

**The City of Lima
Public Works Department
2008 Annual Report**

As is our tradition, we are presenting the data of the four divisions of Public Works: Building & Zoning; Engineering; Streets; and Parks, Recreation and Forestry so that Council and the citizens of Lima can note progress that has been made in the city and understand where their Public Works dollars are being spent.

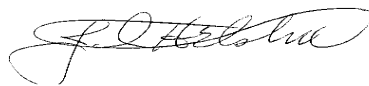
2008 was a challenge in several different ways. Aside from two major wind storms, Public Works suffered impacts of \$4.00 per gallon fuel cost and the beginning of a national economic recession. Fuel expenditures exceeded the budget amount by 228%. Large capital projects, commodity items and nearly every item purchased by the Public Works Department, small or large, saw increases in cost, largely due to increase in fuel and the economic situation. However, 2008 was not without its victories. Crews and staff did maintain the public right-of-ways, provide recreation and park services, provide building plan review and building inspection, and Engineering staff prepared for the next wave of capital projects. I believe each and every one of our employees in Public Works contributed toward its successes.

Had it not been for steps the City and State took in the past several years, the situation would be much worse. Passage of \$10 permissive license tax by the City, and gas tax increases to 28¢ by the State (2005), are resources basic for road maintenance services and providing the local match necessary to leverage state and federal grant funds for large capital projects. The Street Division derived 37% of its budget from gas tax revenues in 2000, 60% in 2008. With dwindling general funds, Gas tax and license tax revenue are the only sources available to replace rolling stock inventory, and provide the local match for large projects.

Spending taxpayer dollars wisely is a priority for Public Works. The Department was able to avoid \$24,000 of cost by purchasing salt in 2008, for the winter season of 2009. By investing in LED (light-emitting diode) traffic signals, the City, through green technology, is able to avoid \$60,000 of electrical expense annually. The Engineering employees initiated a four-day work week (10-hr. days) which increased productivity and reduced overtime by two-thirds. A result, in part, was early preparation of projects that could be bid in the first quarter of 2009. Early bidding means preferred prices, as local contractors submit competitive bids to fill up their 2009 construction calendar.

The Public Works Department is now feverishly turning its attention to assembling additional capital projects in hopes of securing 2009 Stimulus funds.

We hope you enjoy our 2008 report, and look forward to a year of cooperation and service to this community during these presumed difficult months ahead.



J. Howard Elstro
Director of Public Works