WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 9, 2012

SUBJECT: Briefing and Post-City Council Briefing Agenda for May 14, 2012

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council briefings are open to the public, and individuals are welcome to attend and observe. However, these briefings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to Monday night's Briefing and Post-City Council meeting briefing, the following schedule has been prepared:

Dinner	6:00 P.M.
Council Briefing *(The public is welcome to attend.)*	6:30 P.M.

POST BRIEFING *(The public is welcome to attend.)*

PRESENTATIONS
1. Core Services' Level of Service Review in Preparation of the Proposed 2013/2014 Budget

CITY COUNCIL REPORTS
1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

EXECUTIVE SESSION
None at this time.

INFORMATION ONLY
None at this time.

Items may come up between now and Monday night. City Council will be apprised of any changes to the post-briefing schedule.

Respectfully submitted,

J. Brent McFall
City Manager

WESTMINSTER

Staff Report

SUBJECT: Core Services' Level of Service Review in Preparation of the Proposed 2013/2014 Budget

PREPARED BY: Steve Smithers, Deputy City Manager
                    Barbara Opie, Assistant City Manager
                    Aric Otzelberger, Assistant to the City Manager
                    Ben Goldstein, Management Analyst

Recommended City Council Action:

Review the proposed core service's level of service analysis outlined and provide direction on the following items:

- Provide direction on the list of Proposed Changes Recommended, whether Staff should continue research and pursuit of the items identified in concert with the development of the 2013/2014 Budget;
- Review the list of No Change Recommended items to ensure that City Council is comfortable that Staff has conducted adequate follow up and no changes are needed; and
- Review the proposed list of items to highlight at the June 11 City Council Meeting and provide Staff direction that these are the items City Council believes should be highlighted at the June 11 public meeting on the Proposed 2013/2014 Budget.

Summary Statement

In February, Staff commenced a level of service review of some of the City's Core Services programs and services per City Council's objective to "Institutionalize the core services process in budgeting and decision making" under the Financially Sustainable City Government Providing Exceptional Services goal. Staff has completed the initial analyses and some of the programs/services evaluated are highlighted within this Staff Report. These analyses are intended to look forward to 2013/2014 service demands, evaluate current funding levels and determine if modifications might be needed given the City's limited resources (both financial and staffing) and priorities. This information is intended to provide City Council an opportunity earlier in the budget development process to provide direction on whether Staff should proceed with additional analysis of the proposed programmatic level of service changes and/or proposed reallocations of resources and bring these back for City Council's further review and final determination during the budget process.

Expenditure Required: $0

Source of Funds: N/A

Policy Issue

- Does City Council concur with moving forward as recommended on the proposed level of service items analyzed within this Staff Report?
- Does City Council concur with the list of three items Staff recommends highlighting at the June 11 public meeting on the Proposed 2013/2014 Budget?

Alternative

- City Council could choose not to pursue any of the recommended changes identified in the level of service items. Staff believes the items identified have merit to continue evaluating in concert with the development of the Proposed 2013/2014 Budget but ultimately, the policy direction is the decision of City Council and Staff will proceed as directed.
- City Council could identify fewer or more than the three items recommended to be highlighted at the June 11 meeting. Staff is cognizant of Council's desire to gather input in the budget development process and believes that of all of the items identified in the level of service analyses, these items might be of greatest interest to the public. Staff is mindful that including too many items at the June 11 meeting may yield no public input and attempted to identify a manageable but realistic list of programs for review.

Background Information

In November 2009, the City commenced a "Core Service" inventory and discussion. Staff prepared an inventory of City-provided services and programs for City Council's review, which was then prioritized with City Council during 2010. This prioritized inventory assisted City Council in adopting a balanced 2011 and 2012 budget, positioning the City in a sustainable financial position for the future. The goal of this work was to more clearly identify what services are essential to the community and what services can no longer be afforded. This process was made more difficult with the organization already being lean as a result of ongoing reductions throughout the past decade. The initial Core Services process included a comprehensive inventory of services and programs provided by the City of Westminster as well as identification of criteria to utilize in prioritizing the Core Services inventory. The Core Services assessment was completed in concert with the strategic planning process, allowing City Council and Staff to ensure services were appropriately aligned with the Strategic Plan.

During the creation of the core service inventory, services and programs offered the Westminster community were prioritized through a tiered system. The Service Business Priority (tier I, II or III) indicates the level of importance (moreso than the Service Hierarchy/"house"). The general terminology utilized in preparing the prioritized core services inventory grouped programs or services under the following categories:

o Business Activity – The business activity identifies the primary activity provided. For example, it may be Legal Counsel and Representation, City Management/Administration, Public Information, Special Events, Community Development, Recreation Wellness/Leisure Services, Library Services, etc. Business activities will not necessarily tie specifically to a department name; they tie to a specific service or program offered by the City. This is why an item like Special Events, which includes efforts in almost every department across the City, is included as a comprehensive business activity inventory versus being spread out separately within each individual department.

This allows for a comprehensive review of this activity in context against the other special events provided in the City. (The full inventory City Council last reviewed on June 27, 2011, is not attached as the document is close to 60 pages; if City Council would like a copy of the full inventory, Staff is happy to provide it.)

o Service Business Priority – As noted, Staff identified three tiers of Service Businesses provided. Service Businesses identify the program or service affiliated with each Business Activity; they are the services to ensure the accomplishment of the overall business activity. First tier items are those items that Staff believes are the highest priority in the provision of services to the community. The criteria Staff utilized to prioritize programs and services was reviewed and reaffirmed by City Council in June 2011. A copy of the criteria is attached (see Attachment A).

o Service Hierarchy – The hierarchy is simply one part of the prioritization process utilized by City Council and Staff; the overall prioritization process includes six criteria agreed upon by City Council. The hierarchy is not necessarily any more important than the other criteria approved by City Council as noted previously. The service hierarchy is called out to simply help in the evaluation/prioritization process. Where each item falls is but one component of the approved criteria used to prioritize each Sub-Service Business provided. Items are identifed as Community "Add On's"; Quality of Life; Core Business "Choice"; and Core Business "No Choice." A copy of the Service Hierarchy and associated definitions is attached (see Attachment B).

Per City Council's objective "Institutionalize the core services process in budgeting and decision making" under the Financially Sustainable City Government Providing Exceptional Services goal, Staff updated the Core Services documents and reviewed them with City Council during 2011 as part of the mid-year budget review for the Adopted 2012 Budget. The update to the Core Services document ensured that it remains accurate in reflecting services and programs provided by the City. The Core Services work is being integrated into the organization as funding and resource allocation decisions are made now and into the future.

Staff commenced a level of service analysis in February 2012 in preparation for the 2013/2014 Budget development process. Staff reviewed the current Core Service inventory document and ensured that it still accurately reflects City services and programs. The majority of Staff work focused on identifying programs/services provided within the Core Service inventory and conducting level of service analyses. These analyses are intended to look forward to 2013/2014 service demands, evaluate current funding levels and determine if modifications might be needed given the City's limited resources (both financial and staffing) and priorities. A summary of these analyses follow. This information is intended to provide City Council an opportunity earlier in the budget development process to consider any proposed programmatic level of service changes and/or proposed reallocation of resources and provide Staff with feedback and/or request additional research.

Recommendations on each specific level of service item are provided. Items are organized into two sections: "Proposed Changes Recommended" and "No Changes Recommended." City Council expressed concern about the level of reductions made and potential impact on operations and services included in the 2011/2012 Budget. With this level of service analysis, Staff is providing evaluations on some programmatic changes made and following up in this Staff Report with some recommended changes and some areas that Staff believes the modifications were appropriate and no changes are recommended.

Overall, Staff is seeking City Council direction on which level of service items to pursue further in the 2013/2014 Budget development process. Much of the information below is conceptual in nature and reflects very preliminary cost estimates. For items City Council wishes to pursue, Staff will conduct

further in-depth review and analysis, and present this information for City Council's consideration and final direction during the budget process during the summer. Staff will also share information with the public on level of service items being pursued through the City's Web site and City Edition based on City Council direction. Three items are being recommended to bring forward at the June 11 public meeting on the Proposed 2013/2014 Budget; they are noted in the text which follows.

Proposed Changes Recommended

City Manager's Office

- **Digital Media Development/Public Information Focus** – Staff proposes a shift in emphasis toward digitally focused communication media while continuing to serve residents through more traditional (i.e., print) channels. Key components of this shift include assisting departments in development and testing new communication technologies with the Information Technology Department, managing/ maintaining content management systems on various websites, managing domains for City websites, overseeing the City's social media administrators group, managing compliance with City social media policies and more. City Staff would seek direction and City Council action for any proposed reallocation or addition of resources to fulfill these digital media services through the City's regular budget process. This would be a refocus in the City's current level of service, which is a service business priority level I and considered a service hierarchy type of "choice." (net estimated change $0; 0.0 FTE)

Community Development

- **Arts and Cultural Programming** – Staff proposes evaluating the City's overall focus on arts, cultural programming and historic preservation. The City currently supports the arts through City Council's annual contribution to the North Metro Arts Alliance (NMAA) of $10,000 plus Parks, Recreation and Libraries (PR&L) reimburses NMAA for sound and other entertainment costs the City would incur (approximately $6,000). These contributions/reimbursements fund summer concert series in City parks, Holiday Lighting Ceremony entertainment, and the band and sound system for the annual Summer Celebration at Irving Street Park and Independence Day fireworks celebration. In addition, Staff in the Parks, Recreation and Libraries (PR&L) Department work on programming the summer concert series, community art shows, etc.

Separately, within the Community Development Department, support for the public art program, cultural programming, and historic preservation have been spread among a few staff members. Support for the public art program focuses on the requirement that new development contributes art pieces or cash in lieu for future art purchases. Cultural programming includes supporting the growing arts movement within South Westminster and through the South Westminster Arts Group (SWAG). Historic preservation focuses primarily on building restoration opportunities through grants for Semper Farm, Shoenberg Farm, Bowles House and other historic buildings. Staff is seeking Council direction on the level of service desired in this area and has identified several options for consideration and further research.

Staff recommends conducting further research and brainstorming internally to be more strategic in the City's approach to supporting the arts in the community. Staff is seeking some guidance from City Council on the level of support for this "quality of life" service and what level of resource allocation to the arts are desired and realistic. Should Council support Staff conducting additional

research, Staff will return to City Council with a more refined proposal for consideration. Depending on the direction Staff receives, this item could be brought forward at the June 11 public meeting for community input. (net estimated change TBD; 0.0 FTE) *(**Staff recommends highlighting at June 11 Public Meeting.**)*

- **Open Space Acquisition Program** – Staff requests City Council direction on the merits of different short and long-term funding/financing options for open space acquisition and to consider how the City strategically approaches resource allocation in the future between open space acquisition and maintenance. Funds from the most recent bond sale in 2007 will likely be depleted in 2012, leaving very limited existing revenue streams for open space acquisition. Short-term funding options that could be explored include use of public land dedication and cash-in-lieu funds. Long-term funding/financing options include the use of $1.5 million (annually) that would be available after the City pays off the loan for the Metzger Farm acquisition, which becomes available on an annual basis starting in 2017. These funds could be used for direct purchases or for debt service if a decision was made to pursue issuance of a second set of bonds against the current sales tax ending date of December 31, 2032. Staff estimates that $11 million could be available from another bond sale, which would be split between open space acquisitions and parks and trails projects. City Council could also consider going to the voters to remove the sunset for the parks, open space and trails sales (POST) tax, which could help attain the 15% open space goal and long term open space maintenance needs. The 15% goal has been an aspirational goal. Council could revisit this goal in the context of the need for more open space property.

  A key consideration with any available revenue is identifying the proper balance between open space acquisition and maintenance. Staff is in the process of gathering data and performing analysis on estimates for open space maintenance in the future, focusing on noxious weed removal, re-vegetation and other needs. Staff will share this information with City Council as part of the Proposed 2013/2014 Budget process. Another consideration is how to allocate staff between open space acquisition and maintenance. Finally, if another bond issue is pursued, the City would need to consider proper balance between open space acquisition and potential parks and/or recreation projects.

  By the end of 2012, the City's OS portfolio is projected to include 3,000 acres (13.9% of total land area). An additional 245 acres of open space is needed to meet the City's 15% open space goal. If an assumption is made that the City could preserve 104 acres at no cost to the City, that would leave 141 acres to reach the 15% goal (in general, properties that could be acquired at no cost are in floodplain areas that cannot be developed or land acquired through the public land dedication process). Using the average cost of open space over the past three years of $155,000 per acre, acquiring another 141 acres would cost just under $22 million. If an assumption is made that the City can leverage funds from outside grant sources (as the City has over the last few years), the City could expect to receive approximately $8 million from these funding sources. That would require approximately $14 million in City funds for 141 acres of land purchases. This would support the City's current level of service, which is a service business priority level I and considered a "quality of life" in the service hierarchy type. (net estimated change $TBD; 0.0 FTE) *(**Staff recommends highlighting at June 11 Public Meeting.**)*

- **Stormwater Utility Fee Increase** – Staff recommends City Council consider increasing the Stormwater Utility Fee by $1/month per year for three years, commencing in 2014. This fee increase would help address the City's prioritized list of 87 stormwater capital improvement

projects in a more timely manner. The total cost estimate for these projects is $74 million. It would take approximately 40 years to complete these projects under the current revenue stream from the existing stormwater fee of $3.00 per month for single family residences. This timeline does not take into account additional mandates/regulations that could require more resources. Currently, the State of Colorado is in the process of adopting a regulation on nutrient criteria. There is the potential that actual in-stream monitoring and water quality sampling will be required in later years (2014+) and rough estimates show that each monitoring location would cost between $15,000 and $25,000 on an annual basis. In addition, the EPA is considering a new Stormwater Rulemaking that would place greater stormwater monitoring and facility retrofitting requirements on the City. If the City is required to retrofit existing facilities, this could mean buying property to install water quality ponds in subdivisions that do not have one and installation of storm sewer networks that do not currently exist. Costs for these requirements could easily be tens of thousands of dollars a year depending on how prescriptive the requirements become.

The City's Stormwater Utility Fee was increased in 2008 from $1.50 per single family to $3.00 per single family. As of March of 2012, the average fee that local jurisdictions charge is $5.77. Westminster's stormwater fee currently ranks 13th out of the 16 Front Range cities that charge a stormwater fee (fourth lowest). By the time the phased in fee increase to $6.00/month would be fully implemented in 2016, other cities will likely have adjusted their fees as well, keeping Westminster among the lower fees in the Front Range.

The current fee generates approximately $1.95 million per year. If the proposed increase of $1/month per year were to commence in 2014 and end with a $6/month fee by 2016, it would generate approximately $650,000 in additional revenue in each of the three years, for a total estimated revenue by 2016 of $3.9 million/year. Staff recommends considering the multi-year increase to follow Council's previously expressed preference to do fee increases in smaller incremental steps over the years versus making no changes and needing to implement large fee increases sporadically.

To accelerate the completion of needed stormwater projects, City Council could consider bonding against the Stormwater Utility Fee and use a portion of the $1.95 million to repay the bond. (net estimated change $TBD; 0.0 FTE) *(Staff recommends highlighting at June 11 Public Meeting.)*

Finance

- **Accounting Bill Payment Staffing** – Staff recommends re-evaluating the 0.5 FTE Accounts Payable position that was eliminated as part of the Core Services assessment in late 2010. Bill payment includes accounts payable processing, purchase order administration, off-system payment authorization and documentation, vendor record maintenance, retainage reporting, expense report validation, and purchasing card activity verification. Shortly after this position was eliminated, an increase in workload was realized as a result of changes made by other departments that affected the Accounts Payable section. These organizational changes included, but are not limited to, in-house processing of workers' compensation payments and invoicing of rental housing inspection fees (new fee implemented in 2011 to retain the rental housing inspection program). The possible reinstatement of the 0.5 FTE would allow for better services delivery and reduce the risk of errors and staff burnout; Staff is concerned that the current workload is unsustainable with existing staffing levels. (net estimated change +$20,000; +0.5 FTE)

- **Retirement Administration Use of Volunteer** – Staff proposes increasing the use of volunteers within the Retirement Administration Division. Each benefited employee has a participant file that contains enrollment forms, quarterly statements, distribution election forms, Retirement Medical Savings Account reimbursement claims, deferred compensation account transactions, and written communication pieces. Scanning of participant files began in 2006 after auditing procedures were implemented; however, with limited staff, the number of participant files being scanned has been very limited. Commencing in 2011, Retirement Administration began utilizing a volunteer to scan participant files four hours each week. Based on the success of this effort, Staff proposes to increase utilizing a volunteer to scan participant files to eight hours a week. Staff audits each scanned participant file for accuracy and believes increasing the volunteer hours scanning can be handled within the current staff workload. Scanning these files reduces the need for physical storage space and travel to off-site storage units. In addition, participant files will be saved and backed-up frequently by the Information Technology Department. (net estimated change $0; 0.0 FTE)

General Services

- **Establishment of an Employee Wellness Clinic** – Staff recommends pursuing the creation of an Employee Wellness Clinic as a practical and proactive strategy to mitigate healthcare costs and risk in the self-insured medical plan. As part of a multi-year approach, Staff has considered various strategies including the possibility of unbundling health care services, as well as opening an Employee Wellness Clinic. Research projects a return on investment by reducing claims and the healthcare trend factor by up to 50%. Additional expenditure savings are anticipated through direct provision of various medical services through the clinic. As proposed, the Employee Wellness Clinic is anticipated to be an effective cost mitigation tool that will allow Staff to reduce the overall healthcare cost increase trend factor, consolidate and integrate all participant information, increasing the City's ability to analyze and maximize available benefits. This would allow better utilization of the City's healthcare dollars by reducing office visit and prescription costs as well as providing an effective avenue to manage chronic disease concerns. City Council reviewed this approach and concurred with Staff's recommendation to proceed with vendor and site selection as well as development of a detailed clinic implementation plan in February 2012. Staff plans to review specific implementation recommendations with City Council in the summer and fall of 2012. The initial start-up cost of the clinic is projected at $687,000 and ongoing cost are currently estimated at $397,000; it is proposed that these expenses will be paid from the medical/dental self-insurance fund. (net estimated change +$687,000; 0.0 FTE)

- **Mayoral Runoff Contingency Funding or W.M.C. Modification** – The Westminster Municipal Code (W.M.C.) requires that the Mayor win election with at least 40% of the votes cast. In 2013, the municipal election will be held to fill the office of the Mayor and three City Councillors; all incumbents are term limited and it is anticipated there will be significant interest by many in running for office. Councillors are elected by votes cast with no percentage of votes required. It is highly likely that, because of the 40% requirement, there may need to be a runoff election following the November 5, 2013, coordinated election for the office of Mayor. A runoff election is estimated to cost $100,000-150,000. Rather than budget this within the City Clerk's Office, since there is a chance that a runoff may not be necessary, Staff recommends planning to utilize contingency fund monies budgeted in the General Fund should a runoff election be necessary. An alternative to this expense is to make changes to the W.M.C. that would allow for the candidate with the top number of votes received to be elected to the office of Mayor, thus eliminating the

need for a runoff election. This proposed process is similar to what is currently used in City
Council elections. (net estimated change +$150,000; 0.0 FTE)

- **Modifications to the Community Recycling Program** – As City Council is aware, Staff has
  been working with the Environmental Advisory Board (EAB) and a focus group about community
  recycling over the last few years. The EAB met in April to review the focus group's
  recommendations. The EAB will be meeting in May to identify recommendations to forward to
  City Council concerning community drop off locations, recycling education, possible code
  changes, etc. Staff will bring this item to City Council in June for consideration. Depending on
  the outcome of the Council review, Staff could bring this item forward at the second public
  meeting on the budget scheduled for July 23. (net estimated change +$TBD; 0.0 FTE)

Parks, Recreation and Libraries

- **The MAC Staffing** – Staff recommends considering the addition of a 0.6 FTE Facility Assistant
  to the MAC to address increased facility usage and allow supervisory staff to reduce the amount
  of time they work in the clerk role at the front desk. Salary and benefits total $30,265, but half of
  this cost would be paid by Hyland Hills Park and Recreation District, who is the City's partner in
  this facility. Hyland Hills is supportive of this proposal and has verbally agreed to fund half of
  the cost. An amendment to the MAC IGA between the City of Westminster and Hyland Hills
  would be pursued if City Council is supportive of this proposal. The City's portion of the salary
  and benefit cost is estimated at $15,133. Staff proposes using increased MAC revenues to cover
  this cost. This revenue increase is being driven by aggressive and successful marketing efforts for
  facility rentals on the weekend, as well as by increased participation in the SilverSneakers
  program. For 2012, 96 of 114 available weekend days have already been booked. 2011 revenue
  from the MAC exceeded budget by $61,355, largely due to the facility rental efforts by Staff and
  the SilverSneakers program. This better than anticipated revenue performance is anticipated for
  2012 as well. (net estimated change +$15,133; +0.6 FTE)

- **Tree Limb Recycling Program Reduction** – Staff proposes reducing the level of service for the
  City's tree limb recycling program. This "add-on" program (tier II service business) is offered
  one Saturday morning per month for eight months (6 hours/day) and after significant storms.
  Estimated program costs of $12,300 include overtime, contracted grinding, and equipment/loader
  costs. Private service providers offer the same service for a charge (e.g., A-1 Organics in Golden
  charges $6.50 per cubic yard). Staff proposes reducing our program to provide four limb
  recycling events per year (two events in the spring and two in the fall). Limb recycling would
  also be offered after major storm events. Staff proposes reallocating the resource savings that
  would be available under a reduced program to help cover overtime and equipment costs related
  to Open Space volunteer events (16 events in 2011) and for the City's hazard tree mitigation
  program. With a 4.0 FTE reduction in the Park Services Division as part of the City's 2010 core
  services process, less Staff is available to cover special events and other "after hours" or overtime
  assignments. Looking at surrounding communities, Arvada, Lakewood and Wheat Ridge do not
  offer a tree limb recycling program to their residents. The City of Thornton offers a program that
  is very similar to Westminster's current program (one Saturday a month for eight months) and the
  City and County of Broomfield offers tree limb recycling services to residents at their dedicated
  recycling facility. (net estimated change $0; 0.0 FTE)

Police

- **K-9 Unit Supervision** – Staff recommends considering the reallocation of a 1.0 FTE Senior Police Officer position to a 1.0 FTE Sergeant position to provide dedicated, consistent supervision to the K-9 unit. This would provide the expertise and attention Staff feels is necessary for this specialized, high liability unit. The current program consists of five K-9 teams (officer and dog). Currently, supervision of this unit is split between patrol watch by a patrol sergeant, a first line supervisor (sergeant) and a police commander. However, there is really no direct, specialized supervision. Based on a number of studies on best practices and a separate analysis, Staff recommends adding full time, first line supervision. Depending on step in the pay plan, the salary difference between a Senior Police Officer and a Sergeant is between $13,000 and $17,000. Currently, the Police Department has 153 authorized police officers/senior police officers and 19 authorized sergeants. Staff is confident that pursing this reallocation of Staff will provide a significant benefit and will not negatively impact patrol operations. (net estimated change +$15,000; 0.0 FTE)

- **Animal Management Staffing** – Staff recommends considering the return of 0.5 FTE of the 1.0 FTE Animal Management Officer position that was eliminated as part of the City's 2010 core services process, through the reallocation of existing FTE within the Police Department as attrition occurs or other opportunities present themselves. This would bring animal management staffing to 4.0 FTE plus a 1.0 FTE supervisor. The 1.0 FTE Staffing reduction resulted in fewer animal management hours per day/week, eliminated response to wildlife calls, eliminated pickup of deceased wildlife on private property and discontinued public education in schools and special events. This lower level of service has resulted in significant service complaints; a decrease in dog licenses sold (reduced proactive outreach/enforcement); an increase in overtime hours; reallocation of the supervisor's time, spending 15% to 30% of time performing front line duties; and other impacts. Calls for service increased by 6% from 2010 through 2011. In the first two months of 2012, calls were up 16% and 7% in January and February respectively, over the same time period in 2011. These are not historically the busiest months of the year. In spite of the service reductions made with the core service analysis, Staff is challenged to maintain the new standard while keeping up with the increased workload. If this proposal is pursued, the Police Department would work to shift other department resources to cover this request and would re-allocate existing civilian FTE as the opportunity presents itself. (net estimated change $0; 0.0 FTE)

Public Works & Utilities

- **Return Wastewater Collections System Maintenance In-House** – Staff recommends considering the addition of 4.0 FTE as part of bringing in-house the high pressure jet cleaning, closed circuit video televising (CCTV), reporting, and inspecting of the wastewater collection system. Currently, the City spends approximately $620,000 a year for a contractor to service one-fourth of the City's wastewater collection system. With the core services analysis in 2010, the scope of this program reduced from one-third of the City's collection system receiving annual maintenance to one-fourth. In some instances, this has proven to be problematic where tree roots or other issues have caused problems/backups; these issues have primarily been on lines that would have been cleaned prior to the issue developing on the old one-third rotation, but are now one to two years out based on the new one-fourth rotation. As proposed, if the services were done in-house, the new crew of 1.0 FTE Utility Technician, 1.0 FTE Operator I, and 2.0 FTE Senior

Maintenance Workers could potentially inspect one-third of the wastewater collection system annually. The estimated cost of doing the program in-house is approximately $350,000 for the addition of 4.0 FTE and ongoing maintenance of Vactor and CCTV trucks. Initial start-up costs include two large pieces of equipment; Staff will need to determine the most cost effective way to purchase a Vactor 2100 Series Positive Displacement unit ($385,000) and a Ques model CCTV van ($242,000). If the trucks were on a 10 year replacement cycle, the annual cost would be $62,700, thus reducing the estimated saving of $270,000 a year, to approximately $200,000. If City Council supports further consideration of this proposal, Staff will continue to evaluate and refine these cost estimates and bring back a final recommendation with the Proposed 2013 Operating Priorities to City Council in July. (net estimated change -$200,000; +4.0 FTE)

- **Street Maintenance Funding** – Staff proposes identifying additional funding to provide for regular street maintenance. Based on the analysis conducted and shared with City Council at the April 2 Study Session, the condition of Westminster's street network is declining and will continue to decline unless the funding for street maintenance is increased. While the cost of street maintenance has increased by approximately 54% since 2005, the funds available for this work have only increased 9% over the same period. Currently, 85% of all streets in Westminster are at or above a 70 Pavement Condition Index (PCI), which is considered a rating of "good" or better. An alternative to increasing funding is to adjust the performance measurement goal from 65% of all streets at or above 70 PCI to 60% at or above a 65 PCI or 65% at or above 60 PCI (51-69 PCI is considered a rating of "fair"). Staff is evaluating cost estimates to identify a specific amount needed to achieve the current PCI goal, but if City Council is supportive of this proposal, Staff will pursue additional funding for street maintenance in 2013 and 2014. (net estimated change +$TBD; 0.0 FTE)

- **Meter Shop Staffing** – Staff recommends evaluating returning some Senior Maintenance Workers back to assist in the operation of the Meter Shop. During the 2010 Core Service process, 4.00 FTE Senior Maintenance Workers from the Utilities Operations were eliminated. As part of a re-evaluation of the cuts made through the 2010 core service process, this area was identified as potentially having been reduced too significantly, impacting delivery of a core service (i.e., water). The return of some staffing to this workgroup would focus on recurring, every day duties that originate from the Utility Billing group, such as meter reading, shut-offs, restores, customer service call, etc.. This will allow the other meter shop staff to resume more advanced duties consistent with their job areas, including regulatory driven work which is currently not able to be completed on schedule, such as the administration of backflow devices as mandated by the State to ensure water is not being contaminated by cross connections and the accuracy testing of large water meters. Staff is concerned that the loss of the 4.0 FTE has resulted in the inability to keep up with the maintenance that is needed for the system, and may be resulting in lost revenue opportunities. (net estimated change +$TBD; TBD FTE)

- **Conservation Program Modification** – Staff recommends redirecting the current level of rebate funding ($43,000) towards the development of two technology tools (a GIS irrigation tool and a water leak notification tool) for staff and customers. Over the past ten years, the City has administered a successful rebate program, providing residents and businesses rebates for the installation of water saving fixtures. Staff is proposing to redirect these funds from rebates (which Staff believes have been already tapped by interested residents and businesses) towards the development of a GIS tool that will provide customers with information about the amount of water their property needs in any month. This information could be made available through the

utility billing system as well as through the City's website. Initial development of this GIS tool would be a one-time cost of approximately $35,000, with $8,000 going toward mailing leak notifications. A second tool would be the implementation of a leak notification system within the Utility Billing system. A recent study of Westminster residential customers showed that 13% of all residential water use is wasted in leaks. The Utility Billing system already collects data that can show that a leak is occurring on a customer's property but does not have a notification system. It is proposed that this notification system be developed that would send customers a postcard notifying them of leaks and directing them to resources within the City and online. These two tools will assist residents and businesses in better managing their use of and costs associated with water consumption while assisting the City in the long term goal of conversation. (net estimated change +$0; 0.0 FTE)

A summary of the Proposed Changes Recommended follows. Those items proposed to be highlighted at the June 11 public meeting on the Proposed 2013/2014 Budget are noted with an asterisk.

Description of Proposed Changes Recommended	Estimated Net Cost Change	Estimated Net Change to FTE
Digital Media Development/Public Information Focus	$0	0.0
Arts and Cultural Programming *	TBD	0.0
Open Space Acquisition Program *	TBD	0.0
Stormwater Utility Fee Increase *	TBD	0.0
Accounting Billing Payment Staffing	+$20,000	+0.5
Retirement Administration Use of Volunteer	$0	0.0
Establishment of an Employee Wellness Clinic	+$687,000	0.0
Mayoral Runoff Contingency Funding or W.M.C. Modification	+$150,000	0.0
Modifications to the Community Recycling Program	TBD	0.0
The MAC Staffing	+$15,133	+0.6
Tree Limb Recycling Program Reduction	$0	0.0
K-9 Unit Supervision	+$15,000	0.0
Animal Management Staffing	$0	0.0
Return Wastewater Collections System Maintenance In-House	-$200,000	+4.0
Street Maintenance Funding	TBD	0.0
Meter Shop Staffing	TBD	TBD
Conservation Program Modification	$0	0.0

* Proposed to be highlighted at the June 11 public meeting on the budget.

No Changes Recommended

Central Charges

- **Federal Lobbying** – Currently, the City contracts for federal lobbying and advocacy services on an individual project basis with Williams and Jensen, PLLC. Williams and Jensen has provided and continues to provide services related to projects/initiatives such as the Westminster Center Urban Reinvestment Project (WURP) and South Westminster Transit-Oriented Development (TOD) efforts. Williams and Jensen provides access to key decision makers, and offers expertise in the federal legislative process, competitive grant programs and other areas of interest to the City. Staff examined the possibility of expanding the current contract with Williams and Jensen to provide broader, general lobbying work on issues of interest to the City. Currently, the City

expends $36,000 for the project-specific lobbying services of Williams and Jensen. It is estimated that an additional $36,000 would be needed to fund a general lobbying contract. Due to other priorities and competing financial needs, Staff does not recommend pursuing a general lobbying contract at this time. Staff proposes to continue to work with Williams and Jensen in the existing arrangement between the two parties. (net estimated change $0; 0.0 FTE)

Finance

- **Sales Tax Lockbox** – Staff recommends continuing to use the lockbox service to process tax receipts at least through the next budget cycle (2013-2014). Beginning in 2012 and as a part of City-wide cost saving measures, the Sales Tax Division discontinued supplying businesses with tax return forms, requesting that businesses print their own forms from the City's website or utilize electronic filing to calculate the amount of tax due and remit payment. In addition, an ACH Credit option was made available for tax remittance to make electronic filing more attractive. Approximately 24% of total returns filed in 2011 were done so electronically, versus 20% in 2010. Staff has closely tracked electronic filing by taxpayers since the mailing of forms by the City was discontinued and the ACH Credit option offered. Despite heavy marketing efforts, the majority of taxpayers are still utilizing paper returns and making payment by check. Perhaps in the future more fillings will be made electronically, thus allowing for the elimination of the lockbox and further cost savings; however, no changes are recommended at this time. (net estimated change $0; 0.0 FTE)

Fire

- **Fire/Arson Investigation Team** – Staff examined the need to continue the Fire/Arson Investigation Team and recommends no change, as the Team provides a level of service/expertise not found anywhere else in the City for investigating fires. Five major program activities are managed under the Fire Investigation/Arson Program:
  (1) Cause determination of fires focuses on origin and cause of the fire with a determination of a possible crime being committed.
  (2) The Juvenile Fire Setter Counseling Program works with fire setters under the age of 10 who are referred to this program for evaluation and counseling and a determination is made if a referral is warranted for professional counseling. The Juvenile Fire Setter Counseling Program is directed by the Public Education Specialist to avoid any conflict of interest from the fire investigation practices.
  (3) Arrest and prosecution of people who set fires, putting lives and property at risk involves the coordination with Westminster Police Department, at times other law enforcement agencies and the Adams and Jefferson County District Courts. Arson cases are filed in District court and not municipal court. Fire code violations are prosecuted through the Westminster Municipal Courts.
  (4) The actual filing of arson cases with the respective Districts Attorney's offices is a specialized process managed within the responsibility of the Fire Lieutenant.
  (5) All investigators are educated, nationally certified as fire and explosion investigators, and trained for court testimony. Testimony involves both criminal and civil court cases. This testimony is coordinated with the City of Westminster City Attorney's Office and the District Attorney's offices.

Over the last eight years, the fire/arson investigation team conducted an average of 53 investigations per year; 15 per year are determined to be arson. On average, 7 of the 15 (46%) are solved or cleared via municipal summons, district court case or juvenile fire setter intervention. The recommendation is that the City continues with the current level of operation and service. (net estimated change $0; 0.0 FTE)

Information Technology

- **Computer Server Replacement Schedule** – Staff conducted analysis to determine the feasibility and impact of extending the replacement schedule for central computer servers from four years to five years, similar to the PC replacement schedule established in 2008. IT had previously reduced the number of computer servers from 85 to 43 by using virtualization technology, resulting in an average savings of $20,000 per year in server replacement expense. This level of service analysis was conducted to determine if further server replacement cost reductions could be achieved without negative impacts on system availability, performance or operational efficiencies.

  All central computer servers purchased by the City include a four year hardware warranty agreement. Vendor warranty agreements for computer servers are necessary to provide prompt delivery of parts and recovery in the event of hardware failures. This analysis factored in the additional $138 per server required for the fifth year of maintenance. Additionally, Staff calculated the time required to set up and configure new servers, and estimated the additional Staff time that might be required to support a server during its fifth year of usage. With a four year replacement schedule, the City replaces an average of 10.7 servers per year. That number is reduced to an average of 8.6 servers per year with a five year replacement schedule. The average server replacement cost is $6,936.
  Due to the risk of increased server down time, the potential inability for servers in the fifth year of use to meet the minimum hardware specifications required for new releases of software, and potential degradation of performance in the fifth year, Staff recommends against revising the server replacement schedule. (net estimated change $0; 0.0 FTE)

Parks, Recreation and Libraries

- **Discontinue Support of Front Range Community College (FRCC) Databases** – The College Hill Library is a jointly operated library on the FRCC Westminster campus. While the City and the college are supposed to share a library network under the IGA, the agreement does not specify which agency provides IT support. Since the college did not have dedicated library IT staff when College Hill Library opened in 1998, the City library IT staff members supported and maintained the network for both institutional libraries without charging for support. Over the years, the level of support provided by City Staff has increased but is at the point where the focus needs to remain on library services for the Westminster community.   As such, Staff is in the process of discontinuing IT/network support to Front Range Community College (FRCC) databases that are not associated with the FRCC Westminster campus specifically. Supporting these databases is outside of the City's responsibilities for IT support for the libraries. Discontinuing this support will free up work time for three staff members, allowing them to focus on higher priorities for Westminster libraries including the development a mobile application and online fine payments. Staff has been coordinating with FRCC and the transition for support responsibility has commenced and is anticipated to be completed by June 30, 2012. (net estimated change $0; 0.0 FTE)

- **Tiered Park Maintenance Program** – As a follow-up to the 2010 core services process, Staff implemented a Tiered Maintenance Program for City parks to prioritize the allocation of available resources and maximize effectiveness of operations throughout the park system. This resource management program is designed to better allocate available resources and maximize their effectiveness throughout the parks system. Staff spent a great deal of time carefully considering user needs when categorizing parks into the Tiered Maintenance Program. The Tiered Plan that identifies the level and frequency of maintenance is based on grouping parks into four different service level categories based on visitation, reservation availability, and recreation programming. This program commenced in 2011 and citizen calls, complaints and concerns have been minimal. Staff will be looking to results from the 2012 Citizen Survey to gage additional feedback. Staff recommends continuing with the Tiered Maintenance Program as currently implemented. (net estimated change $0; 0.0 FTE)

Police

- **School Resource Officer Program at Middle Schools** – As part of the City's 2010 core services process, the City eliminated two 1.0 FTE School Resource Officer (SRO) positions assigned to middle schools. This resulted in a current deployment of 1.0 FTE SRO to cover the three Jefferson County R-1 School District middle schools in the City (Mandalay, Moore and Wayne Carle). Formerly, a 1.0 FTE was assigned to each school. Based on analysis of actual experience at the three middle schools in 2011, the current 1.0 FTE SRO has been able to successfully handle calls at the three schools. Little impact has been felt on calls for service by either the community or the patrol division and calls for service at the schools is still handled in a timely and appropriate manner. Accordingly, Staff recommends continuing with the current deployment of the 1.0 FTE to cover these three schools and maintain the core services reduction from 2010. The current program does assign a 1.0 FTE SRO to Silver Hills Middle School, as Adams District 12 reimburses the City for half of the salary cost of that position. In addition, a 1.0 FTE SRO is assigned to each public high school in the City (Westminster, Hidden Lake, Standley Lake and Mountain Range). (net estimated change $0; 0.0 FTE)

- **Victim Advocate Program** – As part of the City's 2010 core services process, City Council made the decision to continue offering Westminster's Fast Track Domestic Violence program. An integral part of this program is the City's Victim Advocate Program. Following up from this decision, Staff analyzed the effectiveness and cost efficiency of the City's Victim Advocate Program. The purpose of the program was to provide support and assistance to victims of crimes. As the program and social/legal demands morphed, it placed greater emphasis on major crimes especially crimes against persons relating to domestic violence. Through qualitative analysis and statistical research, Staff evaluated if Westminster's Victim Advocate Program is adequately serving residents and if an outside organization could more effectively and efficiently provide the services at a reasonable cost. Overall, the City's program is achieving positive results and is more cost effective than outsourcing options. For instance, through the Victim Advocate Program, the City was much more effective in securing guilty pleas at arraignment for domestic violence cases versus Jefferson County or Adams County in 2011 (Westminster = 54%, Jefferson County = 36% and Adams County = 32%). From the cost perspective, the City's cost per victim served is $103 per person versus $131 per person for the only viable contracting option. Based on these results, Staff does not recommend any changes to the program. (net estimated change $0; 0.0 FTE)

A summary of the No Changes Recommended follows:

Description of No Changes Recommended
Federal Lobbying
Sales Tax Lockbox
Fire/Arson Investigation Team
Computer Server Replacement Schedule
Discontinue Support of Front Range Community College Databases
Tiered Park Maintenance Program
School Resource Officer Program at Middle Schools
Victim Advocate Program

In summary, Staff is seeking the following from City Council at the May 14 Post City Council meeting:

- Direction on the list of proposed Changes Recommended, whether Staff should continue research and pursuit of the items identified;
- Concurrence on the list of No Change Recommended, ensuring that City Council is comfortable that Staff has conducted adequate follow up and no changes are needed; and
- Concurrence on the proposed list of items to highlight at the June 11 City Council Meeting, which are proposed to be highlighted in a brief presentation at the June 11 public meeting on the Proposed 2013/2014 Budget; the four items proposed include improvements to the community recycling program, arts and cultural programming, the open space acquisition program and the City's stormwater utility fee.

Staff will be in attendance at the May 14 Post City Council meeting to answer any questions City Council might have. This item supports City Council's Strategic Plan Goal of a "Financially Sustainable City Government Providing Exceptional Services" and the objective to "Institutionalize the core services process in budgeting and decision making."

This Staff Report was submitted to City Council one week early (included the packet delivered on May 2) in order to provide additional time for review and consideration.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

CITY COUNCIL APPROVED
Service Business Priority: Criteria to Prioritize Service Businesses

1. Short Term Focus – Council directives, work activities, or action agenda

2. Long Term Outcome – Visions (principles), Mission (principles), and Goals (objectives): contribution to achieving

3. Degree or rate of cost recovery

4. Shift the service to a viable, appropriate provider at an acceptable cost (private, community organization or government)

5. Customer Served (Primary/Secondary) and Value to Customer

6. Service House: no choice, choice, quality of life, add on (no choice is higher priority than add on)

- City Council approved April 19, 2010; reaffirmed June 27, 2011

Service Hierarchy for the City of Westminster

→ Keep our mission statement as the primary focus when looking at core businesses:
  "Our job is to deliver exceptional value and quality of life through SPIRIT."

Community "Add On's"

Services and/or events that have been added into City services over the years as we have had funding and capacity. E*xamples: Squirrel traps, school tours, MMCYA, etc.*

Quality of Life

Distinguishes the City of Westminster from other cities. It is what makes our City unique from the others. Enhances and protects assets. They create community identity and pride. *Examples: July 4th fireworks event, dog parks, Boards and Commissions, City Council community outreach events, open space, trails, etc.*

Core Business "Choice"

Service is necessary for daily living. These services might be available by another entity but is a chosen function that is core to our mission for the City of Westminster; includes items required by the Westminster Municipal Code. *Examples: Fire, Police, traffic safety, streets, water, code enforcement, etc.*

Core Business "No Choice"

Service is legally mandated (federal, state, city charter or long term contract, such as a perpetual lease or IGA). If we did not provide the service, we would be fined or go to jail. *Examples: Public Records, Clean Water Act, Stormwater, Balanced Budget, Safe Drinking Water Act, etc.*

- **Our Community Quality Expectations and Value**

  - **Defines What Service for Our City**

    - **Determines Service Level for Our City**

      - **Costs – The Price of Government**