

# EXECUTIVE BRIEF UTILITY MEETING

**AGENDA DATE:** June 28, 2022

**DEPARTMENT:** Customer Service

**TITLE:**

Proposed lease of temporary space for Utility Customer Service subject to approval of City Attorney and City Manager

**SUMMARY:**

The proposed lease is to relocate Customer Service Staff Offices and Customer in-person service function to nearby leased office space while renovations of the Annex Building's first floor space are conducted.

**BACKGROUND AND JUSTIFICATION:**

The aged facilities and deteriorated facilities of the Annex building where City's Customer Service functions are located are having a deleterious impact on staff and customers alike. The City is experiencing a significant issue with employee retention in Customer Service and is routinely trying to hire to replace people who quit within days or months of being hired. It has been many years since the last renovation and the condition of the floors, walls, ceilings, rest rooms, and interiors are unsightly and in need of constant repairs. The condition of the space is no longer conducive to a satisfactory work environment, nor does it present a good welcoming image to customers.

Staff observations and comments of the Annex building 1<sup>st</sup> floor in which the Customer Service function currently resides include:

- The current interior is not conducive to an efficient Customer Service operation due to limitations of existing space and office layout; limited storage for record retention, and housing of customer service representatives not being able to fit in one area together with supervisor offices.
- Due to recent rains, tiles from the ceiling have caved-in in the front office
- The facility has unsatisfactory bathrooms, musty odor of mold or mildew, regularly experiences rodents in the ceiling areas and sub-floors with horrible odors
- Lead paint and asbestos may be present in some materials
- Electric wiring upgrades are needed
- Windows are not impact glass and the building has no generator to sustain operations during power outages

Staff has researched and, in some cases visited, alternative locations within the City with a preference for maintaining a presence in or close to the downtown corridors. The ideal location will need to accommodate the in-person customer service functions and meet the space requirements of the Customer Service team. Staff has located a suitable space available for lease a block away where staff and the public can be accommodated during the process of renovating the existing space. The proposed office space is furnished and the City may be able to buy the furnishings and get years of future use at a lower cost than new furniture. The space to be leased is considered "Class B" office space, which is considered average office space and is suitable for staff's intended use. Furthermore, the space would accommodate additional Customer Service staff needed to support the City Commissions desire for City staff to handle higher percentages of phone calls to Customer Service.

City staff received the proposed lease for the location on June 15, 2022 and the City Attorney's office is just starting to review. The space is available now, which would give staff time to move from the existing space. Relocating ahead of the process of redesigning the Annex space will also make it easier to open up walls and floors for closer inspections needed to complete the design, bid, construction phases of the project while staff maintains continuity of operations at the leased space.

Included with this item is a Letter of Intent setting forth the basic terms of the proposed lease.

If approved, staff requests that authorization be provided to the City Manager to execute the finalized lease once the City Attorney and City Manager have approved the same.

**MOTION:**

Move to approve/disapprove proposed lease of temporary space for Utility Customer Service subject to approval of City Attorney and City Manager with the City Manager authorized to execute the finalized lease on behalf of the City.

**ATTACHMENT(S):**

- Fiscal Impact Analysis
- Letter of Intent
- CPH Task Order No. 3
- Lease/Rental Costs
- Draft of Lease Agreement

**FISCAL IMPACT ANALYSIS**

**A.** Five Year Summary of Fiscal Impact: FY 2022 Operating costs will be allocated amongst water, sewer and electric utility departments via budget transfers.

<b>Fiscal Years</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Capital Expenditures	0	0	0	0	0
Operating Expenditures	33,491	101,964	84,970	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
<b>Net Fiscal Impact</b>	<b>33,491</b>	<b>101,964</b>	<b>84,970</b>	<b>0</b>	<b>0</b>
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

**B.** Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Department Name	Division Name	Account Description	Project Number	FY22 Budget	Current Balance	Budget Transfer	Agenda Expenditure	Balance
401-1240-531-31.90	Electric	Customer Service	Other Professional Services	N/A	0	0	33,491	-33,491	0