Council Meeting Date: January 4, 1998 **Agenda Item: 6(a)**

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Update on District Court Negotiations
DEPARTMENTS: Finance Department
PRESENTED BY: Joseph Meneghini, Finance Director & Steve Oleson, Budget Analyst

EXECUTIVE / COUNCIL SUMMARY

As Council is aware, the City contracts with King County for its municipal court services. The City's contract for these services will conclude on December 31, 1999. Additionally, twenty other cities contract with King County for Municipal Court services and all those contracts likewise expire on December 31, 1999. In an effort to achieve regional governmental efficiency, all 20-contract cities are working together with the County to develop a contract that is agreeable for all. This report will discuss, in brief, the issues involved (length of contract, costs, revenue, etc.) and their impact on the City of Shoreline.

Current Contract

The current district court contract was entered into shortly after the City incorporated and our payment for services is based on a per case filing fee. The City pays $19.93 for each traffic infraction and $79.21 for each citation (all other non-traffic actions). Additionally, the City pays for all interpreter, jury and witness fees.

Future Contract Negotiations

As noted above the County and contract cities have been discussing a number of new contract features (length of contract, services provided, costs & revenue sharing and capital costs) which are summarized below.

Length of Contract

A five-year term is proposed with the proposed new contract commencing January 1, 2000 and concluding December 31, 2004 with an 18-month termination clause for either party. The contract will automatically carry over for another five-year term if both parties agree.

Services Provided

The proposed new contract will include all the services currently provided by the District Court that the City currently uses. Such as court administration, ticket processing, security, probation, jury pool and trial scheduling.

Court Costs and Revenues

Replacing the current per case filing fee cost to the cities will be a 75/25 percent revenue split process. Instead of the City paying money back to the court, the court will withhold 75 percent of municipal generated revenue. In turn, the City will receive 25 percent of the revenue. Using 1998 projected numbers this revenue split equates to the County retaining $200,594 and the City retaining $66,854. Currently, the City will pay to the County $208,153 and receive $267,458 in revenue. This change results in an actual gain to the City of about $8,000. In addition, the County will be taking over all interpreter fees, which is a savings to the City of $13,500, and also will pay one-half of jury fees, which is a savings to the City of $1,000. Factoring in all of these changes, the City's net benefit under the proposed new contract will be an estimated $22,059.

Capital

There will be no capital costs in the proposed new contract. The County will continue to provide all necessary and required maintenance at the Shoreline division.

RECOMMENDATION

Staff recommends that the City Council direct staff to return with the final recommended contract reflecting the key elements discussed in this report.

Approved By: City Manager LB City Attorney N/A

BACKGROUND/ANALYSIS

Negotiations between the 20-contract cities and the County has been underway for several months and since that time preliminary agreement has been reached on the primary threshold issues affecting contracted municipal court services. The new proposed contract is a good one for Shoreline in that we will be receiving the same services at a lower cost. The significant issues of this proposed contract include length of contract, services provided, costs, and capital. Highlights of each of these issues follows immediately below. Additionally, Table 1 on the following page illustrates the cost comparison between the current contract and the proposed new one.

Length of Contract

The contract would be effective from January 1, 2000, through December 31, 2004, unless extended. The contract would automatically renew through December 31, 2009, unless the County or any City gives notice of termination not less than 18 months prior to December 31, 2004.

Cost and Revenue

Prior to the negotiations, the County held the position that cities were not paying for 100 percent of their costs of the court operation. On the other hand, cities have felt as a group that the County had cost control issues that needed to be addressed. The negotiated "middle ground" is that cities will move from a cost per unit (infractions and citations) reimbursement basis to a revenue sharing arrangement. By tying payments to revenue it is assumed the courts will be motivated to install cost control and other efficiency measures in order to live within a fixed revenue stream.

Under the proposal, the County will retain 75 percent of City revenues generated from City filed cases at District Court. This payment to the County will be considered payment in full for municipal court services. In turn, the City will receive 25 percent of the revenue.
Currently the City pays a per case filing fee for each municipal case files in district court. The 75/25 revenue split replaces this payment method. (See Table 1 for cost impacts)

Additionally, the County will pay all interpreter fees and one-half of jury fees. The City will pay all witness fees and one-half of jury fees. Currently, the City pays for all of these costs. (See Table 1 for cost impacts)

Capital

Prior to negotiations, the County wanted to split all capital costs 50/50 with the cities. The cities were concerned about assuming 50 percent of this liability without 50 percent of the decision-making. There are no capital projects included in the new proposed contract. The County will continue to be responsible for maintenance and repair costs at the courthouse.

Cost Comparison (Based on 1998 projected numbers)

Table 1.

	Current Contract	Proposed New Contract
Projected Revenue	$ 267,458	$ 66,864
Court Costs		
Court Cost	$ 208,153	$ 0
Interpreter Fees	13,500	0
Jury Fees	2,000	1,000
Witness Fees	2,500	2,500
Total Cost	$ 226,153	$ 3,500
Revenue Minus Cost	**$ 41,305**	**$ 63,364**
Net Benefit to Shoreline		**$ 22,059**

RECOMMENDATION

Staff recommends that the City Council direct staff to return with the final recommended contract reflecting the key elements discussed in this report.

Council Meeting Date: January 4, 1999 **Agenda Item: 6(b)**

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Update On Emergency Medical Services (EMS) Financial Planning Task Force Work
DEPARTMENTS:	City Manager's Office
PRESENTED BY:	Bob Deis, City Manager LB (for)

EXECUTIVE / COUNCIL SUMMARY

As you may recall, the City of Shoreline is represented on the King County Emergency Medical Services (EMS) Financial Planning Task Force. This group was formed after the failure of the regular six year EMS property tax levy at the polls in November 1997. The Task Force was formed to specifically look at long term funding alternatives other than a periodically voter-approved property tax levy and to explore possible efficiencies and operational models that could reduce or otherwise contain long-term costs of the EMS system. The Task Force's recommendations ultimately go to the King County Council for modification or approval.

Your Mayor is our representative on the Task Force and the City Manager has represented the Mayor when he is unable to attend. Furthermore, outside the actual Task Force meetings, the City Manager has represented Shoreline within the separate Suburban Cities caucus. The City Manager and Fire Chief have conferred regularly on this issue as well.

The purpose this briefing is to apprise you of the progress made and the decisions yet to come in fulfilling the Task Force's mission.

RECOMMENDATION

This is simply an update on the EMS Task Force's work. After reading and listening to the staff presentation we would like to see if there is Council consensus or concerns on past and possible future direction of the Task Force.

Approved By: City Manager LB City Attorney N/A

BACKGROUND/ANALYSIS

In order to view and evaluate the Task Forces work it is important to review the recent history of the EMS system.

As you may recall, voters turned down a six year King County 29 cent property tax levy request in November, 1997. With respect to the Shoreline Fire Department, the levy pays almost $1 million towards the cost of operating one Advance Life Support (ALS) paramedic unit (24 hours) in the City and contributes approximately $300,000 towards the cost of the Basic Life Support (BLS) units in the City. The Fire District also provides ALS services east of our City in Lake Forest Park and Kenmore. Once the voters turned down the levy King County, all cities and fire districts had to scramble and fund the EMS system for the first six months of 1998. Shoreline Fire had to pull money out of reserves to fund the BLS portion. King County paid for the ALS units out of their general fund with the caveat that the levy will be resubmitted to the voters and the proceeds, if approved will go towards paying back the County.

The reason for the original voter defeat in 1997 was debated by all the participants. The possible reasons ranged from voter apathy, to voter confusion (the ballot was a very crowded and confusing one), to voter revolt toward property taxes. Suburban cities felt that it was ironic and inappropriate that a King County regional service, that reaches to the life and safety level, should not have to be subject to regular voter approval. It should be first in the priorities line and should have a stable funding source. Many cities felt that the County should reprioritize its budget and use some of the "urban subsidy" to pay for the EMS system

Since all cities greater than 50,000 must approve any new EMS levy, and given the previously mentioned issues within the Suburban Cities caucus, Kent, Bellevue and Shoreline's Mayors and Managers got together and recommended a resubmitting of the tax levy to the voters with the following caveats: (1) the resubmittal will only be for a three year levy and (2) their will be an EMS Financial Planning Task Force created to review and develop recommendations on various alternative funding sources and improved cost controls or other efficiencies. It is important to remember that the Task Force's recommendations are just that, recommendations to the King County Council. They will ultimately approve changes to their operating practices and funding options. In order to get buy-in from the County, the membership of the task force was increased to include other constituencies other than just suburban cities, King County and Seattle.

Ultimately King County approved the creation of the Task Force and the levy was resubmitted to the voters and overwhelmingly approved in February 1998. Thus, the voter approval by such a wide margin seem to validate those that believe the 1997 failure was a fluke and there is little need for change in the EMS system

The Task Force has been meeting over the past year. It is clear that King County feels "their EMS system is the best in the world." They also have no interest in either recognizing an "urban subsidy" let alone using their operating funds to pay for the system. A cursory review of the performance data suggests that the system is a good one. Yet, the suburban cities caucus sees the potential for continuous improvement i.e. performance measures, financial staff oversight, etc.

The Task Force has essentially broken down its work into three main sections: (1) Oversight and Governance Recommendations, (2) Performance Tracking and Efficiency Initiatives Recommendations and (3) Funding Alternatives. Working copies of their work is included in this packet as Attachments A and B.

Oversight and Governance (Attachment A)

Some members of the Suburban Cities caucus feel the EMS system is dominated by providers of EMS services and that a quasi-independent financial staff team could enhance the appearance and actual financial management oversight of the system. As a result, the Task Force has reached a tentative decision that adds a Financial Staff Team to the EMS governance structure that will add outside oversight, from a financial management perspective, to the overall EMS system. Representation from the Suburban Cities is provided for (on this team would be two staff from Suburban Cities members greater than 50,000 and two from cities less than 50,000). The Task Force also recommends the continuation of the Financial Planning Task Force to July, 2000.

Performance Tracking and Efficiency Initiatives (Attachment A)

The Task Force reached a tentative decision that proposes the tracking of an extensive list of performance measures that track the effectiveness and efficiency of the EMS system. This performance tracking will ultimately be included as a contractual requirement of entities in order to receive EMS funding.

The Task Force also recommends that independent performance audits be conducted on various aspects of the EMS system with a priority of developing cost comparisons of existing Advance Life System (ALS) unit operations and practices including King County ALS staffing models versus fire based ALS staffing models.

The Task Force recommends the creation of an Innovations Fund that loans monies for projects that will result in quantifiable savings. The savings will replenish the fund.

The Task Force recommends a review of the reporting relationships in King County given that they perform a regional oversight function for the overall EMS system and they are a direct service provider in the south part of the County. This provides an inherent challenge as overseers of the King County EMS system and actual service providers in a part of the County.

The Task Force also affirms what is found in the EMS Strategic Plan that the annual Basic Life Support (BLS) and ALS funding increases should stay capped at the Consumers Price Index (CPI).

Funding Alternatives (Attachment B)

This is the area that will be discussed at the next Task Force meeting. It appears they will likely recommend more than one funding alternative to the King County Council. There will likely be various versions of the current property tax levy and a combination of various smaller funding sources.

The various versions of the status quo may include one or more of the following: (1) regional funding for only ALS and local providers must come up with their own funding for BLS (this will require the Shoreline Fire Department to come up with approximately $300,000 that they do not have); (2) seeking legislation that will not require continuous voter approval; (3) seeking approval for a tax rate levy, so that proceeds can grow with assessed valuation; (4) reduce the super majority requirement; (5) eliminate the validation requirement (for cities over 50,000); and (6) create a new sub-County taxing authority to raise taxes and contract with a group of providers on a more local basis.

Another funding option may include a combination of the following: (1) E911 Tax on telephone service; (2) an increase in liquor taxes; and (3) user fees. The task force has tentatively said that an increase in sales tax, utility taxes and B&O taxes are politically unpalatable. Some of these tax sources may be unstable with the cyclical nature of the economy.

RECOMMENDATION

This is simply an update on the EMS Task Force's work. After reading and listening to the staff presentation we would like to see if there is Council consensus or concerns on past and possible future direction of the Task Force.

ATTACHMENTS

A. EMS Oversight and Governance Recommendations/Performance Tracking and Efficiency Initiatives Recommendations
B. Funding Alternatives

Attachment A

This draft, dated December 7,1998, is marked to show changes from the December 1, 1998 draft.

EMS TASK FORCE RECOMMENDATIONS

The following recommendations are made to: (1) assure continuing efforts to identify and implement operational efficiencies in the delivery of emergency medical services in King County; and (2) provide enhanced oversight of the EMS system.

A. Oversight and Governance Recommendations:

To assure a balance between regional accountability and local autonomy, providers of dispatch, BLS and paramedic services providers should jointly monitor and make recommendations regarding the efficient operation of such services. Currently, this is done through the EMS Advisory Committee, consisting of system managers from various jurisdictions, and including health care professionals.

The EMS Financial Planning Task Force finds that there is a need for (1) expanded outside financial staff review of the EMS system on a regular basis, as well as (2) additional elected official oversight. To address these needs, the Task Force makes the following recommendations:

1. EMS Division: The Division should continue to serve as the central coordinator and manager of the regional EMS system serving unincorporated King County and the suburban cities. In addition, the Division should continue to strive to coordinate this regional system with the Seattle EMS system to develop a seamless system of service throughout the County, in a manner that makes most efficient use of limited regional resources. The Task Force wishes to emphasize the need for additional resources for the EMS Division in order for the Division to timely and adequately implement the initiatives identified in this report.

2. EMS Advisory Committee: The Advisory Committee serves a critical role in bringing professional EMS expertise to bear on the County's oversight of the regional system. The Task Force supports a continuation of this Committee and its current role in EMS system oversight and management.

~~3.~~ Financial Staff Team: A new staff committee should be established, the "EMS Financial Staff Team," ("FST") consisting of:

- two representatives from ~~the~~ Seattle: one appointed by the CityCouncil, and one appointed by the Mayor ~~Finance Department~~
- two representatives appointed by collective action of cities over 50,000 in population other than Seattle
- two representatives appointed by SCA to represent Cities under 50,000
- two staff representatives appointed by the King County Fire Commissioners

KENT 75 150
Bell 110 110
Fed 75 50
SH 50 300

Association
- a representative appointed by the County Executive~~from the County Budget Office~~
- a representative ~~from the County Council staff~~appointed by the County Council

Working in concert with the EMS Advisory Committee, t~~T~~he FST will provide input and suggestions to the EMS Division ~~and the EMS Advisory Committee~~ regarding:

- selection, development and tracking of performance measures and system costs
- proposed amendments or updates to the Strategic Plan
- funding allocation mechanisms
- other financial issues

The FST shall prepare a brief annual report to the King County Council and the EMS Task Force (see below), which report shall summarize FST's work with the EMS Division and EMS Advisory Committee, highlight key financial issues for the system, and include specific recommendations for action. Together with the EMS Advisory Committee and the EMS Division, t~~T~~he FST will participate in briefings of the County Council, sub-regional groups and EMS Task Force regarding the EMS System.

~~42.~~ EMS Task Force: ***The EMS Financial Planning Task Force finds that there is an interim need for the Task Force to continue in existence through approximately July, 2000, in order to***:

- review progress toward achievement of strategic plan initiatives;
- review progress in implementing the recommendations of the Task Force as set forth in this report, including the development of performance measures and other initiatives identified;
- other issues as appropriate.
- prepare a brief annual report to the County Council, County Executive, and Cities providing input on issues it feels important to call to the attention of the County on the implementation of initiatives, including any recommendations for further action.

The Task Force recommends that for these purposes, the Task Force should continue to meet at least quarterly. The Task Force should be provided staff support by ~~with representatives from~~ the EMS Division, the EMS Advisory Committee, and the FST. By July, 2000, there should be a full year experience with tracking performance measures and other oversight measures, and the Task Force would then be able to report to the region's governments regarding progress and need for future actions.

While the Task Force could recommend in July, 2000, that ~~there should~~ continued ~~to be an~~ inter-jurisdictional elected official oversight ~~review board for EMS~~ is needed, at this time the Task Force contemplates that successful implementation of the new oversight

and accountability measures outlined in this report would allow for the Task Force to sunset ~~by~~ in July, 2000.

53. King County Council Review: The EMS Division should report in writing **every six months** on EMS system issues to the King County Council. Such reports should address:

- the costs of the EMS system
- progress in meeting the goals and implementing the programs in the Strategic Plan
- information gathered from performance measure tracking
- significant changes in the system or service environment
- recommendations and reports of the EMS Task Force, EMS Advisory Committee, and the FST

64. Regional Reporting and Sub-regional Meetings: Working with the FST and the EMS Advisory Committee, the EMS Division shall **publish a report** to the region's cities and fire districts twice each year summarizing the items which are listed above for reporting to the County Council.

To facilitate understanding and communication of the progress made and challenges remaining for the EMS system and its component agencies, the EMS Division shall **convene and facilitate** twice each year a series of **Sub-regional meetings**, to which elected officials, city managers, dispatch providers and other system service providers will be invited to review the EMS Division reports, and discuss ideas for future efforts. Such meetings and reports shall be timed to facilitate the greatest possible use of the new information in development of County, city and fire district budgets.

B. Performance Tracking and Efficiency Initiatives Recommendations:

The EMS Financial Planning Task Force finds that there is a need for additional performance measurement and tracking in the EMS system in order to identify issues and opportunities for improvement within a provider agency and/or system-wide. The Task Force further finds that a number of specific initiatives should be implemented to enhance system efficiency. These recommendations follow.

1. Performance Measures:

   a. The King County EMS Division, in cooperation with cities, fire districts and other providers, shall **implement the recommendations of the EMS Strategic Plan**, including monitoring progress toward:

      - reducing growth in demand through public education, injury and illness prevention, referral to more appropriate assistance, revising dispatch

protocols, etc.

- reducing operating costs through development of alternative transport destinations, indexing annual funding increases to the CPI, encouraging joint equipment and supply purchasing, etc.

b. Effective beginning July 1, 1999, all EMS providers should be charged with **tracking and reporting the performance measures** set forth in the **Attachment A.** The EMS Division, EMS Advisory Committee and the FST should provide direction to the EMS providers to ensure consistent measurement methods across the County. Tracking and reporting of identified performance measures should be **required by contract** in order to ensure consistent, uniform tracking countywide. It is noted that in the case of some service providers, and for system-wide measurement, additional funding from the County may be required to "jump start" this tracking and reporting effort. It is further noted that a priority should be given to encourage compatibility of data tracking systems County-wide, and to the ability to easily apply data tracked to regional system modelling efforts (such as those designed to test different ALS unit placements, etc.).

c. The results of such tracking shall be incorporated into the **twice-yearly reports** to the King County Council and the cities and fire districts.

d. In addition, by July 1, 1999, the EMS Division, with the assistance of the EMS Advisory Committee and FST, should prepare a **report using existing historical data** to summarize the trends and system performance measures, to the extent possible relating to the items set forth in **Attachment A.** This report should help facilitate development of benchmarks for further measurement.

e. The EMS Division, EMS Advisory Committee, and the FST, should be charged with recommending byJuly 1, 2000, **any additional performance measures** to bereported by all providers of emergency medical services, or whether the measures in **Attachment A** should be amended in any way, and/or whether target performance or other measures should be incorporated into future funding contracts. .

f. All providers of EMS services should regularly review performance measures in order to monitor performance and set annual performance targets.

2. Efficiency Initiatives:

The EMS Division, together with the EMS Advisory Committee, the FST, and all individual providers of EMS services, shall continue to examine opportunities for reducing costs of dispatch, BLS and ALS services without diminishing levels of service. **Four initial action items** for achieving future cost savings include:

a. **Achieving economies of scale through reducing duplication of direct service, administrative, and capital costs.** The EMS Division, working with the EMS Advisory Committee and FST, shall make specific recommendations to the EMS Task Force and the King County Council no later than December 31, 1999 setting forth possible actions to reduce duplication in the EMS system, including but not limited to consideration of fire operations consolidations.

b. The County, cities and fire districts shall ~~conduct~~ initiate **periodic performance audits of system components** (ALS, BLS and dispatch), as well as of individual providers. These audits should be conducted by an independent outside auditing firm. A priority shall be given to developing a cost comparison analysis of existing **ALS unit operations and practices**, including public-health system ALS staffing models versus fire-based ALS staffing models. The EMS Advisory Committee shall make recommendations to the EMS Task Force and the King County Council regarding the first three audits to be conducted, their scope, and which agency shall oversee the audits no later than June 30, 1999. *(Estimated cost: $100,000 per biennium in levy funds for audits)*

c. The EMS Division should establish a process no later than September 30, 1999 to make annual one-time financial loans on a competitive basis for projects that will result in quantifiable efficiencies and/or direct cost savings, from which savings the "**Innovations Fund**" would be replenished. *(Estimated cost: $500,000 in one-time funding from levy or County general funds.)*

d. The **County's dual role** as the manager/coordinator of the regional EMS system and (2) provider of EMS services in South King County should be clearly acknowledged, and consideration given to whether the enhanced oversight and performance tracking role for the EMS Division proposed here indicates a need for organizational/reporting changes within the County. The EMS Division together with the EMS Advisory Committee and FST should make recommendations to the Task Force by June 30, 1999, for how to best clarify and facilitate the County's regional role for the benefit of all service providers.

3. Financial Policies:

pull

(NOTE: These policies are basically a restatement of the policies in the current Strategic Plan, which covers years 1998 – 2003. When the Task Force reaches consensus on the financing option(s) it wishes to recommend to the County Council, these policies should be revisited for consistency with the financing recommendations. The suburban Task Force members strongly recommend that cost control mechanisms/policies be incorporated into the Final Task Force Report. The policies that follow may serve as a starting point for Task Force discussion. It should be noted that the County policy for the years 1998-2001 is to freeze BLS allocations at '97 levels (that is, the policy below is more generous than current practice). It should be further noted that CPI growth caps will require findings of "substantial need" under Referendum 47 if a

property tax levy continues to serve as a key funding source for the regional EMS system. Over time, policies whereby regional funding does not match growth in services costs will result in more of the EMS system costs being shifted from regional to local funding sources. Initially, this should provide additional incentives for cost saving throughout the system. However, at some point in the future, this may create strains on the ability to provide a relatively uniform level of BLS service, which could threaten the goal of maintaining a "seamless" regional system.)

a. **Growth in ALS Services per-Medic unit funding allocations** shall be capped by increases in the Consumer Price Index (CPI). Consistent with the Strategic Plan, the addition of paramedic units should occur only after all other alternatives for reducing demand and increasing the productivity of existing units has been explored by the EMS Division, the FST, and the EMS Advisory Committee, and the results of such exploration have been presented to the King County Council.

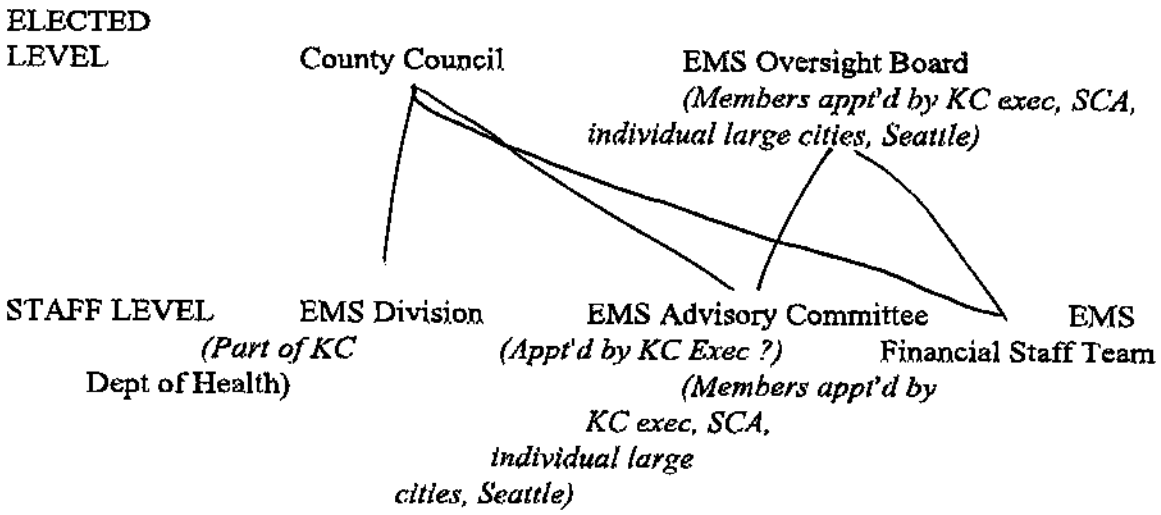
b. Growth in regional services funding shall be capped by increases in the CPI (after considering costs necessary to implement the initiatives in this proposal).

c. Growth in total regional levy funds provided for BLS services shall be capped by increases in the CPI.

J:acctbil.wpd

Ok - all for now!

Governance Proposal in a picture



reporting relationships ═══
consult/advise relationships - - - - - - -

J:acctbil.wpd

Performance Measures

TYPE	WHAT/WHY IT MEASURES	COMMENTS
Average on scene time - trauma (min)	time at the incident; possible time for a procedure	efficiency or effectiveness measures
Average time per call (min)	total time from dispatch to time back in services	effectiveness measure
Average response time	includes dispatch process time, time @ station, notification/reaction, & unit travel time to incident	effectiveness measure
Average time from receipt of call until dispatch	dispatch process time, time for a specific protocol	Combined with average response time can determine time from dispatch to arrival
% BLS response time 4 minutes or less	how often arrival is within a planned standard	standard (target) will differ per jurisdiction
% ALS response time 8 minutes or less	how often arrival is within a planned standard	Jurisdictionally based
Cardiac arrest survival rate	quality of unit & service given	effectiveness
On scene time to Defib(min)	quality of service	effectiveness
% of population trained in CPR	quality of outreach efforts	effectiveness
# of citizens performing CPR in field	quality/quantity of outreach measures	effectiveness or efficiency
Operating expense per capita (constant $)	costs of efforts	efficiency, jurisdictionally based,. Definition of costs key
Number of patients treated	workload	
# of incidents requiring IV/airway therapy	workload	
Total emergency medical calls	workload	
Total unit responses generated	workload	

TYPE	WHAT/WHY IT MEASURES	COMMENTS
Number of patients transported	workload	
EMT's per 10,000 population	efficiency	
Paramedics per 10,000 population	efficiency	ALS
EMS vs Fire Call volume	What % of calls are fire or medically based	
# of EMS units deployed by time and day of the week	Anticipated call volume? Strategic deployment	
Average droptime: What is the interval between arrival at a hospital and returning to service?	Resource impact	efficiency
Unit Hour Utilization ("UHU")	Percent of time a unit is actually handling an incident	

DRAFT

Possible Funding Sources for EMS

DRAFT

Item	Rate/Revenues	Issues
1 Other Funding – Non Prop Tx, Non-User Fee		
a King County provides ALS and regional funding, locally provided BLS	Total ALS cost + Regional Services Estimated at $ 21 million ($17.5 w/o Sea) (not incl. Reg. Svc Cost in Seattle)	• Provides initial apparent rate decrease to public • Reliability and stability • Not a significant reduction to BLS costs • Might severely impact rural/FD fire operations • Could create incentives to shift local costs to ALS • Uncertainty about KC ability to fund without prop. tax increase or other sources • Five percent of ALS costs are provided locally. These monies would be lost.
b King County provides ALS, BLS and regional funding	$37 million in 1998.	• Status Quo operations; County financial obligation • Source of county funding unknown • Five percent of ALS costs are provided locally. These monies would be lost.
c Sales Tax King County collects 1997 Actual Taxable Sales: $29,154,616,987 Sales tax would need to increase by .127% to raise 37mm to cover EMS	$37 million in revenues would require a .127% countywide increase Countywide tax goes from 8.6% to 8.7%	• Affects non-KC residents; (those who may not live in King County, but purchase goods/services here) • Amount of funding depends on the stability of the economy and the purchasing power of the consumers (i.e. in times of less spending, collections would be down.) • Would require legislative action possibly to include voter approval • Regressive
d B&O Taxes Counties are not able to collect B&O taxes under the current RCW's. Maximum cities can levy is .2% on gross receipts	Estimated countywide revenue is $89 million at a rate of .1%	• Would require legislative action if county authority • Impacts business to help fund/support a home health issue. • Could impact city revenues due to multi-jurisdiction transactions • 35 cities currently collect this statewide
e Utility Tax – Telephones and Cell Phones Counties are not able to collect utility taxes under the current RCW's.	Countywide revenue for all utility taxes is estimated at $30 million for a 1% rate	• Would require legislative action and possibly voter approval • Extend to telecommunications companies
f Utility Tax – Electricity Counties are not able to collect utility taxes under the current RCW's.		• Would require legislative action/voter approval

Attachment B

Possible Funding Sources for EMS

	Item	Rate/Revenues	Issues
g	E 911 Tax RCW - Counties can collect up to $.50 per switched line and $.25 per radio (cell) line Current charges are $.35 per switch line and $.25 per radio (cell) line E 911 currently raises 5.2mm (switched) and 1.3mm (radio)	$37 million in revenues would require rates of $1.42 (radio) and $2.00 per month (switched) and (Using same ratio as current 35/25cents)	• Currently supports the E 911 dispatch centers (police, fire, and EMS) • Direct correlation to the EMS services • Possible competition between police, fire, EMS for operational dollars vs. dispatch dollars • Legislative action required, possible initial vote requirement
h	Liquor Excise Tax Funds collected by the state by the liquor excise tax is distributed as: 20% to Counties based on unincorporated populations 80% to Cities/Towns based on incorporated populations	Rate would need to be approx 3 times current rate (assuming no reduction in consumption). Current rate is 75c/gal wine and 15% sales on liquor spirits (partial contrib.)	• Legislative action required • Larger increase to raise 37mm • Current funding source for alcholism treatment programs, such as North Rehab Facility (city contracts with county) • Growth rate of revenue stream?
i	Insurance Company Taxes State currently imposes a 2% tax on insurance company premiums. The state collected $172 million in 1996 on all premiums. Counties do not have authority to levy this tax. Of the money collected on fire insurance premiums 45% is distributed to cities with full time fire departments. In 1997 $1 million was distributed to King County cities.	Tax rate similar or lower than state rate could raise $37 million.	• Precedent for distribution to counties • Fire insurance premiums are small % of total premiums; would need to apply to broad range of premiums. • Legislative action required
j	DUI/Moving Violations 1996 DUI King County Stats: DUI filings = 9,473 DUI guilty findings = 3,523 Total Infractions = 260,000	Assuming a $10 charge: DUI guility findings would raise $35,000/yr Traffic infractions would raise $2.6mm./yr	• Requesting small population to pay for EMS service for entire population (including heart problems) • Possible potential uncollectable debt • As public education to prevent Drunk Driving continues, could reduce revenue stream • Not a direct correlation to growth in EMS system • Legislative action required • Could be opposed by Court System
k	Payroll Tax 1997 annual average jobs in KC = 1 million (This does not include single proprietorships) Avg. 1997 wage inflated from actual 1995 wages by CPI-U = $34,437.	.10% of average wage or $37/year on $34,437	• Impacts 3rd parties (those who may not live in King County, but work here) • Does not tax the unemployed (elderly, poor) • Progressive tax - those who earn more, pay more • Most EMS calls from residences not places of employment • During economic downturns, corporate downsizing could reduce the level of funding resource. • Legislative action required
l	Payroll Head Tax use limit? rate limit?	2 cents per hour for all employees would raise $40 million (@ 2000 hrs/yr)	• Rate would be applied to the number of hours worked • Cities have legislative authority; counties do not.

35.21.710 - use.

DRAFT

Possible Funding Sources for EMS

	Item	Rate/Revenues	Issues
m	State appropriation or credit State appropriation or transfer from other state source	Unknown	• State has surplus under 601 limitations • Possible sources include MVET, sales tax credit, etc.
2	**User Fees**		
a	Charge for Service -- Calls or Transport Transport /Rate for Services Total EMS calls in King County = 85,708 Total EMS calls in Seattle = 53,654 Total 1997 EMS calls = 139,362 Total 1997 ALS Transports: 15,558 Total 1997 BLS Transports: 11,939 Total 1997 Private Ambulance: 37,264 Total Transports: 64,761 (27,497 public only)	$37 million would be recovered if each EMS call (139,362) was charged $265. Assuming AMR average collection of $225: ALS Transports: $3.5 million BLS Transports: $2.6 million All Transports: $14 million	• Those who use the service would pay for it Possibility to bill insurance, medicare, medicaid • Could be a regressive charging situation, meaning a flat charge would impact the working poor as a greater percentage of income than the wealthy. • Charges need not recover full amount; Pierce County has partial funding through this mechanism. • Legislative approval not required. • Insurance companies may reimburse only for transport and not medical services provided. • Perhaps most appropriate as a local revenue source to offset lost regional revenue? • How to charge for multiple unit response? • Actual transport cost much higher ($700+) to account for bad debt • Changes in medicare, medicaid might affect allowable billing
b	Subscription Service Self-insurance program. Failure to participate results in full cost being charged while participants pay only subscription premium King County households = 660,000	Subscription Rate of $56/HHD raises $37 million.	• San Clemente charges $35/yr; Eugene $35/year • Provides ALS and BLS service • Legislative approval not required. • Systems operated by San Clemente and Eugene bill private insurers and cover deductibles; 2.5% and 24% of population subscribes, respectively. Less than 20% recovery of unpaid claims, average amount approx $200. • Administration costs not significant.
3	**Property Tax**		
a	Status Quo Current funding source is 29 cents per $1,000 AV with a maximum subject to the 1% of constitutional limit.	29 cents per 1000 AV $37 million in 1998	• Requires voter approval every 6 years
b	Eliminate validation RCW 84.52.069 requires approval of cities exceeding 50,000 population (In 1997 this incl. Bellevue, Federal Way Kent, Seattle, and Shoreline) in order to place measure on the ballot.	Same as above	• Legislative action required • Eliminate one city veto power • This change alone would not remove need for periodic (6 yr) voter approval.
c	Reduce Super majority RCW 84.52.069 requires 60% county wide voter approval	Same as above	• Legislative action required • Easier to secure voter approval

Possible Funding Sources for EMS

	Item	Rate/Revenues	Issues
d	**One Rate Levy** Introduce regional levy at one rate to get permanent base established, only go back to voters for increases in this rate.	Same as above	• Establishes stable long-term funding that grows w/AV. • Legislative action required • Going back to voters for increase
e	**Eliminate voter approval requirement** Require only local legislative authority for tax implementation and rate. Similar to conservation futures tax which is authorized at the state level and adopted by local legislatures.	Same as above	• Legislative action required
f	**Sub regional system with taxing authority** A new taxing district to fund EMS (jr. district or a district similiar to Metro Park) which has ability to raise property tax money subregionally. These taxing districts could provide different services and could contribute to a regional provider.		• Creating new special purpose district typically requires initial voter approval. • Would need to determine governance structure (new elected positions or appointments?) • Would need interlocal agreements to maintain regional systems under subregional funding • If tax is not in the "float", creates issues for junior taxing districts Leg. Action Req'd

Notes: All cost estimates assume 100% recovery of costs, 100% participation, and do not include administration costs.

21

Per Vehicle charge (Registration Licensing) dedicated to EMS

FINANCIAL RECOMMENDATIONS

1. The Task Force should identify not more than 3 "reasonable and feasible" options. At least one of these should be non-property tax based.

2. These options *could* involve multiple small sources, or one large source.

3. These options *could* be further developed by the **new governance structure**, perhaps after seeing how effective the new governance structure is at providing oversight, and seeing how well the EMS system is able to meet its goals as proposed in the **EMS strategic plan.**

Property Tax Option(s)

Option	Pros/Cons	Political Feasibility Low/Med/High	My support for this option (Low/Med/High)
Status Quo - 6 year voter approved levy with City authoriz			
Eliminate ~~validation~~ ballot approval requirement			
Change ~~validation~~ballot approval requirement -increase pop'ln. Floor over 50K -2/3 of cities over 50K required to approve ballot -only cities with fire departments -GMPC validation formula (30% cities rep. ing 70% of pop.) -take action only if number of cities >50K increases -raise as issue, but defer action until later.			
Reduce super-majority requirement to simple majority			

Option	Pros/Cons	Political Feasibility (low/med./high)	Best as Partial funding solution? Yes/No
permanent single rate levy at $0.25. Increases approved by 60% voter approval periodically	-would need to analyze system impact of going to $0.25 -CPI cost cap policies would need to be combined with this option -what would impact of Ref. 47 be in controlling growth of revenues collected under $0.25 rate? -would need to clarify what gets "dropped," in what order, if revenues insufficient. BLS? Regional services?		
create new special purpose district with prop. tax authority on sub-regional basis			

Option	Pros/Cons	Political Feasibility (low/med./high)	Best as Partial funding solution? Yes/No
provide individual city/district authority to levy for BLS of some amount	-combine this option with permanent single rate regional levy? -could impact region's ability to increase regional levy -need to assess impact on regional system "seamlessness," etc.		

Non-Property Tax Option(s)

Option	Pros/Cons	Political Feasibility (low/med./ high)	Best as Partial funding solution? Yes/No	My support for this option (L/M/H)
King County provides all ALS and regional funding. Locals provide BLS.				
King County provides all ALS, BLS and regional funding.				
King County provides all regional funding (currently, about $8M/year cost)				
King County provides more funding. (Specify) --gap fill to keep levy at current rate after certain steps first taken, with cap? --double or triple current CX contribution ($375,000) --phase in? --Other?				
New sales tax increment of .127% --voter approved --councilmanic				

Option	Pros/Cons	Political Feasibility (low/med./ high)	Best as Partial funding solution? Yes/No	My support for this option (L/M/H)
E911 Tax: add monthly charge of some amount (full funding would take $1.42/mo./land line $2.00/mo./cell--current tax: $.35 and $.50, respectively)				
Liquor Excise Tax				
Charge for Service -per EMS call --- De minimus ---Average cost recovery ---full cost rec. -per actual Transport ---de minimus ---average cost recovery --full cost rec.				

Council Meeting Date: January 4, 1999 **Agenda Item:** 6(c)

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Economic Development Briefing
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Tim Stewart, Director Planning and Development Services Ross Cutshaw, Economic Development Coordinator

EXECUTIVE / COUNCIL SUMMARY

One of your Council's 1998 Goals was "to create and implement an economic development effort". Two initiatives have begun as part of this goal: (1) the efforts in North City supporting the formation of a business association and the design charette process and (2) the hiring of an Economic Development Coordinator to begin working on the Aurora Corridor among other business districts. The purpose of this workshop briefing is to simply update your Council about the recent economic development activities of staff and to outline, for discussion purposes, staff's initial thinking about the thrust and general direction of our future efforts. No decision is being sought at this time; staff is simply updating you with progress in North City and what the new Economic Development Coordinator has done to date.

In October, Ross Cutshaw was hired as the City of Shoreline's first Economic Development Coordinator. For the past few months, staff has been engaged in the collection of information about economic development in the City of Shoreline, has explored some preliminary development opportunities and has begun the conceptual formation of an economic development strategy. The initial staff conclusion is that Shoreline has great challenges and conversely great potential for economic redevelopment, if sufficient private and public resources can be focused upon the areas of opportunity within the City of Shoreline.

In April 1998 your Council directed staff to conduct design workshops for the North City Business District and to articulate priorities for potential change. In August, Urban Works, a consulting firm specializing in urban design, was hired to conduct three workshops and draft design guidelines. To date, two workshops have been conducted. A third workshop is scheduled for January 14, 1999. In February or March we will fully brief your Council about the outcomes and recommendations of the North City Business District process.

The economic development effort in most cities like Shoreline includes programs such as image building, information and referral and "matchmaking" between private entities. Aggressive cities sometimes advance beyond these basic programs and enter the area

of "public/private partnering" to become active partners in economic development efforts with the private sector.

RECOMMENDATION

No Council action is requested at this time. This report is simply an update on actions taken thus far. We also wish to facilitate Council discussion on the general direction of our effort, including guidance on how aggressive we should be in the future, specifically in the areas of image management and partnering with the private sector.

Approved By: City Manager LB City Attorney N/A

SUMMARY

"Create and implement an economic development effort" was a very high priority for the Shoreline City Council's Work Plan for 1998. The purpose of this report is to provide your Council with an update of activities during 1998 and to outline, for discussion purposes, staff's initial thinking about the thrust and general direction of our future Economic Development Program.

Following a national search, which began in June and continued throughout the summer, Ross Cutshaw was hired as the City's first Economic Development Coordinator in September. He started work in October. Mr. Cutshaw had been the Economic Development Director for Cathedral City, California since 1992. Before entering the public service, he had extensive private commercial development experience. While in Cathedral City, he actively participated in the economic rebirth of a new California city. Major accomplishments included extensive redevelopment of a strip commercial area and the acquisition of land for a new city center.

Work has progressed in the North City and the North City Business District and is very close to completing its Design Workshops and Draft Guidelines. During an October 8th workshop, the purpose and limits of the project were discussed. The participants, staff and the consultants agreed the purposes of the effort would be to articulate an image for the district, coordinate improvements and help set priorities for funding. The workshop also identified funding, the limitations of the public rights-of-way, and the market limitations in the effort to revitalize the business district. The second North City Workshop, conducted on October 24th addressed streetscape, amenities, identity and building design as basic design concepts. Following the January 14th workshop, a workshop item will be scheduled in February or March with your Council to fully describe the North City process and recommendations.

The City of Shoreline's Comprehensive Plan, adopted on November 23, 1998, includes an Economic Development element which was developed with extensive public participation and review by both Planning Commission and your Council. Although economic development is an optional element for planning under the state's Growth Management Act, this element will provide a solid policy foundation for future economic development activity by the City of Shoreline. The plan identifies the Aurora Corridor, North City and other smaller neighborhood areas as opportunities for economic development.

The Shoreline Marketplace

The City of Shoreline is very well positioned within the Seattle market for economic development. Its location, demographics and strong school system provide conditions favorable for redevelopment. But because the economy has been so strong over the past few years, land values are very high and may well be preventing some new redevelopment opportunities. Many economic forecasts for the Puget Sound region are predicting much slower growth. A slowdown could create real redevelopment opportunities because vacancy rates may increase and rates of return to private property owners may go down. A slower economy often results in failures of marginal

businesses that, in the long-term, could result in more positive redevelopment in Shoreline.

In 1998, the marketplace showed interest in Shoreline. A number of new projects were permitted and are now under construction including Walgreen's in the North City, a new Comfort Inn and expanded mini casinos on Aurora Avenue. A new Cadillac dealership will occupy the former Chuck Olson site. Many more projects are in the conceptual design phase, with ongoing discussions between the private parties and staff.

Development Opportunities

Over the past few months, staff has engaged in the collection of information about development opportunities in the City. Preliminary contacts have been made with many Shoreline businesses, institutions and individuals. Relationships are now being developed with property owners, real estate brokers and developers, local institutions and regional and state economic development agencies. Those discussions have included the following possible development opportunities and constraints:

- Aurora Square, with its unusual physical elements, access to the Aurora corridor and underutilized space may lead to extensive redevelopment potential, although perhaps not immediately. In fact, in the short term, retail activity may even further degrade as established tenants consider other alternatives.
- Changes in the national grocery industry (the merger of Fred Meyer with QFC and then the acquisition of both by Kroeger) are likely to result in major changes and the potential closing of stores. This may present opportunities for redevelopment.
- The development of the air rights to some publicly owned property is being explored with various public institutions.
- Vacant, underutilized and burnt properties in the Aurora Corridor will present the City of Shoreline with redevelopment opportunities. Aurora Corridor development proposals could enhance or limit redevelopment potential in the future.
- Now that the agreement with Seattle City Light has been finalized, redevelopment interest on and around the Interurban corridor may increase.
- The Aurora Pre-Design Study will provide the City with both opportunities for improvements and challenges to the existing businesses, as we discuss the ultimate rights-of-way needs for the corridor and vehicular and pedestrian access.

Preliminary Economic Development Strategies

The expectations and hopes of Shoreline citizens for immediate redevelopment of many of Shoreline's commercial areas are very high. The reality is that economic redevelopment efforts often take years or even decades too fully mature. For example the City of Tukwila has been investing extensive resources over the years in their Highway 99 corridor and only recently are they bearing fruit. The success or failure of an economic development effort is often determined by a City's Economic Development Program. In addition to the work now underway on the Aurora Corridor and in North City, staff is suggesting that the City of Shoreline's Economic Development Program might include:

- *Strategic Image Management* (SIM). Image building and management is a key element of any economic strategy. Successful communities develop themes and slogans much like a private company would develop a marketing strategy for the sale of goods or services. The City of Renton for example just completed a multi-year effort costing hundreds of thousands of dollars, yielding "Ahead of the Curve" as the slogan for the City. In Shoreline, staff believes that our image could be developed more locally, perhaps involving a theme development and naming competition within the Shoreline schools.

- *Information and Referral.* Providing good, current and reliable information to the local business and real estate markets will enhance economic redevelopment opportunities. A good information system can also save effort and energy. For example, a major institution was considering a site along Aurora Avenue for a new facility, but they were thinking the site was available at a price $3 million less than the actual price and they didn't know the property had already been leased. Staff believes that good data should be developed and made available to the market. Special briefings and community workshops might be provided, including perhaps a "movers and shakers club".

- *Matchmaking.* Putting interested buyers and sellers together, "matchmaking", is a very important element of any successful economic development effort. For example, last week staff was able to match a need for 7500 SF medical space with the developer of a 7800 SF office building. Matchmaking can also involve the combination and coordination of various public efforts. For example, the Aurora Pre-Design process might result in a new traffic pattern that can be integrated into an economic redevelopment project. Or, an economic redevelopment project might be supported from a grant used to make abutting public capital improvements. Or perhaps, the off-site mitigation of development impacts for a highly desired redevelopment project might be coordinated with a City CIP project for the benefit of both the City and the development.

- *Partnering.* A much more aggressive economic development strategy is to partner with the private sector in redevelopment efforts. While the specific authority for this type of activity under Washington Law needs further investigation, economic development partnering has been very successful across the country. "Partnering" can include targeting specific projects, property ownership by the City, development agreements, and joint-use agreements. It might also involve street vacations, permitting and outright land purchase, and the sale or trading of land. We caution however, that aggressive partnering may become controversial and contentious during implementation. For example, the use of eminent domain is always difficult for any governmental entity, because it takes private property for a public use. If a property were condemned for a legitimate public purpose, such as road, park or public plaza in support of a private economic redevelopment project, it might become even more contentious. A street vacation for a redevelopment project might become controversial if the City traded the land for a pad site on the same project, leased the land for redevelopment or reserved the land for another future public use. Development agreements that grant development rights might also include

provisions for public ownership or redevelopment of land for economic development purposes or sale/lease back provisions. Each of these aggressive economic development tactics is in use today across the country. Staff believes that active partnering with the private sector will provide Shoreline with an important tool in its redevelopment efforts.

RECOMMENDATION

No Council action is requested at this time. This report is simply an update on actions taken thus far. We also wish to facilitate Council discussion on the general direction of our effort, including guidance on how aggressive we should be in the future, specifically in the areas of image management and partnering with the private sector.

Tstewart/srecodevo.doc

Council Meeting Date: January 4, 1998 **Agenda Item:** 6(d)

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Review of King County Maintenance Contracts and Implementation Plan Leading to the Development of Shoreline's Public Works Department (Council Goal #8).
DEPARTMENT:	Public Works
PRESENTED BY:	Douglas W. Mattoon, Director KO (for)

EXECUTIVE / COUNCIL SUMMARY

Your Council adopted 1998 goal number 8 to "Develop a Public Works Department and define its operation and structure". The primary objective of this goal is to develop a comprehensive plan for long-term delivery of Public Works services to the community. Our actions to date have been more incremental in nature and have not addressed the overall service delivery issues. From a holistic viewpoint, this report recommends a hybrid service delivery system for the long-term that uses the strength of the private sector, King County, and in-house service delivery models. To reach this goal, staff has reviewed (1) street and surface water maintenance tasks currently provided by King County and associated costs to the City, (2) staffing needs to implement the recently adopted Capital Improvement Program, (3) professional engineering staffing needs to support Planning and Development Services and other City functions, and (4) they developed a multi-year implementation plan. Though this process has reviewed all programs within the Public Works Department, the main focus of this report is the provision of street, traffic, and surface water maintenance services.

Current Service Delivery

The current Public Works Department (see page 6 of this report for the current Department organization chart) represents the sum of incremental decisions over the last three years. The City's first Public Works Director, City Engineer, and support staff were hired in late 1997 or early 1998.

Since incorporation, the City has received traffic, streets, and drainage maintenance services from the King County Department of Transportation through an interlocal agreement managed by the Public Works Operations Manager. The City's Customer Response Team performs some street, vegetation control, and surface water maintenance though it is not part of their original mission. The City's Surface Water Coordinator inspects drainage facilities only, and the City's Facilities staff of two performs fundamental levels of service and project management on the City's owned and leased facilities. The City Engineer, the new Capital Projects Manager, and two

project engineers manage capital projects and provide engineering assistance Citywide. The City also contracts with private agencies to provide tree removal, and the City contracts with the North Rehabilitation Facility (NRF) for vegetation removal in the City's right-of-way.

Street and Surface Water Maintenance: Inadequate Service Levels

When Shoreline incorporated, the transition team recommended contracting with King County for street (including traffic and associated drainage) maintenance services until Public Works was established. However, the services provided by King County have not met the fundamental or consistent levels of service needed to preserve our infrastructure. This is critical given that our City's largest investment ($650 million) in streets, surface water and parks facilities require regular and professionally managed maintenance. For example, the County's vactor accomplishment has been to clean each of the City's stormwater catch basins once every seven years, even though their maintenance management plan recommends to vactor them every four years. There are some services that are not being provided because they are too expensive to accomplish through King County. Examples include tree trimming, and some types of vegetation control. King County crews that perform these categories of work must travel to Shoreline from their Renton headquarters each day. This results in several hours of crew time spent every day for transit time instead of work time. These examples are just the tip of the iceberg and will be discussed in depth later in this report.

Unacceptable Control and Accountability of Services

The City has control over which tasks are put on the County's workplan for the City but little control over whether or when the work is performed. For the past three years, the County has not completed their work plan. In the long-term, this will shorten the life of the City's investment in infrastructure. The City does not have adequate staffing to supervise the work being performed by King County on a regular basis.

Cost Of Service

The City pays the County for direct labor, benefits, paid time off, equipment and materials, and any vendors the County may hire to work in Shoreline. In addition to this, the City pays between 60% and 65% for administrative overhead (County Executive, finance, human resources, etc.) on County direct labor costs which has been approximately $260,000 (1999 costs) per year. The result is that the City pays twice. It pays for the current City overhead and the County's as well. A finding of this report shows that the City can duplicate and/or improve all the services provided by King County's overhead for $133,005 ($85,995 less) in internal City overhead expenditures. This will reduce the total amount of overhead being paid by $85,995 per year, allow the City to fund more direct services in the field, and provide improved support for the department.

Inconsistent Data Management

The availability and upkeep of County maintenance management system and infrastructure inventory data is also of concern. Public Works completed an analysis of King County data in 1998 to determine its quality. This study found that King County

data for Shoreline's infrastructure is inconsistent and not compatible across divisions (i.e. streets, traffic, and surface water), the infrastructure inventories are not consistently maintained or uniformly collected, and some data is outdated or missing. Without high quality and consistent inventory and maintenance management information, the City does not have adequate management resources to plan maintenance or address/determine adequate levels of service. Correcting this is key to professionally manage our inherited infrastructure. Simply stated, the City can not develop service levels that meet the community needs without knowing what the condition of our infrastructure is or what resources will be needed to maintain it.

The time has come to investigate and implement alternate methods of service delivery for City streets, traffic, and surface water systems.

Analysis of County Services

To determine the most cost effective and accountable service delivery methods for streets, traffic, and surface water systems, staff utilized an outside consultant to review reams of King County data and analyze (1) current service levels, (2) the cost associated with these accomplishments including overhead costs, (2) a strategy to determine which maintenance tasks are well suited for provision by contractors (King County or private sector) vs. with in-house staff, and (3) a 3-year plan for implementing the new service delivery mix. The consultant also investigated City resource needs, start-up costs, equipment needs and storage space, and personnel space requirements.

It is important to mention that the analysis was a two-part process. The first part was a theoretical "apples to apples" comparison, trying to mimic the existing service level of the County using multiple providers that produce an annual savings of $222,457. The second part added administrative staff to provide the necessary oversight, accountability, and foundation that is lacking in the current arrangement so we can begin addressing service level and other policy issues.

How to Respond

This is the first in a 3-step process to respond to the lack of fundamental street, traffic, and drainage management and maintenance services in Shoreline. Step 1, the focus of this report, is to transition from King County as the sole provider for street maintenance services to a mix that will include the hiring of in-house staff, contracting with other public agencies or private contractors, and remaining with the County where it is to our advantage to do so. This process will take at least three years as contracts with outside agencies must be investigated and developed.

Step 2 is the design of information systems which includes infrastructure inventories condition assessments and the separate development of a City maintenance management system. Creation of the maintenance management system is budgeted in the City's technology plan for $180,000 and is to be designed and implemented during 1999-2000. The infrastructure inventory and condition assessment must be completed separately. Staff recommends development of inventory needs and data collection methods in 1999. Staff will return to your Council at a future date with inventory and

condition assessment costs and timeframe. We need the additional staff recommended later in this report to implement this phase. Step 3 is a three to five-year process to evaluate and determine appropriate service levels that focus on policy direction from your Council based on cost, willingness to pay, and community values. Again, the staff recommended in Phase I is intended to complete this step as well.

Staff recommends a 3-year service delivery transition plan to ensure smooth transition and minimal disruption to service delivery (See Attachment A). This transition will utilize a mix of service delivery through private contractors, in-house staff, and agreements with other agencies including King County.

Public Works 3-Year Implementation Plan
In order to accomplish this transition plan, Public Works requires additional staff resources to assist in the transition of services from King County to other providers and to begin development of contracts (specifications, bids, etc.) with private contractors. Staff recommends addition of a Street Supervisor, Contracts Analyst, Administration Assistant, and two maintenance workers to begin the conversion from County services. Staff also recommends the addition of a Project Engineer to fully implement the CIP (See analysis in Attachment B). The City Engineer reviewed the staffing needs to complete the CIP as recently approved by your Council and we are requesting one more FTE in order to meet the goals implicit in the six-year plan.

If the entire plan is implemented in 1999, the estimated City cost for maintenance is $1,498,524 including $476,712 in start-up costs. The annualized cost in 2000 is $1,450,399 and includes $286,027 in start-up capital, and for 2001 the annualized cost is $1,151,790 operating with no start-up costs. See Table 7: County vs. Plan Implementation Costs (Operations) on page 26 of this report. The 1999 cost of the Project Engineer ($66,000 for labor and benefits and $35,000 for start-up equipment costs) will be borne by the Capital Budget.

RECOMMENDATION
No specific formal action is required at this time. Staff seeks your Council's consensus to support the initiatives identified in this report. If you support this plan, staff will return to your Council with a detailed 1999 budget adjustment along with the request to begin hiring a Streets Supervisor, Contract Analyst, Administration Assistant, Project Engineer, and two Maintenance Workers.

Approved By: City Manager JB City Attorney N/A

BACKGROUND

Upon incorporation in 1995, the City of Shoreline assumed responsibility for provision of roads, traffic and drainage services from King County and the facilities that the City owns or leases. Due to the restricted time period to determine service mechanisms, the City's Transition Team recommended maintaining these services through an interlocal agreement with King County until the City could "put its house in order" and develop different service delivery alternatives. The following section discusses the recommendations made by the Transition Team and the actions taken by City staff to reach them.

Transition Team Recommendation and City Actions

Streets: The Transition Team recommended contracting with King County for the provision of roads, roads related drainage, and traffic maintenance services until alternate service delivery methods could be investigated. As a result of this recommendation, staff formed an interlocal agreement with King County's Department of Transportation for provision of streets, associated drainage services, and traffic maintenance. The City also took over partial management of Public Works reactive services through the Customer Response Team (CRT). CRT took the customer relations component of service delivery from King County Transportation. CRT also provides simple road patching, minor hazard response, vegetation removal, and drainage services. The bulk of the following report analyzes the work completed by King County, their accountability to the City, and the cost of the services they provide. It then follows through with the Transition Team's recommendation to utilize alternative service delivery methods where sensible.

Surface Water Management (SWM): The Transition Team recommended contracting with King County Surface Water Management for one year or until transition to another method of service could be identified. The Team also recommended completion of drainage projects previously prioritized by King County and to contract with a consultant for future project design assistance. Finally, the team recommended continuation of the surface water utility fee. As a result of this recommendation, the City contracted with SWM to manage surface water services and continue surface water utility billing. The City hired a Surface Water Management Coordinator early in 1998, and the City assumed management responsibility for surface water facilities on April 1, 1998. The City now works directly with King County Roads for the maintenance of drainage systems. In 1999, the only services provided by King County SWM will be collection of the SWM utility fee.

Facilities: The Transition Team recommended that the City hire a Facilities manager to manage maintenance tasks for City owned and leased facilities. Based on this recommendation, the City hired a Facilities Coordinator in 1995, and a Facilities Maintenance worker was hired in 1998.

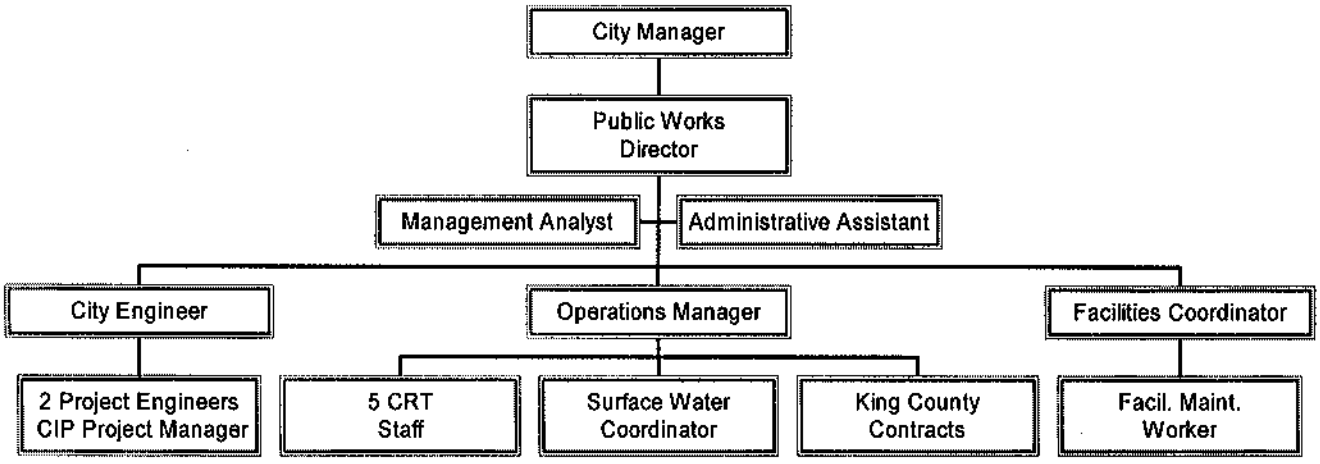
Review of Transition Team Recommendations

The Transition Team's recommendations were critical during the transition of responsibility for the City's infrastructure from King County to the City of Shoreline. The Team's recommendation to contract with King County for streets, traffic and surface water maintenance was the path taken by most newly incorporated cities. However, the Team performed their work with limited time and information regarding the condition and complexity of the City's infrastructure. The Team was not able to address resources needed to truly manage King County contracts, development and implementation of a comprehensive Capital Improvement Program (CIP), and engineering needs for street and traffic operations and to support the City's development review function. As a result, serious gaps in service delivery exist, the City pays internal overhead and King County overhead (double overhead) for maintenance activities, and the City does not have tight control over services provided in Shoreline.

CURRENT PUBLIC WORKS DEPARTMENT

The organization chart below shows the current structure of Shoreline's Public Works Department.

Public Works Organization Chart



The above Public Works Organization Chart shows that there are four Public Works Divisions: Administration, Engineering, Operations, and Facilities. Public Works Administration has a staff of three, including the Director, and provides department leadership, policy development, budget monitoring, and department-wide project assistance. The Facilities Division has a staff of two and is responsible for improvement and maintenance of the City's owned and leased facilities and implementation of facility Capital Improvement Projects. The Engineering Division includes the City Engineer, a new Capital Projects Manager, and two project engineers performing project engineering, consultant management, Capital Improvement Program (CIP) implementation, and support to other City departments. Selection of the Capital Project Manager, as approved during the 1999 budget process, is currently underway. The Operations Division is responsible for the actual maintenance of street and surface

water infrastructure. CRT provides "one person, one truck, one hour" response to citizens. CRT staff repairs simple infrastructure problems, manages contracts with private agencies for emergency tree removal, and manages the North Rehabilitation Facility (NRF) crews for some vegetation maintenance.

Current Services are Inadequate

There are many tasks and programs that the City has not been completing to maintain its infrastructure. Public Works continues to provide services on a reactive basis, rather than a proactive basis. Services are responded to as disparate incidents, rather than managed as planned periodic maintenance activities. The City has no comprehensive sidewalk, curb or tree maintenance programs. Maintenance of street surfaces is lacking, as the City is not performing crack sealing or seal coating activities that prolong the life of a street. A rudimentary overlay program is being patched together without an automated preventive maintenance system. Many of City's traffic signals use an inconsistent array of outdated control computers, which are limited to simple operations, rather than complex demand-based operations that improve traffic flow. The City's storm drain cleaning program is completed once every seven years instead of every four years which is the frequency identified as Countywide standards and results in reduced drainage capacity. Shoulder maintenance, which prevents the road surface from crumbling apart from the roadside, is addressed as an incidental maintenance practice rather than a proactive way to protect the investment in overlays. A comprehensive program would systematically examine and repair shoulders before crumbling becomes a problem.

The City's infrastructure is not being maintained at an acceptable level of service befitting a $650 million or more investment. The current level of service will result in costly future repairs.

There are many reasons why the level of service the City receives from King County is inadequate. Every year, the County plans work in Shoreline based on their Countywide history of required maintenance. The County has not been able to meet their work plan due to inclement weather and storm response, demands on their resources, and other competing priorities. This workplan does not address needs specific to Shoreline. It also fails to address the cumulative impact of not accomplishing the work in previous years. Compounding the underachievement, is the City's inability to inspect the County's work in the field, due to inadequate staffing. One can easily argue the difference in actual vs. planned maintenance expenditure (e.g. 1996 and 1997) represents deferred maintenance that should be caught up to protect our investments in infrastructure. The table below shows the County's planned vs. actual costs for maintaining the City's infrastructure.

Table 1: Shoreline Contracts with King County: Planned vs. Actual

	1996		1997		1998
	Planned	Actual	Planned	Actual	Planned
Streets	$1,376,021	$871,680	$1,459,575	$773,473	$ 1,563,330

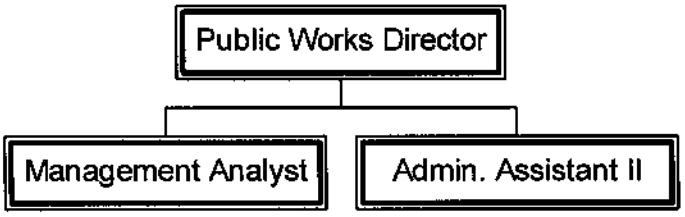
In addition to the County's inability to meet their annual workplan, the County's ability to manage work records and collect field data is not consistent across divisions. Location of street maintenance activities, infrastructure inventory and conditions are not being updated in the County's maintenance management system. This is in part due to the City's lack of resources to work with King County to update the data. A similar problem exists with storm drainage maintenance. The only information that approaches an acceptable level is the maintenance and updated inventory of traffic signals and signs. However, the data that does exist is not linked or recorded in a common fashion across all three divisions (County Roads, Traffic, and Surface Water Management). As a result, observations by a roads crew of a traffic signal problem requires a high level of initiative to resolve. A modern maintenance management system allows work to be coordinated, prioritized and assigned across departmental and division lines. Because of the lack of such a system, many maintenance needs "fall through the cracks", reducing the life of our infrastructure investments and exposing the City to possible unnecessary liability.

REVIEW AND ANALYSIS OF ALTERNATIVE SERVICE DELIVERY OPTIONS

Each Public Works Division's needs or service delivery options will be presented individually in the following order: Administration, Facilities, Engineering and Operations. A major portion of this report focuses on Operations due to its diversity of services and the need to review large King County contracts. There are no recommended changes for Administration and Facilities. A 3-year service delivery staff and equipment implementation plan (See attachment D) will combine all the Public Works divisions to present the holistic overview requested in your 1998 Council Goal #8.

ADMINISTRATION

Public Works Administration

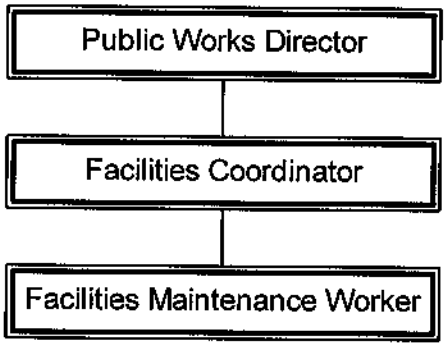


Public Works Administration provides for all departmental management leadership, business process and policy development, budget and staff support responsibilities of the department. Support provided by administration for other staff members includes data and program analysis, report generation, and grant writing.

No quantitative data exists to define the inadequacy of administration resources in Public Works. However, the Public Works Administration staff has been pulled away from developing policies, refining procedures and from general leadership of the department in order to respond to emergent needs. If additional capacity is added to the other divisions (as recommended), the Administration staff should be able to return to its core mission.

FACILITIES

Public Works Facilities



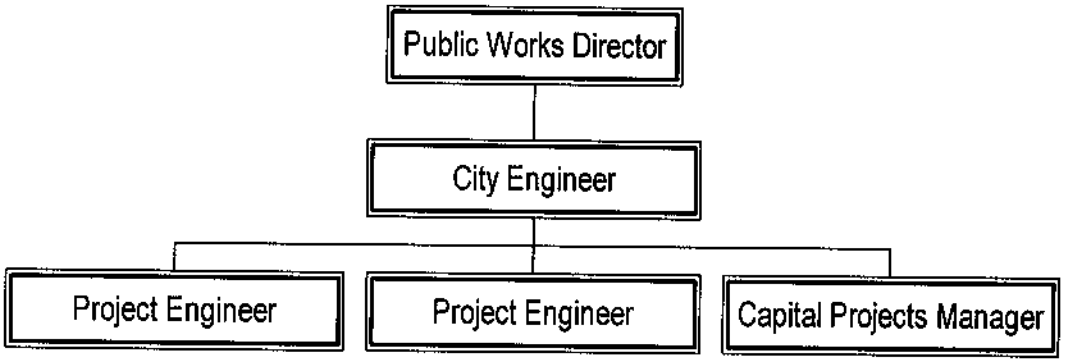
The Facilities Division provides facility management and facility maintenance, utilities, preventive maintenance, janitorial services, security monitoring and project management for all facilities owned or leased by the City of Shoreline. The Facilities Coordinator is also responsible for implementation of basic Facilities CIP projects.

A Facilities Maintenance Worker was hired in 1998. A Facilities Inventory and Condition Assessment and a workplan to address facility and maintenance deficiencies were also completed in 1998. The Assessment and workplan were presented to your Council on November 2, 1998. This assessment recommended preventive maintenance activities that were not budgeted for 1999 that must be considered during the year 2000 budget process. In 1998, CRT also began logging requests for facility maintenance to begin tracking the Facilities Division's maintenance workload.

No additional analysis is needed at this time. CRT will continue to collect data to quantify City demands for Facilities maintenance activities. Staffing levels for the Facilities Division will be addressed during the budget process as will recommendations from the Facility Condition and Assessment analysis and workplan.

ENGINEERING

Engineering Organization Chart



The Public Works Engineering Program provides for the design and construction oversight of street, traffic, drainage, and park improvements identified in the CIP. Staff also responds to citizen complaints and provides engineering and technical assistance Citywide, especially for the Development Services Program. This program provides technical assistance for the annual street overlays, design and construction of new sidewalks, roadways and bicycle paths, and installation and evaluation of traffic signal systems.

On November 9, 1998, your Council adopted the CIP after the 1998 Adopted Budget was prepared for your Council. Though the City is in the process of hiring a Capital Projects Manager, additional resources and equipment are necessary to prepare the Engineering Division for CIP implementation.

To determine the staffing levels necessary to complete the City's CIP while continuing to provide general engineering assistance to other City departments, the City Engineer analyzed each project and the "general assistance" category to estimate required staffing levels for each year (See Attachment B). Staff recommends private consultants provide engineering design and construction management for CIP projects. This practice requires minimal supervision, while ensuring that numerous projects can be undertaken simultaneously. Basic facilities CIP projects will be managed by the City's Facilities Coordinator and were not calculated as part of the engineering FTE need.

The Engineering Division has 4 full-time equivalent employees: a City Engineer, two Project Engineers, and a Capital Projects Manager who will be on-board early in 1999. Additional engineering support will be provided by the City's engineering intern program approved through the 1999 budget process. The FTE analysis shows that an average of 5.81 FTEs are required to implement the CIP. Staff recommends hiring an additional

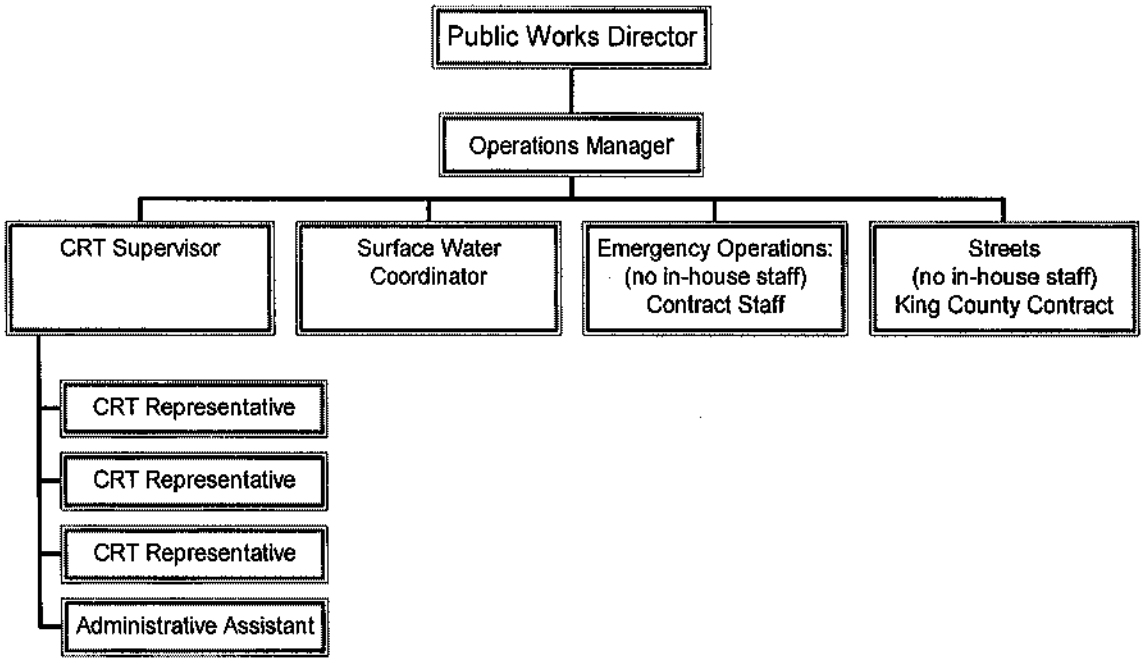
Project Engineer to be assigned to the design and construction management of CIP projects. This additional Project Engineer increases the engineering staff to 5.0 FTE. This provides a staffing level for the lowest year (2001). FTE needs for the other years will be accommodated through a combination of increased dependence on consultants, temporary engineering interns, and possible use of the Facilities Coordinator as appropriate.

The CIP uses conservative estimates of the amount of grant funding for each project. If the City received more grant funding than expected, more projects could be undertaken and require more staffing. If grant funding is less than expected, staffing will be reduced. The CIP will be evaluated on an annual basis to examine the relationship between grant funding, staffing, and project needs. If needs change as a result of this evaluation process, the City could choose a number of options to meet our needs. This can include hiring more intern support, using more consultant contracts, hiring temporary or permanent professional staff, or eliminating these staff.

The ongoing staff costs for the additional Project Engineer include approximately $52,000 for direct labor and $14,000 for benefits (in 1999 costs). The on-time start-up costs include $8,600 for a desk and computer, $1,000 for equipment, and $25,000 for a pick-up truck with safety equipment. These costs will be allocated to the CIP budget and not the General Fund. This vehicle would be traded with CRT for one of their light duty pick-up trucks to best utilize our resources.

OPERATIONS

Operations Organization Chart



The Operations Division manages the ongoing maintenance activities of the City's street and drainage infrastructure, the Customer Response Team (CRT), and

Emergency Planning. The current mix of services includes some in-house staff and predominantly contracted services. In-house staff provides customer service assistance and responds to customer requests through the CRT. In-house staff manages surface water work performed King County. King County performs the actual maintenance work on roadway and drainage infrastructure. The City's street, surface water, and parks infrastructure replacement cost is in excess of $650 million. Consequently, the maintenance function is a critical component in managing our most valuable physical assets. The following table 2 is an inventory list of Operation's maintenance responsibilities.

Table 2: Inventory Data Supplied by King County

Residential streets	151 miles
State route streets	5 miles
Collector, minor, principal streets	36 miles
Bridges	3
Gravel shoulders	134 miles
Traffic signals	31
Flashing signals	16
Signal Loops	520
Traffic signs	4,822
Catch basins	6,000
Headers/trash racks	2,348
Open ditches	35 miles
Closed ditches	97 miles
Paved ditch and gutter	5 miles
Detention facilities: Residential	51
Detention facilities: Commercial	180
Detention facilities: Regional	23
Street trees	1,208
Guardrails	1 mile

*This table does not include Annexation A area inventory.

Customer Response Team: The Customer Response Team (CRT) provides a consistent means for requesting services through the main telephone line into the City. CRT responds to requests via personal on site contact and through telephone notifications. All requests for services are documented in the Customer Request Program and are analyzed for developing hot issues and patterns or changes in requested service. CRT has staff that responds to requests that can generally be accomplished by a "one truck, with one person, in one hour or less". Other requests are passed along to the appropriate providers and tracked to ensure follow-through.

Though CRT's staffing levels are adequate to perform their original purpose, CRT has gradually assumed many duties that are outside their mission. This work includes some contract management, pothole patching, field inspections, and picking up vegetation debris removed by the North Rehabilitation Crew (NRF). This additional

work has pulled CRT away from its customer focus resulting in a backlog of work requests and not keeping the CRT database current.

In the future, CRT will benefit by eliminating the duties that are not consistent with its mission. This can be accomplished by developing additional in-house staffing (as recommended later in this report) to manage the street maintenance activities. Staff envisions CRT evolving to its original goal--become a Citywide organization that coordinates the timely unified response of all customer requests. Planning and Development Services, Parks, Police and the new Code Enforcement program are all potential beneficiaries of an expanded CRT. Completion of the CRT database is scheduled in the Information Systems Technology Plan. The completion of the database will give more employees access to CRTs information to enhance the City's customer service delivery and accountability.

Surface Water Management: The Surface Water Operations program provides for maintenance of the City's surface water infrastructure. This City's surface water responsibilities include the inspection, maintenance, and operation of the City's network of pipelines, ditches, retention/detention facilities, pump stations, streams and lakes. Early in 1998 the City hired a Surface Water Coordinator. The City assumed management of surface water maintenance activities from King County on April 1, 1998. However, administration support and data management was not increased in Operations to account for the increased workload resulting from SWM duties. The County delivered a whole pallet of information and drawings that Operations doesn't have the resources to inventory and catalog. Also, the City does not yet have a maintenance management system to keep track of the City's surface water facilities.

Maintenance continues to be performed by King County Transportation through our existing contract. Billing and collection services for the SWM utility fee are performed for the City by King County for approximately $29,000 per year. This is a very cost effective service that should continue. The City continues to pay a debt service fee to King County for its portion of financed projects pre-incorporation. This debt service repayment is in accordance with state law. In 1999, the City's will pay the County $150,000 towards this debt service. After similar payments for the next several years, the City will have paid off its debt service to King County at the end of 2002.

There are two significant regulations that will affect Shoreline within the next several years: the Endangered Species Act (ESA) listing of the Chinook Salmon, and Clean Water Act National Pollution Discharge Elimination System (NPDES) phase II requirements. Both regulations will place tighter controls on how the City operates its stormwater system, and a comprehensive inventory and condition assessment of our surface water infrastructure components will be required. This inventory and condition assessment, however, will be required in the near future to determine adequate service levels for maintenance regardless of these upcoming mandates.

The separately developed maintenance management information system will provide the capturing point for this inventory and condition assessment is currently scheduled as part of the City's Technology Plan that was accepted by your Council workshop on

February 2, 1998. It is estimated that this system will cost around $180,000 and will begin the end quarter of 1999 or the first quarter of 2000.

It is also important to mention that in 1998 Public Works investigated the inventory data kept by King County for the Shoreline area. The goal of this investigation was to determine whether it would be more cost effective to transfer County data to Shoreline, or to complete a new inventory and condition assessment of the City's infrastructure and load it into our own system. Staff found that the County's data is not compatible across divisions (streets, traffic, and surface water), the data has not been updated since incorporation with the exception of traffic sign inventories, and the data was not consistently collected. Staff concluded that the City should perform its own inventory and condition assessment of its infrastructure and load the data into our own system. This information will allow the City to analyze the alternative levels of maintenance based on City needs, and it will provide the necessary data to develop preventative maintenance program. As previously mentioned, staff will prioritize inventory needs in 1999 and return to your Council with inventory and condition assessment costs and a project timeframe in the future.

As you may recall, the street maintenance staff performs most of the surface water services provided by King County. As a result, review of this function will be completed jointly with roads services in the Roads Operations section. Staff recommends that the City continue to contract with King County to collect SWM utility fee revenues. This is a cost affective service, and the billing is part of the property tax cycle making it more convenient to property owners than receiving a separate City bill.

EMERGENCY OPERATIONS: The Emergency Operations program supports the development and implementation of a comprehensive emergency management plan. Your Council adopted the Emergency Management Plan on December 14, 1998. The 1999 workplan approved by your Council provides for further refinement of the Plan that ensure the City's readiness to respond to, and recover from, the effects of natural and man made disasters. These activities include planning (developing Standard Operating Procedures along with appropriate annexes), staff (training for their respective roles during an emergency) and citizen education, and coordination with other agencies (Fire District, Schools, etc.).

Emergency Operations activities are presently managed by a consultant. In 1999, $50,000 has been budgeted to continue this program. Staff has committed to investigate working with the Fire District to jointly fund a dedicated emergency management position in 1999. Staff will return to your Council in 1999 with a recommendation.

Street Operations: The Street Operations Program, through dedicated funding, provides for the maintenance and operation of the City's transportation system, right-of-way, and associated drainage. This program provides: roadway surface restoration through overlay, sealing, patching and reconstruction, shoulder restoration and vegetation control, traffic, drainage ditch and pipe maintenance, and traffic safety. Traffic and safety work includes the installation of signs, operation of traffic signals,

road striping, sidewalk and pathway maintenance and repair, and snow and ice removal. These functions are currently performed through an inter-governmental contract with King County with limited City staff direction. Roadside landscaping service is performed by contract with the North Rehabilitation Facility (NRF).

The previously mentioned proposed ESA listing of Chinook salmon and NPDES Phase II regulations will affect the timeframe, cost, and potential priority of maintenance tasks. Costs associated with these mandates is unknown at this time. Staff will return to your Council as these regulations are adopted to explain staff, budget, and project impacts.

The following section investigates street and associated drainage services provided by King County and presents a plan to transition to a strategic mix of in-house staff, public, and private contracts over a three-year period.

Analysis of County Roads Services

The street maintenance services provided by King County Department of Transportation were investigated to identify alternatives for a more responsive way to complete the previously outlined maintenance functions they perform. City staff analyzed the County's task code structure, combined the numerous tasks into sensible groups for analysis, created a methodology to determine which tasks should be performed in-house vs. with contract staff, and recommend a three-year plan for transition of County services.

County Task Structure

King County's maintenance management system utilizes task codes to track maintenance accomplishment, labor, equipment, materials, and other costs around specific activities. The County has hundreds of task codes for every possible work category. Examples include: engineering, bridge maintenance, vegetation spraying, shoulder and hand mowing, catch basin replacement, sign washing, etc. While this level of detail is helpful, it is far too detailed for the purpose of this study. For example, there are three tasks that reflect litter collection activities. One task code is "litter pick-up" other related tasks are "debris removal" and "debris sorting. In order to efficiently analyze the tasks, groups were established by combining like tasks. For example, when looking at roads, the Shoulder Construction, Shoulder Grading and Shoulder Restoration task codes were combined to form a Shoulder Maintenance category of endeavor. This made it easier to manage the information at the level best suited for this type of analysis. See attachment C for the list of Categories. This table will be discussed further later in this report.

The first step in analyzing the categories of endeavor was to determining the average level of accomplishment for major tasks (i.e. the quantity completed per year) using data from the years 1996 and 1997. This analysis revealed many areas of maintenance where County service levels fell short based upon the County's standard for maintaining infrastructure components. For example, less than 900 of the City's estimated 6000 catch basins are jetted clean each year. Many cities clean each catch basin every year to prevent flooding, maximize capacity, prevent damage to private property and improve water quality. The services we are receiving from King County

amount to cleaning each catch basin once every seven years. This maintenance frequency does not meet the County's adopted standards and fundamental levels of service based on staff's professional judgement.

It is important to note that we are not calculating the cost of bringing the level of service up to County standards. Until the staffing is in place, and information resources are developed, we are unable to develop and estimate what our needs are. The analysis and discussion about what appropriate service levels are for our community will need to take place in future years.

Cost of County Services

The next step was to calculate costs for each category of endeavor based upon average annual invoices for 1996 and 1997. These costs are calculated for each County task and include direct labor, materials, vendor services, equipment use, and administrative County overhead. As cost plays a major role in provision of services, extra attention was spent to identify what each "cost" included. The five major cost categories are covered below.

Direct labor is the exact cost for actual labor used. It does not include personnel benefits, accrued vacation/sick leave costs, or administrative overhead. It does include overtime and "standby" compensation in additional to regular hours. Labor costs for temporary field laborers, summer hires, student interns, and other seasonal employees is also included.

Materials is the cost passed on to the City for materials used to accomplish the work in Shoreline. These materials include asphalt mix, lumber, replacement signs and crushed rock.

Equipment use covers the hourly usage of equipment needed to accomplish each task. Since Public Works maintenance activities often require specialized and expensive equipment, the cost of providing this equipment is broken down into an hourly rate. This hourly rate is charged to fund the operation and replacement of the equipment. Allocated within this hourly rate are fuel, oil, tires, preventative maintenance, incidental maintenance, equipment replacement and administrative overhead. The replacement component pays for the equipment to be replaced when the useful life of the equipment is over. Equipment life varies by type and use. Some equipment may last more than 15 years, while others may only last 5 years.

Vendor services are costs passed along to the City for services performed by outside vendors. These may include services like hiring a company to paint pavement markings, spray special chemicals, overlay City streets, or perform other specialized work.

Overhead includes personnel benefits (health, dental, life insurance, medicare, and social security); funding for accrued sick leave, vacations, and other paid time off; and administrative overhead for indirect labor and services. In the case

of King County, administrative overhead includes management above the division level (e.g. County Executive staff), budget development, accounting, auditing, policy development, financial services, payroll processing, liability insurance, legal support, purchasing, communications, information services, office space and equipment. This administrative overhead rate is calculated as 65% of direct labor costs for permanent and temporary staff. The following table outlines the overhead rates charged on direct labor by King County Roads and Traffic Divisions

Table 3: County Overhead Rates

	Streets Average	Traffic Average
Benefits for Full Time Staff	32.5%	32.5%
Funding for Time Off	16.5%	16.5%
Benefits for Extra Help	8%	8%
Benefits for Overtime	16.5%	16.5%
Administrative Overhead	65%	60%

The overhead rates vary between streets and traffic. There is also a difference in overhead rates for permanent and temporary staff. Benefits (32.5%), paid time off for sick/vacation leave (16.5%), overtime benefits (16.5%), and administrative overhead (65% for streets and 60% for traffic) are all charged on the direct labor costs for permanent staff at the rates outlined above. Temporary staff labor is charged at a lower rate of overhead for benefits (8%) and the same administrative overhead rate as permanent staff.

The Table below demonstrates the County's average cost of street, traffic, and roads related surface water services in Shoreline for 1996 and 1997.

Table 4: Actual Average Annual Experience
Roads, Traffic, and Roads related SWM

	Days of Labor	Direct Service Costs				Over-head	TOTAL
		Labor	Materials	Equipm't	Vendor		
Streets	1,093	$155,349	$28,074	$99,180	$21,660	$172,443	$476,706
Traffic	299	$71,433	$68,769	$27,457	$2,098	$74,369	$244,126
SWM	354	$45,497	$12,070	$30,229	$664	$68,689	$157,149
TOTAL	1,746	$272,279	$108,913	$156,866	$24,422	$315,501	$877,981

Notice that the $315,501 in overhead charged by the County is $43,222 or 16% greater than the direct labor costs of $272,279. Overhead is 56% of the combined labor, materials, equipment, and vendor costs. The overhead rate percentage of the groups

(streets, traffic, and SWM) also varies. Streets overhead constitutes 36% of the total cost of street services. Traffic overhead constitutes 30% of total traffic service costs, and SWM overhead is 44% of total surface water costs.

These overhead rates differ because of two variables: the quantity of overtime worked by County staff and the staff mix. The more overtime worked on a task, the greater the benefits; and the more temporary staff working on projects for Shoreline, the less the County overhead as they don't pay for sick/vacation time or permanent benefits.

Labor Quantity, Cost and Determining Service Delivery Methods
This analysis also determined the average amount and cost of direct labor needed to accomplish the County's current level of service. This analysis is key as it results in a basic assumption for the amount of staff the City needs to accomplish the same level of service that the County does.

Costs and labor quantity were compared to what it would cost the City to perform the same work. The analysis demonstrates that the City would need to provide a total of 1746 total days of labor, either through direct or contracted services, to perform the same level of service as the County (See table 5 for labor information). In terms of full-time employees, this amounts to 7.6 full-time equivalent (FTE) employees. However, it is important to understand that the County's 7.6 FTE performing work in Shoreline is not 7.6 people. The County may utilize up to 60 people with various skills (e.g. carpenters, plumbers, electricians, equipment operators) to complete work in Shoreline that adds up to 7.6 FTE. The County provides the City with a depth of service that the City would not be able to replicate the skill sets by simply hiring 7.6 FTE. Thus a combination of private sector, continuing with the King County contract, and in-house staff will provide the necessary skills.

The strategic use of outside providers (other public agencies or private contractors) was examined closely. Criteria were developed to identify tasks that might be well suited for contracting, either to King County or the private sector.

Each task performed by King County was evaluated using the following four criteria:

Periodic Tasks – Tasks which are predicable and can be planned weeks or months in advance (this is a perfect candidate for contracting)

Day-to-Day Tasks – Tasks that happen with enough frequency or priority that the City needs to have some capacity to accomplish this task with fairly short notice (either directly with City staff or by a contract)

Immediate / Emergency Tasks – Tasks for which time is a critical importance to ensure the health and safety of the community is not jeopardized (this is accomplished by developing in-house staff)

Equipment Intensive Tasks – Tasks that require unique and expensive capital equipment to accomplish. This is a subcategory of the other tasks. These are tasks

we believe are best contracted in the near term to avoid extraordinary equipment costs. Once staffing is on board to evaluate real level of service needs, it may be appropriate to purchase this equipment assuming the service volumes are high enough to support it.

A Capital Intensive Example:

Capital intensive tasks are those that require the use of expensive equipment to perform the work. One example of this is the vacuuming and jetting of stormwater catch basins and underground pipes. One piece of equipment needed to perform this task is a large tank-like truck that jets and vacuums wastes and sediments from pipes and catch basins. This truck is called a vactor and it costs nearly $250,000 to acquire.

The maintenance and operation of a vactor truck is also a capital-intensive operation. It requires following a strict maintenance schedule of replacing filters, and lubricating key components. Collected wastes require special treatment and disposal, as they are considered a low-level dangerous waste requiring special handling and landfill practices. Despite these factors, there is no efficient substitute for a vactor. The City's need for a vactor truck, using King County's current service levels, show that the truck will sit idle more than half the time.

Considering the high acquisition cost and fairly low demand (usage), acquiring a vactor truck solely for City use is unjustified and impractical. Despite this, there are a number of options the City could consider to accomplish the tasks that require vactoring. The City could share a vactor with another jurisdiction or special district, contract with a private sector contractor from the state contract, solicit bids or proposals for services from other private sector contractors, contract with another jurisdiction to perform the work, or stay with King County.

Once adequate staff is on board, we will evaluate the real vactoring service level needs and we may, in the long run, recommend purchasing a vactor. This analysis will determine if we have a sufficient need, based upon real service levels, to justify the cost of purchasing a vactor truck.

A Planned/Periodic Task Example:

The City has a predictable need for vegetation management. With a few exceptions, vegetation management can be planned in advance. This differs from day-to-day or immediate response tasks, where the scope, quantity and quality of work varies significantly based upon they type of task. We know the average amount of work needed to control weeds and grasses along streets and sidewalks, street trees, and planter strips. The City also has a need for vegetation management in parks, and at surface water facilities. This amount of work does not vary significantly from year-to-year and could be aggregated on an annual basis and sent out for competitive bidding, as part of a service for cost competitive analysis.

An Immediate Response/Low Capital Task Example:

> Immediate Response and low capital tasks are those for which time is of the essence for the health and safety of Shoreline's citizens and no expensive specialized equipment is required. An example is traffic sign vandalism or damage. Shoreline has approximately 4,800 signs that are often knocked down by vehicles, stolen, or vandalized. Signs affected in these ways result in life threatening conditions for motorists and pedestrians and must be cleaned or replaced immediately. However, laborers can install a new sign as long as one is in stock and engineering assistance is available to ensure correct placement.
>
> Given the low level of capital outlay the City would be required to possess for sign replacement, it would be an ideal task for the City to internalize.

It is important to note the where contracting to outside providers is identified as having a high-potential to be cost-effective, local availability of services has not been ascertained specifically for Shoreline. Specific costs for contracting have not been identified due to the lack of a comprehensive Citywide infrastructure inventory and the difficulty of obtaining estimates from providers for "hypothetical" contracts. The additional staff recommended later in this report will seek out the vendors, develop specifications, and possible service levels in order to secure contracts. Yet, until the infrastructure inventory and condition assessment and maintenance management systems are in place, the service levels will be very fluid.

A Citywide infrastructure inventory and condition assessment needs to be established to maximize maintenance funds used to prolong the life of our infrastructure. Such an inventory would provide the vital data needed to prioritize efforts based upon condition and other factors, direct specific work locations, and serve as a vital record for accountability of the contractors and the City alike. While a certain amount of work could be directed by professional judgement or by utilizing the County's institutional knowledge, the City needs to establish its own system to proactively manage our investments in infrastructure. As previously mentioned, Clean Water Act NPDES Phase II requirements will also require the City to perform an inventory and condition assessment of our surface water facilities.

Due to the overhead we are paying King County and the City's to date experience with private contractors, the general assumption was made that contracted services could be performed at a cost equal to or less than the unit costs we are currently paying. The tasks associated with contracting that should not be overlooked include: administration support, contract management, field inspection, and data management. Should the assumption that contracting is cost effective ever prove to be unrealistic, the City may choose for specific services to remain with King County under the terms of our existing intergovernmental agreement.

Materials and Vendor Costs
Costs for materials and vendor services were assumed to be the same if provided by the City. Some examples in this category include: cold patch asphalt mix, subcontracting for road striping or traffic signal maintenance. These expenses, while considerable, do not affect the cost of performing a task as much as labor costs do. While the County may be able to take advantage of larger quantity discounts for materials than the City, there are options that the City can take advantage of to minimize this difference. Under a strategy of maximizing maintenance dollars, the City could simply purchase from the state contracts, develop a program to "rent" cost effective contracts from other jurisdictions, or develop multi-year open contracts of our own. Unlike labor costs, there is no administrative overhead directly passed along by the County for purchasing goods and vendor services.

Equipment Costs
Unlike material and vendor costs, equipment costs are significant and affect the decisions made in this analysis. The County has a large fleet of equipment that is available for nearly every activity. It would be financially impossible and unreasonable for the City to develop a similar fleet. In order to maximize maintenance dollars, the City looked at a number of options to provide the depth and diversity of equipment needed. As previously mentioned, many expensive capital items required to perform certain maintenance tasks are well suited for contracting. Other equipment might be better suited for rental from private firms or from the state contract on an as needed basis, instead of outright purchasing. Some equipment might be shared with other jurisdictions or special districts. Based upon the tasks that the staff will recommend to bring in-house, and actual use from County invoices, a list of basic equipment needs was developed (see attachment D). Other equipment needs, it is assumed, would be contracted, rented or shared.

City of Shoreline Overhead Costs To Internalize and Contract with the Private Sector for the County's Current Services
If the City were to assume services from the County through a balanced mix of in-house staff and private contracts, the City's overhead would increase. Therefore, City overhead costs were originally developed based upon staff projections to mimic the services funded by the County's overhead charge. Yet, upon further reflection, the City's overhead costs are really an improvement to the services provided through the County's overhead charge. As mentioned earlier, the County is not updating the maintenance databases to manage our infrastructure investment. On the other hand we have provided additional staffing to pursue the development, operation and maintenance of our own system.

Since the Public Works department is already paying around $435,539 in overhead to the City General Fund from the SWM and Street dedicated funds, the additional increase needed to mimic the County's overhead is comparatively minor. The City presently has in place a large portion of the services needed to support the Public Works Operations Division. Adding additional employees does not create a large increase in overhead charges due to the economies of scale. For example, payroll processing costs do not change very much by adding new staff in public works.

Nevertheless, there are a few costs that are directly attributed to adding more employees. These costs include personnel benefits, liability insurance, worker's compensation coverage and unemployment insurance. See Table 6: Additional Shoreline Overhead Costs.

Table 5: Additional Shoreline Overhead Costs (1999 costs)

Item	Additional Required	Cost
Liability Insurance	Based on value of equipment	$1,000
Liability Insurance	Based on hours and type of labor	$22,000
IS Support for Maintenance Management Database	1.0 FTE of a Database Administrator Position w/Benefits	$74,770
Legal Support	0.125 FTE of City Attorney w/Benefits	$7,600
IS Support	0.25 FTE of IS Support Analyst w/ Benefits	$7,500
Finance Assistant	0.500 FTE of Finance Assistant w/ Benefits (position to track invoices, track project/task costs, improve purchasing process)	$20,135
Total		$133,005.

The bottom line is that the Public Works department is currently paying overhead twice for the street maintenance services provided by King County. The City pays $260,000 ($240,000 overhead, not including personnel benefits, inflated to 1999 dollars) of County general overhead in addition to the $435,539 internal overhead for a total of $695,539 in overhead. Due to the previously mentioned reasons, the City could improve upon the County's level of service and internalize only $133,005 additional overhead. As mentioned later in this report (see attachment A in year 3), there's a small portion of the King County contract that should remain (traffic signals, etc.). This will require a contribution of some County overhead payments ($41,000). Thus, if the City internalized maintenance responsibility for most County services, City overhead would be $609,544 which is $85,995 less each year (in 1999 costs) or $96,733 (2002 costs). The table below visually demonstrates these savings.

Table 6: Comparison of Overhead Costs (1999 costs)

	Shoreline (in-house and private contracts)	County Contracts	TOTAL
Current Overhead	$435,539	$260,000	$695,539
Transition Plan	$568,544	$ 41,000	$609,544
Difference	$133,005	($199,000)	**$ -85,995**

As these savings would be ongoing, Shoreline could utilize these funds to add additional in-house staff, purchase capital equipment, or increase the level of service through private contractors.

Comparison of Costs between County Services vs. a "Hybrid" Mix of City and Private Sector Services

Unlike the recent Parks Maintenance review, a comparison of costs between the existing King County Contract, outside private sector contracting, and developing an in-house service capability is difficult to accomplish on an "apples-to-apples" basis. At first glance, it would appear the City could total the days of work performed by King County and develop a work force to perform that same level of work. For a number of reasons, this simply cannot be done. First, we know that the level of service accomplished by King County is woefully inadequate. Not only are some services simply not being done (e.g. tree trimming, sidewalk maintenance), we know intuitively that other services (e.g. vactoring) are being performed at a sub-standard level and there is no professionally administered preventative maintenance program. To compare an option that does not come close to meeting our fundamental maintenance needs might mislead people into thinking that it is a viable alternative. Second, the County has a depth of personnel skill that would result in a reduction of service levels if the City were to assume the same number of employees to accomplish the same level of work. As mentioned before, the County can draw from a staff of 60 employees at any given time. Finally, staff assumes that the City should exercise considerable discretion to get the most for each maintenance dollar, choosing the most suitable provider based upon cost, control, flexibility and accountability. These three issues are discussed in more depth below.

Current Service Level is Not an Option

Based upon professional judgement of fundamental service levels to preserve infrastructure and indicators of infrastructure failure, the City needs to provide a better level of service in the long term. Unfortunately, we do not have the staffing or data to even suggest what an appropriate service level should be. In order to do so, a comprehensive infrastructure inventory and community values-driven service level analysis must be conducted to maintain our infrastructure, avoid costly infrastructure replacements, and protect our citizens. As an interim measure, staffing resources are needed to make the most of the manner in which maintenance services are performed and to investigate contracting opportunities with other agencies. Staff recommends two positions that would be required under any service alternatives we choose to provide in the future. The first position, a Street Supervisor, would assume responsibility for developing work plans, analyzing future options for increasing service levels, and to generally oversee the work being performed in the field. As previously discussed, there is limited City staff available to accomplish this important function now. The second position, a Contract Analyst, working with the Streets Supervisor, would prepare and execute contracts, develop bidding specification packages for tasks, evaluate contract accomplishments, prioritize contract work and evaluate the cost effectiveness of services on a continuous basis. These

positions would enhance the existing level of service, and allow staff to prioritize efforts and direct attention to the services that are needed most.

Depth of Service

The depth of service the County's staff brings can be best illustrated by comparing it to a bench of a volleyball team. The County's bench is characterized as having perhaps 60 players, suited up and ready to go at a moment's notice. A City maintenance team might be characterized as having 6 players on the court and no players on the bench of reserves. If the County's team loses a player to injury, illness, or vacation, another player is readily available to serve as a replacement. A similar player loss on the City's team would result in a loss of work accomplished, reduced service level, and a disruption of the team's work schedule. The loss of City employees labor time due to illness, injury, sick leave, vacation, and training is a regular occurrence. To compensate for this, additional City staff is needed to provide some reserves. For this reason, it is an understatement to suggest that the City can accomplish the same work by hiring exactly 7.6 FTE or "just enough" staff. As you recall, King County draws upon a staff of 60 throughout the year. Their combined effort equates to 7.6 FTE.

Further illustrating this depth of service issue, the County has a wider variety of positions and equipment that the City would not necessarily duplicate. For example, the County has a carpenter that solely performs carpentry tasks. By aggregating the entire needs of the service area, the County can arguably justify the need for such a position. Given the size and scale of the City's needs, there is no justification for such a position. In it's place, we would hire multi-skilled workers that might perform some light carpentry, in addition to many other duties such as operating equipment, setting up work zones on busy streets, replacing street signs, etc. We would also have contracts with certain vendors to make up for some skill sets simply not available with City staff.

Discretion in providers to maximize limited funds

Given the City's goal of making the wisest use of limited dollars, we would not choose to develop expertise or the ability to provide services in areas that are not cost effective given our size, need, and current service level. Some of these services will remain with the County or be provided by other providers. Other providers could include private contractors, other cities, other counties or special districts. As mentioned earlier, the services most practically suited to contracting to outside providers are tasks that are planned periodic tasks, or tasks requiring large capital investments to perform the work. Conversely, the City is more practically suited to perform tasks that reflect incidental or day-to-day tasks that require modest equipment. The City is also well-suited to respond to many immediate/emergency tasks that also require modest equipment. Staff assumes that the City would continuously evaluate services for cost-effectiveness and accountability to the City. With this goal in mind, a plan was developed to reflect the City's ability to use a mix of service providers, City, County, other providers

(public and private), to compare with the costs and service currently being provided by the County.

The comparison of a service mix to King County costs is based on a three-year transition plan developed by laying out the distribution of tasks by provider. The plan also identifies staffing, equipment, and facility needs directly associated with performing the tasks in-house.

Three Year Service Implementation Plan (see attachment A)
The most appropriate service provider was determined using the strategy presented earlier; services that could be planned or performed on a periodic basis are performed by other providers (King County or others), and immediate or day-to-day tasks requiring modest capital equipment are performed by the City.

Staffing to support and accomplish the in-house task was added, based upon the average annual accomplishments and time reported under the County's existing contract. Labor rates were based upon the AWC salary survey for cities over 50,000 in population; a close estimate to the City's pay scale. In most instances, there is a three-month overlap with the current service provider to acquaint employees for a three-month period before actually being required to accomplish these tasks. This practice was used when we transitioned Parks Maintenance functions. This also worked well when the City hired the Surface Water Coordinator. He was able to work with King County for several months to learn the infrastructure and maintenance techniques. During this training period, employees will receive safety training, have an opportunity to "shadow" County counterparts, and learn about City policies and practices. One benefit is that the "doubling up" period for maintenance workers coincides with the beginning of the storm season. This will provide ample opportunities to gain experience while solving real field maintenance problems.

Equipment needs for in-house tasks was based upon the equipment King County uses to accomplish the same tasks. This information was found in the County's maintenance procedure manual. While the City is unlikely to duplicate the County's fleet of equipment, the equipment identified in the plan reflects those items most commonly needed to perform the tasks identified. In some cases, equipment was excluded from the list since it was thought that the equipment would be readily available on an hourly rental basis from private or public entities. Equipment that could also be shared with other public organizations was excluded as well, as was equipment the City would not utilize most of the time. This requires further review through the three-year implementation cycle.

Space Requirements: Office space requirements were taken from the City's adopted space standards. The identified equipment yard-space is based at the City's Hamlin Park. It assumes that a combination of covered vehicle storage, office space, work shop and material stockpiles are needed to fit the staff and equipment presented. While this is an expansion of the City's existing facility, it

does not require broadening the boundaries beyond what is already being considered for construction of a storage shed at Hamlin Park. The expansion would utilize areas already (or recently planned to be) cleared. The vehicle traffic would not likely exceed the levels encountered at the site when it housed the King County parks department prior to City incorporation. While a title search has not been prepared for the property, there is a strong probability that a deed restriction might place conditions on expansion for non-park purposes. Cursory review by the City's legal counsel suggests that this activity would consititute "de minimus" or minimal activity, and would not be subject to deed restrictions.

See Attachment A for a year-by-year view of the 3-year service provision Transition Plan for Public Works Operations.

Table 7: County vs. Plan Implementation Costs (Operations)

	1998	1999	2000	2001	2002
Current Contracts:	$877,981	$913,100	$949,624	$987,609	$1,027,113
Recommendation:					
County Contracts					
	$877,981	$833,957	$536,868	$116,290	$120,942
Shoreline Costs					
Labor	$0	$102,856	$310,823	$484,790	$504,182
Materials, etc.	$0	$0	$15,140	$47,163	$49,049
Vendors	$0	$59,429	$179,264	$300,395	$346,989
Equipment	$0	$6,354	$34,357	$70,151	$72,669
City overhead	$0	$19,216	$87,920	$133,000	$138,325
Subtotal	$0	$187,855	$627,504	$1,035,499	$1,111,214
Total Annual Cost	$877,981	$ 1,021,812	$ 1,164,372	$1,151,790	$1,232,156
Start-up Costs	$ -	$ 476,712	$ 286,027	$ -	$ -
Total Annualized Cost	$877,981	$ 1,498,524	$ 1,450,399	$1,151,790	$1,232,156
Difference Between County Contract and Service Mix	$ -	$585,424	$ 500,775	$ 164,181	$ 205,043

Table 7 shows the current King County Roads (and streets related drainage) maintenance intergovernmental contract across the top line. If the City were to remain with King County for street maintenance services, this contract amount would inflate by 4% per year. However, remaining with King County for service provision is not an option. As explained earlier, given the extraordinary overhead charges, the lack of

management information and City control, we believe a transition to a "hybrid" model is more appropriate.

As a result of applying the previously-mentioned criteria (periodic, day-to-day, emergency and/or capital intensive services), services were put into one of three service provision boxes: King County, other providers (presumably private sector), and Shoreline (in-house). See attachment C for the matrix showing the criteria, resulting service provider and task cost. Task costs for City in-house services are not shown as maintenance crews will create a program to address all City tasks. In order to provide for a smooth transition, without degradation of services, a three-year implementation plan was developed (see attachment A). The costs of this implementation plan are found above in Table 8.

Shoreline labor, materials, vendor contracting, equipment, City overhead, and total costs are outlined by year for the 3-year implementation plan. Start-up costs include equipment and equipment storage facilities. Comparison shows that during the first few years, the transition plan option is considerably more expensive than the existing King County contract. This is mostly due to the significant capital outlay for a yard/shop facility and equipment in year one ($476,712) and equipment costs in year two ($286,027). As the plan progresses and the capital outlays diminish, the costs level off accordingly. Once the transition is completed, the annual costs are $205,043 more than continuing with the existing County contract.

While the annual costs experienced with the 3-year implementation plan to transition from County service provision are higher, it is important to remember the considerations that prevent this from being a purely apples-to-apples comparison. There are numerous enhancements that are included that need to be factored in. Two positions - a Street Supervisor and Contract Analyst – would be recommended for both alternatives; remaining with County services or the 3-year plan.

It is also important to note that this increase in costs is really a reduction in the amount of deterioration in the City's substantial investment in infrastructure. Paying less for maintenance of the City's infrastructure simply increases the cumulative cost of repairing or replacing the infrastructure in the future. Simply stated, it's cheaper to maintain the infrastructure we have on a planned basis than it is to replace it when it fails.

While the City's currently receiving from King County an estimated effort equal to 7.4 FTE maintenance personnel, we must factor in the net result of some of these contracted tasks. The tasks chosen for contracting equate to 3.5 FTEs that must be subtracted from the 7.4 maintenance personnel needs. Therefore the City's resulting level of effort that converts from the King County contract to our "hybrid" model is 3.9 FTEs.

As a practical matter, 3.9 FTE is not an appropriate sized field staff. Real world needs dictate being able to run a field crew on more than one task at a time. There should be the ability to have two separate crews of three people each or three separate crews of

2 people to accomplish the variety of tasks listed. This need exists on a day-to-day basis without regard for any one absence. The resulting practical field staff is estimated to be 7.0 FTE.

The resulting practical field staff is 7.0 FTE, an increase of 3.1 FTE over our existing service level. This is valued at $288,000.

Table 8: Year 2002 Theoretical Cost of Service Comparison

Cost of "Apples-to-Apples" Level of Service		
Recommendation		$1,232,156
Less Value of Enhancements		
Maintenance Crew Enhancement	($288,000)	
Street Supervisor- Enhancement	($72,300)	
Contracts Analyst-Enhancement	($67,200)	
	($427,500.)	($427,500.)
Theoretical Shoreline Total Annualized Cost		$804,656.
Were the City to Continue with County Contracts		$1,027,113
Theoretical Shoreline Savings		**$ 222,457**

To factor in the additional FTEs to provide the same level of service as King County, the value of this service needs to be subtracted from the transition plan. This adds about $222,457 to year 2002 after plan implementation to cover salaries, benefits, and City overhead. For this, the City buys some growing room that allows the City to develop a fundamental level of service. Such a level, while not optimal, will prevent further degradation of the investments made to the City's infrastructure. In total, these enhancements provide an additional $427,500 in value to the City's transition plan that is absent from the County's contract. The values of these enhancements need to be subtracted from the cost of the transition plan on an inflated annual basis to fairly compare the two options on an "apples to apples" basis.

The bottom line shows that, while the difference fluctuates on a year-by-year basis, the amount of savings the City could realize by implementing the transition plan is about $222,457 on an annual basis.

Public Works Department Budget Impacts

Attachment E compares the Public Works Department's annual operating budget in 2002 by presenting the budget with and without implementing the transition plan outlined on Attachment A and adding one additional project engineer. This comparison assumes that all other programs remain at their existing funding level with a 4% annual inflation rate.

This attachment presents the costs without segregating out costs that are associated with SWM. There are some tasks that we are not allocating to SWM at this time, due to the previously mentioned lack of staffing to conduct analysis. Initial research shows

that some tasks, like street sweeping, can improve water quality. As a result, portions of these tasks could be allocated to the SWM fund, reducing the subsidy from the General Fund. Staff will review these tasks and allocate portions accordingly in the 2000 budget.

The bottom line estimates the additional cost of the plan ($205,043) and project engineer ($74,241) adds an additional $279,284 to the operating budget on an annual basis. The total operating cost, when incorporating the remainder of the existing Public Works Department is estimated at $6,266,235.

Summary of Recommendations

Engineering: Your Council adopted the CIP on November 9, 1998. The Engineering Division must now develop the staff resources to implement the CIP. The analysis completed by the City Engineer shows that 5.8 FTE are needed for CIP implementation. Staff recommends that your Council approve the hiring of a third Project Engineer to manage consultant contracts for CIP completion. This would bring the Division's staff level to 5.5 FTE plus student intern assistance. Staff would return to your Council for updates in staffing needs, if necessary, during the annual budget CIP process.

Operations: The City may remain with King County for street, traffic, and swm maintenance, but continuing with the existing arrangements (or something at an identical service level) puts the City's infrastructure at risk and continues high payments for overhead services, many of which are being duplicated. The City could face costly repairs or replacement of infrastructure in the future, and public safety would be put at risk.

The operations division has the most to gain from transitioning from the County to a strategic mixture of public, private and in-house service providers. While there is some risk assumed from not having the depth of equipment and personnel that the County has, these risks are significantly reduced by providing room to enhance service levels to something that approaches the "fundamental basic" service level. The cost of this added service will increase costs by $205,043 annually over existing levels.

CRT and Facilities: No staffing or other resource changes are necessary at this time. Staff will return to your Council during annual budget procedures to request resource changes.

Steps beyond 3-year workplan

In addition to this workplan and associated costs, the City must perform inventory and condition assessments on the City's infrastructure before it can adequately set levels of service. The development of an Operations maintenance management system is part of

the City's Technology Plan.

Finally, though staff has recommended the increased level of service to meet fundamental levels for some areas, no determination of overall optimum service level has been derived. Once the infrastructure inventory and condition assessments have been completed, staff recommends working with your Council to develop policy direction for infrastructure maintenance levels.

RECOMMENDATION

No specific formal action is required at this time. Staff seeks your Council's consensus to support the initiatives identified in this report. If you support this plan, staff will return to your Council with a detailed 1999 budget adjustment along with the request to begin hiring a Streets Supervisor, Contract Analyst, Administration Assistant, Project Engineer, and two Maintenance Workers.

ATTACHMENTS

Attachment A: 3-Year Implementation Plan
Attachment B: Capital Improvement Program and Engineering FTE Calculations
Attachment C: Analysis of King County Task Categories to Determine a Service Provider
Attachment D: Public Works Staff and Equipment Resources for 3-Year Plan
Attachment E: Public Works Operating Budget Comparison

ATTACHMENT A

3-Year Implementation Plan

Attachment A

Current Operations Division

Distribution of Tasks or Responsibilities		
King County	**Other Providers**	**Shoreline**
Road Patching Road Paving Grading Roadside Spraying Shoulder Maint. Bridge Maint. Signals Street Sweeping Thermoplastics Painting Vactoring Curb, Gutter, Sidewalk Drainage Pipes Slides & Washouts Ditching Retaining Walls Utility Billing ± Road Patching ± Brush Removal ± Sign Maintenance ± Hand Ditching ± Catch Basins ± Vegetation Cntrl ± Hazardous Materials ± Dangerous Trees ± Snow & Ice Cntrl ± Debris Removal	± Vegetation Control ± Dangerous Trees	Contract Oversight Customer Requests ± Road Patching ± Brush Removal ± Dangerous Trees ± Sign Maintenance ± Hand Ditching ± Catch Basins ± Hazardous Materials ± Snow & Ice Control ± Debris Removal

Shoreline Public Works Operations Staffing				
Administration	**Emergency Operations**	**Customer Response**	**Surface Water**	**Streets**
Ops. Manager	Contract	Supervisor (3) CRT rep. Admin. II	Coord.	

Vehicles and Equipment		
(2) ½-ton Pickup 4x4 Sport Utility	1.5-ton flatbed	Snow plow Sanding Box

Space Requirements		
Office	**Shop/Storage**	**Yard**
3,763 square feet	1,184 square feet	None Developed

± = task accomplished using more than one provider

Attachment A

End of Year One of Implementation Plan

Distribution of Tasks or Responsibilities		
King County	**Other Providers**	**Shoreline**
Roadway Patching Road Paving Grading Roadside Spraying Shoulder Maint. Bridge Maint. Signals Street Sweeping Curb, Gutter, Sidewalk Drainage Pipes Slides & Washouts Retaining Walls Utility Billing ± Road Patching ± Brush Removal ± Dangerous Trees ±Sign Maintenance ± Hand Ditching ± Catch Basins ± Hazardous Materials ± Snow & Ice Control ± Debris Removal	± Dangerous Trees ***Tree Maintenance*** ***Roadside Spraying*** ***Vegetation Control***	Contract Oversight Customer Requests ± Road Patching ± Brush Removal ± Dangerous Trees ± Hand Ditching ± Catch Basins ± Hazardous Materials ± Snow & Ice Control ± Debris Removal **±Sign Maintenance**

Shoreline Public Works Operations Staffing				
Administration	**Emergency Operations**	**Customer Response**	**Surface Water**	**Streets**
Ops. Manager ***Contract Analyst*** ***Admin. II***	Contract	Supervisor (3) CRT rep. Admin. II	Coord.	***Supervisor*** ***Maint. Worker II (signs)*** ***Maint. Worker I***

Vehicles and Equipment		
(2) ½-ton Pickup ***(2) 3/4-ton Pickup*** 4x4 Sport Utility	1.5-ton FB Dump	Snow plow Sanding Box

Space Requirements		
Office	**Shop/Storage**	**Yard**
Add 240 sq. ft. New Total = 4,003	**Add Sign Shop (1,050 sq ft)** New Total = 2,234	None Developed

± = task accomplished using more than one provider

Attachment A

Actions to be Accomplished by End of Year One

By end of Year One of plan:

- Establish sign maintenance shop (storing prefabricated signs and equipment)
- Secure additional shop/storage space
- Hire Street Supervisor (July)
- Hire Maintenance Worker I-Signs (October)
- Hire general Maintenance Worker I (October)
- Hire Contracts Analyst (July)
- Remove all vegetation control and tree services from County contract effective in 1999 (less than 10% adjustment)
- Enter into private vendor contracts for all vegetation control and tree services (including dangerous trees)
- Formally notify County by April 1, 1999 that the following services will be removed from County contract on January 1, 2000 (year 2 of Plan): Tree Maintenance, Roadside Spraying, and Vegetation Control, some sign maintenance.
- Add two ¾-ton pickups to fleet to be mostly utilized by the Street Supervisor and maintenance workers.
- Secure equipment and vehicles for field employees.

Accomplishments by End of Implementation Year One

Formal Notification to County	Thermoplastics Painting Vactoring Ditching Some Road Patching Some Brush Removal Some Hazardous Materials Some Debris Removal Sign Maintenance Hand Ditching
Other County Notification	Changes Less Than 10%: Vegetation Control Tree Services
Service Changes for 1999	Vegetation Control Tree Maintenance Roadside Spraying
Staffing Additions	Project Engineer Street Supervisor Contract Analyst Maint. Worker I (Signs) Maintenance Worker II

± = task accomplished using more than one provider

Attachment A

Vehicle/Equipment Additions	(3) ¾-ton Pickup
Space Implications	240 sq. ft. Office Space Create Sign Shop (1,040 sq.ft.)

± = task accomplished using more than one provider

Attachment A

End of Year Two of Implementation Plan

Distribution of Tasks or Responsibilities		
King County	**Other Providers**	**Shoreline**
Roadway Patching Road Paving Grading Shoulder Maint. Bridge Maint. Signals Street Sweeping Curb, Gutter, Sidewalk Drainage Pipes Slides & Washouts Retaining Walls Utility Billing ± Catch Basins ± Snow & Ice Control	Vegetation Cntrl Tree Maintenance Roadside Spraying ± Dangerous Trees ***Thermoplastics*** ***Painting*** ***Vactoring*** ***Ditching*** ***Thermoplastics*** ***± Road Patching*** ***± Brush Removal*** ***± Hazardous Materials*** ***± Debris Removal***	Contract Oversight Customer Requests ± Road Patching ± Brush Removal ± Dangerous Trees ± Sign Maintenance ± Catch Basins ± Hazardous Materials ± Snow & Ice Control ± Debris Removal ***Hand Ditching***

Shoreline Public Works Operations Staffing				
Administration	**Emergency Operations**	**Customer Response**	**Surface Water**	**Streets**
Ops. Manager Contract Analyst Admin. II **Admin. I**	Contract	Supervisor (3) CRT rep. Admin. II	Coord.	Supervisor ***Maint. Worker III*** Maint. Worker II (signs) ***(2) Maint. Worker II*** ***(3) Maint. Worker I***

Vehicles and Equipment		
(2) ½-ton Pickup ***(3) 3/4-ton Pickup*** ***Crewcab Pickup*** 4x4 Sport Utility	1.5-ton FB Dump ***(2) 5-yd Dump Truck***	***(3) Snow plows*** ***(3) Sanding boxes*** ***Backhoe w/loader*** ***Mower attachment*** ***Utility trailer***

Space Requirements		
Office	**Shop/Storage**	**Yard**
Add 80 sq. ft. New total = 4,083	**Add Shop 1,800 sq. ft.** New Total = 4,034	Developed w/Shop (Hamlin Site)

± = task accomplished using more than one provider

Attachment A

Actions to be Accomplished by End of Year Two

- Enter into private vendor contracts for: thermoplastics, painting, ditching, and street sweeping.
- Formally notify County by April 1, 2000 that the following services will be removed from County contract on January 1, 2001: thermoplastics, painting, ditching, some road patching, some brush removal, some hazardous waste control, some debris removal, snow & ice control, curb & gutter, vactoring, drainage pipes, catch basins, manholes, and more sign maintenance.
- Hire an Admin. I (about October 1, 2000).
- Hire one Maintenance Worker III (about October 1, 2000)
- Hire two Maintenance Worker II's (about October 1, 2000)
- Hire two Maintenance Worker II's (about October 1, 2000)
- Procure field supporting equipment
- Procure two 5-yard dump trucks
- Procure Crew Cab Pickup
- Procure one ¾-ton Pickup
- Procure Backhoe with mower attachment
- Procure utility trailer
- Procure two snow plows
- Procure two sanding boxes

Accomplishments by End of Implementation Year Two

Formal Notification to County	Grading Shoulder Maintenance Street Sweeping Bridge Maintenance Retaining Walls All Snow and Ice Drainage Pipes and MH Curb and Gutter
Service Changes for 2000	Sign Maintenance Thermoplastics Painting Vactoring Ditching
Staffing Additions	1 Maintenance Worker III's 2 Maintenance Worker II's 2 Maintenance Worker I's Admin. I
Vehicle/Equipment Additions	2 5-yard Dump Trucks Crew Cab Pickup

± = task accomplished using more than one provider

Attachment A

	¾ -ton Pickup 1 Utility Trailer Snow Blows, Blades Ice Sanding Boxes Backhoe/mower
Space Implications	80 square feet office 1,800 shop space (w/offices)

± = task accomplished using more than one provider

Attachment A

End of Year Three of Implementation Plan

Distribution of Tasks or Responsibilities		
King County	**Other Providers**	**Shoreline**
Signals Slides & Washouts Utility Billing	Vegetation Cntrl Tree Maintenance Roadside Spraying Thermoplastics ±Dangerous Trees Painting Vactoring Ditch Maintenance ±Road Patching ***Grading*** ***± Shoulder Maintenance*** ***Street Sweeping*** ***Bridge Maintenance*** ***Street Sweeping*** ***Curb, Gutter, Sidewalk*** ***Retaining Walls*** ***± Snow & Ice***	Contract Oversight Customer Requests Road Patching Brush Removal ±Dangerous Trees Sign Maintenance ±Road Patching Curb, Gutter, Sidewalk ± Snow & Ice Hazardous Materials Catch Basins ± Hand Ditching ***± Shoulder Maintenance*** ***Drainage Pipes***

Shoreline Public Works Operations Staffing				
Administration	**Emergency Operations**	**Customer Response**	**Surface Water**	**Streets**
Ops. Manager Contract Analyst Admin. II Admin. I	Contract	Supervisor (3) CRT rep. Admin. II	Coord.	Supervisor Maint. Worker III Maint. Worker II (signs) 2) Maint. Worker II (3) Maint. Worker I

Vehicles and Equipment		
(2) ½-ton Pickup (3) 3/4-ton Pickup Crewcab Pickup 4x4 Sport Utility	1.5-ton FB Dump (2) 5-yd Dump Truck	(3) Snow plows (3) Sanding boxes Backhoe w/f. loader Mower attachment Utility trailer

Space Requirements		
Office	**Shop**	**Yard**
4,083 square feet	Total = 4,034 square feet	Developed

± = task accomplished using more than one provider

Attachment A

Actions to be Accomplished by End of Year Three

- Assume full responsibility for: grading, shoulder maintenance, street sweeping, bridge maintenance, curb, gutter, sidewalk, retaining walls, snow and ice.
- Retain contract with King County for: signal maintenance and slide and washout response (and utility billing through SWM)
- Ensure City has contractual relationships for fleet maintenance
- Continually monitor performance

Accomplishments by End of Implementation Year Three

County Notification	-0-
Service Changes	Grading Shoulder Maintenance Snow & Ice Control Curb & Gutter Street Sweeping Drainage Pipes Catch Basins & MHs Retaining Walls Bridge Maintenance
Staffing Additions	-0-
Vehicle/Equipment Additions	-0-
Space Implications	-0-

± = task accomplished using more than one provider

ATTACHMENT B

Capital Improvement Program and Engineering FTE Calculations

City of Shoreline 1999 - 2004 Capital Improvement Plan
City Engineering and Project Administration Costs
General Account

	Project	1999 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	2004 FTE
	Currently Funded Projects						
*	Additional Space Renovation						
	Richmond Highlands Community Center	0.05	0.10	0.10			
*	Police Station Emergency Power						
*	Skate Park						
	Shoreview Park Improvements	0.35	0.20				
	Richmond Beach Saltwater Park	0.10	0.05				
	Facilities Projects						
	City Hall		0.20				
	Parks Projects						
	Park Improvements and Upgrades Program	0.20	0.15	0.05	0.15	0.25	0.10
	Recreation Facilities Projects						
	Swimming Pool Improvements	0.20	0.20	0.20	0.10		
	Shoreline Community College Sports Fields				0.40	0.10	0.10
	Projected CIP FTE Needs	**0.90**	**0.90**	**0.35**	**0.65**	**0.35**	**0.20**

*These projects will be completed by the Facilities Coordinator. As time allows, the Facilities Coordinator will assist in various other CIP projects as deemed appropriate.

City of Shoreline 1999 - 2004 Capital Improvement Plan
City Engineering and Project Administration Costs
Roads Account

Project	1999 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	2004 FTE
Currently Funded Projects						
North 175th Street Sidewalks - South Side	0.10					
North 175th Street Sidewalks - North Side	0.05					
Aurora Avenue North AVI Project	0.05					
25th Avenue NE Pedestrian Improvements	0.10					
15th Avenue NE @ NE 165th Street	0.10					
North 155th Street Rechannelization						
Pedestrian / Non-Motorized Projects						
Interurban Trail	0.30	0.30	0.40	0.30	0.30	0.40
Curb Ramps Program	0.05	0.05	0.05	0.05	0.05	0.05
Pedestrian Improvements Program	0.20	0.05	0.05	0.05	0.05	0.05
System Preservation Projects						
Annual Overlay Program	0.10	0.10	0.10	0.10	0.10	0.10
Annual Sidewalk Program	0.05	0.05	0.05	0.05	0.05	0.05
Richmond Beach Overcrossing 167AOX						
Safety / Operations Projects						
Transp Improvements CIP Project Formulation	0.20	0.20	0.15	0.15	0.15	0.15
Neighborhood Traffic Safety Program	0.30	0.10	0.10	0.10	0.10	0.10
Aurora Avenue North	0.20	0.40	0.20	1.30	1.00	1.50
15th Avenue NE	0.20	0.60				
Richmond Beach Road @ 3rd Avenue NW	0.20	0.20				
North 185th Street Rechannelization	0.05					
North 175th Street						0.30
Projected CIP FTE Needs	**2.25**	**2.05**	**1.10**	**2.10**	**1.80**	**2.70**

City of Shoreline 1999 - 2004 Capital Improvement Plan
City Engineering and Project Administration Costs
Surface Water Account

Project	1999 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	2004 FTE
Currently Funded Projects						
Surface Water Small Projects	0.15	0.15	0.15	0.10	0.10	0.10
Ronald Bog Water Quality Improvements	0.05					
Conveyance and Treatment Projects						
SWM CIP Project Formulation	0.20	0.20	0.15	0.15	0.15	0.15
Ronald Bog Drainage Improvements	0.40	0.40	0.40			
3rd Avenue NW Drainage Improvements	0.20	0.30				
North 175th Street @ Serpentine Place	0.20	0.30	0.30			
Midvale Avenue North Drainage Improvements			0.20	0.20	0.30	
NE 175th Street @ 11th Avenue NE			0.10	0.20	0.20	
Dayton Avenue North @ North 190th Street			0.10	0.10	0.20	
NE 155th Street at Corliss Avenue North				0.10	0.15	0.15
Projected CIP FTE Needs	**1.20**	**1.35**	**1.40**	**0.85**	**1.10**	**0.40**
Total CIP FTE Needs	4.35	4.30	2.85	3.60	3.25	3.30
Total non-CIP FTE Needs (see next page)	2.20	2.20	2.20	2.20	2.20	2.20
TOTAL:	6.55	6.50	5.05	5.80	5.45	5.50

	FTE
City Engineer	1
CIP Project Manager	1
2 Project Engineers	2
	4
Part of Facilities Coordinator	0.5
	4.5
Requested Project Engineer	1
	5.5

Average CIP	3.61
Average Non-CIP	2.20
	5.81

Attachment B: Non-CIP FTE Calculations

Public Works Department
Engineering Division
Non-CIP Assignments

Tasks	FTE	
Traffic Issues:		
Traffic Advisory Committee	0.05	
Traffic Related Complaints	0.2	
Accident Database and Evaluate Trends	0.2	
Support to Other City Depts.		
Planning and Development Services	0.2	
Finance/Purchasing	0.05	
Parks	0.05	
Other	0.05	
Support to Operations/CRT		
Traffic Operations	0.1	
Special Studies (Embankment Stability, etc.)	0.05	
Customer Requests – Research and Response	0.1	
Development Standards: Research and Review	0.15	
Neighborhood Meetings	0.1	
Coordination with other agencies	0.1	
Annual Update of CIP and Budget	0.2	
Special Projects (art, clean sweep, etc.)	0.1	
Management and Supervision	0.5	
TOTAL	**2.20**	

ATTACHMENT C

Analysis of King County Task Categories to Determine A Service Provider

Attachment C: Analysis Utilizing Criteria to Determine Appropriate Service Provider

	Criteria				Provider			2002 Costs		
Category	Periodic	Day-to-Day	Immediate / Emergency	Capital Intensive	King County	Contracted	City	King County	Contracted	City
Road Patching	x	x		x		x	x	$0	$61,713	x
Road Paving	x			x		x		$0	$716	
Grading	x	x		x		x		$0	$2,284	
Vegetation Control	x	x		x		x		$0	$2,352	
Roadside Spraying	x					x		$0	$3,279	
Brush Removal	x	x				x	x	$0	$12,662	x
Dangerous Tree			x			x	x	$0	$0	x
Shoulder Maintenance	x			x		x	x	$0	$86,889	x
Bridge Maintenance	x					x		$0	$0	
Street Sweeping	x			x		x		$0	$56,095	
Snow & Ice			x				x	$0	$0	x
Debris Removal		x					x	$0	$0	x
Roadway Other		x					x	$0	$0	x
Signals	x	x	x	x	x			$107,872	$0	
Signs	x	x	x			x	x	$0	$16,070	
Thermoplastics	x					x		$0	$11,647	
Painting	x			x		x		$0	$31,305	
Snow & Ice Control			x					$0	$0	
Admin/Engr.		x					x	$0	$387	
Ditching	x	x		x				$0	$17,510	
Hand Ditching		x					x	$0	$0	x
Retaining Walls	x					x		$0	$3,419	
Drainage	x	x	x			x	x	$0	$13,591	x
Curb, Gutter, Sidewalk	x	x	x	x		x	x	$0	$320	x
Catch Basins	x	x	x	x			x	$0	$0	x
Vactoring	x			x		x		$0	$26,750	
Slide & Washouts			x	x	x			$13,070	$0	
Bridge Maintenance	x					x		$0	$0	
Total								**$120,942**	**$346,989**	**$755,900**

*City costs are not associated with specific tasks. Maintenance crews will create a program including all tasks.

ATTACHMENT D

Public Works Staff and Equipment Resources for 3-Year Plan

Attachment D: Public Works 3-Year Staffing Implementation Plan

Division	1998	1999	2000	2001
Facilities				
	Facilities Coord. Maint. Worker II	Facilities Coord. Maint. Worker II	Facilities Coord. Maint. Worker II	Facilities Coord. Maint. Worker II
Subtotal	*2*	*2*	*2*	*2*
Engineering				
	City Engineer *CIP Project Mgr.* (2) Project Engineer	City Engineer CIP Project Mgr. ***(3) Project Engineer***	City Engineer CIP Project Mgr. (3) Project Engineer	City Engineer CIP Project Mgr. (3) Project Engineer
Subtotal	*4*	*5*	*5*	*5*
Administration				
	Public Works Director Management Analyst Admin. Assistant II	Public Works Director Management Analyst Admin. Assistant III	Public Works Director Management Analyst Admin. Assistant III	Public Works Director Management Analyst Admin. Assistant III
Subtotal	*3*	*3*	*3*	*3*
Operations				
	Operations Manager	Operations Manager ***Admin. Assistant II*** ***Contract Analyst***	Operations Manager Admin. Assistant II Contract Analyst ***Admin. Assistant I***	Operations Manager Admin. Assistant II Contract Analyst Admin. Assistant I
Emergency Operations	Contract	Contract	to be determined	to be determined
Customer Response Team	CRT Supervisor (3) CRT Rep. Admin. Assistant II	CRT Supervisor (3) CRT Rep. Admin. Assistant II	CRT Supervisor (3) CRT Rep. Admin. Assistant II	CRT Supervisor (3) CRT Rep. Admin. Assistant II
Surface Water Management	SW Coord.	SW Coord.	SW Coord.	SW Coord.
Streets Operations		***Street Supervisor*** ***Maint. Worker II (signs)*** ***Maint.Worker I***	Street Supervisor Maint. Worker II (signs) ***(3) Maint.Worker I*** ***Maint. Worker III*** ***(2) Maint. Worker II***	Street Supervisor Maint. Worker II (signs) (3) Maint.Worker I Maint. Worker III (2) Maint. Worker II
Subtotal	*7*	*12*	*18*	*18*
Total	**16**	**22**	**28**	**28**

Attachment D: Public Works 3-Year Equipment Implementation Plan

Division	1998	1999	2000	2001
Facilities				
	3/4-ton Van	3/4-ton Van	3/4-ton Van	3/4-ton Van
Engineering				
		3/4-ton Pickup	3/4-ton Pickup	3/4-ton Pickup
Administration				
	Sedan	Sedan	Sedan	Sedan
Operations				
	(2) 1/2-ton Pickup 4x4 Utility 1.5-Ton FB Dump Snow Plow Sanding Box	(2) 1/2-ton Pickup 4x4 Utility 1.5-Ton FB Dump Snow Plow Sanding Box ***(2) 3/4-ton Pickup***	(2) 1/2-ton Pickup 4x4 Utility 1.5-Ton FB Dump ***(3) Snow Plows*** ***(3) Sanding Boxes*** **(3) 3/4-ton Pickup** **Crew cab-Pickup** ***Backhoe w/loader*** ***Mower attachment*** **Utility Trailer** ***(2) 5-yd Dump***	(2) 1/2-ton Pickup 4x4 Utility 1.5-Ton FB Dump (3) Snow Plows (3) Sanding Boxes (3) 3/4-ton Pickup Crew cab-Pickup Backhoe w/loader Mower attachment Utility Trailer (2) 5-yd Dump

ATTACHMENT E

Public Works Budget Operating Budget Comparison

Attachment E:

Public Works Operating Budget Comparision

	1999 Adopted Budget	2002 Budget Estimate without Transition	2002 Budget Estimate with Transition
Expenditures			
Administration	$243,284	$273,661	$273,661
Facilities	$782,704	$880,436	$880,436
General Operations	$1,957,153	$2,201,531	$3,174,420
KC Contracts	$898,763	$1,027,113	$120,942
Engineering	$430,895	$484,698	$558,939
Overhead	$995,242	$1,119,512	$1,257,837
Total Expenditures	**$5,308,041**	**$5,986,951**	**$6,266,235**
Resources			
Street / Arterial Street Funds	$2,575,390	$2,896,964	$2,896,964
Surface Water Management Fund	$1,428,700	$1,607,093	$1,607,093
General Capital Improvement Fund	$158,954	$178,802	$178,802
Business Recycling Grant (King County)	$6,822	$7,674	$7,674
Special Recycling Events Grant	$13,692	$15,402	$15,402
Federal Emergency Mgmt. Agency	$4,000	$4,499	$4,499
Total Operating Resources	**$4,187,559**	**$4,710,434**	**$4,710,434**
General Fund Subsidy	$1,120,482	$ 1,276,517	1,276,517
Total Resources	**$5,308,041**	**$ 5,986,951**	**$ 5,986,951**
DIFFERENCE (2002 Expenditures-Revenues)		$0	$279,284

Assumptions

Inflation of 4% annually from 1999 Adopted Budget
"Other things being equal" - no additional programs and no change in revenue sources
Transition as outlined in Table 8