

CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

May 1, 2009

I wanted to call your attention to the first attachment to this report, which is a listing of follow up actions from the recent Council Retreat. Please review this listing carefully and let me know if there is anything else that needs to be added to this list. As indicated, we have already started working on these items and I will provide you with progress reports during the next several weeks. In addition, I would like for each of you to complete a retreat evaluation report so that we can identify ways we can improve the discussions at future retreats. This form will be available at Tuesday's Council meeting.

With regard to Tuesday's meeting, please remember that we have a special meeting at 4:00 p.m. to present and discuss the proposed Capital Facilities Plan. This Plan will be presented at several public meetings during the next several weeks but we wanted to get the Council's input before this is formally presented to the public. I ran across the attached article on prioritizing capital projects in our current economy that I thought you would enjoy reading. The CFP presentation will need to adjourn by 5:30 p.m. so that we can have a quick bite to eat prior to the 6:00 p.m. regular Council meeting. We will provide the dinner.

During the regular Council meeting I will include a status report on the Gateway project as part of my City Manager's report. We should have some new information to share with the Council at this time and we welcome your comments and direction on how to proceed with completion of this project.

This week I attended the Strait of Juan de Fuca Work Group meeting that is part of the Puget Sound Partnership. Based upon this discussion, it appears that we have some real opportunities to partner with Clallam County and the City of Sequim for preparing our Shoreline Master Plans.

This week I was also given a tour of the public housing facilities by Pam Tietz, Executive Director of the Housing Authority. They seem to do a good job with the maintenance of their housing units. I was particularly impressed with their downtown housing development.

I think that we are close to resolving the remaining issues for the Paint the Town project. This has turned into a very large community improvement project and it has taken some time to work through their insurance and permitting requirements but it looks like it will happen and be a huge success.

-Kent Myers



CITY COUNCIL MEMO

DATE: April 30, 2009**TO:** CITY COUNCIL**FROM:** KENT MYERS *KM***SUBJECT:** COUNCIL RETREAT

At the April 18 Council Retreat a number of items were discussed that require follow-up action by City Staff. Based upon the notes that Teresa and I took at the Retreat, I have prepared this listing of follow-up items. Please review this list and let Teresa, or me, know if you have any changes or additions to recommend. We have already started addressing several of these items and will continue working on these items in the coming month.

Follow-up items include the following:

1. Create a Vision Statement that incorporates Council input and share this statement with the community at public meeting and other events.
2. Make changes to Council Rules of Procedure with regard to Citizen comments at Council Meetings
3. Make changes to the format of the agenda to move council committee reports and employee recognitions earlier on the agenda. This revised format should also include public recognitions and proclamations prior to any public comment period.
4. Reduce the number of executive sessions and insure that they are conducted only when necessary.
5. Reduce the number of revisions to agenda packet after it has been published and distributed. Minor changes should be presented and discussed at the council meeting.
6. Set up training session for the council on Groupwise and other aspects of the City email and calendar system.
7. Adjust Council seating positions on a quarterly basis to create more opportunities for council interaction.
8. Increase use of Council Work Sessions to discuss important items such as City finances rather than discussing these items at council committee meetings.

9. Discontinue Community Conversations at this time to consider changes in terms of location and format. Also explore other options for citizen input that might generate increased citizen participation.
10. Set up Joint City/County Meetings to discuss major projects and common issues facing the City and Clallam county.
11. Encourage additional partnerships with the Downtown Association, Port Angeles School District, City of Victoria, City of Sequim, City of Forks, the Lower Elwha Klallam Tribe, Olympic National Park and other organizations including the possibility of shared services to reduce costs.
12. Proceed with reductions to operating hours at front counter in City Hall to reduce staffing costs.
13. Create a financial matrix for the Council to identify core services and prioritize additional budget reductions.
14. Add additional information to the City website including contracts and the complete upcoming Council Agenda Packet.
15. Prepare an updated report on City's efforts to create a more sustainable community.
16. Establish public forums on timely topics 3-4 times a year on the fifth Tuesdays of the month.
17. Make better use of letters to the editor and community government column to communicate City's position on important issues. Also, when necessary consider, use of paid advertisement to communicate our position.
18. Invite Council members to participate on the Todd Ortloff / KONP radio program.



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Features

**Prioritizing Capital Projects
in a Suffering Economy**

by Austin Abraham



Elected officials across the country are facing an intensified dilemma with capital projects—not enough money! This may not be a new dilemma, as many communities and their managers would say they never have enough. And they would be correct if measured against the number of portable classrooms used in the education of our children, the miles of aging utility lines, or the number of aging bridges in need of rehabilitation in this country. But for most local government managers, until recently, there has at least been a sense of making some progress for their communities through annual investment in capital projects.

Enter the recession (or worse) of 2008–2009. Declining revenues on all fronts have quickly resulted in operating funds that no longer balance. Money formerly set aside for capital projects is now an enticing and perhaps necessary backstop for balancing the operating fund.

Declining revenues make capital funding choices extremely challenging. Elected officials and managers find themselves in a swirl of rapidly changing economic dynamics, torn between attractive prices on construction bids and little funding, and between projects promised to citizens for years (parks, libraries, and new schools) and important projects that never made it on the books because they didn't have enough curb appeal (bridge and road rehabilitation).

No one is disputing that contractors are hungry and bid prices are extremely attractive. Great bid prices, however, are not enough to make everything affordable. But this positive pricing environment makes a case for continued capital spending to the extent possible.

One way to approach limited capital funding is for elected officials and managers to revisit *objectives* for capital funding choices. During such a review, several objectives should be given priority over the others as a result of today's suffering economy.

Preserve long-term assets. Don't let the capital investments that you have already made deteriorate during these times. It's tempting but unwise. Roads, bridges, buildings, and treatment plants all require major maintenance and rehabilitation over time. Avoiding these expenses only increases the cost of keeping these assets in service for the long term.

Acquire property for defined needs for both the present and future. If your community has decided a new park is a priority for improved recreational opportunities, the development of the park might have to wait, but buy the land if you can. In many areas, land prices are lower than they have been for years. Land acquisition is usually only a fraction of an overall project cost, and acquisition opportunities should be seized when possible. Be careful, though, to avoid speculative purchasing of raw land just because it is available and seems like a deal.

Reduce operating costs. Look for projects that will reduce operating costs rather than increase them. Although your community may desire to increase services by expanding the library system, building more athletic playing fields, or constructing additional cultural facilities, all of which are worthy goals, such expansion projects come with increased operating costs for staffing, programming, utilities, and maintenance.

But other necessary projects will result in reduced operating costs: renovating aging mechanical systems in schools and local government buildings, for example, is not only an operational necessity but will, if properly designed, reduce utility and maintenance costs.

Ensure adequacy of public water and wastewater systems. Our communities need safe drinking water and effective wastewater systems. Projects that extend the life of facilities, bring facilities into regulatory compliance, or meet current capacity needs of citizens should receive high priority.

Improve reliability of information technology systems. IT has steadily expanded its role in government to the point where it is as critical to operations and services as finance and HR. Many local governments have (or had) substantial IT capital budgets that have supported the rapid rise of technology in government. When there isn't enough money for the latest and greatest technology, focus on improving reliability of existing information systems, as well as providing IT services to other capital projects that aren't cut during these fiscally challenging times.

And what about growth-related capital projects? When you cannot fund all the capital projects planned, growth-related projects, with the exception of statutory mandates, may have to wait. Whether the project is meeting existing growth needs or meeting projected growth needs, the reality is that, in most cases, the community will survive a delay in the project. This is not a judgment on the value of growth or growth-related projects. But remember that growth-related projects usually come with increased operating expenses, and operating funds are also in short supply.

Now is a good time to position your community for managing future capital spending for growth. Revisit the growth projections on which the projects were first developed. You may find that the projects were based on rapid growth in population, construction activity, or revenue that no longer exists. This is not to suggest growth has been quelled forever, but taking a fresh look at growth projections will help you make the right capital investment choices when the economy improves.

CONSIDER THESE PRIORITIES AS GUIDELINES

These priorities are offered as guidelines that managers can customize for each community's unique situation. Capital funding priorities are never one size fits all. As you guide the process of prioritizing capital funding objectives, remember that good management is about decisions, and good decision making requires clear priorities, especially during difficult economic times.

Austin Abraham is director of management services, Frederick County, Maryland (aabraham@fredco-md.net).

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April 24, 2009

Robert Coons
 City of Port Angeles
 PO Box 1150
 Port Angeles, WA 98362

RE: 2009 Annual Review & Audit

Dear Bob:

This letter is written in follow-up to the visit I made on April 23, to perform the 2009 Annual Review and Audit. As part of the WCIA Membership COMPACT, I visited to conduct a review of your Land Use/Planning programs as well as to provide you with other information as part of the Annual Review. I'd like to express my appreciation to you for setting aside a good portion of the day to meet with me. I also appreciated having the opportunity to meet with Nathan West and Kent Myers.

2008 AUDIT RESULTS (In Compliance)

There was one Mandatory finding resulting from last year's Audit which focused on Public Works activities, which the City of Port Angeles is now in compliance with.

2009 AUDIT RESULTS

As you know, this year's Audit focused on Land Use/Planning practices within the City. I am extremely pleased that the Audit resulted in no mandatory requirements being generated. Therefore there will be no need for follow-up in 2009 unless you or Nathan have questions or issues you would like to discuss.

INFORMATIONAL RECOMMENDATIONS:

Q1.1 DOES YOUR CITY USE A LAND USE HEARING EXAMINER?

The basic purpose of having a hearing examiner conduct land use hearings is to have a professionally trained person, such as an attorney or planner, make objective decisions

*Kent FUE
 Nathan's Dept.
 Came through with
 Flying Colors in the
 WCIA Audit -
 Bob*

that are supported by an adequate record and are free from political influences. Using a hearing examiner can allow city councils and planning commissions to concentrate on policy making and can reduce liability exposure. Reducing liability exposure is why WCIA recommends that its member cities use a hearing examiner to the maximum extent allowed.

AUTO PHYSICAL DAMAGE AND PROPERTY PROGRAMS

I provided current copies of your auto and property schedules for review. Please let WCIA know what future changes you wish to make, or the changes can be made "on line" at the WCIA Web Site.

RISK PROFILE

I was pleased to discuss the Risk Profile which shows the City's losses compared to the Actuarial Group Averages. Hopefully the material presented was of interest. Again, it is our hope that this information may assist Members in looking at their specific areas of loss. If you have any questions regarding this documentation, please be sure to call.

COMPACT STATUS & TRAINING REQUIREMENTS

The City of Port Angeles is well on its way to fulfilling its 2009 COMPACT attentiveness. If you have questions about additional trainings offered or sponsored by WCIA, please contact Maria Orozco, mariao@wciapool.org.

SUMMARY

This completes the findings of my recent visit. I appreciated the hospitality shown me while I was there. If there is anyway that I can be of further service regarding the visit or any other risk management concerns you may have, please let me know.

Sincerely,



Tanya Crites
Senior Risk Management Representative
Washington Cities Insurance Authority
206 575-6046
tanyac@wciapool.org

TC:s



April 20, 2009

Mr. Matt Bailey
112 S. Lincoln Street #A
Port Angeles, WA 98362

RE: Residential Parking Reduction

Dear Mr. Bailey:

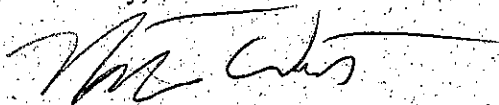
I greatly appreciated the opportunity to meet with you on April 15, 2009. I hope that this letter will summarize the processes that we discussed that would be required to allow a reduction of parking for an efficiency residential occupancy within the City limits. The City's land use development regulations contain two specific methods to specifically evaluate parking needs: a parking variance would allow a reduction in the number of spaces required for a particular use based on specific use criteria; and a Transportation Demand Management Plan would allow all or a portion of that required parking to be satisfied off site. Based on our discussion I would anticipate you would primarily be interested in a Parking Variance at this time.

Section 14.40.130 of the Port Angeles Municipal Code (PAMC) (attached herewith) identifies the procedure for a reduction of required parking (Parking Variance) under specific circumstances. A parking variance application is enclosed for your use should you decide to pursue such a reduction. A parking variance is specific to a type of use and its characteristics, not a specific location. The cost of this application is \$300.

You further inquired about the need for side setbacks in the Central Business District. Based on PAMC 17.24.200, no side setback is required. Additionally, the question was raised about whether you had a nonconforming lot. The minimum lot size in the Central Business District is 3,500 sq.ft. Based on City mapping information, your property meets this minimum standard.

I hope this information is helpful to you. The parking variance requires Planning Commission approval, so it will need to be submitted in a time frame that allows proper notification for a hearing. Please don't hesitate to contact me or my staff in the event you have further questions with processing or specifics of the application.

Sincerely,



Nathan A. West, Director

CC: Annie O'Rourke, Drafting Solutions
Kent Myers, City Manager

Attachments: Parking Variance application
Section 14.40.050 and 14.40.130 PAMC