of the CIP.
- Vacant positions also contributed to delay in existing projects because staff was unavailable to keep a project or program moving forward. As an example, the 10th Avenue NW Bridge Repair and Rehabilitation project was scheduled for construction in 2015. When the project manager left the City, the project was at about 90% designed but there was not adequate staffing to keep it moving on the original schedule. Consequently it was delayed, as reflected in the 2016-2021 adopted CIP, and as a result, it is impacting 2016 staffing resources.
- Changes in scope or expectations on projects such as the 145th Street/SR 523 Corridor based on the preliminary developments in the Corridor Study. As the Corridor Study has proceeded and the funding and priorities have become better defined, it has become clear that the Engineer II/Project Manager (PM) approved in the 2016 budget will not have capacity to manage projects beyond the planned 145th Corridor environmental and design work between I-5 and SR99, and will have limited time for coordination with Sound Transit (ST), Washington State Department of Transportation (WSDOT) and others on the interchange design and the ST3 package on 145th Street between SR522 and I-5.
- Loss of the Utility and Operations Manager who was serving as a project manager for North Maintenance Facility (NMF). The new Utility and Operations Manager will need to focus on other activities; and a project manager is necessary to lead this work as it moves into design.

- Large facility projects including the Police Station at City Hall, the Pool Maintenance and the North Maintenance Facility are beyond the traditional baseline level of work. These larger projects require significant staff time, eating into time available for the other numerous smaller funded projects, including grant funded projects.
- In mid-2015 Public Works implemented City Works as an asset management system. Part of the implementation included assessment of the pavement condition. One of the intents is to enhance the pavement management program and forecast the financial needs and priorities to maintain a good pavement rating. This program requires staff to review, evaluate, assess and develop priorities for pavement management drawing staff resources from other project work.

The 2016 Budget includes a new Engineer II - Capital Project Manager. As mentioned earlier, this new position will primarily manage the next steps on the 145th Street Corridor Project (I-5 to SR99) with little capacity for other projects.

ALTERNATIVES ANALYSIS

Analysis of Existing Project Workload

Staff has evaluated the existing project delivery expectations, status, priority and the staff resources needed to meet the expectations. Attachment A to this staff report provides a summary of the Project Management Staff Allocation Table that places projects into tiers based on an analysis of current staffing and priorities and provides an estimated project management staffing allocation for each project for 2016 through 2018. The term “projects” is used to define projects and/or work efforts that will be managed with a beginning and end date and a defined scope and budget. These projects are primarily funded through the capital funds but some are included in the City’s operating budget. The definition of the tiers used in Attachment A and the summary table below are as follows:

- **Tier 1** includes projects fully funded and staffed for completion of the planned work as reflected in the adopted CIP.
- **Tier 2** identifies those projects that are funded but are a lower priority when it comes to staffing. Specifically the Tier 1 planned work is expected to use the existing available staff capacity in 2016 and 2017 leaving this tier largely unstaffed. Projects on Tier 2 also include projects with pending grant funds.
- **Tier 3** identifies projects that are funded but no staff has been assigned because of limited resources.
- **Tier 4** shows projects that are not considered in this staffing analysis but will need staff resources should the project become active.

Within the tiers, an estimate of the staff resources needed in Full Time Employee (FTE) allocation to deliver the planned work by year is shown. The existing staff performing this work includes four Engineer II/Capital Project Managers and a Senior Transportation Planner. As can be seen by the table below, this review shows a shortfall of staffing to maintain delivery of projects, specifically for 2016 and 2017. Staff believes that the resource needs for 2016 and 2017 projects are known, but resource needs and projects for 2018 are less certain. It is expected that the project list and resource needs for 2018 will grow as funding and grants are received and future

budgets are developed. For example, if construction dollars are made available to move forward with the 145th Corridor improvements, then this project will move into the next phase, as only the design phase is currently reflected in the adopted 2016-2021 CIP. Another example includes the various safety sidewalk grants that the City has been successful in obtaining during the grant application cycles or 175th which is at the top of the contingency list for funding from the Puget Sound Regional Council (PSRC).

**2016-2018 Project Management Staff Allocation Summary Table
Full-Time Equivalent (FTE) Allocation**

Tier		2016	2017	2018
I	Projects staffed and on schedule	4.65	3.05	1.30
II	Projects unstaffed or staffed as time available (higher priority)	2.45	3.15	0.35
III	Projects unstaffed	0.90	0.80	0.70
IV	Future Projects - Future staffing needed	TBD	TBD	TBD
	Total	8.00	7.00	2.35

	Current staffing (4 Engineer II /PMs and 1 Senior Planner)	5.00	5.00	5.00
	Surplus/(Gap) in FTE allocation	(3.00)	(2.00)	2.65

This analysis shows a need for two or three additional project managers for 2016 and 2017. It does not consider staffing intended to address or account for the additional work anticipated to support Sound Transit Lynwood Link Extension activities or the possible work on 175th Street should it receive grant funding from PSRC in 2016. The staffing to support Sound Transit and 175th Street work will be addressed through future work product that includes results of negotiation with Sound Transit and acceptance of the PSRC grant. It does not include any staffing needed to implement the Surface Water Master Plan. It also does not include staffing to deliver future grant funded projects; this is a grant cycle year.

As a point of reference regarding staffing of large transportation projects, on the Aurora project from 2006-2015, City staff allocated to the project ranged from 1.25 FTE to 5.25 FTE and averaged four (4) FTE. Staffing for construction of City Hall included an internal project manager plus two additional contracted positions to support the management of the project.

Alternatives

The alternatives considered to address this issue were:

1. Do Nothing – Without additional resources only the Tier 1 work will delivered as is reflected in the adopted CIP. Several Council priorities, grant funded projects or other capital projects would need to be delayed or eliminated. This could include forfeiting grants. Doing nothing will also create a back-log of projects that will impact future years.
2. Utilize Consultants – Similar to the Aurora project, a consultant project manager could be utilized in-lieu of staff. However, the project budgets are based on in-house staff for project management, and the cost of consultants is approximately

three times that of in-house staff. Therefore this alternative would impact project budgets. In addition, a City project manager is still needed (at a reduced role) to manage the consultant, interface with the city and assure quality of the work products.

3. Add Two (2) Term Limited Engineer II Positions - This would allow the City to hire staff to manage delivery of the Tier 2 projects. This approach is cost effective as staff costs are included in the project budgets and no additional funding is expected to be needed. It is also conservative, as more than two staff is projected to be needed to meet all planned work for 2016, but provides flexibility to move some Tier 2/3 work to 2017 if needed. It allows flexibility in project assignments for delivery of overall priority projects meeting the immediate staffing needs and allowing time to address workload and staff resources in 2017 and beyond. We expect be able to hire qualified and capable staff utilizing a three year or longer Term Limited position.
4. Add Two (2) Regular Engineer II Positions – This would be managed similar to the limited term position described above but could be managed with a view further into the future. These would not be Term Limited positions, so applicants would expect longer term positions.

Staff recommends adding two Term Limited Engineer II positions for a three year period to assist in delivery of the Tier 2 priority projects. It should be recognized that implementation of Alternatives 2, 3 or 4 require start-up time and staff or consultant resources would not be available for a few months straining the ability to deliver all the Tier 2 project planned work in the timeline reflected in the adopted CIP.

Within the Tier 2 work, the projects that would be later in starting include:

1. Meridian and 155th Signal and Intersection Improvements
2. Boeing Creek Storm Drainage
3. Transportation Master Plan (This could be delayed as there is not a legal requirement to complete in the next two years)
4. Transit System Integration Plan

RESOURCE/FINANCIAL IMPACT

The adopted 2016 budget and 2016-2021 CIP include adequate financial resources to provide the staffing necessary to deliver the capital and operating projects and therefore no new financial resources are necessary.

RECOMMENDATION

Staff recommends adding two Term Limited (2016-2018) Engineer II positions to assist in delivery of projects included in the 2016-2021 adopted CIP

ATTACHMENTS

Attachment A: 2016-2018 Projects Management Staff Allocation Table

2016-2018 Project Management Staff Allocation Table

	Tier	Project	2016	2017	2018
<i>Tier 1 - Projects staffed and on-schedule</i>					
1	I	Police Station @ City Hall	0.50	0.50	0.20
2	I	Shoreline Pool Major Maintenance	0.35		
3	I	Curb/Gutter/Sidewalk/Ramp Program	0.15	0.15	0.15
4	I	Meridian Ave. NE Overlay (Annual Road Surface Maintenance)	0.20		
5	I	15th Ave. NE Overlay (Annual Road Surface Maintenance)	0.20		
6	I	145 th Street Route Development Plan	0.25		
7	I	145 th Street Design and Environmental (Aurora to I-5)	1.00	1.35	0.10
8	I	Aurora Ave. 192 nd to 205 th	0.15		
9	I	Surface Water Pipe Repair and Replacement	0.15	0.15	0.15
10	I	Surface Water Small Projects	0.05	0.05	0.05
11	I	25 th Ave. NE Flood Reduction	0.25	0.25	0.15
12	I	10 th Ave. NE Drainage Improvements	0.15		
13	I	148 th Street Infiltration Facilities	0.20		
14	I	ADA Transition Plan	0.25		
15	I	2017-2022 Transportation Improvement Plan ¹	0.05	0.05	0.05
16	I	North Maintenance Facility	0.40	0.40	0.40
17	I	25 th Ave. NE Sidewalks	0.10	0.10	0.05
18	I	Point Wells Tolling Study	0.10		
19	I	10 th Ave. NW Bridge Rehabilitation	0.15	0.05	
Subtotal			4.65	3.05	1.30
<i>Tier 2 - Projects unstaffed or staffed as time available (Higher priority than Tier 3)</i>					
20	II	Echo Lake Safe Routes	0.30	0.40	
21	II	Turf and Lighting Repair and Replacement	0.15	0.25	
22	II	Recreation Facilities Exterior Security Lighting	0.05		
23	II	Meridian Ave. N and 155 th Street Signal Improvement	0.10	0.30	
24	II	Westminster and 155 th Street Improvements	0.15	0.10	
25	II	Richmond Beach Road Re-channelization		0.15	0.10
26	II	Boeing Creek Regional Storm Water Facility Study	0.25		
27	II	Bicycle Plan Implementation	0.30	0.25	
28	II	Interurban/Burke Gilman Connectors	0.15	0.05	
29	II	ST3/Metro/Community Transit Long Range Plan reviews ¹	0.15	0.15	
30	II	185 th Street Corridor Study	0.30	0.75	0.10
31	II	Transportation Master Plan	0.10	0.30	
33	II	Sidewalk Prioritization	0.10	0.05	
32	II	Transit System Integration	0.25	0.25	
34	II	Puget Sound Basin Plan ²			

	Tier	Project	2016	2017	2018
35	II	Surface Water Master Plan ²		0.15	0.15
36	II	Pump Station Evaluation	0.10		
Subtotal			2.45	3.15	0.35
<i>Tier 3 - Lower priority projects - unstaffed</i>					
37	III	Drainage Assessment and Planning ¹	0.30	0.30	0.30
38	III	Pavement Management System (Annual Road Surface Maintenance)	0.15	0.15	0.15
39	III	Parks Repair and Replacement	0.05	0.05	0.05
40	III	Thornton Creek Condition Assessment	0.30	0.20	0.20
41	III	Regional Trail Signage	0.10	0.10	0.00
Subtotal			0.90	0.80	0.70
<i>Tier 4 - Anticipated projects - future staffing anticipated</i>					
42	IV	175 th Street, Stone to I-5			
43	IV	Sound Transit Lynnwood Link Extension			

1 - Funded through operating budget but requires staff effort

2 - SW Manager is primary project manager