

CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

April 23, 2009

This week's report is being prepared and distributed on Thursday because I will be meeting with Department Heads in a half-day retreat on Friday. We have a number of important issues to discuss at the Department Head Retreat including some of the items that Council discussed at your Retreat last Saturday. We should be back in the office about 2:30 p.m. on Friday if you have any questions prior to the weekend.

Copies of the Teresa's draft minutes from the Council retreat have been placed in your mailboxes. Next week I will provide you with a listing of follow-up items that need to be addressed as a result of comments made at the Retreat.

This Weekly Update Report includes additional information on several items that were discussed. First of all, several questions were raised about the 2008 General Fund budget savings that were realized. I asked Yvonne to prepare the attached report summarizing how we were able to increase our fund balance by \$800,000 at the end of the year. Please keep in mind that this is one-time funds that should not be used for on-going operating costs. Once again, the Staff recommendation is to move these additional funds into our "rainy day" fund to be used to help us address some major financial challenges anticipated in the coming year.

The second attachment, which I mentioned at the Retreat, is the latest report from Becky Upton on the number of public records requests that we have received this year, which represents about a 150% increase in requests from the prior year.

As you may recall, the City was able to negotiate and approve contracts with all of the employee unions this year except for the non-sworn public safety union (dispatchers and records personnel). During the past several weeks, Bob Coons and I have had three different sessions with the mediator and this week and made our final offer. The union is scheduled to vote on this offer in the next few days so we may have a contract for you to consider at your next Council meeting.

I also wanted to update you on the Sheriff's proposal to consolidate dispatching services with Jefferson County. Several meetings with public safety agencies have taken place in the past two months and it appears that there is interest in considering the feasibility of a combined dispatch operation. A feasibility study will be prepared outlining the costs, pros, and cons of such a facility and this study should be completed later this year. The Sheriff believes that federal stimulus money can be obtained to finance the construction of this facility in order to maintain our current costs. Chief Gallagher and I have repeatedly stated our position that we cannot support a combined dispatch center if it will result in increased costs for the City.

- Kent Myers

**FINANCE DEPARTMENT**

DATE: APRIL 20, 2009
TO: KENT MYERS, CITY MANAGER
FROM: YVONNE ZIOMKOWSKI, FINANCE DIRECTOR
SUBJECT: 2008 GENERAL FUND BUDGETARY SAVINGS

Traditionally, staff discusses budgetary savings mid-year as part of the capital facilities plan (CFP) process as it is the City's policy to allocate those savings to capital projects. We work very hard not to rely on budgetary savings or reserves for on-going operations, especially since most of the savings are temporary, related to vacancies or postponed maintenance and repairs. In 2008, the Council discussed allocating \$1.2 million from 2007 General Fund budgetary savings for the 8th Street Bridges and Gateway capital projects. As part of the 2009 CFP process, the Council will have the option of allocating \$1.0 million in 2008 General Fund budgetary savings either to capital projects, or temporarily to the City's rainy day fund.

During preparation of the 2009 Budget and 2008 Amended Budget, we did not anticipate any budgetary savings for 2008. I upgraded revenue estimates by \$210,000, however we believed at the time that expenditures would come in slightly over budget, not under. Most of the budgetary savings for 2008 occurred in the 4th quarter, which was too late to incorporate the savings into the amended budget. However, I provided a preliminary General Fund budgetary savings estimate of \$800,000 in the 2008 year-end report to Council which was distributed in January 2009.

Following are a few reasons why the General Fund budgetary savings was \$1.15 million at the end of 2008.

- Tax accruals: There is a two-month lag from the time tax revenue (including sales, gambling, lodging, criminal justice, and phone tax) is generated until the City receives the revenue. This means we will not know the exact amount of General Fund revenue for the year until the following March at the earliest. Again, we estimate conservatively in an attempt to over-deliver rather than coming up short. In the tax category, we collected \$320,000 more than budgeted in 2008. This includes most of the taxes but primarily gambling taxes (\$140,000). Unfortunately, I don't think we will be able to collect all of them.

- Interest revenue: GASB 31 is a Federal accounting standard that requires the City to book the fair value of investments as of December 31, even if those investments do not mature at that time. This results in additional revenue being reported as a "gain on investments", although in reality we have not realized that gain. In 2008, GASB 31 resulted in a paper gain of \$554,000 in additional revenue citywide, or approximately \$100,000 in the General Fund. We will never know the impact of GASB 31 until the end of each calendar year, and therefore we cannot

anticipate how much of a paper gain or loss to predict. Unfortunately, we will not collect the gain on investments related to GASB 31.

On the expenditure side, we actually increased our budget estimates in public works in the areas of engineering and parks. Generally, department heads are responsible for their own budget estimates and budget control. At year-end, actual expenditures came in below the budget, mostly in personnel due to unfilled vacancies and controlled spending by departments. Following are the actual savings in expenditures by department for 2008:

- City Manager - \$74,000 savings primarily due to Mark Madsen's resignation
- Finance - saved \$100,000 due to vacancies, saved on professional services in Accounting, and reprographics.
- Attorney - saved over \$12,000 in jail contributions (\$350,000 budgeted); additional \$29,000 savings mostly in professional services
- CED - saved \$20,000 mostly in personnel costs
- Police - \$190,000 savings due to vacancies in police administration, records, and patrol; In addition, union negotiations were not finalized at the time the amended budget was prepared
- Fire - saved over \$18,000 in various areas
- PW Engineering - saved \$79,000 mostly in personnel
- PW Parks - all parks functions (except pool and cemetery) realized \$195,000 in savings mostly in facilities related to personnel, and a lower level of supplies and repairs/maintenance

It should be noted that part of the savings in general administration has been returned to the utilities through the allocation process.

Please let me know if you have additional questions related to the General Fund budget.



PORT ANGELES

WASHINGTON, U. S. A.

City Clerk's Office

April 15, 2009

TO: Kent Myers, City Manager

FROM: Becky J. Upton, City Clerk *BJU*

SUBJECT: Status Report on 2009 Public Records Requests

Attached for your information is a listing of Requests for Public Records that have been submitted to the City Clerk's office through April 15, 2009. Please note that this list also includes requests submitted the latter part of 2008 that are or were still pending as of January 1, 2009.

With a couple of exceptions, the list reflects only those requests submitted directly to me. Other "over the counter" records requests that are filled by other City departments are not reflected on this list. In addition, the Police Department handles all of its requests separately.

As an added note, through the April 10th payday, the City spent \$20,806.92 on public records requests.

Attachment

2009 Records Requests Completed / Pending

Year to Date

Pending from 2008 as of 1/1/09:

- 11/14/08 Harley M. Oien - Review any maps, including aerial photos, of old sections of the now decommissioned City of Port Angeles dump located at the bluffs of the Strait of Juan de Fuca and along Dry Creek; maps existing at the time of City initiation of dump responsibilities included, also request names of dump managers since City management of dump began.
- 11/14/08 Shirley Nixon - Copies - September 1, 2008 to November 14, 2008 - pertaining or referring to meetings, discussions or communications between the City of Port Angeles (staff, officials, or representatives) and Rayonier Inc. staff, officials or representatives. For purposes of this request, the requested records include those involving the staff or officials of the Port Angeles Harbor-Works Public Development Authority who may have reported upon or otherwise communicated their understandings of Rayonier, Inc. positions relating to the cleanup or development of its former Port Angeles mill site.
- 11/14/08 Shirley Nixon - Review - December, 2005 to October 2007 relating to the acquisition or expenditure of funds for cleanup, redevelopment, or economic development of the former Rayonier Mill Site and/or Port Angeles Harbor. This request includes records pertaining to the potential sale or purchase of the former Rayonier Mill Site.
- 11/14/08 Shirley Nixon - Review - October 1, 2007 to November 14, 2008 - pertaining or referring to meetings, discussions, or communications between the City of Port Angeles (staff, officials, or representatives) and the owners, operators, employees, or representatives of the Port Angeles Nippon Paper Mill (a.k.a. Nippon Paper Industries USA Co. Ltd., 1902 Marine Drive, Port Angeles).
- 12/2/08 Darlene Schanfald - January 1, 2006 - December 2, 2008 - Review all files pertaining to Rayonier Mill site, the visioning process for reuse of the Rayonier Mill site, the Port Angeles Harbor-Works Development Authority (PAHWDA), and siting of NOAA's vessel in Port Angeles Harbor.
- 12/5/08 Norma Turner - review all invoices, billings, requests for payment, December, 2007 - through present - for outside attorneys, law firms, legal service providers

2009 Requests

- 1/5/09 Cindy Kelly, Dry Creek Water - copies of pay ranges for all utility-related workers, to include management

1/6/09 Robert Messier - detailed map of area near Elwha River and Highway 101

1/12/09 Todd Ortloff, KONP - copies of annexation agreements with County (EUGA & WUGA)

1/12/09 Amy Khile, State Auditor's Office - copy of all City Council e-mail for calendar year, 2008.

1/16/09 Tom Callis, PDN - copy of "Save the Pool" Steering Committee recommendation

1/21/09 Paul Lamoureux - copy of Part 1 of City Council recording of 1/20/09

1/25/09 Shirley Nixon - digital copy of City Council 1/27/09 special meeting packet

2/2/09 Sandy Long - list of PBIA businesses

2/2/09 Darlene Schanfald - information re. Karen Rogers e-mail of 3/19/07 to Jim Hargrove re. disbursements from Graving Yard settlement

2/3/09 Tom Callis, PDN - Review City's legal expenses for Rayonier site cleanup and Rayonier tank acquisition, to include each legal expense, how much it cost, who received the payment, and the specific purpose of the expense

2/3/09 Tom Callis, PDN - Review City's agreements with Nippon Paper and Rayonier, Inc., for use of City water for industrial operations, to include the original contracts and amendments.

2/4/09 Tom Callis, PDN - Berger/Abam's report to City on structural concerns of Gateway

2/9/09 Shirley Nixon - electronic copy of February 10, 2009 Utility Advisory Committee meeting packet

2/9/09 Ingrid Hauxwell - pool budget/expenditure information for 2007 and 2008, and inspection/report on pool water/pipe system

2/10/09 Jackie, Energy Services, City of Richland - Utility Advisory Committee By-Laws

2/10/09 Groen Stephens & Klinge, Attorneys at Law - permitting of construction/maintenance of a pier at Ediz Point constructed by Crown-Zellerbach

2/11/09 Tom Callis, Peninsula Daily News - invoices from Zenovic & Associates for engineering consultation on the Gateway Project

2/11/09 Diane Nelson - copy of draft minutes of Utility Advisory Committee meeting of February 10, 2009

2/12/09 Shirley Nixon - communications from/to Steve Oliver

2/13/09 Glenda Cartwright, Thomson Reuters - Copy of Ordinance No. 3312

2/13/09 Law offices of Heller Wiegstein - copies of all records related to 1629 W. 14th Street

2/17/09 Norma Turner - e-mail request for CD of City Council special meeting of December 9, 2008

2/17/09 Darlene Schanfald - copy of City Council meeting CD of 2/17/09 meeting re. proposed License Agreement w/Rayonier for Tank

2/26/09 The Benefit Coordinators - listing of all City employees with certain information

3/3/09 Darlene Schanfald - CD of City Council meeting recording, March 3, 2009, Part 2

3/4/09 Jim Haguewood - CD of City Council meeting recording, March 3, 2009, Part 1

3/5/09 Darlene Schanfald - copy of License Agreement w/Rayonier

3/9/09 Shirley Nixon - March 10, 2009, Utility Advisory Committee meeting packet

3/10/09 Lynn Johnston, Wave Broadband - copies of invoices/statements from CPI from 2004 to present

3/12/09 Shirley Nixon - copy of Standstill and Interim Relief Payment Agreement between City and BPA dated 3/24/08

3/16/09 Darlene Schanfald - copy of Common Interest Agreement w/Nippon

3/24/09 Darlene Schanfald - records re. Common Interest Agreement w/Nippon (Ms. Schanfald refers to it as the "Joint Defense Agreement")

3/26/09 Jennifer Adamire - copies of travel policies and paid holidays for City utility workers

3/27/09 Integrity Waste Environmental Consultants - Commercial Solid Waste Franchise Agreement & copy of most current rate sheets for commercial solid waste

3/31/09 Darlene Schanfald - copies of various documents related to Rayonier, the Public Development Authority, and discussions with outside legal counsel

4/1/09 Bruce Pyrah, GPA Valuation - copy of Lease Agreement w/Cingular at Shane Park & current rent (submitted to and provided by City Attorney's Office)

4/7/09 Shirley Nixon - review of June 24, 2008 City Council packet

4/8/09 David Nicksic, COMgroup - copies of competitor proposals for Network Needs Assessment and Public Safety Considerations

4/9/09 Brian Gibbs - 2008 financial information re. William Shore Memorial Pool

4/9/09 Paul Lamoureux - copy of April 7, 2009, City Council meeting recording, Part 1

4/10/09 Sequim School District - documentation leading up to Ordinance No. 2764, Bicycle Helmet Ordinance, adopted May 18, 1993

4/10/09 Tom Callis, Peninsula Daily News - communications between City, Krei Architecture, Parametrix, and Bright Engineering since September 1, 2008

4/14/09 Paul Gottlieb, Peninsula Daily News - copy of pool resolutions (sent Resolution No. 2-09 and 5-09 to him via e-mail)

4/14/09 Paul Gottlieb, via Glenn Cutler - copy of Draft Pool Facility Condition Assessment RFQ, Spring, 2007

4/15/09 Utilx Corporation - copies of all documents re. Novinium, Inc., and City's Cable Injection Project

4/15/09 State Auditor's Office - overnight express CD of City Council meeting of 5/20/08

52 Total as of April 15, 2009