



REQUEST FOR COUNCIL ACTION

Title: Additional FTE for Streets Division

Preferred Agenda: July 27, 2021

Submitted By: Brandon Neish, Finance Director

Reviewed By: Blair Larsen, Community & Economic Development
Director/Acting City Manager

Type of Action: Resolution X Motion Roll Call Other

Relevant Code/Policy: ORS 294.471(3)(a)
Sweet Home Financial Policy Section IX

Towards Council Goal: Goal 1.2(c): Increase community awareness of [street]
infrastructure needs and appropriate planning documents.
Goal 2.3: Invest in long-term staff stability & training

Attachments: Resolution No. 20 for 2021
State Gas Tax Fund Budget

Purpose of this RCA:

To review the adopted 2021-2022 budget for the State Gas Tax Fund and assess need for additional staff.

Background/Context:

In January 2020, the Maintenance Mechanic role was filled by current employee Thomas Robey who transferred to the role from a position on the Streets crew. The streets position vacated was left open as the Mechanic role was initially a temporary out-of-class assignment. With the onset of COVID-19, the state of Oregon also notified the City that its expected annual contribution of gas taxes would be reduced due to COVID restrictions which resulted in less travel across the state and therefore, a reduction in gas tax revenue. Staff proposed leaving the position unfilled for the 2020-2021 budget and the Sweet Home Budget Committee and City Council agreed, staving off additional operational reductions.

During the development of the 2021-2022 fiscal year budget, staff again made the conscious decision to leave the streets position open which allowed additional funds to be redirected to projects and current operations. Revenue for the 2021 fiscal year was down \$40,000+ (compared to original state of Oregon projections) and staff believed that leaving the position unfilled would allow for the streets fund to rebuild its reserve for future projects and economic conditions. The decision was again reaffirmed by the Sweet Home Budget Committee and City Council.

In July 2021, the City received an unanticipated check from the Oregon Department of Transportation (ODOT) for \$140,118. The funds were distributed to the City by ODOT from an

allocation the state received as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES) passed by the U.S. Congress and signed by President Donald Trump on March 27, 2020. The funds are now a part of the 2022 fiscal year and are considered unanticipated funds which can be budgeted in the current fiscal year.

The Challenge/Problem:

Does the City need the additional staff support for the streets program enough to warrant a supplemental budget?

Stakeholders:

- Sweet Home Public Works staff – Public Works has been operating a division at an FTE reduction for over a year and a half. This has impacted the division's ability to repair streets timely and has left the team shorthanded as they focus on hanging various banners, sweeping streets, repairing streets after water line repairs and more. Staff from other divisions have been pulled to assist with coverage as well as Public Works Operations Manager who is typically, generally focused on the operation of the entire Maintenance division.
- Sweet Home Drivers – A reduced crew means drivers are forced to deal with potholes and other street issues for a longer period as work is prioritized and completed with the resources currently available. An additional FTE would allow the streets crew to send two pairs out to manage street projects reducing delays.

Issues and Financial Impacts:

An additional FTE will cost approximately \$62,000 at step 1 with minimal benefit cost. To ensure enough funding for the position, staff would propose budgeting \$71,000 which would include a position at step 5 and minimal benefit costs. This budget would be offset by the revenue received from ODOT (approximately half of the unanticipated revenue).

Elements of a Stable Solution:

Public Works is a small organization in terms of FTE and various leave, vacancies and projects can significantly impact operations. A full staff is beneficial in any department and the Streets division is the only department which faced the elimination of an entire position to weather the forecasted effects of the pandemic.

Options:

1. Do Nothing – The Public Works Streets division would continue to operate with its budgeted FTE of 3.0 for the remainder of the 2022 fiscal year.
2. Move to approve Resolution No. 20 for 2021. – Funding from the Oregon Department of Transportation has replenished the streets fund and would be used to re-establish pre-COVID operating levels.

Recommendation:

Staff recommends option 2, move to approve Resolution No. 20 for 2021. This returns the Streets division to its pre-COVID operating levels and ensures that Public Works can operate at peak efficiency.