



City of Port Orchard Council Work Study Session
February 18, 2020
6:30 p.m.

Mayor:

Rob Putaansuu
Administrative Official

Councilmembers:

Bek Ashby
Finance Committee
Economic Development & Tourism Committee
Transportation Committee
KRCC/KRCC PlanPol-alt /KRCC TransPol
PSRC-alt/PSRC TransPOL-Alt/PRTPO

Shawn Cucciardi
Finance Committee
Economic Development & Tourism Committee
Kitsap Economic Development Alliance

Fred Chang
Economic Development & Tourism Committee
Land Use Committee

Jay Rosapepe (Mayor Pro-Tempore)
Utilities/Sewer Advisory Committee
Land Use Committee
Transportation Committee
Lodging Tax Advisory Committee
KRCC-alt

John Clauson
Finance Committee
Utilities/Sewer Advisory Committee
Kitsap Public Health District-alt

Cindy Lucarelli
Festival of Chimes & Lights Committee
Utilities/Sewer Advisory Committee
Kitsap Economic Development Alliance

Scott Diener
Land Use Committee
Transportation Committee
Growth Management Policy Board-alt

Department Directors:

Nicholas Bond, AICP
Development Director

Mark Dorsey, P.E.
Director of Public Works/City Engineer

Tim Drury
Municipal Court Judge

Noah Crocker, M.B.A.
Finance Director

Matt Brown
Police Chief

Brandy Rinearson, MMC, CPRO
City Clerk

Contact us:

216 Prospect Street
Port Orchard, WA 98366
(360) 876-4407

1. 640 Bay Street (Mayor)
Estimated Time: 20 Minutes
2. Preliminary 2019 Financial Report and Council Retreat Follow-up (Crocker) *Page 3*
Estimated Time: 30 Minutes
3. Asset Management Planning (Crocker/J. Brown) *Page 7*
Estimated Time: 30 Minutes
4. Spring/Fall Clean-Up Program – Follow-up (Dorsey) *Page 9*
Estimated Time: 15 Minutes

This Page Intentionally Left Blank



City of Port Orchard Work Study Session Executive Summary

Issue Title: Preliminary 2019 Financial Report and Council Retreat Follow-up
Meeting Date: February 18, 2020
Time Required: 30 minutes
Attendees: None

Action Requested at This Meeting: Provide any questions and comments.

Summary: After reviewing the 2019 preliminary financial results the Finance Department is confident the City can afford to pay for the additional tasks requested and authorized. Additionally, the Finance Department remains confident the mid-biennial budget adjustments authorized can be fully implemented (such as the additional stabilization contributions scheduled). The Finance Department will adjust the 2020 budget expenditure authority where appropriate to stay within the existing biennial budget authority to accomplish these additional requests. Where appropriate or required the Finance Department will bring forward a budget amendment to fully fund any projects which can not be achieved within its current expenditure authority.

Background: The Finance Department has until May 29, 2020 to close and report the financials for Fiscal Year 2019 to the State Auditor's Office. The Finance Department has been asked to share preliminary results for 2019 in order to support proceeding forward in 2020 with the following initiatives discussed at the city council retreat:

- Acquire Laserfiche software
- Acquire the services of a communication consultant
- Hire an additional building inspector for overlap due to retirement

Below is a summary of the preliminary financial results from 2019 for the city's main operating funds (Current Expense Fund, Water Operations, Storm Drainage Operations, Sewer Operations):

Current Expense Fund: Revenue exceeded the budget by 9.55% or approximately \$993,000
Expenditures were less than the budget by 18.85% or approximately \$2.5 million

Note: \$861,000 of the expenditure savings is due to unexecuted transfers for Street Operations and Stabilization contributions. We anticipate these transfers to occur in 2020.

Water Operating Fund: Revenue exceeded the budget by 3.94% or approximately \$189,000
Expenditures were less than the budget by 31.52% or approximately \$1.2 million

Note: \$950,000 of the expenditure savings is due to unexecuted transfers for capital projects. We anticipate these transfers to occur in 2020.

Storm Water Drainage Operating Fund: Revenue was less than the budget by 0.06% or approximately \$1,000

Expenditures were less than the budget by 17.21% or approximately \$388k

Note: The City anticipated actual expenses being larger than actual revenues in 2019, due to large replacement payments made to implement the ERR program as well as large Stabilization payments in 2019. We do not expect a similar result in 2020 as the replacement payments and Stabilization payments are significantly smaller. The Fund balance was utilized in 2019.

Sewer Operating Fund: Revenue exceeded the budget by 2.94% or approximately \$197,000
Expenditures were less than the budget by 29.66% or approximately \$1.9 million

Note: \$1,399,000 of the expenditure savings is due to unexecuted transfers for capital projects and Stabilization contributions. We anticipate these transfers to occur in 2020.

The positive operational results above provide the resources necessary to carry-out the additional objectives identified below. The Finance Department proposes funding the items above through 2019 department expenditure savings and surplus revenue received.

Budget and Fiscal Impact: Below are the initiatives the City intends on funding by re-allocating the budget expenditure savings and using surplus revenue:

- Down-Town Sub-area Plan ~Estimated Cost \$206k
 - The City was awarded a grant for \$50k and will do a budget amendment for the additional \$156k with expenses portioned as follows: Current Expense-\$134k, Water-\$7k, Sewer-\$7k & Storm Drainage-\$8k Funds
- Laserfiche ~ Estimated Cost \$150k
 - Laserfiche is a workflow and records management product that will benefit the entire City and every department; thus, the cost will be shared amongst all operating funds including the enterprise funds.
- City Hall Security Improvements ~ Estimated Cost \$80k
 - There is existing budget authority for City Hall Security of \$75k, thus, this project requires an additional \$5-\$10k of budget authority
- Communications Consultant~ Estimated Cost \$20-25k
- Building Inspector ~ Estimated Cost \$80k

Alternatives: N/A

Recommendation: The Finance Department recommends proceeding with the additional initiatives described above.

Relationship to Comprehensive Plan: N/A

Attachments: Will be provided.

Follow-up Notes & Outcomes:

This Page Intentionally Left Blank



City of Port Orchard Work Study Session Executive Summary

Issue Title: Asset Management Planning

Meeting Date: February 18, 2020

Time Required: 30 minutes

Attendees: None

Action Requested at This Meeting: Provide any questions and comments on the proposed plan to work towards an RFP for an Asset Management Program planning consultant.

Summary: The City Council has discussed asset management over the last two biennium's and has taken the first step into asset management by investing in GIS improvements in 2019. City Staff is nearing completion with this first step and is ready to proceed forward to step 2. The next step is to develop a clear path and structure for managing our assets followed by acquiring the software do to so.

The Finance Department and Public Works have reviewed the Preliminary 2019 Financial results for the enterprise funds and have determined step 2 can be accomplished within existing resources. Staffs desire is to move forward with step 2 in 2020 in order to be better prepared for the next 2021-2022 biennial budget.

The Finance Department and Public Works Department request that the City move forward and acquire services to develop an Asset Management Plan which will ultimately lead to an acquisition of software and a fully develop Asset Management Program.

Background: The City of Port Orchard currently insures its assets in the amount of \$51 million. Of this amount \$27.5 million are enterprise activities involving the utilities for Water, Sewer, and Storm assets. The City is currently on track to add another \$18-\$24 million by 2023. The State Department of Ecology has established Asset Management Program requirements to be in place by June. 1, 2022.

The City currently does not have an official Asset Management Plan or software designed to assist with asset management.

Asset management is maintaining a desired level of service for what you want your assets to provide at the lowest life cycle cost. Lowest life cycle cost refers to the best appropriate cost for rehabilitating, repairing or replacing an asset. Asset management is implemented through an **Asset Management Program** and typically includes a written **Asset Management Plan**.

Asset management enables a system to determine the lowest cost options for providing the highest level of service over time. It allows an entity to **optimize the work operation & maintenance crews are doing**, where they are doing it, and why. An Asset Management Program helps make risk-based decisions by choosing the right project, at the right time, for the right reasons.

Fiscal & Budget Impact

- Asset Management Planning Consultant ~ \$Estimated Cost 100k
- Asset Management is primarily going to benefit the Utilities; thus, the cost will be expensed to the enterprise funds of Water, Sewer, and Storm Drainage. There may not be an impact to the general fund.
- The Public Works Department is pursuing and will receive storm water grant money in the amount of \$25-\$50k which could be used for the Storm Drainage Utilities portion of this project.
- As discussed in the 2019 Review, the cost of this critical planning effort can be covered within its existing budgetary expenditure authority and also be funded with the surplus revenue, if needed.

Alternatives: N/A

Recommendation: The Finance Department and Public Works Department recommend the City move forward and acquire services to develop an Asset Management Plan which will ultimately lead to an acquisition of software and a fully develop Asset Management Program.

Relationship to Comprehensive Plan: N/A

Attachments: To be provided.

Follow-up Notes & Outcomes:



City of Port Orchard Work Study Session Executive Summary

Issue Title: Spring/Fall Clean-Up Program – Follow-up

Meeting Date: February 18, 2020

Time Required: 15 Minutes

Attendees: None

Action Requested At This Meeting: As follow-up to the November 2019 Work Study Session discussion, Public Works Department Staff has provided recommended Spring/Fall Clean-Up Program changes for further discussion (see documents attached.)

Issue: There are many ‘pros’ associated with this popular Program, but there are mounting ‘cons’ as well, such as; 1) the City’s population has since tripled, 2) the City’s service area quadrupled, 3) some users are exploiting the Program, 4) there may be a ‘gifting of public funds’ issue, 5) there’s been a marked shift in user expectation and 6) there are now unintended scheduling issues with Waste Management.

Background: At the October 21, 2019 Utility Committee Meeting, Staff discussed several emergent issues surrounding the Spring/Fall Clean-Up Program. The City of Port Orchard initiated the Program in the 1960’s (see History attached.)

Recommendation: None.

Follow-up Notes & Outcomes:

Attachments: Spring/Fall Clean-Up History, Proposal and Tags.

This Page Intentionally Left Blank

City Clean-up History

6/8/1964 to 6/1/1969 Contract with Lloyd W. Granquist and Walter F. Granquist dba Port Orchard Garbage Service-No City Cleanup.

6/9/1969 authorized garbage contract with J. & F Buccaneer Refuse Service, J.J. Griffiths, Proprietor. Dba Port Orchard Garbage Service

From 7/1/1995 to 6/30/2005 contract with Brem-Air it states:

5.7 CITY CLEANUP. Two "City Cleanup" weeks shall be scheduled each year by the CITY. The CITY shall notify the CONTRACTOR which weeks will be used for "City Cleanup". During each "City Cleanup" period, the CONTRACTOR shall charge one half the landfill disposal rate to the CITY for those items hauled from a CITY residential property to the landfill.

In the Contract with Waste Management, Contract No. 001-05, effective **7/1/2005 to 6/30/2010**, states:

ARTICLE VI CITY CLEANUP DAYS

6.1 General

The Contractor shall provide two (2) city cleanup weeks annually (Spring and Fall), upon 90 days notice from the City. At each City cleanup week, Contractor will pick up additional household refuse from each resident at the curb (limit 2 cubic yards). The City will provide equipment and manpower to pick up Bulky Material. Additional tonnage picked up by the Contractor and the City during these weeks will be paid for by the Contractor (maximum of \$3,000.00 per event).

In Contract No. 001-05, Amendment NO. 1, effective **7/1/2010 to 6/30/2013** states:

1. Spring and Fall scheduled cleanups will include now include Multi-Family Residential.

In Contract No. 001-05, Amendment NO. 2, effective **7/1/2013 to 6/30/2015** continued the same language, just extended the dates.

In Contract No. 024-15, effective 7/1/2015 to 6/30/2020, states:

ARTICLE VI - CITY CLEANUP DAYS

6.1 General

The Contractor shall provide two (2) city cleanup weeks annually (Spring and Fall), upon 90 days notice from the City. At each City cleanup, Contractor will pick up additional household refuse from each single family residence at the curb (limit 2 cubic yards) and from multi-family premises. The City will provide equipment and manpower to pick up Bulky Material. Additional tonnage picked up by the Contractor and the City during these weeks will be paid for by the Contractor (maximum of \$3,000.00 per event).

Proposal

- Continue with 2X/year (Spring/Fall).
- Implement a new wire tied tag (see attached) to notify citizens as to the reasons why certain materials were not picked up.
- Be more stringent on holding citizens to the amount of debris that is picked up according to city website/flyers that dictates size limitations.
- Leave material that is not boxed, bagged, or bundled like the flyer/website states.
- Do not pick up or go back for pay items that have not been paid for or any tagged piles.
- Be more vigilante on notifying citizens through billing and social media of upcoming clean-ups and that prohibited items, unpaid items, and uncontained items will not be picked up.



WE'RE SORRY

But Your Item(s) Were Not Picked Up Due To The Following Reason(s):

- The total amount of items is larger than a 4'x4'x4' area
- Items are not boxed, bagged or bundled
- Items are hazardous material and/or paint
- Items are "prohibited" materials that the City does not pick up
- Oil and/or gas was not drained from item(s)
- Specific materials are "fee" item(s) that needs to be paid for in advance
- Other: _____

Lists for prohibited materials and for fee items can be found at www.cityofportorchard.us

Page 13 of 14

Thanks for your understanding.

This Page Intentionally Left Blank