2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: CAO Department Management and Support		**Proposal Number:** 010.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Lori Riordan, x7220		**One-Time/On-Going:** On-Going
Fund: 0100	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides strategic leadership, management and general support to the City Attorney's Office, as well as direct support for client departments and the City Council. These resources benefit all functions within the CAO and could not logically be assigned to any one of the separate proposals from the City Attorney's Office. Positions included in this proposal are: Department Director, Deputy Director, Office Manager and Senior Administrative Assistant.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$545,552	$574,034
Other	93,533	95,350
	$639,085	$669,384
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	4.0	4.0
LTE	0.0	0.0
Total Count	4.0	4.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Providing civil advice, litigation, risk, and prosecution services through in-house staff rather than through contracting for services represents significant hourly cost savings and efficiencies for the City, that are described in each of those separate proposals. This administrative proposal supports each of those functions by providing consolidated management and office support for the office as a whole, rather than through separate management of each function.

Section 5: Budget Proposal Description

This proposal provides strategic leadership, management, and general support for the City Attorney's Office. Resources funded through this proposal manage the department, oversee operations, and provide direct legal advice to the City Council, City Manager and client departments in the following ways:

- Develop plans and policies to effectively meet long- and short-range goals and objectives of the City and department
- Provide timely, accurate and relevant information to support the City's decision making process
- Assure compliance with State law and City Code

- Coordinate Budget proposals and fiscal impact analysis
- Assure efficient and effective work methods and that professional standards, internal controls, and personnel policies/procedures are met
- Assure interdepartmental collaboration and coordination to achieve unified results
- Provide public information
- Provide administrative staff support for department management and legislative support for production of Council materials

The positions in this proposal are:
City Attorney. Provides legal and policy advice to the City Council, City Manager and Clerk's Office. Participates as Department Head in setting policy and oversight of implementation of key City initiatives and projects. Oversees administration of the office, including direct supervision of division managers. Responsible for compliance with the Rules of Professional Conduct for all attorneys and staff within office. Participates in and leads local and regional efforts to partner with other governmental agencies to deliver services and present unified position on matters of local and regional policy.
Deputy City Attorney. Carries out the duties and responsibilities of the City Attorney when necessary. Coordinates and oversees budget proposals and fiscal impact analysis with Office Manager. Directly supervises civil advice attorneys. Provides legal and policy advice to assigned client departments.
Office Manager. Supervises and directs work of administrative staff. Works under the direction of the Deputy to prepare budget proposals and fiscal impact analysis. Manages office finances, orders supplies, processes invoices and oversees collections procedures.
Senior Administrative Assistant. Provides direct administrative support for City Attorney and Deputy as well as for all divisions of office. Provides back-up to civil and prosecution administrative staff and manages filing and public records. Prepares and coordinates of all Council packet materials, including legislation.

Section 6: Mandates and Contractual Agreements

State law requires that the City Council shall provide for legal counsel for the city either as a staff position or by contract. (RCW 35A.13.090) Bellevue's City Attorney is an appointed staff position. Legal services are required for a variety of City functions, including but not limited to: prosecution of misdemeanors; review and approval of legislation and contracts; defend City employees and officers against claims and lawsuits. As described in separate proposals, providing these services with in-house staff, supported by the management included in this proposal, is more cost effective than contracting for outside services.

Section 7: Proposal Justification/Evidence

A. Factors/Purchasing strategies addressed by this proposal – City-Wide and PRIMARY outcome

Ensure sound management of resources and business practices. Three of the positions in this proposal provide supervision and management of staff (including Risk Management) and attorneys in the department. In recent years, management focus has been on cross-training (mitigate impact of staffing shortages), focusing resources in areas of most need (litigation re-alignment and staffing), and process improvement (prosecution workflow analysis). The ability to implement management change is only possible with resources dedicated to management issues, as opposed to direct services to clients. Two of the positions also play key roles in managing the budget and resources of the department, ensuring that appropriate legal and business practices are employed, allowing the CAO to manage to the budget reductions required in 2009 and 2010 in a way that would not be possible relying solely on a budget analyst shared with several other departments.
Provide the best value in meeting community needs and providing cost-savings. In-house legal services are uniformly less costly than those associated with contracting with private counsel. Independent analysis of risk management functions confirms that self-insured programs provide greater value and are more effective in reducing future risk and consequent claims than purchasing insurance and contracting for service.

Collaboration or partnerships with other departments or external organizations and Strategic leadership. This proposal enables the City to take advantage of services and skills of attorneys that are not strictly related to responding to legal questions. For example, the City Attorney and Deputy are frequently called upon to participate in shaping policies and charting directions for the City based upon Council and Community vision and direction. Having attorneys on staff allows for greater accessibility to participate in creating City-wide committees and regional partnerships such as the East Link Oversight Committee, Bel-Red Steering Committee, the NPDES Coalition, and City/District Court Working Group. This type and level of participation cannot be duplicated by contract counsel unfamiliar with the City's internal relationships and policies.
Engaged Workforce. The department management function also addresses the purchasing strategies designed to ensure an engaged workforce, including investment in employee training and development, encouraging innovation, focusing on how CAO functions support the community vision and supporting employee growth and development. For example, CAO management staff is actively involved in the One City Initiative and in fostering staff recognition, training and other events to highlight our office mission and relationships with the city and community. This type of proactive management and engagement cannot be done by employees focused almost 100% on delivering services to client departments and managing day to day workload issues.
Exceptional Service. All packet materials for the Council must be processed through the CAO. Recent experience with an administrative staff vacancy highlighted the inefficiency and the lack of continuity and predictability that occurs when this work is parceled out. Having one reliable point of contact provides clients with the assurance that the work will be performed with consistently high results.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

While this proposal most closely aligns with the Responsive Government outcome, it also advances the Safe Communities outcome. The purchasing strategies included in Safe Communities that seek to promote strategic planning, community involvement, and use of public and private partnerships are part and parcel of the functions of the leadership group of any department. The responsibilities of the CAO particularly mesh with this outcome and its purchasing strategies as we participate as leaders in partnering with the public in establishing standards for new public safety legislation. In the same way we partner with the court and police and probation departments to set standards for effective law enforcement. In our leadership role we work with other local governments to establish interlocal relationships and new agencies such as NORCOM.

C. C. Short- and long-term benefits of this proposal:

This proposal provides significant short and long-term benefits by continuing to provide the City with mandated legal advice and risk management that is cost-effective and timely. Careful management of the department and its functions with a minimum of staffing ensures that legal and risk management services are provided at a fraction of the cost of outside services, yet with a commitment to high-quality and ethical practices.

D. Performance metrics/benchmarks and targets for this proposal:

Cost per hour compared to outside counsel cost per hour – maintain below

- Overall internal customer satisfaction (annual survey) – maintain at or above 95%

E. Describe why the level of service being proposed is the appropriate level:

This proposal includes the minimum staffing necessary to carry out the leadership, administrative and supervisory functions of the office. A City Attorney is legally mandated to be provided either in-house or by contract. The leadership, administrative and supervisory functions of the office cannot be carried out by one attorney without sacrificing the legal advice mandate for the City Attorney. The Deputy position is necessary to support the City Attorney both in administrative, budgeting and supervisory functions, but also as part of essential succession planning in strategic leadership and advice to key City decision-makers. One full-time office manager position permits the office to effectively manage staffing and resources as well as to manage the finances of the department and collections activities. One full-time administrative support position is necessary to effectively support several attorneys and staff, particularly in providing the coordination and management of all of the City Council packet materials, record-keeping, telephone, scheduling and reception duties among other

administrative functions. It is important to note that both the City Attorney and Deputy also provide direct legal advice services to client departments, the City Council and City Manager. Approximately 20 to 25% of the City Attorney's time is spent on that function annually, while approximately 50 to 60% of the Deputy's time is spent on direct advice. This is work in addition to the advice provided by attorneys included in other proposals.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Without adequate levels of legal support the City is at higher risk of incurring liability for making uninformed decisions. The law requires a City Attorney, and this work would have to be contracted for at higher expense. Having an absentee form of office supervision means CAO staff will not be adequately managed and supervised. Mistakes in providing services to clients would also increase the risk of liability.
2. Customer Impact: Council and City staff would receive less timely legal advice and representation. Opportunities for city business could be lost, such as contracting for public works projects in a favorable bid climate while waiting for input from legal counsel. Outsourcing the function of council packet management and drafting of legislation to client departments could result in a greater number of errors and duplication of efforts.
3. Investment/Costs already incurred: Office space has been created and equipped with supplies and technology for purposes of a law office. Other costs already incurred to hire and train personnel in management and supervision of office, as well as professional development training as municipal law specialists.
4. Other: Not funding the support aspects of this proposal would result in a lack of oversight for fiscal management of the funds budgeted for the office, as well as the funds taken in as recoupment of attorney fees and costs in both the public defender and civil litigation services. Administrative staff would not be adequately trained and supervised to keep up with changes in the law or technology. Not funding the City Attorney and/or Deputy City Attorney positions in this proposal would also result in insufficient oversight, mentoring, training and management of staff and attorneys. Some legal services may have to be secured through contracting with private counsel. Opportunities for participation by the City Attorney and Deputy in City and regional policy initiatives and partnerships is lost unless the City is willing and able to pay significant additional outside counsel costs for such services.

B. Consequence of funding at a lower level:

86% of this proposal is taken up by fixed personnel costs. The remaining 14% of costs are dedicated to administrative essentials for keeping a law office functioning, such as legal publications, research databases, office supplies and equipment. As written, this portion of the proposal is based upon historical trends for administrative costs and contains no cushion for increased or extraordinary expenses and cannot be reduced further without significantly impacting productivity. Likewise, personnel costs, which comprise the greatest proportion of the department's expense can be impacted only by eliminating positions. Funding at a lower level would mean that the department would have to function without a sufficient level of supervision and support, which will reduce the effectiveness and efficiency of the City's legal services.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civil Litigation Services		**Proposal Number:** 010.07NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Cheryl Zakrzewski, x4081		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The Civil Litigation Services program provides efficient and effective representation of the City in legal proceedings, either by defending the City or by pursuing actions on behalf of the City to recover and collect funds owed to the City or to protect a City employees or policies. The program routinely works with other departments in providing this representation and in identifying and correcting ongoing potential liability risks. This program most directly supports the Responsive Government outcome by providing exceptional service in a cost efficient manner that is designed to safeguard public assets and reduce legal and financial risks to the City.

Section 3: Required Resources

Expenditure	2011	2012
Personnel	$517,451	$544,773
Other	9,270	9,447
	$526,721	$554,220
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	4.5	4.5
LTE	0.0	0.0
Total Count	4.5	4.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The program provides active and effective representation of the City in approximately 40-55 separate matters each year. The program has saved the City tens of thousands of dollars in potential civil liability damages through favorable decisions and settlements. The use of attorneys and paralegals located within the City and familiar with City policies, procedures, and personnel allows this representation to occur in a very economical and efficient manner. City attorneys are exempt salaried employees. They are paid the same regardless of the number of the number of hours worked, unlike outside counsel who charge for each hour worked. City legal staff is also located on site, making them more physically accessible to clients. Clients do not have to wait for legal counsel to drive over to meet with them and do not have to be concerned about being charged both for the travel time and the meeting time by outside counsel. Additionally, all costs associated with legal representation are built into the costs of the Civil Litigation Services program. Legal research costs (Westlaw), copy costs, messenger fees, long distance phone charges, graphic fees, postage, and court access fees are charged as separate expenses by outside counsel.

The program also generates revenue by recovering and collecting monies and penalties owed or damages caused to the City through affirmative enforcement actions such as those for illegal tree cuttings and through the prosecution of actions for breach of contract, subrogation, and bankruptcy creditor rights. As examples, in 2007, the program recovered $105,000 for the Utilities department in repair costs from the engineer and general contractor hired by the City who had improperly designed/constructed a City water reservoir and another $187,000 on behalf of the Parks department for repair costs from a general contractor due to the poor design and construction of a walkway. In 2009, the program successfully partnered with the Parks Department to recover in excess of $200,000 in penalties for two illegal tree cuttings on City property and collected on B&O tax bankruptcy claims in excess of $106,000. The City is currently pursuing recovery of attorney's fees and costs in excess of $400,000 on behalf of the Utilities department in a breach of contract matter.

Section 5: Budget Proposal Description

The Civil Litigation Services program is comprised of a staff that is the equivalent of 2 full time attorneys (1.5 senior attorneys and a .5 FTE attorney II position), 1 paralegal, a 1 litigation support supervisor, and a .5 FTE legal secretary. Together they defend the City, elected and appointed officials, and employees in a variety of legal proceedings. These proceedings cover matters involving police actions, civil rights, employment, labor, construction, contract, land use, environmental, and general civil litigation. The program initiates civil lawsuits and other proceedings on behalf of the City to protect or recover City assets and to protect City policies and employees. The framework and timing for each litigation matter is dictated by court rules, contracts, or bargaining agreements over which the program staff have no control. The program also provides training and education to other departments based on litigation outcomes, risk assessments, and changes in the law in order to reduce the risk of civil liability and financial loss.

At any given time, the program handles 30 or more matters in various stages, along with meeting almost daily requests for assistance in assessing or addressing potential liability risks. At the same time, approximately 1-2 legal proceedings, requiring special legal expertise (such as tax, condemnation, or police inquests), are handled by outside counsel under the direct oversight of the senior litigation attorney. Occasionally, outside legal counsel is also retained to represent the City due to work congestion issues. (The process of retaining outside legal counsel with specialized expertise is a growing practice among cities the size of Bellevue as many legal matters become more complex.) Even when outside counsel represents the City, civil litigation staff routinely provides assistance to reduce costs and maximize efficiency by locating, and organizing documents, interfacing with City personnel, and providing information and guidance on City policies and procedures.

In addition to the personnel costs associated with the positions included in this proposal, resources requested cover standard overhead costs such as office supplies and training costs to support required continuing legal education and bar licensing dues for the attorneys.

Section 6: Mandates and Contractual Agreements

A variety of statutes require the City to provide legal counsel, although this counsel could be provided through either in-house attorneys or by contracting for legal services: RCW 35A.12.020 (City must have legal counsel, either by city attorney or by outside contract); RCW 4.96.041 and BCC 3.81.020 (City must provide legal representation for officers, employees, or volunteers for actions taken in course of official duties. Through this proposal, these Civil Litigation Services will be provided to the City and its officers, employees, and volunteers by the attorneys and staff of the program.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. **Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome**

The proposed Civil Litigation Services program will advance the outcome of Responsive Government by providing exceptional professional services to the City in an efficient and effective manner. The program supports the following factors and purchasing strategies:

Stewards of the Public Trust. This program most clearly delivers on the City's commitment to taxpayers to protect city assets and resources. Through analyzing claims and allegations of City wrong-doing, effective in-house representation can both reduce the City's exposure to financial liability through rigorous defense of claims and lawsuits and by identifying areas where risks can be avoided or minimized. For example, the City was recently sued for millions of dollars for an alleged breach of contract. The litigation staff vigorously defended the lawsuit which was ultimately dismissed by the court, thus avoiding any additional financial obligation by the City. Outside counsel are usually hired to represent the City in an isolated matter and do not have the role nor the incentive to identify areas where the City can eliminate or reduce future risks.

Engaged Workforce. One key efficiency of the litigation program is the commitment to learning from the information about city practices and policies that is derived from investigating claims made against the city. When appropriate, this experience is looped back into department practices to increase employees' understanding about legal liability issues. For example, a litigation attorney recently provided training to new Police Department supervisors to address concerns and issues that had arisen in several matters related to the content and delivery of employee evaluations and disciplinary actions.

Exceptional Service. The litigation services program places an emphasis on ethical and professional treatment of other parties in litigation. Such litigation often involves Bellevue citizens, and it is important that we treat those citizens respectfully even while defending the City. For example, appeals of land use matters almost always lead to some continued permitting or construction relationship between the City and the property owner. The program also has been innovative and creative in looking for alternate means to resolve land use disputes and has been able to resolve litigation through agreements that both meet City code requirements but also provide land owners with some relief. Preserving a professional relationship helps ensure that the remainder of the permitting and inspection process is not contentious. The litigation services staff also has the ability to partner directly with the civil advice attorneys and draw on their subject matter expertise to provide the City with high quality representation.

B. **Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)**

The program also advances several other outcomes because litigation stems from many of the activities of front-line service providers: **Safe Community** (partner with Parks and Risk to access whether a certain type of utility cover may pose a risk to those who walk over it and partner with Fire to change an Emergency Medical Technician/EMT practice to provide better notice about necessary medical follow-up); **Quality Neighborhoods/Innovative, Vibrant & Caring Community** (partner with Parks to insure that public spaces are preserved by filing civil enforcement actions for illegal tree cutting); **Healthy and Sustainable Environment** (pursuit of litigation on behalf of Utilities to recover costs for the repair of a City water reservoir to insure availability of safe drinking water); **Economic Growth & Competitiveness/IVCC** (defend legal challenges brought against the City's land use regulations); **Improved Mobility** (support capital projects, primarily through assistance in property acquisition, including condemnation).

C. **Short- and long-term benefits of this proposal:**

As described above, litigation against the City is inevitable, and the City must provide a defense against such suits. There are numerous efficiencies and cost savings inherent in providing the City's defense through the use of in-house legal staff. Short-term benefits include cost-containment and maximum benefits from any cost recovery achieved in litigation. Long term benefits result from the fact that claims and litigation experiences are used to train employees and modify city procedures to avoid risk and future liability.

D. **Performance metrics/benchmarks and targets for this proposal:**
Maintain high level of resolution of lawsuits/legal proceedings in favor of the City.

- Maintain cost per hour below outside counsel rates.

E. **Describe why the level of service being proposed is the appropriate level:**
The number of Civil Litigation Services staff has increased and been reconfigured over the past five years to address the City's growth in both size and complexity. The department converted a legal secretary position to a paralegal position in 2007 to address the need for additional paralegal support and has been routinely calling on other assistant city attorneys to provide assistance in litigation matters. During this same time period, the quantity of litigation related matters has consistently necessitated additional support from outside counsel, both for overflow and expertise. Therefore, the current level of service is the appropriate level because any decrease would necessitate additional use of outside counsel and likely result in decreased efficiencies among the remaining staff.

Section 8: Provide a Description of Supporting Revenue

There is no direct supporting revenue for this proposal, although as set forth in Section 4 above, this program has been responsible for recovering significant costs for the City in the past and will continue to do so in future matters. The litigation services that this program provides are charged to other departments through the interfund program, but no actual revenue is received from the other departments.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal : Failing to fund this program will result in the City hiring outside counsel to provide the legal representation required by law or desired by the City. The City's failure to take defensive legal action or to pursue legal remedies to protect City property, assets, or policies would be failing to act as a steward of the public trust and may subject the City to further liability and/or outcomes over which it had no input or control. Further, if civil litigation staff does not provide evaluation and training to departments regarding litigation outcomes and risks, these litigation risks may not be identified or corrected. The potential for repeating the behavior and subjecting the City to legal liability would remain.
2. Customer Impact: The services that the program provides are city-wide and with no out-of-pocket cost to the department for whom the City is providing the service, unlike outside counsel costs, which are often borne by the department involved in litigation. In addition, since outside counsel lack knowledge of the City and its operation, staff from the involved department will be called upon more frequently to provide litigation assistance. Outside counsel are not retained to provide risk evaluation or training to departments.
3. Investment/Costs already incurred: Investments in this program are largely the costs of the staff and typical overhead costs. Cutting this program then would avoid those immediate costs, but would represent a loss in institutional knowledge and knowledge of the City's programs that the attorneys have gained over time. This internal knowledge, professional relationships with city employees, bank of legal pleadings, and understanding of the City's strategic objectives cannot be replaced by outside counsel hired to provide targeted representation.

B. Consequence of funding at a lower level:

As described in Section 7.E, the costs of this proposal are those that are based on personnel costs and typical overhead associated with staff (training, office supplies, etc.). Therefore, a reduction in funding would have a direct impact on the number of staff dedicated to this service, with all the negative impacts described in this Section.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Legal Advice Services		Proposal Number: 010.08NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Monica Buck, x4082		One-Time/On-Going: On-Going
Fund: General	Attachments: Yes	Enter CIP Plan #: N/A
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

The Legal Advice Services program provides high-quality, efficient and effective legal advice to the City Council, 14 city departments, and various boards, commissions and committees. This program supports the Responsive Government outcome by providing easily accessible and effective legal and practical advice in a variety of areas. Use of internal legal advice directly safeguards the public trust by reducing exposure to liability. Internal legal resources also support community connections through advice and support on open public meetings issues, public records processing, and strategic leadership through work on a variety of intergovernmental and internal strategic teams.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$484,150	$509,461
Other	12,193	12,406
	$496,343	$521,867
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	3.5	3.5
LTE	0.0	0.0
Total Count	3.5	3.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The use of attorneys and paralegals located within the City and familiar with City policies, procedures and personnel allows this representation to occur in a very economical and efficient manner. They are paid the same regardless of the number of hours worked, unlike outside counsel who charge for each hour worked. City legal staff is also located on site, making them more physically accessible to clients. Clients do not have to wait for legal counsel to drive over to meet with them and do not have to be concerned about being charged both for the travel time and the meeting time by outside counsel. Additionally, all costs associated with legal representation are built into the costs of the Legal Advice Services program. Legal research costs (Westlaw), copy costs, and messenger fees are charged as separate expenses by outside counsel. The cost of this program is comprised of 98% fixed personnel costs. The remaining 2% covers essential office materials, travel & training, license renewals and outside legal counsel. Recognizing the budget environment, but also acknowledging that attorneys need to keep their licenses current, we have reduced travel and training to $1,100 per attorney/yr and $400 per staff person/year. This is below the budget manual's estimated funding need of $1,828 per attorney and $539 per staff member.

Section 5: Budget Proposal Description

The Legal Advice Services program is comprised of 2.5 FTE senior attorneys, one .5 FTE attorney, and a .5 FTE legal secretary. This group provides strategic and efficient legal advice to the City Council, 14 city departments, and various boards, commissions and committees (See Attachments 1 and 2 for a complete list). The City Attorney and Deputy City Attorney also provide legal advice services, however their costs and headcount are included in the CAO Department Management and Support proposal.

Legal Advice Services include: providing legal and practical advice on policy options and city initiatives; drafting, reviewing and negotiating contracts/agreements; drafting ordinances/resolutions and reviewing all Council packet materials; researching, analyzing and responding to legal questions on day to day matters of code or statutory interpretation; attending board, commission and city council evening meetings; providing personnel/labor relations advice in all areas (i.e. labor contract negotiations), employee recruitment/retention, training, job performance measurements, discipline, employee leave entitlements, employee policy development; providing legal advice and opinions in the areas of land use and environmental law, tax law, copyright and intellectual property, transportation law, real estate transactions, Americans with Disabilities Act (ADA) requirements, utilities law, general municipal law (i.e. open public meetings act and public records requirements), constitutional law, public bidding and prevailing wage requirements; and supporting the Civil Litigation Services program by providing knowledge/involvement in underlying litigation issues.

Section 6: Mandates and Contractual Agreements

Various statutes require the City to provide legal counsel, either through in-house attorneys or by contracting for legal services: RCW 35A.12.020 (City must have legal counsel, either by city attorney or by outside contract); RCW 4.96.041 and BCC 3.81.020 (City must provide legal representation for officers, employees, or volunteers for actions taken in course of official duties); RCW 35.14.030 (City must provide legal assistance for Community Councils).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (purchasing strategies are italicized): The Legal Advice Services program provides the *best value in meeting community needs* by providing high quality, readily available legal advice from experienced and knowledgeable staff. Legal Advice Services advance the outcome of Responsive Government by supporting the following factors and purchasing strategies:

Stewards of the Public Trust. A major purpose of the Legal Advice program is to *assess risks*, and *reduce the City's exposure to unnecessary liability* and assist clients in problem solving on a wide range of issues. This program is critical for *protecting city assets and taxpayer dollars*. Civil attorneys not only respond to requests for legal advice, but spearhead the updating of city practices and policies as laws change. For example, the Legal Advice Services program recently ensured that the City's community athletic program met new Washington state gender equal access and treatment requirements. Non-compliance with new and existing laws can lead to fines, monetary penalties, and disqualification from state and federal grant funds. Outside counsel are usually hired to represent the City in an isolated matter and do not have the role nor the broad understanding of the City's practices to identify areas where the City can eliminate or reduce future risks.

Community Connections. Community connections exist primarily through the City providing information to and communicating with the public through policies, laws, and written and oral responses to requests for information. The Legal Advice Services program assists in developing these policies, laws and written communications and ensuring they are in compliance with local, state and federal laws. The Legal Advice group also *promotes transparency and open government* through its advice on matters related to the Open Public Meetings Act and public records requests. For example, on almost a daily basis, a civil advice attorney reviews public records responses and provides guidance on what documents should be released to the public. Misinterpreting this law can results in daily penalties that can easily run into the six figures.

Strategic Leadership. The Legal Advice Services program provides advice on current and new regulatory requirements, particularly in the area of tax policy, land use, and public-private partnerships. In addition, the program supports the city's efforts to plan and implement programs and services *consistent with the Community Vision* and with limitations on the appropriate use of public money and resources. The legal advice function also *supports the City's cross jurisdictional partnerships* in organizations like King County's District Court Monitoring and Review Committee (DCMRC), e-Gov alliance, the Jail Advisory Group (JAG), the Eastside Narcotics Task Force (ENTF), and A Regional Coalition for Housing (ARCH). The City is the administering agency in many of these regional partnerships. Having an effective and readily-available source of legal services provides the City with the ability to play this leadership role while navigating complicated issues of liability associated with performing on behalf of an association of government entities.
Engaged Workforce. On a daily basis, a civil attorney provides legal and practical advice on employee entitlements such as leaves and pay, as well as how best to facilitate positive communications about job performance expectations/training/retention and discipline. Providing *training to work groups* on legal issues impacting their functions *supports employee growth and development and eliminates skill gaps*. In addition, attorneys conduct training on risk management and minimizing liability to the City. For example, in a recent utilities division "panel" discussion, operations and maintenance staff were trained about the general rules of liability and responsibility for surface water run-off. As a result staff could better recognize when a customer complaint regarding water run-off was really was a private issue. Without this kind of training, the City may well undertake repair activities that are not our responsibility, increasing costs to the taxpayer and exposing the City to liability.
Exceptional Service. *Providing timely, high-quality, effective legal advice supports front-line employees in responding to citizen/customer requests, complaints and concerns in a timely and efficient manner*. Sometimes this advice can lead to *streamlined processes*. For example, legal advice plays a key role in identifying those portions of the city's contracting process that are required by state or local law, versus those that are driven by purely policy considerations. This legal advice to the Contract Review Task Force should lead to some efficiencies in contract review (such as reducing unnecessary steps in the routing process), benefitting both internal customers and the city's contractors and vendors.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): While the Legal Advice Services program most advances the Responsive Government outcome, it is also a critical piece of advancing the Safe Community program. Advice attorneys draft codes and ordinances and advise departments in prevention, planning and preparation. For example, we assisted the Fire Department in developing a program to provide smoke alarms to the public. An attorney was responsible for ensuring the program contained the necessary process to reduce risk to the City and prepared a participant waiver of liability form. Advice attorneys also assist in drafting and negotiating interlocal agreements with neighboring jurisdictions for mutual aid, drug task forces (ENTF), and court services.

C. Short- and long-term benefits of this proposal: This proposal will provide significant short and long term benefits by continuing to provide high-quality legal advice to the City Council, 14 city departments, various boards, commissions and committees and reduce the City's overall risk and exposure to liability.

D. Performance metrics/benchmarks and targets for this proposal:

- Maintain cost per hour below outside counsel rates.
- Overall (internal) customer satisfaction – maintain at or above 95%

E. Describe why the level of service being proposed is the appropriate level:
It is difficult to quantify the benefits provided by maintaining Legal Advice Services at the level available with current staffing. Internal customer satisfaction ratings, however, are a good indicator of whether the quality and timeliness of advice is meeting expectations. In 2005 and 2009 (years when the office was short-staffed due to turn-over or personnel leaves) the Customer Satisfaction Survey for the Legal Advice program showed

a lower overall satisfaction rating than in previous years. The reason for decline in satisfaction was due mainly to delay in receiving responses to requests. Delay has a direct impact on front-line departments' ability to meet citizens' expectations. The current level of service is recommended to maintain timely response time and ensure that all the various benefits of this program are continued. It is also important to note that this program does not rise and fall with the economy. Another measure of the appropriateness of the recommended level of service is to review the size of the legal advice function versus other external drivers. Bellevue's population has increased by 39% since 1990,[1] yet the City Attorney's Office has not added any civil attorneys in over two decades.[2] In comparison, Bellevue has a larger population per attorney than many surrounding cities, such as Olympia, Bellingham, Everett, Tacoma and Spokane. (See Attachment 3). In addition to the standard workload, the City has some significant projects; Eastlink being one of them that we anticipate will require consistent and on-going civil attorney involvement in 2011/2012.

Section 8: Provide a Description of Supporting Revenue - NA

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: More exposure to liability which could result in an increase in claims and lawsuits. Failure to comply with state and federal laws and guidelines could result in unfavorable agency findings which may result in penalties and lawsuits.
2. Customer Impact: City Council, City Departments, boards, commissions and committees would not receive legal advice, or would have to contract for outside counsel. Failure to obtain legal advice may result in the City taking actions that are illegal or acting without benefit of correct legal information.
3. How increases/decreases in funding would impact outcome: Main impact of decreasing funding is described in level of service section above.
4. Investment/Costs already incurred: Investments in this program are largely the costs of the staff and typical overhead costs. Cutting this program then would avoid those immediate costs, but would represent a loss in institutional knowledge and knowledge of the City's programs that the attorneys have gained over time. This internal knowledge, bank of legal opinions, and understanding of the City's strategic objectives cannot be replaced by outside counsel hired to provide targeted legal advice and representation.

B. Consequence of funding at a lower level:

The consequence of funding this program at a lower level would be personnel layoffs. As has been demonstrated over the years (and discussed above), a reduction in staff would result in a decrease in response time and a delay in service to customers. This could in turn lead to higher costs to the City. Staff may be more likely to proceed without the benefit of legal advice because they do not have time to wait for a response. Staff may enter into contracts or start programs which they are either not authorized to undertake or which are not drafted in a way to best protect the City from liability. In addition, strategic opportunities can be lost. Taking actions or making decisions without the benefit of legal advice may result in litigation which the City is required to defend. Not only will the City incur costs from litigation, but decisions made and actions taken without the benefit of legal advice may not be as defensible and may result in higher claims and damages against the City. Although reducing the budget for this program may have short-term savings, it would result in increased costs in the long term.

[1] According to the US Census report, the population in Bellevue was 86,874 in 1990 and 120,600 in 2009.
[2] In the early 1990s, the office lost one attorney due to budget cuts; this position was restored in 2005.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Risk Management Services – Insurance, Claims, Safety, and Loss Prevention		**Proposal Number:** 010.09NA
Outcome: Reserves		**Proposal Type:** Existing Service
Staff Contact: Joanne Nicolai, Risk Manager, x2011; Rick Olsen, x6149		**One-Time/On-Going:** On-Going
Fund: Multiple (5220-Workers' Compensation, 5230 Unemployment, and 5240-General Self Insurance)	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Risk Management Office protects the City's assets and preserves and enhances the quality of life for City employees and the public by providing effective loss prevention and safety programs that affect all aspects of City services. The Risk Management (RM) Office administers the City's General Self-Insurance, Workers' Compensation (on-the-job injuries), and Unemployment Compensation programs. Further, it provides employee safety training classes, develops safety programs, and ensures compliance with state and federal safety regulations. By providing effective claims management and fostering an active safety/loss prevention program, City revenues and assets are preserved for uses that will support and improve services for the public.

Section 3: Required Resource

OPERATING		
Expenditure	**2011**	**2012**
Personnel	$519,983	$547,303
Other	3,614,703	3,555,868
	$4,134,686	$4,103,171
Supporting Revenue		
	$1,128,000	$1,196,000
LTE/FTE		
FTE	4.6	4.6
LTE	0.0	0.0
Total Count	4.6	4.6

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Savings identified, as a result of consolidating costs, decreasing professional services and moving additional responsibilities to in-house staff, results in a net budget reduction of $70,000. Collaboration with ITD provides in-house support for the division's database, reducing budget needed for more expensive consultant services.

Section 5: Budget Proposal Description

The Risk Management program protects City assets and reduces loss by managing the City's general self-insurance, workers' compensation & unemployment funds. Claims are routinely investigated & resolved in collaboration with departments to decrease costs & risk. The Risk Management program proactively manages 80-100 liability claims annually & has, in concert with the City Attorney's Civil Litigation division, succeeded in defending the City from over $10 million in claims during the last 5 years. For example, in 2009, a $2.8 million medical malpractice claim was successfully denied during the claim process. The City also annually incurs approx. 180 losses related to property & vehicle damage incidents. Last year alone the City paid $239,000 in repair costs for these losses & recovered $191,000 (80% of the total) from negligent third parties through the subrogation program. For instance, $19,000 in damage costs, as a result of a hit & run truck driver that struck a signal pole, was successfully reimbursed to the City.

Risk Management Service programs also provide continuous, comprehensive safety training & education to all employees, in collaboration with the departments, based on need assessments & state & federal mandates. The safety program provides 124 classes to 1,500 employees each year. Training is provided by in-house staff rather than through outside contractors, representing significant hourly cost savings and efficiencies for the City.

Assessment of high-risk contractual agreements for appropriate insurance requirements & policy/program review for enterprise risk are performed routinely to ensure loss minimization & guarantee the City's sound financial position. Five key departments (Parks, Transportation, Police, Fire, & Utilities) achieved national accreditation due in part to Risk Management providing quality claims management, loss prevention, & safety services.

This program consists of 4.60 FTEs (3.60 FTE risk management specialists & 1.0 FTE risk manager) & is supported by two 1040 positions, for a total of 24 hours per week. Staff oversees complex claims in conjunction with the City's worker's compensation third-party administrator (TPA) and, on occasion with our outside adjuster, coordinating communication between involved parties & ensuring timely & beneficial outcomes. Current claims costs (liability, property/vehicle damage, worker comp, & unemployment), as well as the cost of commercial insurance premiums for the City are included in this budget. Contractors are used for insurance broker services, database support, adjuster assistance, audiology testing & workers' compensation TPA services. See Att.1.

Section 6: Mandates and Contractual Agreements

- Per RCW 50.44, City created Ord 2472, to establish a self-insurance program for unemployment benefits.
- Per RCW 51.14, City created Ord 2437, to establish a self-insurance program for WC benefits.
- Per RCW 48.62, City created Ord 2957, to establish a self-insurance program for general liability, property, & casualty losses, as well as general loss control activities.
- RCW 4.96 & BCC 4.36 provides requirements for filing damage claims against local governmental entities.
- RCW 49.17 WA Industrial Safety & Health Act/Occupational Safety & Health Act of 1970 provide place of employment free from recognized hazards. Refer to State Dept of L&I, WACs 296-800 & 296-305.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome

ENSURE SOUND MANAGEMENT OF RESOURCES / SHORT- & LONG-TERM FINANCIAL IMPACTS / STEWARDS OF THE PUBLIC TRUST Because the City is self-insured, the City directly controls claim management, containment of insurance costs & recovery of losses from negligent parties. As a result, cost increases can be minimized or reduced &, in the case of property damage, costs are recouped from outside parties responsible for the damages. Claims are investigated extensively & determined fairly, taking into consideration information obtained from affected departments, City policies & procedures, & legal requirements. Since claims are resolved proactively, costs are minimized &, in many cases, not incurred at all. Only 4% of Risk claims proceed to litigation, a much more expensive alternative for resolving disputes. The City has attained a favorable loss experience that is reflected in the City's current actuarial confidence level. This translates into lower claim expenditures & lower reserve requirements. Purchase of appropriate levels & types of commercial insurance for excess liability, excess Workers' Compensation, Fidelity/Crime, Fine Arts, Fiduciary, & coverage for all City property, maintains the City's financial sustainability & transfers risk, allowing the City to reduce the amount of reserves necessary to address potential claims & exposures.

In 2008, Altman Weil, Inc., a risk management/insurance consultant, reviewed the City's liability and subrogation functions & staffing levels from a cost effective & efficiency basis. They concluded the City had one of the best public Risk Management programs in the nation. The City continues to realize annual savings of $384,000 - $507,000 using an appropriate staffing level for the services provided. See Att. 2, pgs 4 & 5. The City also continues to benefit from our WC program loss experience. Data from a recent Price Waterhouse Coopers actuarial review

indicates the City's average cost/work hr. is much lower (.267) when compared to other Washington cities' costs (.586), resulting in claim costs 54% lower than peers. The City's average cost/worker hour also decreased by 7% while the peer group costs rose 35%. See Att. 3-Benchmarking table. Additionally, a Midwest Employers Casualty Company management summary reported favorable outcomes for the City's loss frequency (12% fewer), severity (24% less) & total costs incurred ($2 million less), when compared against industry standards. See Att. 4-Executive Summary.
The Risk Management program continuously provides feedback & expertise to internal customers. Risk staff proactively work with and provide training to City staff to prevent similar claims/incidents from reoccurring, allowing City services to improve & to re-direct funds toward long-term solutions rather than to resolving claims.

ENGAGED WORKFORCE Through safety training & loss prevention programs, a safe & healthy workplace is provided & employees are well trained & equipped. The Risk Management staff brings expertise & efficiencies to the City of Bellevue & an active city-wide safety program that is supported by the departments. Risks of on-the-job injuries are reduced & through the City's WC program, employees with a work-related injury or illness have access to resources, enabling them to receive the best medical treatment possible & quickly return to careers with the City. The impact of having less injuries and providing ongoing education to City employees, reduces costs. Att. 3-Benchmarking graph shows over the past 19 years the City has consistently incurred substantially lower claim costs than the peer group. See Att. 5- ICMA FY 2008 Data Report.
Regulatory required classes such as bloodborne pathogens, chemical hazards, first aid, hearing protection, flagging, methylene chloride/lead protection, fall protection, & confined space entry are provided by the program. This training equips employees with the appropriate tools & knowledge to safely & successfully perform their job. Back safety, CPR/AED, defensive driving classes & ergonomic reviews also act to reduce the risk, number & severity of injury claims. As a result of having knowledgeable city-wide staff, Bellevue citizens & residents receive a higher quality of service & safety is increased throughout the City. Costs associated with injury & property loss are prevented & mitigated. For example, a vault 20 feet below ground, which houses pumps to operate the downtown area ponds, was not being entered as a confined space by city staff. Additionally, barricades being used by staff when entering the vault were an attraction for children in a nearby playground. The Risk Management program provided training to Parks on how to barricade the area properly to avoid injury to children playing near the exposed area, how to enter the underground vault safely with appropriate communication between workers, & how to monitor the air within the confined space to assure safe entry.

High risk contracts & enterprise activities are reviewed for loss control in concert with department staff. Historical loss, injury, claim trends, & recommendations for improvement are reported bi-annually to every department director & their assistant managers, allowing them to improve processes, assess roles & responsibilities & identify training opportunities. For example, diamond-plate manhole covers become slick when wet, resulting in citizens slipping & falling. With Risk's recommendation, Utilities is working to replace or add a slip-resistant surface on the covers to increase public safety & eliminate potential claims against the City.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
This proposal has a positive impact on the **Safe Community** factors, specifically **Prevention and Planning/ Preparation**. Completion of annual safety inspections, in partnership with our property insurer, limits the risk of loss to our property & buildings & ensures safety for the public & our employees. Risk Management services include recovery of financial losses in responding to emergency incidents, from the City's insurance carriers. For example, Risk was successful in recovering over $1 million related to the 2006 windstorm damages from our property insurer. The Risk Management program also positively supports **Quality Neighborhoods, Healthy & Sustainable Environment and IVCC.** Risk advice & review is provided to all departments related to program proposals & strategies. As an example, when the Parks department develops a new park, Risk partners with Parks staff to address potential risks & liabilities that may arise & offers solutions to mitigate risk wherever possible.

C. Short- and long-term benefits of this proposal:
This proposal guarantees state & federal mandates are properly addressed & safety is enhanced for our employees & the public. The long-term benefit is a healthy & safe place for people to work, play & live, avoiding potential personal injury & property damage lawsuits, resolving claims proactively & eliminating the alternative of expensive litigation, which can triple costs. Additionally, by self-insuring workers' compensation & unemployment benefits, the City is managing the claims at a lower cost than the state managed programs, freeing up funds to address other City needs.

D. Performance metrics/benchmarks and targets for this proposal: * % of claims that proceeded to litigation
* % of risk losses recovered * % of self-insurance claims adjusted within timeliness standard

E. Describe why the level of service being proposed is the appropriate level:
The realized outcomes & benefits the City has received historically & the 2008 Altman Weil analysis supports the service levels proposed. It allows the Risk Management program to provide appropriate services cost effectively using in-house staff at its current staffing levels. Contracting with outside vendors would result in higher costs (up to $507,000 higher than the current program), subrogation recoveries would decrease by 20% due to vendor fees & a lack of pursuit of smaller claims. More expensive in-house counsel time & oversight would increase because of a greater need for more supervision of litigation in the absence of Risk Management staff availability & expertise. See Att. 2, pgs 7 & 8 – Altman Weil Study. The Risk Management program continues to contain costs, minimize risk loss, streamline processes, train employees, protect the City's assets & comply with mandated regulations at the lowest & best cost for the City.
An exception to an alternative level of services has been granted for this proposal. The recommended level of services meets the criteria for proposing efficiencies in the existing services while still meeting the intended outcome. Additional levels of service describing the impacts to operations may still be requested.

Section 8: Provide a Description of Supporting Revenue
Premiums collected from participating funds, interest earnings & 3rd party recoveries.

Section 9: Consequences of Not Funding the Proposal
A. Consequence of not funding the proposal at all:
1. **Legal:** Mandated federal & state laws & regulations will not be met resulting in fines. An exponential increase in costs will result due to claims moving forward into litigation for resolution. Action by the State (Auditor, Director of L&I, & the State Risk Manager) would ensue. Bellevue's City Code will not be fulfilled & the City's bond ratings would be lowered.
2. **Customer Impact:** Employees will not receive safety training/education necessary to provide them with a safe environment free from hazards & exposures. Injuries to citizens & employees will increase. Customer satisfaction & communication will decrease. Data used for management & operational decision making will not be provided to departments, Finance, CMO, Council, & state regulatory agencies.
3. **Investment/Costs already incurred:** N/A
4. **Other:** Insurance/claim costs, risk & inefficiencies will increase. Public trust & confidence in City stewardship will diminish. City property & assets will not be insured at the appropriate level or insured at a much higher cost, again affecting risk & loss exposure. The City will not be able to continue to be self-insured. Safety education & training resources, policies/procedures & claim materials will not be available to employees.

B. Consequence of funding at a lower level: The City would experience increased claim costs with less insurance buffer & potential fines & penalties from regulatory agencies. The reduction of FTEs/1040s would increase outside vendor costs & inside counsel time & decrease 3rd party damage recoveries & customer service.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: City Clerk Operations		**Proposal Number:** 020.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Michelle Murphy, x6466		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

City Clerk's Operations manages central administrative services associated with Bellevue's city governance in compliance with state and local laws. The City Clerk serves as a link between the legislative (City Council) and executive (City Manager) branches of City government, and is responsible for a wide range of documentation services relating to Council's official actions. The Clerk's Office also provides the public a central point of contact for petitioning their government and aids open communication, information sharing, and participation by citizens in their municipal government. For budget preparation, traditional Clerk's functions have been split between the City Council Support (See 020.02.NN, Council Legislative & Technical Support) and Clerk's Operations proposals.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$195,435	$205,887
Other	23,178	23,178
	$218,613	$229,065
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.0	2.0
LTE	0.0	0.0
Total Count	2.0	2.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- By year end 2010, access to 100% of the most commonly requested public documents related to Council actions will be made available via the City's Enterprise Content Management (ECM) System through a specially designed public web portal.
- The Office moved to a hosted web solution for the City Code that provides significantly enhanced public viewing and printing options, better search capabilities and an overall cleaner user experience at a cost of only $500 annually, freeing up internal IT Department resources.
- The Office also outsources the highly specialized work of codification for the City Code, which has proved significantly more cost effective than committing Legal and CCO staff resources.
- In 2009 the Clerk's Office began posting Interlocal agreements to the City's webpage in lieu of recording at King County, as recently allowed by RCW 39.34.040. That change in process has resulted in a cost savings of over $5,500 annually.

Section 5: Budget Proposal Description

Under State law, the City Clerk is responsible for attending Council meetings, preparing meeting minutes, and keeping the City Council's legislative history; legal noticing; compliance with state and local laws regarding

custodianship of documents relating to City Council actions (including adopted ordinances, resolutions, contracts, interlocal agreements, deeds and easements relating to City property transactions, etc.); and intake for official filings of documents with the City (claims, appeals, legal service, etc.). In that same vein, under State law the Deputy City Clerk is charged with attending Community Council meetings, preparing minutes and maintaining the Community Council's legislative history.
In addition, this program acts as a key liaison between the City and its citizens; responds to citizen inquiries and assists with legislative research, supporting the principles of open public government, transparency and easy access to public information; administers Board and Commission protocols and coordinates the recruitment and appointment processes for Council-appointed boards and commissions; posts adopted ordinances, resolutions and interlocal agreements to the City web site; coordinates with the City Council Support Program to administer the Council's legislative process to assure that all requirements are met (i.e., mayoral election, filling Council vacancies, taking positions on state and local ballot measures, etc.); manages codification and updates to the City Code (the comprehensive and systematically arranged collection of current City laws); manages the complex process for citizen-initiated referenda and initiatives (such as the Charter Initiative seeking to change Bellevue's form of government), including acting as public spokesperson regarding the process; and keeps such other records and reports as required to provide context for legislative and executive decision making.
This proposal includes two staff: the Deputy City Clerk and Senior Administrative Assistant/Minutes Writer. (Oversight by the City Clerk is included in *Proposal 020.10, CCO Department Management.*)

**Administrative/legislative support (0.25 FTE - Deputy City Clerk) previously captured in the Community Council's budget (See 05.01.NN, East Bellevue Community Council) has been transferred to City Clerk Operations, consistent with the method of budgeting City Council support.*

Section 6: Mandates and Contractual Agreements

This proposal satisfies the following state laws and City Codes:
Powers & Duties of the City Clerk – RCW 35A.12.110, RCW 35A.12.150, RCW 35.23.121, RCW35.14.030, BCC 2.12.010, BCC 3.08, and Council Rules require the Clerk or Deputy to attend all Council meetings; **Legislative and Administrative Record** – RCW 35A.39.010; **Ordinance Codification** - RCW 35A.21.130, RCW35.21.500 through RCW 35.21.570, BCC 1.01.030; **Ordinance Publication** – RCW 35A.12.160, RCW 35A.21.230, BCC 1.08.020; **Open Public Meetings Act** – RCW 42.30.080; **Noticing & Other Legal Publications** – RCW 35.23.121, RCW 35A.12.160, RCW 35A.65.020, BCC 1.08.020; **Initiative, Petitions & Referendums** – RCW 35A.29.170, BCC 1.12; **Street Vacations** – BCC 14.35.030, BCC 14.35.040, BCC 14.35.050; **Service of Process** – RCW 4.28.080; **Claims for Damages/Appeals** – RCW 35.23.121, BCC 4.36.010, Ordinance 4978; **Interlocal Agreements (Method of filing)** – RCW 39.34.040; and, **Oaths and Affirmations** – RCW 35A.12.080, RCW 35A.12.150. *(Applicable citations attached)*

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for Responsive Government

Through accurate and timely reporting of Council proceedings, maintenance of the City's legislative history, public noticing of upcoming events and meeting topics, and encouraging citizen participation/assisting them with navigating the processes that address their concerns, this program opens the doors to local government. As custodians of the public record and legislative history our services extend to our internal customers as well. With the provision of timely records, legislative research, process information and special meeting noticing, this program contributes to the success, citywide, of departments' goals. The 2010 Internal Customer Service Survey reported a 97% overall satisfaction level.
This program supports the following purchasing strategies:
Community connections – (**Communication, Equity, Inclusive, Accessibility, Transparency)** The Clerk's Office provides a public face and facilitates a positive citizen experience with and connection to city government. By making information about City governance readily available, the public is able to understand our services and

how to access additional information. Credible, widely-available information contributes to citizen trust in government. Our focus on customer service and making information easy to access by all helps foster strong two-way communications with citizens. Accurate recording and timely filing of initiatives, referendums, petitions, appeals, subpoenas and claims against the City provides public assurance of an equitable process. City Council meetings have been video streamed for public convenience since June 2005. Since 2000, Council meeting agendas and meeting minutes have been published on the City's website, together with documentation of Council's actions represented by adoption of ordinances (2,800+) and resolutions (1500+). Midyear 2003, Council packet materials were added to the mix. More recently, Interlocal agreements (131+) have also been published to the web site.

Strategic Leadership – (**Strategic planning, Vision, Partnerships**) The Clerk's Office management of the board and commission recruitment/appointment process and their meeting protocols contributes to active citizen participation on those standing groups as well as Council-appointed committees, establishing "ownership" and civic pride while providing an additional sounding board for consideration of community issues. These volunteer positions underpin the work of the City Council, providing significant assistance in studying issues and how they contribute to achieving the City's vision, holding public hearings, and making recommendations that assist Council in formulating public policy.

Engaged Workforce – (**Well trained and equipped/Empowered**) The Clerk's Office contributes to employee engagement across the organization by providing staff ready access to information about issues under discussion by the Council, their meetings and decisions. Awareness of how their jobs contribute to City goals and the Community Vision is a strong factor in employee development and engagement.

Exceptional Service – (**Timeliness, Predictability, Effectiveness, Efficiency, Professionalism**) Staff provides information and guidance to ensure a truly representative government. Clerk staff attend, record and journal all regular and special meetings of the City Council and the Community Council. Clerk staff act as liaisons between the City and the public. Staff field questions, provide timely and relevant public information, and encourage public participation. Staff manage the ordinance codification process, endeavoring to provide the public and staff with the most current version of City laws in a timely manner. The City Clerk's web-based Document Library was accessed by the public over 37,000 times last year.

Stewardship of the Public Trust – (**Manage public assets**) The City's historic record belongs to the public. History provides a connection to the past, a sense of continuity and a compass for the future. The Clerk serves as the historian and it is her duty to maintain and safeguard that history for the citizens of Bellevue. This Office endeavors to respect and conserve resources entrusted to us, demonstrated by embracing new technologies to assist in distributing information more widely within existing staff resources. In 2009, the Office began posting Interlocal agreements to the City's web pages as recently allowed in RCW 39.34.040 in lieu of recording for a fee at King County. This small change has resulted in a 12% savings in existing maintenance and operations costs.

B. Factors/Purchasing strategies addressed by this proposal – for other outcomes

The Clerk supports **all outcomes** through appropriately managing the Council's legislative actions and providing research services relating to previous Council decisions and actions.

C. Short- and long-term benefits of this proposal:

This proposal ensures government transparency and compliance with applicable state and local laws. It chronicles Council's work on behalf of the City, provides context to Council decisions, records and maintains the City's history, and keeps the public informed of issues that may affect them.

D. Performance metrics/benchmarks and targets for this proposal:

City Clerk Operations (Workload) Benchmarks	2008	2009	2010 1 Qtr	2011	2012
# Special Meetings/Legal Notices	97/57	99/96	33/21		
# Council Meeting Hours Recorded/Minutes Pages Prepared	192/550	223/684	89/272		
# Board/Commission Applications Recruited vs. Open Positions	49/24	106/14	12/3		
# CCO Document Library Webpage Viewings	35,660	37,483	13,868		
# Official Filings of Documents with the City (Claims, appeals, etc.)	106	106	38		
# Ordinances Processed/Affirmed	60	74	20		
# Resolutions Processed/Affirmed	181	197	49		
# Ordinances Codified/Code Pages Revised	8/338	16/227	3/34		
# Council Actions Indexed	364	254	NA		
# City Document Recordings	1,750	1,812	654		
City Clerk Operations Effectiveness (New)					
% Minutes presented to Council within 3 weeks of meeting date					
Accuracy of minutes, measured by # of Council corrections					
% of surveyed customers who are satisfied with services received.					

**Perform a customer service survey to assure meeting internal/external customer needs.*

E. Describe why the level of service being proposed is the appropriate level:

The activities/responsibilities of this program are required by State law, City Code, and City Council Rules (adopted by Resolution). Lower service levels, given mandated activities and workload, would negatively impact timeliness to the point of poor service delivery to the public and internal staff and possible non-compliance with the law. Existing workload already requires the assistance of Records Management staff in the recording/ scanning of City documents. Staff analyzed the minutes writing function to identify if outsourcing this function might prove cost effective. Due to the higher costs of outsourcing and the lower quality of the work product, outsourcing this function did not prove satisfactory. Council relies on prompt turnaround to connect the threads of one discussion to the next. The quality of board/commission minutes, which have commonly been outsourced, does not rise to the political complexities or historic value associated with City Council minutes, which are written in greater depth due to their heavy use as a research tool to understand the Council's considerations when making decisions. The advantages of knowledgeable, in-house expertise in summarizing often lengthy discussions into concise, relevant statements that accurately reflect Council's positions cannot be overstated. Council minutes are one of the most important and frequently accessed records created by the City.

Section 8: Provide a Description of Supporting Revenue The City Clerk's Operation is General Fund supported.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: As most of this program's activities are mandated in State law, City Code and Council Rules, failure to fund would result in non-compliance and possible State Auditor findings.
2. Customer Impact: Failure to fund would jeopardize citizen perception of transparency and open government. As recognized in State law, access to timely information related to Council consideration of issues and their subsequent actions is relied upon by the public to facilitate their participation and assure their confidence in local government.

B. Consequence of funding at a lower level:

Funding at a lower level would severely impact the ability to provide good customer service, to meet noticing requirements, meet the mandates and/or timeframes called out in state law, post legislative information in a timeframe consistent with open government protocols, manage claims and process service effectively, and provide the legislative research requested by the public and staff.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Council Legislative and Administrative Support		**Proposal Number:** 020.02NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Myrna Basich/Kim McCool/Sandra Nunnelee		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

Council Legislative and Administrative Support provides professional and administrative services to the part-time, seven-member Council to promote performance of their official responsibilities, including setting public policy and enacting legislation. This includes production of the weekly Council meeting packets that inform the Council's decision-making process. Additionally, Council Support staff provide direct customer service to the community, including responding to general questions regarding City services and Council meetings, directing citizens to the correct department for resolution of issues, and making Council meeting materials accessible to the public.

Section 3: Required Resources

OPERATING

Expenditure		2011	2012
Personnel	$	272,062	$286,518
Other		4,818	4,818
	$	276,880	$291,336
Supporting Revenue			
		$0	$0
LTE/FTE			
FTE		2.50	2.50
LTE		0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

In 2010, as part of the implementation of the Enterprise Content Management (ECM) system, the Council Office is working to automate preparation, assembly, and publication of the weekly City Council meeting packets. Packet production is one of the most complex and time sensitive processes used regularly at the City. It involves content contributions from as many of fourteen separate departments and simultaneous content review and approval by the Finance Department, City Attorney's Office and City Clerk's Office. Once published, printed packets are distributed to Councilmembers, City Manager, Department Directors, and several sites within the community as well as posted on the City's web site for general public and staff access. The process improvements generated from use of the Lean Six Sigma process improvement methodology and the ECM's automated workflow tools are anticipated to yield administrative efficiency gains for departments that heavily contribute to agenda content (Planning, Transportation, Parks and Utilities) as well as reviewing departments. Automating this iterative/repetitive process is a best practice in local government. It will streamline creation and review of each packet's contents as well as reduce manual processing time for administrative staff, freeing them for other work. This process improvement will also reduce the number of printed Council packets as well as processing time for their distribution, and will enable Council to move to use of electronic rather than paper packets should they choose to do so.

Section 5: Budget Proposal Description

This proposal consists of the work of the Assistant City Manager (0.5 FTE) and two Executive Assistants to the City Council (2.0 FTE). In addition to preparation of the weekly Council meeting packet, Council Support staff manage all meeting logistics, attend Council meetings, and assure that all legislative requirements guiding Council actions are met. In addition to direct administrative support provided to the City Council, this program acts as a central point of contact for public interaction and engagement with the City Council. Council Office staff routinely respond to questions posed by residents and members of the community or refer their matters to the appropriate department(s) for response.

Managing Council packet preparation is a major focus of this work program. Agenda materials included in the weekly packets help Council define issues, understand complex problems, recognize the policy implications of proposed actions, consider alternative solutions, and determine the best course of action. In 2009 approximately 600 issues/agenda items were presented to Council, with complexity of the issues before Council growing each year (i.e., Sound Transit, Bel-Red Initiative, Mobility and Infrastructure Initiative, etc.)

The Executive Assistants are responsible for the full array of administrative support for the part-time Council, including managing individual Councilmembers' calendars, coordinating materials for Councilmembers' participation in regional meetings/committees, managing correspondence and resulting assignments to staff, coordinating responses to Council-related public disclosure requests, and preparation of Proclamations and Commendations.

The Assistant City Manager (ACM) serves as a policy advisor to the City Council and City Manager on Council-related matters. The ACM manages Council agenda setting and also provides a variety of topical confidential advice and assistance to Council on subjects such as hiring of the City Manager, managing the City Manager's ongoing Compensation Program, filling of Council vacancies, prohibited election activities, managing ex parte contacts on quasi-judicial matters, public disclosure responses and Open Public Meetings Act questions, conflicts of interest and use of public funds.

Section 6: Mandates and Contractual Agreements

The City Council provides a mandated function within local government. This proposal provides the legislative and administrative support to assure that the part-time Council is effective and efficient in carrying out their responsibilities. This proposal also satisfies the following state laws, City Codes and policies:

Public Notice of Hearings and Meeting Agendas – RCW 35.22.288; **Open Public Meetings Act –** RCW 42.30.080; **Public Records Act –** RCW 42.56; **City Council Agenda Process** - City policy

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for Responsive Government

Community Connections: (promoting citizen participation, trust, credibility, accessibility and transparency)

This proposal facilitates participation by citizens in their municipal government. Acting as a conduit for citizen interaction with the Council, communicating Council meeting protocols, tracking Council correspondence and performing research to facilitate timely department responses to citizen concerns, and monitoring and responding to communications received via the central Council email box facilitates Council's engagement with the community and ensures a supportive feedback mechanism. Council Office also supports Council appointments of Board/Commission members who provide a sounding board on consideration of community issues. In 2009, 84 applications were submitted for Board/Commission consideration and 54 interviews were scheduled and held for Council appointments. *(See also Exceptional Service below)*

City Council meetings have been video streamed for public convenience since June 2005. The video streaming system offers citizens the opportunity to view Council meetings and simultaneously read related agenda materials. Since 2000, Council meeting agendas and minutes have been published on the City's website, and staff began publishing Council packet materials in 2002. Clear, complete, and accurate agenda materials enhance informed public participation in the City's decision-making process. Agenda materials are also used by radio, television, and newspaper reporters to research and explain issues to their respective audiences.

Strategic Leadership: (support Vision, internal alignment, and cross-jurisdictional and regional partnerships)

When setting Council meeting agendas, priority is given to topics that contribute to attainment of the Community Vision and Council priorities. The Council Office supports Councilmembers' work with officials from the State, region and other jurisdictions through handling meeting logistics/arrangements as well as coordination of meeting materials and Council liaison speaking notes for over 39 regional, state or national committees/groups.

Engaged Employees – (well-trained and equipped, empowered) Council Support contributes to employee development and engagement by providing staff across the organization ready access to information about issues under discussion by the Council, their meetings and decisions, Council agenda material preparation, and packet process and Council presentation guidelines.

Exceptional Service: (timeliness, predictability, effective, efficient, professional)

Timely posting of Council agendas and meeting materials on the City's website each Friday, along with live and on-demand video-streaming of Council meetings, serves the City's philosophy of open public government and provides a valuable research tool for both the public and staff. In 2009, there were 35,215 hits on the Council's webpage. The audience for Council-related information is growing, demonstrated by over 600 public web subscribers to the weekly posting of Council Agendas and meeting materials and over 475 public web subscribers to posted approved Council meeting minutes.

Stewards of the Public Trust:

Agenda materials reviewed by Council Support staff communicate analysis and recommendations involving millions of dollars in public assets and demonstrate that the City's administrative processes are managed in a fair and open manner, thus assuring the public that expenses are managed in a deliberate and fiscally prudent way. Council Office staff help manage risk and potential liability by assuring compliance with regulations directly affecting City Council operations. This program also manages preparation and monitoring of the City Council budget, and assures that Council spending and Council approval of contracts meets City purchasing policies.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcomes

As direct support to the City's elected leadership, Council Support helps to facilitate all six remaining outcomes through appropriately managing the Council's legislative process, Council's engagement with the community, and Council's interactions in regional/intergovernmental activities. Electronic review, editing, and publication of weekly Council meeting packets, which may be as large as 500 pages and may contain as many as 50 to 60 items, will reduce paper purchases, printing volumes, and ITD storage costs by removing a significant volume of email traffic containing large attachments from the system, thereby promoting Green IT and a Healthy and Sustainable Environment.

C. Short- and long-term benefits of this proposal:

Retaining legislative and administrative support staff will ensure that the part-time Council has the resources necessary to support them in their decision making, governance functions and day-to-day operations.

D. Performance metrics/benchmarks and targets for this proposal:

Council Legislative and Administrative Support Benchmarks	2008	2009	1Q 2010	2011	2012
# of regular and special Council meetings	46	49	15		
# of Council agendas items analyzed and scheduled in packet	630	598	129		
# pages of Council packet materials published	5,004	6,173	1,181		
% of Council packets timely delivered to Council	NA	84%	67%		
# Council actions processed	364	254	NA		
% of items approved on Consent Calendar	98%	95%	NA		
# of Council meeting agenda web page viewings	24,482	35,215	12,349		
# of Council meeting minutes web page viewings	13,000	13,984	1,600		
# of subscribers to Council agenda/minutes email delivery service	690	968	1,039		
# of City Council web page viewings	22,022	25,436	11,303		
# emails received at centralized Council mailbox	3,284	3,402	1,127		

# non-email correspondence received at Council Office	NA	1,228	NA		
# regional/Board or Commission meetings scheduled for Councilmembers	870	818	218		
# meetings scheduled with citizens	512	382	115		
# briefings of Councilmembers by staff	130	112	59		
# public disclosure requests managed for Council	8	4	5		
% of surveyed customers who are satisfied with services received	95%	95%	NA	NA	NA

E. Describe why the level of service being proposed is the appropriate level:

This function has been staffed by two full-time Executive Assistants and a portion of the ACM/City Clerk since 1994. While the workload has grown tremendously, particularly due to the Council's increasing involvement in regional issues and governance, and the absorption of some work previously provided by Records Division staff, the Council Office has kept pace by embracing technology to streamline how work is done. Council has established the standard to which the packet is developed (i.e., level of analysis/detail needed) to support their decision-making process. It is anticipated that efficiency gains from automating the Council's weekly agenda packet will enable staff to improve tracking and monitoring of responses to Council's and public requests and enable balancing of workload among other Council support functions.

Section 8: Provide a Description of Supporting Revenue

The Council Legislative and Administrative Support budget is General Fund supported.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. Legal: Council support staff assure that the many elements of Council meetings and operations that intersect with provisions within State law, City Code, and Council Rules (public disclosure, management of Council's public records, open public meetings, content of Executive Sessions, Council elections, filling Council vacancies, taking official positions on ballot measures, quasi-judicial matters and limited public hearings before Council, etc.) are properly managed so as to avoid litigation or negative public perception.
2. Customer Impact: Legislative and administrative support enable Councilmembers to perform at optimum efficiency and effectiveness within their time constraints. Were this proposal not to be funded, Council packet production, meeting logistics, and posting of agendas and meeting materials would need to be reassigned elsewhere or not provided. Councilmembers would be required to manage their day-to-day administrative functions such as calendaring, correspondence, travel arrangements, etc. Citizens wishing to engage with Councilmembers would no longer have a central point of contact to respond to questions , schedule meetings with Councilmembers, or direct citizens to the correct department for resolution of issues.
3. Investment/Costs already incurred: Council Support staff are highly experienced in the myriad of complex legislative and administrative responsibilities required to maintain service levels, and have developed strong working relationships with Councilmembers, staff of regional bodies, City staff, and citizens which helps to streamline their work.
4. Other:

B. Consequence of funding at a lower level:

Staffing levels in the Council Office have remained static since 1994. Workloads, however, have increased appreciably due to Council's greater engagement in the regional political arena, the changing and growing body of regulations within which the City must function, and the increasing complexity of the issues facing the City as it has grown from a residential community to a prominent urban center. With email becoming the standard communication mode, citizen inquiries and comments to Council have dramatically increased and must be managed to assure that the public feels that their concerns and/or opinions have been heard. Were staffing to be reduced, significant reductions in customer service and support to Council would be made and timeliness and consistent quality of Council meeting packet materials would be compromised.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Records Management Services		**Proposal Number: 020.04A1**
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Kyle Stannert, x6021		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): 020.04DN Centralized / Outsourced Records Conversion		

Section 2: Executive Summary

The Records Management Division of the City Clerk's Office administers the City's records management program; establishes policies for compliant and efficient record keeping; and provides direct access to closed building permit files to staff and external customers. Staff provide guidance and direct support for managing records across their entire lifecycle (creation through disposition) to ensure public information is handled in a compliant and effective manner.

Section 3: Required Resources

OPERATING

Expenditure		**2011**	**2012**
Personnel	$	437,881	$461,536
Other		124,575	127,267
	$	562,455	$588,803
Supporting Revenue			
		$172,743	$181,313
LTE/FTE			
FTE		4.75	4.75
LTE		0.00	0.00
Total Count		4.75	4.75

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- 2010 update of City Records Retention Schedule, with the goal of reducing the number of records series (individual retention policies) used by the City from 730+ to less than 75. Records Management is collaborating with the staff in every department to update the organization and retention periods for records. These efforts are being made to maintain compliance with Public Records mandates, make records management requirements easier for all staff to understand, and establish a platform for the implementation of the ECM retention management module to apply retention periods to electronic records.
- Conducted a competitive selection process for a new offsite records storage vendor. Staff negotiated locked-in pricing over a 5-year term and incorporated process efficiencies and cost savings, including: eliminated redundancy of pickup and delivery fee if both activities were covered in one stop; eliminated tracking of frequent billing errors made by previous vendor; received $40,000 credit to offset removal fee from previous vendor.
- Imaging of frequently requested official City Clerk's Office records (Contracts and Agreements, Ordinances, Resolutions, Minutes, Certificate of Occupancy) to provide online access for staff and eliminate any potential service delays from relying on the retrieval of a single physical copy.
- Updating method for filing City contracts and agreements to reduce time required for applying retention after individual contracts' termination. We are also anticipating implementation of an ECM solution for

automated contract routing (electronic workflow) for City contracts in 2011, which will reduce the volume of documents that have to be maintained in physical files (1,200+ new contracts per year).

- This proposal eliminates an Administrative Assistant position in the 2011-12 Budget. The program had anticipated eliminating this position in Q4 2011 with the retirement of a staff member and the implementation of ECM Program workflows for contract routing. Due to the current economic environment, the staffing reduction is being offered up to reduce costs, and the program will work at a reduced level of service until contract workflows are in place.

Section 5: Budget Proposal Description

Following the recommendation of a consultant evaluation in 2006, the Records Management program was modified to provide partially-centralized support to the organization. Resources dedicated to the management of Development Services permit files and many of the records associated with City Clerk mandates (including contracts and agreements, deeds, easements, and ordinances and resolutions) were transferred to the division as part of that modification process. The primary areas of support offered by Records Management include:

Records Management Consultation (1.75 FTE): Provide training and support to staff in all departments on the application of records retention rules. Directly support approximately 60 Records Coordinators in all departments. Actively work with the Washington State Archives and Local Records Committee, which establish the rules and policies the City must follow to maintain compliance. The Public Records Manager also provides strategic guidance for the City's compliance with policy and mandates as they relate to emerging issues. Examples include electronic discovery, the use of social media technologies, and the preservation of metadata as a record.

Permit Files and Customer Service (1.75 FTE): Once closed, permit files and associated records are transferred from Development Services staff to the Records Division for management and to be made available as reference information to staff and external customers. On average, approximately 4,800 files are requested for internal and external customers annually. Staff also processes all new permit files, which has averaged roughly 4,200 files per year over the last four years.

Storage of City Records Files (1.0 FTE): The division is responsible for the storage of approximately 1,500 linear feet of records on-site and provides guidance to departments regarding the organization and storage of records in other areas of the City. Staff also manages the City's offsite storage vendor contract and coordinate orders and delivery of the 13,000+ boxes stored offsite. The reduction of 1 FTE will impact services performed in this area related to the management of City contract and agreement files. Current service related to the tracking of contracts and agreements and associated records will be de-prioritized until the implementation of business process workflows by the ECM program. Documents will be organized in a manner that allows them to be retrieved manually if requested, but additional processing will be performed only if time allows.

Records Disposition (.25 FTE): Manage the process for documenting destruction approvals for records held in offsite storage, coordinate activities for authorized records destruction in departments, and administer the secured destruction of confidential records at City Hall and five other facilities with the help of a vendor.

Section 6: Mandates and Contractual Agreements

RCW 40.14 - Preservation and Destruction of Public Records: Defines public records, the relationship between the Washington State Archives and local government agencies, and outlines the process for establishing policy on the proper retention and disposal of records.

RCW 40.16 – Penal Provisions for Injury or Falsification of Records: Proper retention must be known and followed to restrict non-compliance (intentional or unintentional).

WAC 434-626 – Local Records Committee (LRC): Describes the duty and composition of the LRC and their ability to approve specific retention policies in the form of Records Retention Schedules. The City follows three

schedules, listing over 6,500 types of public records: Local Government Common Records Retention Schedule (CORE); Local Government General Records Retention Schedule (LGGRRS); Law Enforcement Records.

WAC 434-662 – Preservation of Electronic Records: Establishes standards for managing electronically created records throughout their entire use, and the preservation of electronic records designated as historic. Primary emphasis is on preservation of metadata (electronic information about the record), email, and websites.

BCC 2.26 - Public Records: City Code Chapter that implements the Public Records Act at the City and authorizes the City Clerk to establish Bellevue Public Records Act Rules.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for Responsive Government

Community Connections	• All City staff are required to manage information. The more successful staff are at fulfilling this obligation, the more the public is able to see documentation of activities and decisions. The records program provides resources to assist staff in that responsibility (**trust, accountability and credibility**). • Provide direct public access to building permit files. Providing access to legislation, Council meeting records, and other essential City records will be performed at a diminished rate of service for internal and external customers due to proposed staffing reduction (**opportunities for community to understand its government, information, and decision making**).
Engaged Workforce	Provide **employee training**, including: • Records management training is provided at all new employee orientation sessions. • Additional training is provided for Records Coordinators on frequently requested topics (ex: preparation of records for offsite storage, using records management software). • Basic records management and special topics training is made available to all staff 24/7 on the Records Management web site and at departmental staff meetings on request.
Exceptional Service	• Internal and external service levels are based on feedback from customers and mirror the requirements of the Public Records Act. Expected turnaround times are communicated to customers and adjusted when necessary (**ensure services are provided when needed and are timely and predictable**). • Centralization of management for records services provided by vendors, including offsite storage, shredding, and imaging for all departments (**reduce redundancies).** • Point of contact for assistance on the management of records for all departments (**reduce redundancies in service delivery).** • Incorporate training, lessons learned, and best practices learned from regional and national associations and informal groups (**enhance professionalism and responsiveness to calls for service**).
Stewards of the Public Trust	• City program centers around acknowledgement that the Public Records Act and RCW for the management of Public Records make it clear that records and information belong to the public, and that the proper management and retention of that information is a primary duty of the agency (**manage public assets**). • Backup of information categorized as "Essential Records" – meaning they need to be available in case of a local or regional disaster (**manage risk and minimize liability**).

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

Citywide Purchasing Strategies	
Partnerships with Depts.	• Support over 60 departmental records coordinators through training (8 per year), bi-weekly "tips" postings online, and direct assistance as requested.

	• As a support services division, the majority of work performed by staff is in collaboration and support of other departments. 63% of operating funds in this proposal are contracted services in support of all departments.
Best Practices	• City currently meets **11 of the 12 best practices** considered in the Records and Information management professional organization (ARMA International) organizational excellence award. Records staff will be working with the City Attorney's Office in 2011-12 to complete the final step (formal policy for handling litigation holds).

C. Short- and long-term benefits of this proposal: Improper management of records and information carries legal risk to the organization, as well as the loss of historical knowledge on how and why decisions were made. The Records Management program exists to help guide the organization in ensuring information is maintained for the length of time that it is needed for business, historic and legal reasons, and that information is disposed of once those reasons have been fulfilled. Investment of time to manage records up-front makes it easier every time people need to access information and when it is time to dispose of the records.

D. Performance metrics/benchmarks and targets for this proposal:

		2009	2010 (Q1)	2011	2012
Customer Satisfaction	% of **internal** customers who agree to strongly agree that they are satisfied with the service they were provided	95%	-	70%	70%
	% of **external** customers who agree to strongly agree that they are satisfied with the service they were provided	-	-	75%	75%
Service & Workload	# of Boxes and Files Checked out	5,502	986	4,750	4,750
	# of days to fulfill service response (offsite & onsite records)	-	-	3	3
	# of customer contacts for Development Service Records	6,443	1,799	6,200	6,200
	# of staff trainings, tips and consultations offered	-	24		

E. Describe why the level of service being proposed is the appropriate level: Records staff has been participating in a number of initiatives to automate, streamline, or eliminate processes. The resources requested reflect what is needed to meet mandates and deliver services to our customers. Our decision has been to make changes that potentially increase response time to internal customers (reduction of 1.0 FTE), while maintaining current service levels to external customers for Development Services records (1.75 FTE dedicated to DS Records).

Section 8: Provide a Description of Supporting Revenue

Revenue from copies made by internal staff is distributed back to the General Fund. Charges collected from customers for copies made by outside vendors are charged at invoice cost and counted as offsetting revenue.

DSD Fees support the staffing of 1.75 FTE and associated operating costs, as reported in Section 3 of this proposal.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. Legal: Records management is a requirement for all local government agencies. If central support for records services was eliminated, each department would have to work directly with the Washington State Archives to modify, track changes to, and apply the roughly 6,553 records series that apply to the City. Staff in other departments are not sufficiently trained nor do they have sufficient experience to take on the additional work by 2011. Staff also manages our department's mandated function of tracking and maintaining legislative records on behalf of the City Council and administrative records required of the City Clerk's Office. This work would have to be absorbed elsewhere if not funded.

2. Customer Impact: Longer response times and decreased centralization of services, both causing inefficient service delivery and lower quality of service. For example, providing public access to Development Services Permit records would have to either be absorbed by DSD staff, or handled through the formal public disclosure process.

B. Investment/Costs already incurred: Time and resource investment in building the Records Division team so they may provide professional, timely and consistent assistance to external and internal customers.

C. Other: Since RM staff frequently provides assistance to the Public Disclosure Analyst, legally mandated timeframes and requirements for response to public disclosure requests would also be jeopardized.

D. Consequence of funding at a lower level: Alternative service levels would have to be considered, which would result in slower response times in providing access to records and information, and a reduction in the level of support given to Records Coordinators in the departments.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Centralized / Outsourced Records Conversion		**Proposal Number:** 020.04DN
Outcome: Responsive Government		**Proposal Type:** Enhancing an Existing Service
Staff Contact: Kyle Stannert (x6021)		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): Parent: 020.04PN Records Management Services		

Section 2: Executive Summary

Funds requested in this proposal will enable outsourcing of imaging services for City records, and enhance efforts to reduce costs associated with records conversion. The Records Management Division will manage vendor agreements for records conversion, and ensure compliance with standards established by the Washington State Archives.

Section 3: Required Resources

OPERATING

Expenditure	**2011**	**2012**
Personnel		
Other	12,000	12,000
	$ 12,000	$12,000
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.00	0.00
LTE	0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Costs associated with this proposal are part of an overall strategy to reduce the cost of supporting imaging services at the City. The goal is to support conversion of City records to electronic formats for centralized and public access, and reduce the total cost of operation. Cost savings include:

- Reduce the number of scanners in active use from 12 to 5. Adjusting the licensing model for scanning through this reduction will save $4,400, which is 70%. (Savings reflected in Budget Proposal **#090.09NN** – Technology Business Systems Support).
- Avoid replacement costs for the current fleet of scanners at an estimated cost of $59,800. Typical replacement cycles for scanners are 7 – 8 years, which would fall within the 2011-12 budget period. IT and department staff will have few machines to maintain, and use the unused units for parts or potentially sell on the secondary market.
- Considerable savings in staff time, which helps support the reduction of 1.0 FTE in the Records Management Division by Q4 2011.

This plan has been discussed with impacted stakeholders and is supported by the ECM Core Team.

The Records Management Division has supported other departments by taking on scanning projects in the past. In 2009, Records staff scanned and indexed approximately 70% of the 408,696 pages added to the City's Enterprise Content Management (ECM) system. Of that volume, 48% was performed for other departments.

Records Management submitted the "Washington State Archives Destruction after Digitization" form in March 2010. If approved, the City will have permission to destroy paper copies of City records for 6 records series identified in the application once they have been imaged. If successful, Records Management will work with other departments to determine eligibility for destruction of paper records after conversion. Destroying paper copies after imaging saves the City the cost of storing them for the duration of their retention period. For example, if the current application is approved the City would no longer have to store paper copies of Accounts Payable records, which would result in savings of $2,870.82 in storage costs over the records' 6 years retention period (based on current volumes). Additional savings would be found in not paying for offsite storage retrieval and delivery fees.

Section 5: Budget Proposal Description

The City has been converting paper records to alternate formats (microfilm, microfiche, and digital images) for many years, primarily using City staff while occasionally using vendors for large volume projects. Analysis of 2009 scanning showed a growing number of City scan stations are being underutilized, while the number of records being sent to Records Management to scan centrally continued to increase. Based on an informal bid request, it was determined that sending records offsite for conversion is more cost effective than having a staff member in Records Management perform this service.

Funding is being requested to cover the costs of outsourcing 45% of the estimated number of pages scanned in 2011-12. If approved, Records staff will work with stakeholders in other departments to issue a bid for services covering:

- Digitization of records
- Preparation / Processing
- Indexing and Quality Control
- Pickup and delivery.

Administration of the vendor agreement and ongoing services would be performed by the Records Management Division on behalf of all departments. This arrangement follows the existing model of managing the agreements for offsite records storage and secured shredding services.

Section 6: Mandates and Contractual Agreements

434-663 WAC | Imaging Systems, Standards for Accuracy and Durability

Establishes a set of guidelines for converting records into electronic format and using the electronic image as the official record copy.

Mandates listed in the Records Management Services proposal (**020.04PN**) apply to records in all formats.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the Responsive Government outcome: Community Connections: Optimize transparency, promote trust and accountability, and engage the community, increased access.

One of the main drivers for storing documents electronically in a central repository is to streamline access for staff and open access to critical records to the community. Document conversion is foundational to adding information the City's repository, as many of our records are still paper-based. The ECM Division has targeted 2010 as the completion date for providing a public portal into the system for key documents, many of which require conversion covered in this proposal.

Engaged Workforce: Encourage innovation, adapting to optimize service delivery.
Imaging documents has been an "other duties as assigned" task for most staff since scanning for business purposes emerged over 10 years ago. Outsourcing this service provides a lower cost delivery for a needed function, performed by vendors whose primary focus is document conversion.
Exceptional Service: Equip the organization with information, demonstrate collaboration, and reduce redundancies in service delivery.
The effort to reduce overall cost of operations for scanning services is a direct result of conversations between staff that currently perform the function. Once potential cost savings were identified, Records staff collaborated with key stakeholders to come up with a solution that would meet the City's needs for converting records, accessing information, protecting the security of documents, and providing quick and reliable access.
Stewards of the Public Trust: Manage public funds in a responsible and fiscally sustainable manner.
The goal of this effort is to eliminate waste, avoid costs of replacing equipment that can be deployed in a different manner, and find a more affordable way of providing a needed service.

B. **Factors/Purchasing strategies addressed by this proposal - for Citywide Purchasing Strategies: Provide the Best Value in meeting community needs; Provide for gains in efficiency or cost savings; Collaborations with other departments; Creative.**
The proposal to use vendors and reduce the number of active scan stations within the City was an idea that resulted from staff looking for ways to deliver services in new and efficient ways. The idea was vetted with the stakeholders who would be most impacted, focusing on feedback from those currently performing the function. It was further discussed with the City's Enterprise Content Management Core Team, which oversees resources and policy decisions for content management issues. All have agreed that the plan to partially centralize scanning in-house while outsourcing many of the City's records conversion needs is consistent with Budget One ideals - particularly how to deliver necessary services in a more efficient way.

C. **Short- and long-term benefits of this proposal:** Short term, the City will be able to leverage better pricing for imaging services if we combine the volume of multiple department scanning needs into one bid. Administering this service through a central agreement enables consistent monitoring of quality control standards for all outsourced work, an important factor in meeting the requirements of WAC 434-663. Long term, managing records electronically can be more cost effective than storing paper files offsite, and allows for immediate access for staff and citizens instead of a 1 – 3 day turnaround. Images are backed up, protected from loss, and accessible in case of a regional event that requires working remotely.

D. **Performance metrics/benchmarks and targets for this proposal:**

	2011	2012
Cost per page imaged by vendor(s)		

E. **Describe why the level of service being proposed is the appropriate level:** It was originally intended that the City could consider outsourcing all imaging services, and only support 1 – 2 scan stations at City Hall for staff use. The total cost of outsourcing all paper document scanning based on 2009 volumes was approximately $23,000. While there is greater cost efficiency in that approach, staff raised a number of concerns about document security, and turn-around times of getting information sent offsite and then uploaded into the City's system. This proposal is a hybrid approach, intended to leverage the equipment in which we have already invested. By reducing the cost of licensing for the scanning software, the cost for operating 5 scanners is only marginally more than cutting back to 1 – 2. Further analysis will be performed to see if further outsourcing should be considered in 2013-14.

Section 8: Provide a Description of Supporting Revenue

There is no offsetting revenue associated with this proposal.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: None.
2. Customer Impact: Internal customers would be impacted by having to provide staff to scan and index records. It is anticipated that this would also delay turnaround time to make records available in the system to others, since it would not be the primary duty for staff to perform.
3. Investment/Costs already incurred:
   2,404,396 total pages have been added to the ECM repository through the end of 2009. The ongoing use of the ECM repository requires that information in the system is current, and historically relevant.
4. Other:

B. **Consequence of funding at a lower level:** Since the Records Management Division will be reducing staff levels by one position, we will be unable to take on scanning duties for other departments by 2012. The Records division has attempted to use volunteers and interns to perform scanning duties in the past, but found that the quality of work performed suffered since there was no long-term commitment to the task. As a result, a large amount of staff time had to be devoted to quality control or rework.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Disclosure of Public Records and Information		**Proposal Number:** 020.05NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Kyle Stannert, x6021		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The City of Bellevue is committed to functioning as an open, transparent government by adopting policies that mirror the Public Records Act and State Model Rules for Public Disclosure. This proposal is focused on continuing and strengthening that commitment by providing centralized, professional administration of these rules while supporting the organization in making decisions and finding new ways of delivering information to the community when and where they want it.

Section 3: Required Resources

OPERATING

Expenditure		2011	2012
Personnel	$	97,323	$102,530
Other		2,429	2,464
	$	99,751	$104,994
Supporting Revenue			
		$0	$0
LTE/FTE			
FTE		1.00	1.00
LTE		0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The number of formal Public Records Requests (PRR) received by the City has increased 31% since 2006. Proactive steps have been taken to keep pace with this growth without adding significant resources. The primary change was formalizing a position requiring paralegal experience (Public Disclosure Analyst) to oversee the day-to-day fulfillment of requests. This was also a response to the 2008 Public Disclosure Performance Audit, which found the City to be applying best practices, while responding to requests at a slightly slower than average rate. This change in the program has led to faster responses to customers and other improvements, including:

- Public Disclosure Analyst has taken over primary responsibility for reviewing responsive records for exemptions. The number of hours spent reviewing PRRs by the assigned Assistant City Attorney has decreased 60% from 2007/08 to 2009, saving 129 staff hours of attorney time.
- Decreased the median number of days to complete a request from 27 business days in 2007 to 10 in 2009 (63% faster) through utilizing the dedicated Public Disclosure Analyst.
- Identified frequently requested records and trends to deliver more records and information in a variety of ways that do not require filing formal public disclosure requests. The City already provides routinely requested records as “counter documents” which do not require a formal request.
- Filling the Public Disclosure Analyst position full time allows for greater assistance to Departments with the collection and preparation of records, and providing additional training to staff.

- Acted on a provision of the Public Records Act (RCW 42.56.070) allowing agencies to opt out of the requirement to maintain an index of all records maintained by the City, which would require constant updates by all City staff (staff recommendation/Council adoption of Ordinance No. 5589).
- Key partner in implementing the City's Customer Relationship Management (CRM) system, which allows customers to track the status of their requests online, enables staff to track email messages and tasks associated with coordinating responses, and tracks staff hours required to manage individual responses.
- Began analysis on potential revisions to the Public Records Act to establish fees beyond copy costs ($.15 / page), similar to what exists for the Freedom of Information Act (FOIA). Documented 2008 statistics for 30+ state agencies, including cities, and are working with Association of Washington Cities, Washington Municipal Clerk's Association, and Washington Association of Public Records Officers to propose an updated fee structure to better reflect the Act as it is currently used.
- Successfully supported State legislation adopted in 2009 to restrict prisoners' ability to harass thru use of public disclosure requests (Parmelee). Resulted in not being required to fill 25 overly burdensome requests.
- Successfully supported State legislation adopted in 2010 encouraging online responses to public records requests to help to defray response times and costs.

Section 5: Budget Proposal Description

In accordance with the Public Records Act, the Records Management Division of the City Clerk's Office serves as the central point of contact for the public to request access to records and information. Service is provided by 1.0 FTE – Public Disclosure Analyst. The Analyst handles the day-to-day management of responding to public disclosure requests for the City (*see attachment*) and provides review of the records collected for completeness and potentially exempt (confidential) information. The following activities support what WAC 44-14 considers providing "fullest assistance" to customers:

Processing of requests: Meeting statutory requirements for responding to requests within 5 business days and maintaining communication with the requestor; circulating request to appropriate department contacts; serve as the conduit to requestors by seeking clarification and negotiating installments (phased responses) for complex requests; schedule appointments for requestors to review records, explain search methods used, respond to questions, and monitor their review to ensure proper handling of City records.

Review of collected records: Conduct review of responsive records to ensure completeness, and identify potential exemptions which include attorney-client privileged material, personal information of employees or City customers, draft policy decisions, and confidential business information.

Training: Continue staff training at Bellevue Beginnings (new employee orientation) on the public disclosure process, and increase training to existing staff Citywide.

Section 6: Mandates and Contractual Agreements

RCW 42.56 – Public Records Act | http://apps.leg.wa.gov/Rcw/default.aspx?cite=42.56

The Public Records Act was enacted in 1972 and requires that all agency records, regardless of format, be made available to the public. Courts have established the fine for non-compliance with the Act at $5-$100 per document, per day (Courts decide applicable fine). Additional requirements include:

- Agencies have 5 business days to respond to a request for records by either providing records, denying the request, or estimating the date a response can be made available.
- Roughly 300 exemptions for what may be redacted or withheld from disclosure that must be managed as part of the response. Any use of exemptions to redact or withhold information must be identified.
- Defined charges for providing public records ($0.15 /printed page; no reimbursement for locating records).

WAC 44-14 – Public Records Act Model Rules | http://apps.leg.wa.gov/wac/default.aspx?cite=44-14

The model rules were first published in 2006, and updated in 2007 to include guidance related to the disclosure of electronic records. While considered non-binding guidance, courts have relied on the model rules in case findings and assigned penalties for failure to follow them. Additionally, the Washington State Auditor's Office conducted a performance audit of 30 agencies in 2008, based primarily on city, county and state agency

compliance with the model rules. The City was ranked as a top performer in the audit, being recognized for 8 of 10 best practices, but it was noted that some City responses had slower than average response times. Changes have subsequently been implemented in the 2 additional best practice areas and response times have been improved (CRM Portal Launch, New Exemption Log format, addition of Public Disclosure Analyst).

BCC 2.26 - Public Records | http://www.bellevuewa.gov/pdf/Clerk/Bellevue_Public_Records_Act_Rules.pdf
City Code Chapter that defines the authority for the creation and amendment of local rules and procedures for implementing the Public Records Act.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for Responsive Government

Community Connections	• Open government protects the public's right to access information about how their government operates. Records reflect decisions that have been made or are being considered, and how resources have been spent **(transparency, openness, engagement)**. • Timely and complete access influences the public's trust of government and ability to ensure accountability of the use of public resources **(trust, accountability)**. • Provide multiple methods of making a formal public records request, including in person, telephone, email, the City's website and fax (**accessibility**).
Strategic Leadership	• The City is viewed as a State-wide leader in local government records management and open government. The program partners with other agencies and groups to provide leadership and guidance on open government throughout the State. Recent examples include providing training at the first Washington Association of Public Records Officers event to over 350 participants, and presenting to the Seattle City Council's Special Committee on Open Government on the success of Bellevue's program (**vision**, **partnerships**).
Engaged Workforce	• Increase employee training to improve understanding of the Public Records Act, their obligations, and gather feedback on ways to streamline the internal process (**training, increase skill and fill service gaps).** • Greater interaction with staff to identify new ways of providing information to external customers (**encourage innovation, adapting)**. • Continue **training** at all new employee orientation sessions and on request.
Exceptional Service	• Communications with customers to foster predictable service and provide **full and timely responses**. • Provide installments to customers making large requests to get information to them as quickly as possible and maintain trust that work is being done on their behalf (**timely and predictable)**.
Stewards of the Public Trust	• **Minimize liability** from significant fines for non-compliance resulting from incomplete responses and delayed access to records (**manage public funds, manage risk)**. • Will be adding an external customer survey by Q1 2011 to measure feedback on performance and communication (**solicit and analyze performance feedback)**.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

Citywide Purchasing Strategies	
Partnerships with Depts.	• Detailed knowledge about administering the Public Records Act made available and centralized to assist staff across the organization in complying with requirements.
Evidence Based	• Tracking regional trends and working with regional and state professional organizations to establish benchmarks and identify emerging trends in order to influence potential reform.
Best Practices	• City of Bellevue is compliant with all 10 best practices identified in the 2008 Open Public Records Performance Audit.

C. Short- and long-term benefits of this proposal:

Short-term benefits of this proposal include reduced legal exposure for non-compliance, increased opportunity for public involvement in decision making and accountability, and trust. Long-term benefits include seeking innovative approaches to promoting transparency, working with organizations to modernize the Act to parallel advances in technology, and aligning requirements with the volume and diversity of information being requested.

D. Performance metrics/benchmarks and targets for this proposal

	2009	2010 (Q1)	2011	2012
# of public records requests received	301	75	300	315
% of requests with an initial response within 5 business days	100%	100%	100%	100%
% of requests closed within 10 business days of processing	51%	47%	50%	50%
% of requests exceeding 25 business days	23%	30%	30%	25%
% of surveyed customers who agree or strongly agree their request was handled fairly and completely	-	-	85%	85%

E. Describe why the level of service being proposed is the appropriate level:

Creating the Public Disclosure Analyst position has helped to dramatically improve performance in terms of response time, and reduced use of City Attorney time for review (see Section 4), while meeting the strong mandates of the state and strict enforcement by the Courts.

Section 8: Provide a Description of Supporting Revenue

Per RCW 42.56.120, the City has implemented a fee schedule for copies provided to customers, which is posted online at: http://www.bellevuewa.gov/pdf/Clerk/Fee_schedule.pdf. Revenue from copies made by internal staff is distributed back to the General Fund. Charges collected from customers for copies made by outside vendors are charged at invoice cost and counted as offsetting revenue.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Non-compliance with the Public Records Act, which is subject to substantial fines ($5 - $100 per document, per day for non-compliance). Recent examples include:
   City of Mesa, WA - $246,000 King County, WA - $371,000 Monroe, WA - $150,000+
   Mason County - $320,000 Board of Accountancy - $500,000 City of Prosser - $175,000
2. Customer Impact: Greater turnaround times for public response; more work distributed to departments for collection, review, and organization of the records they provide in response to public records requests; City Attorney's Office workload increase to review and respond to all but the most basic of requests.
3. Investment/Costs already incurred: Training of Public Disclosure Analyst and confidence of CAO in the competency of the PDA.
4. Other:

B. Consequence of funding at a lower level:

A portion of the requests would need to be coordinated by the Public Records Manager, which would impact the work program described in proposal 020.04NN, and jeopardize the City's ability to provide "fullest assistance" as directed in the Model Rules for Public Disclosure. Due to the required skill-set, all requests that require review for exempt information would be transferred back to the City Attorney's Office, impacting their work allocation.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Hearing Examiner's Office		**Proposal Number:** 020.07NA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Sara Gollersrud ext. 6934		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The purpose of the Hearing Examiner's Office is to conduct fair and impartial hearings on behalf of the City Council including appeals of administrative decisions, land use cases, civil violations, and other types of matters assigned by Council. Independent Hearing Examiners conduct hearings to apply general policies and regulations adopted by the City Council and to rule on land use applications. Depending on the type of matter, the Hearing Examiner may make a recommendation to the Council for their action or a decision that is appealable either to the Council or Superior Court.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$92,962	$97,978
Other	73,250	73,250
	$166,212	$171,228
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	1.0	1.0
LTE	0.0	0.0
Total Count	1.0	1.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Upon approval by the State Legislature in 1977, the Council delegated their authority for land use and appeal matters to an appointed staff Hearing Examiner. Since 1989, Hearing Examiner services have been outsourced to contract Examiners (land use attorneys) who are paid on an hourly fee-for-service basis. Due to the natural ebb and flow in volume of cases managed, this contract approach has proved cost effective for the Clerk's Office. It has allowed more timely responses during peaks in Examiner cases and provided flexibility in case assignments based on particular Examiner expertise. Case loads are not easily predictable due to factors such as numbers and timing of filings of land use applications and administrative appeals, issuance of sign code and civil violation citations, and unique matters assigned by City Council. The budget for Hearing Examiner contract services has been scrutinized each year, and has been reduced over time to reflect current levels of activity. The Hearing Examiners Office currently contracts with five attorneys at a total budgeted cost for their services of $60,000 annually.

Historically, the Hearing Examiner's Office has been staffed by an Office Manager and an Administrative Assistant. Due to recent stabilization in volumes of cases and in an effort to reduce costs, we are proposing to not fill the currently vacant .56 FTE Administrative Assistant position, at an annual savings of $43,027.00.

Because filings of land use applications, appeals, and civil violation citings are not predictable, there is significant risk associated with only partially staffing this function. Modest amounts for Temporary Help and outsourced verbatim transcript preparation services for appeal matters going to Council or Superior Court, therefore, have been included in the proposal to assure ability to meet City Code-mandated case processing timelines (BCC 3.68.270). (Transcription services will be sought first from the Word Processing Division, but will be outsourced if necessary to meet deadlines.)

In order to reduce costs, staff evaluated how other Hearing Examiner's Offices perform their functions. As a cost containment, the City of Seattle's Office of the Hearing Examiner requires the person seeking an appeal to be responsible for payment for and preparation of the verbatim hearing transcript. Transcripts are prepared by one of a number of local certified transcribers and the completed transcript is provided to the Hearing Examiner's Office by the deadline established. Bellevue has preferred not to use this approach because of the loss of control over the timing of transcription preparation and quality of the final transcript product. Were the City determine to change to the Seattle methodology, staff review of the submitted transcript would still be required to address errors in terminology, attribution of speakers, and the context of the hearing to be able to certify to the Council and to Superior Court that the transcript is a true reflection of what was said at the hearing.

To further reduce costs, the Office now provides electronic copies instead of hard copies of case documents to the parties to hearings and their attorneys, avoiding printing and mailing costs to the extent possible. The Office has also begun to post Examiners' Decisions and Recommendations on land use matters to the City's web site, allowing general public and staff easy access at the cost of a modest amount of staff time. Given the above cost containment steps, estimated cost savings for the proposed 2011/2012 budget is approximately $98,800.

Section 5: Budget Proposal Description

In essence, Hearing Examiners function very much like judges. They conduct public hearings to determine facts and hear arguments made by members of the public (parties) on a variety of matters identified in City Code (*Attachment*). They are authorized by the City Council to regulate the conduct of the hearing, administer oaths, issue subpoenas, decide procedural questions, receive evidence and exhibits, hold conferences, and apply general policies and regulations adopted by the City Council to specific proposals or situations. After a hearing concludes, the assigned Examiner makes either a recommendation to the City Council for their review and action or a final determination for the City that is appealable to City Council or Superior Court (depending on the type of process).

The Hearing Examiner's Office Manager functions very much like a court administrator. She attends all hearings and provides comprehensive administrative support, including case calendaring, legal noticing, case file/records management, hearing logistics and support, cataloging and custody of all exhibits, drafting of Hearing Examiner orders, general administrative services and historic case file research for the Examiners and, by extension, the City Council. The Office Manager also reviews Hearing Examiner bills for reasonability and processes them for payment.

Section 6: Mandates and Contractual Agreements

RCW 35A.63.170 establishes the authority of the hearing examiner system at the state level. (http://apps.leg.wa.gov/RCW/default.aspx?cite=35A.63.170)
Bellevue Code 3.68.200 establishes the Office of the Hearing Examiner to conduct various hearings on behalf of the City Council, including quasi-judicial land use matters.

(http://www.codepublishing.com/wa/bellevue/?LUC) Other Code sections, as noted in Attachment, prescribe other areas of Hearing Examiner authority.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – for Responsive Government

This program supports the following purchasing strategies:

Community connections (engaging the community, ensuring people understand the service, ensuring open and equitable public processes, and providing convenient access to information)

Utilizing independent, professional Hearing Examiners with specific experience in conducting administrative land use hearings provides for objective, non-political decision making. The structured format of the hearings acknowledges the seriousness of the matters before the Examiner and ensures a fair opportunity for all affected parties to participate in an open forum. Hearing Examiner recommendations/decisions can have a substantial consequences for applicants, parties, and others concerned about or affected by the outcomes. The hearings, therefore, provide an opportunity for participants to make their concerns known in an open, fair, public process and comfortable (non-court) environment.

The Hearing Examiner process provides an environment where legal counsel is not necessary, although in complex matters parties often hire attorneys to represent them. To make the process more accessible and "user friendly" to the public, hearing processes are described on the City's web site, in pamphlets, and the Examiners and the Office Manager explain the hearing process and respond to questions in everyday language.

Strategic leadership (vision, strategic planning, internal alignment)

Use of the Hearing Examiner system allows the part-time City Council, who would otherwise conduct these hearings, to focus on policy-making, legislative actions, and regional issues.

Exceptional service (well trained and equipped, timeliness, predictability, and empowered citizenry)

Through employing a pool of professional Examiners with specialized expertise in land use, tax administration, and other complex matters, the Hearing Examiner's Office is able to schedule and conclude hearings more promptly than would be possible if conducted by Council. Hearing Examiner recommendations/decisions are expected to be published within 10 working days of the conclusion of the hearing, thus providing timely closure to the matters for the parties and/or the community.

Stewardship of the public trust (financially sustainable, management of risk and liability)

The Hearing Examiner's Office stewards public trust by providing cost-effective hearing processes and a mechanism through which individuals may safeguard their property interests. Utilizing objective, professional Hearing Examiners help reduce the City's exposure to liability by providing a system similar to a court, where decisions/recommendations are issued based on the record and without the assumption of political influence.

B. Factors/Purchasing strategies addressed by this proposal for other outcomes:

The Hearing Examiners' application of policies and regulations help ensure a **Vibrant Community** and a **Healthy and Sustainable Environment** by carefully evaluating land use impacts on the community and placing conditions on development that might harm the environment. This function also supports **Safe Community**, **Quality Neighborhoods**, and **Healthy and Sustainable Environment** by processing fire code and civil violation citations responding to public safety, neighborhood aesthetic, and public health concerns. Decisions can also affect **Improved Mobility** through addressing LID formation and street latecomer funding agreements if those financing mechanisms are implemented by the City Council.

C. Short- and long-term benefits of this proposal : Retaining the Hearing Examiner's Office will continue short- and long-term stability in the City's governance by freeing the City Council to perform their legislative function and by assuring an open public hearing environment, conducted by professional Examiners, in which participants may make their concerns known in a comfortable (non-court) environment.

D. Performance metrics/benchmarks and targets for this proposal:

Performance Benchmarks	2007	2008	2009	2010	2011*	2012*
# of matters scheduled per HE	59	61	47	18	53	53
# land use applications heard **	8	11	7	4	7	7
# Civil Violations processed (including Fire Code Violations)	18	16	50	8	25	25
# Sign Code Violations processed	268	272	178	74	215	215
Other appeals processed (including B & O Tax appeals)	2	4	2	1	3	3
Matters transmitted to Council for Decision	3	5	3	2	2	2

*** Based on Historical Averages**
**** Some hearings include multiple hearing dates and/or consolidated matters**

E. Describe why the level of service being proposed is the appropriate level:
The budget for and staffing of the Hearing Examiner's Office have regularly been recalibrated to assure this function is "right sized" to meet but not exceed what is needed to accommodate current trends in case volumes and complexities. By reducing administrative support by .56 FTE, there is no remaining margin on administrative assistance. The proposed level of service may not be sufficient given the time-sensitive nature and legal complexity of the matters processed in the Hearing Examiner's Office.

Section 8: Provide Description of Supporting Revenue

The Hearing Examiner's Office assessed the following monetary penalties in 2009:
- Civil violations totaled $465,200; (however the City Attorney's Office entered into settlement agreements for undisclosed amounts)
- Sign code violations totaled $30,100;
- Fire code violations totaled $924; and
- Transcription fee revenue (per hearing hour) totaled $1,560.

While Council has chosen not to implement a filing fee on appeals for administrative and land use decisions, this could provide a modest amount of additional revenue. Filing fees in neighboring cities vary from $50 to $500. Were Council to increase the transcript preparation fees, an additional nominal amount of revenue could be achieved to offset costs of the Office.

Section 9: Consequences of Not Funding the Proposal

Were this proposal not to be funded, responsibility would revert back to the part-time City Council, who would be required to either conduct the hearings and make decisions themselves, simplify City Codes to create the need for fewer hearings, and/or direct more matters to Superior Court. Historical volumes of Hearing Examiner matters, if reassigned to City Council, would likely necessitate Council moving to full-time status (with a commensurate increase in their salaries and benefits) and potentially changing the composition of the Council from the current citizen-volunteer approach. Were this proposal to be only partially funded, engagement of citizens and interested parties would become less effective, administrative shortcuts would increase risk that decisions based on the record were not sustained by Superior Court, and timelines would be missed.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Enterprise Content Management Program		**Proposal Number:** 020.08PA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Megan Sibbert, msibbert@, x6464		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): Enterprise Content Management Capital Projects 020.08DN		

Section 2: Executive Summary

The ECM Division is responsible for implementing the Enterprise Content Management (ECM) system and ongoing program operations. Enterprise Content Management is a bundle of integrated records/content management applications that provide structure and continuity to the management of the City's information and records, no matter where or in what format they are created and stored. ECM applications also deliver new business process improvement tools, such as automated workflow and collaboration, to improve efficiencies in managing records-based processes to drive more cost efficient government operations.

Section 3: Required Resources

OPERATING

Expenditure		2011	2012
Personnel	$	247,978	$261,270
Other		52,870	52,870
	$	300,848	$314,140
Supporting Revenue			
		$0	$0
LTE/FTE			
FTE		2.00	2.00
LTE		0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost savings: In 2010, the City began licensing the Oracle ECM Suite directly from Oracle rather than through a third party vendor. This decreased annual software maintenance by 34% for an annual savings of $46,000, made possible through the professional relationship developed with Oracle by the ECM program staff. In 2009, this relationship also led to participation in an Oracle Insight project reserved for strategic customers that resulted in approximately $40,000 in free consulting. In 2009, the ECM team also completed a competitive RFP process that identified a new, less costly implementation vendor to complete remaining modules. The ECM program will achieve significant savings, at least 20%, on remaining implementation elements and integrations with other key enterprise systems due to selection of a new vendor.

Efficiencies: The ECM serves as the core, central repository for electronic documents at the City—basically functioning as a vast electronic library of public information-- allowing wider sharing of files/documents by staff and facilitating collaboration. By implementing a web portal allowing direct public access to frequently requested documents from the ECM, staff will no longer need to duplicate posting to the City's web site for convenient public access (examples include Council minutes, ordinances, resolutions.)

Innovation: Implementing Digital Asset Management, in collaboration with other City departments, has introduced new technology to manage photos, videos, audio, large-scale graphics, engineering drawings, etc. ECM also adds new tools for automated business process improvement. Staff will automate the agenda packet process through a customized workflow by year-end 2010. In collaboration with the Finance Department, Accounts Payable automation will be completed in 2010 and Contract Routing will be completed in early 2011.

Section 5: Budget Proposal Description

After conducting a 3 year pilot project, in late 2007, the City purchased a comprehensive ECM system that incorporates all major ECM technologies: management of basic content, digital assets, web content, and records retention; collaboration and business process improvement tools; and allows integrations with the City's other enterprise systems to provide direct access to transaction-related records.

Through year-end 2010 the following will be completed: implementation of the base system, digital asset management, the first 2 of several planned automated business process improvement projects (i.e., Council agenda packet development, approval routing, assembly, and publication and Accounts Payable), integrations from the Finance/HR system to supporting documents in the ECM; and a web portal that makes an even wider variety of frequently-requested information available to the public through the City's web site.

This proposal provides staffing to manage the ongoing ECM program, implement the remaining system components (Universal Records Management, Web Content Management, and integrations with the City's GIS, SharePoint, and email retention systems), begin scoping additional system integrations, as well as facilitate a long queue of ongoing business process improvement/automated workflow projects.

The Enterprise Content Management Program partners with all City departments to:

- improve current paper-based business processes through workflow automation in alignment with goals of the One City initiative;
- improve public access to City information;
- integrate document access with line of business applications (i.e., images of contracts and invoices in the ECM repository are accessible directly from JD Edwards);
- increase the ability for City employees to collaborate, share, and find information;
- enhance the ability to quickly and accurately respond to public disclosure requests;
- facilitate preservation and appropriate retention of the City's electronic records.

Section 6: Mandates and Contractual Agreements

The City is responsible for managing and disclosing electronic records; the ECM system provides the necessary tools to comply.

Preservation and Destruction of Public Records, Revised Code of Washington (RCW) 40.14,
Preservation of Electronic Public Records, Washington Administrative Code (WAC) 434-662
Imaging System Standards for Accuracy and Durability, WAC 434-663
Public Records Act, RCW 42.56
Processing of Public Records Requests- Electronic Records, WAC 44-14-050

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – Responsive Government:

Community Connections (Engage the Community, Increase Access to Information)

- The ECM repository will continue to increase the amount of public information that is made easily available to citizens through the web. In 2010, a web portal will be implemented to make many records currently in the ECM system available to the public and staff through the City's web site. Making a variety of information publicly available for review without requiring citizens to formally request it through the public disclosure process has been an official City policy since 2007 and a practice since 2005. The ECM will continue this focus by increasing the types of records made available electronically.

Strategic Leadership (Foster Alignment to Achieve Organizational Objectives)

- Through implementing the full ECM suite of technologies using an enterprise approach, the City has embarked upon a highly-collaborative implementation process centered on involvement of stakeholder staff, improved business processes, and efficiencies.

Engaged Workforce (Optimize Performance and Service Delivery)

- The 2010 Employee Survey indicated that 55% of responding employees did not feel that existing computer systems enable them to easily and quickly find the information they need, and 62% did not feel that the right information got to the right people at the right time. The ECM technologies, when more fully implemented, will address these issues by decreasing the number of places that employees search for information, delivering information through systems they already use, retaining only the information the organization needs to meet its legal and business obligations, and guiding the way information is classified in the City's systems. In 2009, the ECM team worked to complete the initial phases of the key integration between the ECM system and JDE, the City's Finance/HR system. This enhancement allows staff to access copies of contracts and invoices from the ECM while utilizing JDE. Future phases of the ECM program will include integrations of content with other systems such as SharePoint, the email archive, GIS, Amanda, Maximo and Class.

Exceptional Service: (Processes are Timely & Predictable, Appropriately Equipped (disaster recovery), Effectiveness & Efficiency)

- The ECM system includes tools for automating business processes that are currently manual and require a great deal of human intervention. In 2010, the ECM program will automate the Council Agenda Packet and Accounts Payable processes. In 2008, Gartner research showed that targeting improving AP efficiency through automated workflow reduced cycle times by 20% to 30%, decreased transaction costs, and reduced the number of lost documents and errors.
- The system will allow the City to be better prepared to assist in responding to disasters. By scanning records related to critical buildings and infrastructure in Bellevue and making them available electronically, first responders and building inspectors will be able to assess damage more quickly and decrease the amount of time buildings are closed awaiting inspection, thus reducing the impact to building owners and tenants.

Stewards of the Public Trust (Develop and Maintain Public Assets, Manage Risk and Minimize Liability)

- The ECM system, like the ERP, is an integral part of the City's overall technology plan. Continuing the ECM program will allow the organization to leverage the investment that has been made in this system to increase efficiencies and effectiveness. The ECM system provides the necessary solution for managing the City's unstructured information, will provide the platform for electronic submittal of documents by the City's customers (i.e., permit applications, tax returns, etc.), and will enhance the City's ability to timely and thoroughly respond to public disclosure requests and litigation e-discovery requirements.

B. Factors/Purchasing strategies addressed by this proposal:

Citywide Purchasing Strategies:

- To be successful, the ECM program and our partners in ITD, in collaboration with all departments, identify needs related to content management and implement solutions. In 2010 the program is working with Finance, Development Services, Parks, Utilities, and the City Clerk's Office on a variety of projects that will address process improvements through workflow automation, document and digital asset management, and plan for the electronic submittal of documents by the public.
- Records management best practices are outlined in an international standard, ISO 15489, "Information and documentation- Records management," ECM is a key component for alignment with these practices.
- The ECM technologies promote environmental stewardship in several ways. For example, by allowing the public to interact with the City electronically, such as filing permit applications online from wherever they are located, the number of trips on local streets and the regional transportation system will be reduced. The ECM also increases the ability for employees to telecommute, also lessening the impact of car travel on our environment. Automating processes reduces the amount of paper needed to review and approve documents and transactions, therefore reducing the environmental impact of the process while also reducing cycle time.

C. Short- and long-term benefits of this proposal: In the short-term, the ECM program will deliver efficiencies in several key processes such as contract approval, payroll adjustments, damage claims, Boards' and Commissions' meeting agenda packets, etc . Long-term (once fully implemented) the ECM program will ensure the City's compliance with State recordkeeping laws and regulations. The program will enable

employees and citizens alike easy access to the information they need from wherever they are and whenever they need it.

D. **Performance metrics/benchmarks and targets for this proposal:** With the growing maturity of the ECM System the program is changing and adding performance metrics that better reflect the goals of the program and can be measured going forward. In many cases, the data for the new measures is not available for 2008-2009. At the end of 2009, the repository held 2,404,396 pages of City records.

Performance Metric	Target	2008	2009	2010	2011
% increase in system access	25%	N/A	30%		
% of savings/cycle time for automated processes	20%	N/A	N/A		
% increase of items available to the public from ECM	15%	N/A	N/A		
% of content growth in the ECM repository	20%	19%	23%		
# of training communications	12	N/A	N/A		
% of employees surveyed who agree or strongly agree they are able to find reliable information in ECM	100%	N/A	N/A		

E. **Describe why the level of service being proposed is the appropriate level:**

This proposal reflects two FTEs, a Business Systems Manager and Business Systems Analyst, to manage the business requirements and coordinate the implementation of ECM-related projects throughout the City. (This is the staffing model used for other enterprise IT systems, such as JD Edwards.) The proposal converts the existing Business Systems Manager LTE position to an FTE. This model ensures high level management of the business side of the ECM program and that there is a liaison between departments and ITD that can translate business requirements into well designed technology solutions. When the ECM Business System Manager was hired at the end of 2008, a multi-departmental commitment was made to convert that LTE to an FTE upon the planned retirement of an existing Records Division staff member whose work program, coincidentally, was being substantially reduced as a result of efficiencies gained from ECM-generated process improvements and records accessibility. That position will be vacated in the Records Management Division January 1, 2011.

Section 8: Provide a Description of Supporting Revenue This proposal is funded by the General Fund.

Section 9: Consequences of Not Funding the Proposal

A. **Consequence of not funding the proposal at all:**

1. Legal: The City will be unable to meet legal requirements for managing and disclosing electronic records, which regularly results in litigation and financial penalties (i.e. the Cities of Monroe and Shoreline were each penalized $150,000+ for not disclosing electronic records in native format with metadata preserved.)
2. Customer Impact: Without the ECM program, customers' ability to transact business directly with the City will continue to be limited. The ECM will enable customers to submit information electronically, easily access a wide variety of current and historical information without having to formally request it, and access information from wherever they are and whenever they want it.
3. Investment/Costs already incurred: By the end of 2010, the City will have invested approximately $2.2 million since 2004 for the pilot project, subsequent purchase of ECM hardware, and the complete software suite, implementation costs, and ongoing maintenance.
4. Other: Initiatives such as Paperless Permitting (electronic submittal of permit applications and associated plans) rely on full development of the foundation provided by the ECM program and technologies.

B. **Consequence of funding at a lower level:** With fewer resources the program will deliver significantly fewer content management solutions in 2011-2012 and in future. Having already purchased the full software suite, remaining components will not be implemented. This will impact the City's ability to comply with State records management and public disclosure requirements. The City will also not be able to address as many process improvement opportunities to achieve gains in efficiency and effectiveness. The ECM technologies help the City do more with less and this program, fully funded, is a key to making that happen.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: CCO Department Management		**Proposal Number:** 020.10NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Myrna Basich, x2733		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides strategic leadership, management oversight, and general direction to the City Clerk's Office as well as associated support services provided to the organization. Department management assures delivery of the department's work program; that direction of the City Council and City Manager are carried out; and that sound business practices, organizational Core Values, and the Leadership Philosophy are incorporated into all departmental operations. This resource benefits all functions within the department and could not logically be assigned to an individual proposal.

Section 3: Required Resources

OPERATING

Expenditure	**2011**	**2012**
Personnel	$89,556	$94,137
Other	13,468	13,468
	$103,024	$107,605
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.5	0.5
LTE	0.0	0.0
Total Count	0.5	0.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Department Management (DM) is responsible for assuring that all services, projects, and work programs are performed in accordance with departmental and professional standards, and applicable best practices. DM seeks to eliminate redundancies, reduce costs, share resources, and generally improve efficiencies across the department. As the City Clerk's Office is a support service department, DM regularly partners with all departments to further the CCO's work programs as well as providing assistance to others' work programs. For example, DM is business owner of the Enterprise Content Management (ECM) System being implemented in collaboration with ITD and other City departments to bring innovative approaches to managing electronic records and to implement automated workflow tools to improve a variety of document- and transaction-based business processes across the enterprise. *(See ECM proposals 020.08PN and 020.09CN)*

Section 5: Budget Proposal Description

This proposal provides strategic leadership, management, and direction for the City Clerk's Office. It continues the services of 50% of the Assistant City Manager/City Clerk position (the remaining 50% is proposed as part of proposal *020.02NN*). The ACM/City Clerk is responsible for overall management of the department's disparate

work programs --City Council's legislative process, logistics, operations and activities; the Hearing Examiner's function (conducting land use and administrative hearings on behalf of Council); mandated City Clerk's and Records Management responsibilities; implementation of the Enterprise Content Management system and its ongoing work program --as well as collaboration with the City's Leadership Team and/or individual department directors to manage intersecting work programs and a variety of City initiatives. DM sets the departmental standard for customer service, financial stewardship, and business process improvement, helps create a climate valuing innovation, and assures that services are performed as agreed. CCO has adopted ISO (International Standards Organization) 15489 – Information and documentation – Records management – as a best practice framework for the City's comprehensive records/content management program. More generally, resources funded through this proposal will:

- Manage the department and its staff, oversee operations, and implement programs/projects to carry out City Council and City Manager direction.
- Develop plans and policies to effectively meet long- and short-range goals and objectives of the City and department.
- Provide timely, accurate, and relevant information to support the City's decision making process.
- Assure compliance with State law and City Code.
- Coordinate Budget proposals and fiscal impact analysis.
- Assure efficient and effective work methods, professional standards, internal controls, and personnel policies/procedures are met.
- Assure interdepartmental collaboration and coordination to achieve unified results.
- Provide public information.

Section 6: Mandates and Contractual Agreements

The City Clerk's position is required by state law, City Code, and City Council Rules: **RCW 35 and 35A, BCC2.12 and 308, and Resolution Nos. 5987 and 6399.** Records Management and public disclosure requirements are identified in **RCW 42.56** and related **WACs.** *(See individual CCO proposals for all citations)*

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – Responsive Government:

Departmental leadership and support align with the purchasing strategies in the following ways:

Community Connections (accessibility of information, open public processes, transparency, and increased citizen participation in government) A large portion of the CCO's work program is public facing. DM has long promoted utilizing new technologies for communicating with the public (Bellevue was a state leader in posting Council information to the City's web site to assure transparency in City government.) DM advocated for and, in partnership with ITD, implemented a hosted system to provide live and on-demand videostreaming of City Council meetings. By making Council decision-making widely available and readily accessible to the public, the department acts as a catalyst for building citizen knowledge and increasing participation in local government. DM assures that public processes before the City Council, Hearing Examiners, and Boards/Commissions are open and accessible and allow people to feel their comments have been heard. Later in 2010 staff will implement a web portal making significantly more frequently-requested public information directly available from the City's electronic records repository (the ECM system).

Strategic Leadership (vision, strategic planning)

DM charted the course for management of the centralized records and information program to address the changing regulatory environment (Public Records Act Model Rules) and information needs of the community (desire for 24/7 access to a wide variety of public information). DM advocated an enterprise approach to managing the City's electronic records, resulting in the purchase of the full ECM suite of software and phased deployment of its various functionality to the entire organization (rather than the siloed and departmentalized

systems frequently seen in local governments.) Because of the comprehensive nature of the system, a collaborative approach is being used for its implementation, and it has already begun to deliver significant improvements (centralized electronic library containing a wide variety of documents accessible to all staff, integration with the City's Finance/HR system, implementation of Digital Asset Management, and development of a web portal that will enable thepublic to directly access public records within the ECM). More business process improvements slated for the near term include automation of Council agenda packet assembly/routing and Accounts Payable processing that will be delivered before year -end 2010; contract routing early in 2011; and a queue of additional document-centric process automation improvements to follow).

Engaged Workforce (committed employees, well trained and equipped, empowerment, succession planning)
DM promotes employee engagement through regular staff meetings, addressing areas for improvement identified in Employee Surveys, regular cross-training within and across divisions, and has instilled a culture of teamwork where staff are committed to each other's success. As a small departmentwith staff located on three floors, communication is fostered. Recent employee survey results indicate that 100% of participating staff agree or strongly agree that the people they work with care about their personal well being and that they feel a sense of pride when telling people that they work for this organization. Participation in professional organizations (i.e., Internation Institute of Municipal Clerks; ARMA, the international records management association; AIIM, the international content management organization; and Society of American Archivists) is encouraged for professional development and to foster awareness of industry standards and best practices that may be employed at the City. With implementation of the ECM, staff is now equipped with appropriate technology that allows them to meet state requirements for electronic records management. Innovation is encouraged through ongoing reviews of existing processes and when introducing new services, and the achievement of efficiencies is celebrated. By utilizing cross-training, promotion from within, and double-filling positions for training during the transition, the department has weathered the departure of key staff due to retirements.

Exceptional Service (timeliness, predictability, appropriately equipped, collaboration, innovation)
DM assures that services to the community and staff are timely and predictable. Examples include posting of Council packet materials to the web site three days before meetings for public and staff access, timely recommendations and decisions made by the Hearing Examiners on land use and appeal matters, and full and timely responses to public disclosure requests. As a support services department, it is inherent that we collaborate and partner with other departments to achieve the Clerk's Office mission. With the advent of the ECM, the department is embarking on a major campaign to redesign business processes and further mine the organization for innovative ideas. While no formal accreditation exists for the Clerk's profession, both the City Clerk and Deputy City Clerk hold Master Municipal Clerk certifications (the highest offered) and the department employs a significant number of industry best practices (*see individual proposals*).

Stewards of the Public Trust (right-sizing the organization, fiscal responsibility, sound business practice, reduced risk) CCO provides a high level of service for citizens while regularly adjusting the department 's organizational structure to correspond with work program needs. Prominent examples include: (1) collaborating with Development Services on assimilating their customer-facing permit-related records management function into the Records Center and building it to a higher level of professionalism; (2) assimilating Word Processing services from the Finance Department, reducing it from 1.56 FTEs to 1.0 FTE and redeploying .56 FTE to ECM operations; (3) transferring Information Center services to *Service First* when it was created; and (4) recommending a reduction in current staffing by .56 FTE now *(proposal 020.07NA)* and 1.0 FTE by October 1, 2011 *(proposal 020.04NN)*. Through these efforts, DM has ensured that services are "right sized". DM strives to ensure sound management of resources and business practices. As an internal service provider responsible for compliance with the Open Public Meetings and Public Records Acts, the CCO is accountable to the City Council, City Manager, and the State Auditor. The department has reduced risk relating to public disclosure compliance by restaffing to a Paralegal, which also saves significant review time by the City Attorney's Office.

B. Factors/Purchasing strategies addressed by this proposal - for other outcomes:
As a Support Service department, the City Clerk's Office supports all City outcomes by facilitating Council decision making, assisting staff in managing records and information, providing new opportunities to automate business process improvements, and serving as the City's legislative historian.

C. Short- and long-term benefits of this proposal:

- Assure continuing and strong emphasis is placed on open public government and transparency by making information easily accessible and managing public processes;
- Continued strategic leadership within the organization related to Council operations and related services;
- Provide high-level, enterprise visability, and leadership to the mandated Records and Information Management Program and its related technologies;
- Assure that risk is avoided and sound business practices are incorporated throughout the department.

D. Performance metrics/benchmarks and targets for this proposal:

CCO Department Management Benchmarks	2011	2012
% of customers rating the quality of CCO services as excellent or good		
% of customers rating timeliness of CCO services as excellent or good		
% of customers rating overall satisfaction with CCO services as excellent or good		

E. Describe why the level of service being proposed is the appropriate level:
The City Clerk's Office is unusual in that 50% of the department head's time is directed to a specific program -- high-level legislative and administrative support to the City Council. The remaining 50%, the subject of this proposal, provides strategic leadership to the remainder of the department's functions, including mandated City Clerk's and Records Management functions, the Hearing Examiner's Office, and the implementation of the Enterprise Content Management system. As a leanly staffed department, City Clerk's Office has neither dedicated administrative assistance nor Fiscal Manager services.

Section 8: Provide a Description of Supporting Revenue

This proposal is General Fund supported.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: State law and City Code require that a City Clerk be appointed to manage a wide variety of specific city governance-related functions, public records (including electronic records), and public disclosure. Failure to fund could result in non-compliance, potential litigation and possible State Auditor findings.
2. Customer Impact: The City Clerk serves as a visible liaison between the City Council and the community. Failure to fund would jeopardize citizen perceptions of transparency and open government.
3. Investment/Costs already incurred: Experience and training of incumbent.
4. Other: The array of diverse but related services managed by the ACM/City Clerk are better coordinated and made more efficient through the broad oversight, strategic planning, and leadership provided by the DM function. DM also assures that appropriate levels of collaboration and partnership with other departments are able to be maintained.

B. Consequence of funding at a lower level: Reduced customer service (internal and external), focus on transparency, and coordination of mandated and other enterprise functions could result poor service quality, increased litigation risk, and a resulting loss of public confidence in City government.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Legislative Branch – City Council		**Proposal Number:** 030.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Myrna Basich, x2733		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): Child: 020.02NN City Council Legislative and Administrative Support		

Section 2: Executive Summary

As established by state law, the City Council serves as the legislative branch of Bellevue's city government and is charged with promoting the health, welfare, and safety of the community. In the course of their work, Councilmembers engage citizens on variety of issues, analyze and enact policies, establish City laws, adopt a fiscally responsible biennial budget, levy taxes, authorize issuance of bonds and other debt financing mechanisms, collaborate and partner with organizations throughout the region, influence the enactment of state legislation, and provide guidance for administering services. The Council is committed to assuring a safe community, providing quality and responsive services, working with citizens and community groups to solve problems, and protecting and enhancing the natural environment.

Section 3: Required Resources

OPERATING

Expenditure		2011	2012
Personnel	$	280,532	$294,161
Other		53,175	53,775
	$	333,707	$347,936
Supporting Revenue			
		$0	$0
LTE/FTE			
FTE		7.00	7.00
LTE		0.00	0.00
Total Count		7.00	7.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Sixty -five percent of the City Council budget is comprised of their salaries, which are established by ordinance in accordance with state law and changeable only after Councilmember reelection, and the employee benefits package made available to all regular employees. Other portions of the Council budget were scrutinized for savings. As a result, reductions were made to Council travel and City-sponsored expenses.

The City Council works with other jurisdictions at the local, state, and national level to promote the City's interests and advocate for passage of legislation that enhances the City's capacity to govern and provide essential services. The Council also fosters partnerships with other entities within the region to provide cost-effective regional services such as A Regional Coalition for Housing (ARCH), eGov Alliance, NORCOM, jail services, Municipal Court services, and animal control.

Section 5: Budget Proposal Description

The City's voters adopted the Council-Manager plan of government upon incorporation in March, 1953. As described in state law, under this plan specific responsibilities are vested in the City Council. Seven Councilmembers are elected at large to serve non-partisan, four-year staggered terms. Under this plan of government, the City Council determines public policy and establishes local laws that regulate community life . The Council hires a professional City Manager to serve as the City's Chief Executive Officer responsible for carrying out the policies and direction set by Council and administering the day-to-day operations of city government in a prudent and professional manner. The City Council articulates the Community Vision and assures that city government is responsive to the needs of the community in a fiscally sound manner.

An increasingly important aspect of Council's role is service on regional bodies such as the Sound Transit Board of Directors, Eastside Transportation Partnership, WSDOT SR 520 Committee, Regional Transit Task Force, Cascade Water Alliance, Human Services Forum, Puget Sound Regional Council, King County regional committees, and the Growth Management Planning Council. This type of representation facilitates communication and interaction with other governmental bodies to discuss and work to resolve regional problems/issues that affect Bellevue.

Councilmembers serve part-time. To enhance their ability to perform at optimum efficiency and effectiveness within their time constraints, and to facilitate open communication with staff and the public, the City provides Councilmembers with laptop computers and Personal Digital Assistants, internet access, and e-mail accounts.

Section 6: Mandates and Contractual Agreements

RCW Chapters 35 and 35A provide the organizational and governance basis for cities within the State of Washington. Relevant laws relating to the form of government and role of the Council include:
RCW 35A.11 lays out laws governing non-charter, Optional Municipal Code cities like Bellevue.
RCW 35A.12.010 sets the membership of the Council at seven.
RCW 35A.12.070 addresses changes in compensation for serving and future Councilmembers.
RCW 35A.15 describes the Council-Manager plan of government.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – for Responsive Government:
Community connections (two-way engagement, accessibility, inclusive processes, transparency, feedback mechanism) As a natural part of their role as elected officials, the Council routinely engages the community – both as a body and as individuals. Councilmembers make themselves accessible, communicating with citizens and business leaders by telephone, email, attending neighborhood meetings and community events, and one-on-one conversations. These communications allow Councilmembers to assess community opinions and needs and to share the vision and goals of the City with constituents. Council has long embraced open government and transparency, which has been demonstrated by the wide array of public information made available to the community, in a wide variety of languages representative of Bellevue's diverse community. Additionally, the City utilizes regular, statistically-valid surveys to take the pulse of the community and assess City services. Since 1998, Bellevue has conducted an annual Performance Measures Survey which collects statistically-reliable data to gauge Bellevue residents' satisfaction with City services.

The City Council's collective policy and law-making powers are put into action at the Council's meetings. It is here that the Council conducts its business. The opportunity for citizens to be heard, the availability of local officials to the citizenry, and the openness of Council meetings all lend themselves to creating a democratic public forum. Regular meetings are held the first four Mondays of each month, with the exception of August and December when the Council meets on a more limited schedule. Oral Communications opportunities are offered at almost every regular Council meeting, and public hearings are scheduled on significant issues of community interest.

The Council fosters a number of additional accessible and inclusive public processes. For example, appointed Hearing Examiners conduct land use, administrative appeals, and civil violations hearings on behalf of the City Council (*proposal 020.07NN*). Additionally, the Council has established seven 7-member standing advisory Boards and Commissions that provide significant assistance to the Council in studying issues, holding public hearings, and making recommendations that assist Council in formulating public policy. One Councilmember serves as liaison to each of these standing advisory committees. In addition, special purpose committees and task forces are often appointed by the City Council to address issues of special interest or to conduct background work on technical or community issues and to report back to the Council with their recommendations. Each of these public processes provides an additional forum through which the public may follow discussion and formation of policy recommendations and have opportunities to contribute their opinions and/or feedback.

Strategic Leadership (vision, strategic planning, regional partnerships) The City Council sets the future direction for the City based on their adopted Community Vision and their clearly stated expectations of excellent customer service. The Community Vision provides guidance for the community on Bellevue's future and direction necessary to meet the anticipated challenges. The Council holds an annual retreat each year to foster concentrated discussions around major trends and other factors that influence service provision and capital needs, long-range strategic planning, priority setting, the City's economic competitiveness, and regional leadership. The Council's goal is to create a financially stable structure that will allow the City to deliver high quality services and to invest in high priority capital infrastructure for the foreseeable future.

In addition to their strategic leadership role in governing Bellevue, Councilmembers have played an active role in serving on over 39 regional, state, and national committees or organizations. As regional issues continue to grow in complexity and affect Bellevue both as a residential community and business center, Council involvement and participation in these forums is a major part of their workload. In addition, the City Council actively seeks to influence legislation beneficial to the City at the state and federal levels on regional transportation improvement projects, high capacity transit, water supply, human services, natural resources, environmental protection, and other significant issues. The City tracked 622 state legislative issues during the 2009 Legislative Session and provided information and feedback to legislators on a significant number of them.

Engaged Work Force (recruitment/retention of well qualified employees, well trained/equipped, empowered) The City Council actively supports this factor by creating an environment in which an engaged workforce can thrive. Through adoption of the budget, the Council provides for regionally competitive compensation to attract/retain a highly skilled and professional workforce. The budget also provides for training, tools, materials, technologies, and other resources that enable the workforce to optimize service delivery both to the community and to internal customers. Council encourages staff to be adaptive and innovative to maximize effectiveness and cost containment in the best interests of the public.

Exceptional service (efficient, effective, timeliness, collaboration, innovation) Exceptional service is valued and encouraged by the Council, who desire that the functions of government are performed in the most productive manner in order to maximize the deployment and use of the City's resources. Objective citizen surveys demonstrate that a high percentage of citizens value the work of the City and believe that they receive good value for their tax dollars. Not only does the Council encourage the organization to look internally to identify opportunities to collaborate and implement innovative approaches, but they also utilize "comparative city" analysis to identify best practices and help to enhance Bellevue's service provision. For the last ten years, at Council direction, the City has provided a written *Report to Our Citizens* on the City's "vital signs", a series of twenty measures tracked by a consortium of ICMA cities. This "competition" with other similar cities stimulates Bellevue staff to do their best work. In the 2008 analysis, Bellevue met its performance goals in 15 of the 16 vital signs, 4 more than the previous year. Performance improved in 11 of the 16 measures.

Stewardship of the public trust (financial sustainability, measurement, well maintained public assets, risk management, equitable processes) The Council manages the City's budget and financial condition in a

deliberate, well thought out, and fiscally prudent manner. As a result of their conservative approach, Bellevue finds itself in a less daunting financial position than many cities around the country or the region. Using the Community Vision as a backdrop, the Council aligns decisions to both balance current demands against future needs and manage risk in order not to unduly burden future generations. One key measure of the Council's success is the maintenance of a Aaa bond rating over the past 12 years, the highest available to municipalities of Bellevue's size.

Council has made strategic property acquisitions and directed the construction and maintenance of well-designed public roads, buildings, utility systems, and other assets . Council has committed to the ongoing maintenance and replacements of critical infrastructure, and has directed that all purchases and contracts be handled through open, fair, and competitive processes. As stewards of the public trust, the Council seeks to avoid unnecessary risks by thoroughly analyzing problems/issues and actively encouraging compliance with regulations.

B. Factors/Purchasing strategies addressed by this proposal - for other outcomes

As the directly elected leadership of the City, the Council is accountable for setting the Vision and policy background for the entire city. As such, it directly addresses, champions, and supports all six remaining RFRs: safe community; improved mobility; innovative, vibrant, and caring community; healthy and sustainable environment; high-quality neighborhoods; and economic growth and competitiveness.

C. Short- and long-term benefits of this proposal:

Retaining the City Council will continue short-term and long-term stability in the City's governance, in compliance with State law.

D. Performance metrics/benchmarks and targets for this proposal:

Across the board, residents continue to be pleased with Bellevue's service delivery performance:

- 97% of the citizens responded that the City was a "good" or "excellent" place to live.
- 88% felt safe downtown and 84% felt safe in their neighborhoods after dark
- 87% of respondents to the citizen survey indicated that the City is generally headed in the right direction
- 86% of residents who feel City government is giving them high quality service and excellent value for their money.

E. Describe why the level of service being proposed is the appropriate level:

Under Washington State Law, cities with populations greater than 2,500 adopting the Council-Manager plan of government establish a 7-member City Council. A change in this plan of government requires a vote of the people.

Section 8: Provide Description of Supporting Revenue

The City Council budget is General Fund supported.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Funding of this proposal is essential to continue Bellevue's municipal government. The composition and role of the City Council is mandated by State law.
2. Customer Impact: The Council serves as a readily-accessible point of contact for the community on community issues and City governance.
3. Investment/Costs already incurred: N/A
4. Other: N/A

B. Consequence of funding at a lower level:

Ordinance No. 5163, adopted on September 20, 1999 on the recommendation of a specially-appointed Council Compensation Task Force, sets the Council's compensation at $1,950/month for the Mayor; $1,750/month for th Deputy Mayor; and $1,650/month for Councilmembers. Because any increase or decrease in compensation shall not be applicable to an incumbent Councilmember for the term currently being served, changes in Council compensation are not allowed. Some disretionary line items have been reduced.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Public Defense Services		**Proposal Number: 040.01NN**
Outcome: Responsive Government		**Proposal Type: Existing Service**
Staff Contact: Leah Bean, x5282		**One-Time/On-Going: On-Going**
Fund: *0100*	**Attachments:** Yes	**Enter CIP Plan #: *N/A***
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The 6th Amendment of the United States Constitution guarantees the right to assistance of counsel when a person is unable to afford his/her own. The City of Bellevue's Public Defense Program ensures this occurs by contracting for these services.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	733,000	733,000
	$733,000	$733,000
Supporting Revenue		
	$75,000	$75,000
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The RFP process used for our public defense contracts ensures we are being diligent in our competitiveness.

Section 5: Budget Proposal Description

The right to assistance of counsel when unable to afford your own is mandated under the 6th Amendment of the United States Constitution. The Public Defense Program in the City of Bellevue ensures this occurs. The City of Bellevue Prosecutor's Office prosecutes all misdemeanor crimes occurring in the City. In 2009, 2,757 misdemeanors were filed by the City Prosecutor's Office with the District Court. This same year, 1,850 defendants obtained a public defender for representation against these charges. These public defense appointments have been on the rise for the past few years. In 2008: 1,720 public defenders were appointed and in 2007: 1,521. Whether it is the economy, the growing misdemeanor caseload in Bellevue (also seeing a steady rise each year), or possible demographic factors, the City is finding itself appointing more public defenders than ever before. With this increase comes an increase in costs.

The American Bar Association; the Washington State Bar Association (WSBA); and the National Legal Aid and Defender Association have all set minimum training requirements, caseload levels, and experience requirements for its lawyers. When contracting for public defense services, the City must take these requirements into consideration. The WSBA sets the caseload limits for the attorneys in this state at 400 misdemeanor cases per attorney, per year. With 1,850 public defense appointments in 2009, and more in 2010 if the trend continues,

we must contract with a law firm(s) that can accommodate our appointments while adhering to the caseload limits and other requirements set forth by the WSBA (see WSBA Standards- http://www.wsba.org/lawyers/groups/wsbastandards408.doc). Our current four year contract with the law firm that handles our public defense cases sits at $2,600,000. This does not include conflict public defenders. Conflict public defenders are attorneys who step in when the main firm has a conflict with the accused. We currently contract with two firms for this service. Each contract is $40,000 for 2 years.

This program also pays for all interpreter fees associated with any defendant who is deaf or non-English speaking and obtains a public defender. The costs to meet with his/her attorney prior to court are billed at a rate of $65.00/hr at a 2 hour minimum. The 2 hour minimum is keeping with the recommended rates set forth by the Washington State Administrative Office of the Courts in Olympia. Further, the City contracts for the services of a Public Defense Screener. This contractor works out of the District Court in Bellevue 8 – 10 hours a week, and screens defendants to ascertain whether they are indigent and qualify for a public defender. The criterion used for eligibility is mandated by RCW 10.101 and King County's Office of Public Defense. An Access database (Public Defense Database) is used to enter and house the information obtained from each defendant. *If*, based on this criterion, the defendant is deemed "indigent, but able to contribute" (RCW 10.101.010 (2)) a promissory note is executed in the amount of $250.00 payable to the City. At the time of Sentencing the court may also deem a defendant able to pay back the City in the amount of $250.00 and order such, assuming a promissory note has not already been executed. This recoupment goes back into the public defense program to offset costs. In early 2009, changes were made to the public defense database in order to allow the City to pursue outstanding recoupment by sending it to collections. Initiating this practice lead to an additional $32,000 being recouped in 2009. Each year the City typically brings in around $50,000 in recoupment. Last year, with this new procedure, the City recouped a record $75,600.

The entire Public Defense Program in 2010 is funded at $401,856.00. With a $2,600,000, four year public defense contract ($650,000/yr), two conflict public defense contracts at $20,000/yr each, interpreter costs averaging $28,000/yr and screener costs of $15,000/yr and only $75,000 coming back to us (*assuming the new collections trend holds*)– this program, in 2010, is underfunded by $256,000. This will be the same for 2011 and 2012, *assuming the governing standards do not change*. See Attachment #1. We cannot bring this service in-house at a cheaper rate. The WSBA standards alone, combined with our misdemeanor caseload, would require hiring 5 full-time attorneys, support staff, investigators, and office space with overhead costs. The attorneys, per WSBA standards, would have to be paid at a rate equivalent to prosecuting attorneys. Salaries/benefits alone (for the attorneys and their support staff) would be more than what we need to fund with outside counsel. See attachment #2. Further, with the majority of the services in this program being contractual, the time spent managing the program is minimal, hence a FTE has not been assigned to this program. Lastly, no other surrounding Cities have this service in house. All contract with outside law firms.

In summary, the City is constitutionally mandated to provide legal defense services for indigent people. The costs associated with this program are driven by federal, state and county standards, and the City's misdemeanor caseload. There is little room for maneuverability. Deaf and non-English speaking people must have interpreters. The attorneys we contract with for these services are bound by the standards set forth by the WSBA, hence we are obligated to pay for those services. Finally, if we don't take the time to screen defendants for indigency, our appointments will be even higher as everyone seeking counsel will be eligible.

Section 6: Mandates and Contractual Agreements

The 6th Amendment to the United States Constitution states in all criminal prosecutions, the accused shall have the right to Assistance of Counsel. This is further required under *Gideon V Wainwright -1963*: The US Supreme

Court unanimously ruled that state courts are required under the 6th amendment of the US Constitution to provide counsel in criminal cases for defendants who are unable to afford their own attorneys.

The Revised Code of Washington (RCW 10.101.030) requires governmental entities and public defense firms to adhere to the standards developed by the WSBA. These standards have made it more costly for defense firms to provide services because it requires additional staffing and overhead, which in turn makes it more costly for the City. The cost, however, is still significantly less than the $50/hr charged by King County's Office of Public Defense (OPD). On average, a case requires at least ten hours of work, the current contract equates to approximately $30.50 per hour.

RCW 2.43 dictates that *in all legal proceedings in which the deaf or non-English-speaking person is a party, or is subpoenaed or summoned by the government or is otherwise compelled to appear, the cost of providing the interpreter shall be borne by the governmental body initiating the legal proceedings*.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The protection of an individual's rights is the fundamental foundation of our criminal justice system – as spelled out in the U.S. Constitution. The public defender is an essential component of a fair and just criminal justice system. Providing a public defender to qualified persons is designed to prevent injustice by ensuring minimum standards of fairness and helps to prevent wrongful convictions. It is not enough to provide counsel; counsel must be effective. McMann v. Richardson, 397 U.S. 759(1970). Compliance with the public defense standards is one method of showing effectiveness. Moreover, it is declared to be the policy of the State of Washington to secure the rights, constitutional or otherwise, of persons who, because of a non-English-speaking cultural background, are unable to readily understand or communicate in the English language, and who consequently cannot be fully protected in legal proceedings unless qualified interpreters are available to assist them (see RCW 2.43 above). This program is an "Exceptional Service" (Factor #4) by protecting these rights. Further, this program reflects an appropriately equipped government assuring the provision of a quality service that is constitutionally mandated. Lastly, by providing these services, the City lessens the chance of being sued for violations of the U.S. and state constitutions, which meets many of the criterion in Factor 5, including accountability, maintaining well designed public systems, and managing risk and liability issues.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s) :

As stated in further detail in Section 9, this proposal fits into Factor 1 of Safe Community by providing a safe environment and preventing "high-risk" behavior. Without proper funding, word will get out that Bellevue doesn't prosecute certain misdemeanors due to the cost of providing counsel. Whether it be Theft, Malicious Mischief or Driving Suspended (to name a few), public safety will start to deteriorate.

C. Short- and long-term benefits of this proposal: See #A

D. Performance metrics/benchmarks and targets for this proposal:

The Performance Measure used for this program is *Recoupment as a % of total program costs.* This measure allows us to see how much of the program costs we offset. We can further evaluate the effectiveness of the counsel we contract with by noting the number of reversals on appeal for ineffective assistance of counsel that occur. This measure shows the citizens they are getting the best value for their dollar as we are not having to prosecute these cases twice. There is little else to measure as there is very little we are legally allowed to control. However, while not a performance measure, we do track total case filings vs. cases appointed to PD, so that we can at least follow our experience over time and perhaps use the information in future contracts to project expected appointments. After contacting other cities about their performance measures, Bellevue is making efforts to track more than most. Public defender caseload numbers and meeting WSBA standards are the main issue with other jurisdictions currently.

E. Describe why the level of service being proposed is the appropriate level:

The level of service proposed is controlled by federal mandates, state standards, as well as the misdemeanor caseload in this City and how many defendants are indigent and in need of counsel.

Section 8: Provide a Description of Supporting Revenue

The only offsetting monies this program brings in is recoupment. With a new collections process in place we are bringing in more than before, but it is not nearly enough to offset the shortage in the budget. Increasing recoupment from $250.00 per case to $300.00 per case is being examined. However, historically only a small percentage of recoupment is ever recovered. The reason is there are a number of court fees associated with a criminal case. Failing to repay these court fees may result in additional sanctions by the court, whereas, failing to repay recoupment does not carry the same penalties. Thus, people choose to pay court fees before they pay recoupment. If the court fees are significant, the recoupment often goes unpaid.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:**
   This program is federally mandated. Not funding it would mean facing civil rights violation lawsuits or dismissing misdemeanors where a defendant was seeking an attorney be appointed so as to not violate *Gideon v Wainwright*. In 2009 that would have been 1,850 misdemeanors dismissed including domestic violence charges, driving under the influence charges, thefts, assaults, driving suspended, etc.
2. **Customer Impact**:
   The customer impact for either not funding this program at all, or not fully funding this program is immense. As stated above in #A1 and below in #B, there would be a tremendous impact to our merchants, the community, and public safety if we dismissed misdemeanors, or only filed in certain instances. Further, failure to adhere to the WSBA standards would result in disciplinary action against the public defense firms we contract with.
3. **Investment/Costs already incurred:**
   All of our costs are under contract, and with the exception of the Screener, all are mandatory. See Sections 5 & 6.

B. Consequence of funding at a lower level:

Not *fully* funding this program leaves a conundrum as the money has to come from somewhere. Grants have been sought the past couple of years, but all have been turned down. MND has always absorbed the shortage as the CMO cannot. None of the services in this program can be eliminated. If we continue with the current funding, we will either continue to rely on MND or we will have to change our filing standards to file fewer misdemeanors, hence fewer public defender appointments. If, for instance, we changed our filing standards and only prosecuted thefts for items over $50.00, there would be no consequence nor deterrent for thefts of items under $50.00. This is a tremendously poor message to send to our merchants. And, as the City continues to grow, misdemeanor crime will grow as well. Changing our filing standards would only cultivate that growth.

In addition, the past few years have shown an increased concern in the legal community about the state of the Public-Defense System (including WA State Bar News – July 2009; WSBA Committee on Public Defense, King County Bar Association Indigent Defense Services Task Force, National Legal Aid and Defender Association). If we find ourselves in the forefront of this chatter by not meeting the legal standards set forth, and not properly funding a program that protects the constitutionally mandated rights of individuals, not only will the media coverage not be in our favor, but Bellevue's Mission of providing exceptional customer service and upholding the public interest along with its Core Value of Integrity will suffer.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Communications		**Proposal Number:** 040.02A1
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Tim Waters x4090		**One-Time/Ongoing:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): City Manager's Office		

Section 2: Executive Summary

To insure the City is transparent and responsive, and strives to keep both external and internal stakeholders informed and engaged, communications staff assigned to the City Manager's Office and Transportation provide an array of communications products and support services to the City Manager, City Council and all other departments.

Section 3: Required Resources

Expenditure	2011	2012
Personnel	$355,984	$374,942
Other	52,875	53,076
	$408,859	$428,018
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	3.0	3.0
LTE	0.0	0.0
Total Count	3.0	3.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

A total of $44,545 would be saved in 2011 through the elimination of a .5 FTE; $47,068 would be saved in 2012.

Section 5: Budget Proposal Description

The Communications Director, Online Editor and Transportation public information officer provide a variety of communications services for the City Manager, City Council and other departments, including: managing the Internet and intranet sites; media relations; writing and editing; event planning support; public information coordination with other government agencies; editing and publishing the city newsletter; and providing supervision and editorial oversight for videos and the city's monthly Bellevue Television news show. Communications also has assumed the lead role in developing social media tools such as Facebook and YouTube. The Transportation PIO provides targeted support for mobility initiatives, including light rail, Wilburton Connections and Bel-Red development.

Section 6: Mandates and Contractual Agreements

There are no direct mandates for this proposal. However, Communications plays a major role in providing programming for Bellevue Television, for which the city has a cable TV franchise with Comcast that provides funding for capital equipment replacement. Bellevue College provides a TV studio, production facilities and student labor in exchange for capital equipment funding secured through the cable TV franchise.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Communications delivers on all five factors/purchasing strategies that ensure responsive government:

Community Connections: Through newsletters, news releases, video products including televised council meetings, the Internet, social media and other activities, Communications achieves purchasing strategies of all-way communication, equitable and inclusive processes, accessibility and transparency. We increase understanding of government, engage the community and promote trust and credibility. Communications also addresses the citywide purchasing strategy of generating catalysts for citizen participation and support.

- "It's Your City" newsletter, delivered to Bellevue residences and businesses three times a year. According to the 2008 Performance Measures Survey, 89 percent of residents were satisfied with the publication, with 57 percent indicating they were very satisfied.
- More than 160 news releases a year, ensuring that communications from all departments convey a consistent, compelling message. More than 90 percent of news releases are used by local media. Residents subscribe to E-Mail Alerts about the city's news or become fans or followers of the city's Facebook and Twitter pages, where news releases are also posted. As of May 10, 2010, there are 903 people subscribed to E-Mail Alerts about news, 723 Facebook "fans," and 968 Twitter "followers," with more signing up daily.
- The city's Internet website is a primary information source about the city. In 2008, the site received an average of 10,466 daily visits; so far this year, it has received 11,866. The 2009 Performance Measures Survey indicated 96 percent of residents were satisfied with the website; 52 percent highly satisfied.
- According to preliminary results from the 2009 Performance Measures Survey, 91 percent of residents report being satisfied with city communications.

Strategic Leadership: Communications' products promote understanding of the community vision. Communications builds support for initiatives and policies, and works with other jurisdictions to coordinate communications to achieve common interests. News releases explain initiatives, policies and changes that affect people's daily lives, packages of web pages present detailed information, and BTV segments illustrate them.

- Initiatives including Eastside light rail and the Bel-Red project each have drawn more than 500 subscribers to E-Mail Alerts alerting subscribers about information updates on the projects;
- The fast-growing number of followers for Bellevue's Facebook and Twitter sites enable the city to deliver its message clearly to a growing circle of stakeholders and increase civic engagement.
- Bellevue's YouTube channel, with 54 videos posted, has drawn 2,313 views in less than a year. The city's videos on YouTube together have been viewed more than 9,000 times.

Engaged Workforce: Communications ensures the workforce is engaged through external information that supports recruitment and retention and internal communications that promote employee awareness, safety, wellness, and growth. Internally, Communications has designed an intranet home page and developed Sound Off and Ask the City Manager features that deliver messages and invite staff participation. By providing assistance on how to use communications tools such as emerging social media, Communications empowers the workforce to be more efficient, innovative and capable of providing enhanced community service.

- With more than 2,600 subscribers, Bellevue's jobs pages on the website are the most popular item available for E-Mail Alerts.

- Representatives from every department post announcements or ask for prominent coverage of events or programs of interest to staff on the intranet home page.

Exceptional Service: Communications promotes the delivery of timely information products, all written or edited to high standards. Using the Internet and intranet, e-mails, media list serves, social media and other means, Communications delivers information in traditional and innovative ways about programs, policy decisions, community events and public emergencies to internal and external audiences:

- 28,677 subscribers are signed up for 143 E-Mail Alerts items, which include updates about programs presented on the website and electronic newsletters.
- More than 160 news releases sent and posted online each year. More than 1,600 followers and fans on Facebook and Twitter see these posted automatically via RSS feeds.
- Agendas and meeting minutes for the council and boards and commissions posted online each month; updates about projects posted online each week.

Stewards of the Public Trust: Communications delivers information and facilitates its delivery in responsible, consistent, efficient, cost-effective ways.

- With E-Mail Alerts, nearly 29,000 stakeholders are reached in a cost-effective way.
- Social media sites expand the reach of city information for virtually no additional cost.
- Collaborating with other departments, Communications ensures that communications avenues comply with laws regarding records retention, open public meetings and free speech.

B. Factors/Purchasing strategies addressed by this proposal - for OTHER outcomes:

- **Safe Community:** News releases, video products and online communications alert residents to neighborhood projects, volunteer opportunities and crime trends.
- **Improved Mobility**: Major transportation initiatives have been publicized through traditional news releases and online communications nearly every week. Feedback has been gathered through interactive survey features. The Transportation PIO collaborates extensively with regional transportation agencies to leverage partnerships, and promotes safety and travel alternatives to solo driving.
- **Innovative , Vibrant, Caring Community:** A package of about 100 pages on the city's website focus on volunteer positions, and 643 people are signed up for E-Mail Alerts about new opportunities to volunteer for both the city and nonprofit organizations.
- **Quality Neighborhoods:** In close collaboration with other departments, the CMO has used traditional and new media to inform and engage residents at every step in the development of initiatives intended to improve neighborhood living, including neighborhood livability, transportation infrastructure and storm water and shoreline management.
- **Healthy & Sustainable Environment:** Efforts to encourage conservation and discourage pollution, tied to the environmental stewardship initiative endorsed by the City Council, are given prominent play in city communications nearly every week, both for internal and external audiences.
- **Economic Growth & Competitiveness:** Skillful, honest communications disseminated and posted a variety of ways to reach many audiences promote Bellevue as a city of vision and creativity, and establish a positive brand identified with the city. Web pages dedicated to the city's arts, cultural diversity and economic development market the city and region's unique qualities and attributes.

C. Short- and long-term benefits of this proposal: Consistent, professional communications delivered in traditional and innovative ways to internal and external audiences benefit the city government and the residents and other stakeholders by keeping them informed and engaged. Awareness and understanding of the services the city provides helps ensure support, an essential short- and long-term benefit. New, interactive methods of communication, including social media, organized and coordinated by CMO Communications, facilitate more input from employees, residents and other stakeholders. This communication spurs engagement, which makes people feel government is responsive.

D. Performance metrics/benchmarks and targets for this proposal:

(1) Increase in customer website use (currently 11,866 average visits per day)
(2) Increase in percentage of citizens who indicate they are satisfied or very satisfied with communications (2009 City Performance Survey reports 70 percent of residents say they use the website and of those, 43 percent say they are "very satisfied" with the site while 52 percent report being "somewhat satisfied."
(3) E-mail alerts (currently 28,700 subscribers)
(4) Increase in access to city information on Facebook (currently 718 fans, with 10 to 20 more being added each week)
(5) Increase in access to city information on Twitter (currently 960 followers, with 10 to 20 being added each week)
(6) Increase in access to city information on YouTube (to date 9,000 video views; 2,300 visits to city's channel)
(7) Traditional Communications will be consistent and timely: Three printed city newsletters a year, 160 news releases (2009); monthly community television show

E. Describe why the level of service being proposed is the appropriate level:

This proposal meets existing and emerging communications needs effectively and efficiently with existing resources. Through the use of social media, city communications are reaching more people, and residents and other stakeholders are given a new avenue for providing input at no added cost. CMO Communications is leveraging collaboration with departments citywide to identify best practices.

Section 8: Provide a Description of Supporting Revenue

(1) General Fund
(2) Fees paid by Comcast to support government and educational programming.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding this proposal: At a time when the city faces transformational mobility and other issues, public support is essential. Without coordinated, consistent and professional management of communications, both old and new, the city may struggle to deliver its messages and win that support.
   - Legal ramifications: Without deliberate crafting of policy, with collaboration of multiple departments, the city may run afoul of laws relevant to social media.
   - Customer Impact: Residents and other stakeholders would find it difficult if not impossible to stay informed and engaged regarding city programs and services.
   - Any funding reductions would reduce the quality of service.
   - Investment/Costs already incurred: More than $500,000 in video production equipment.

B. Consequence of funding at a lower level: By eliminating a .5 support FTE, Communications is operating at minimal staff to continue its present operations.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civic Engagement Program		**Proposal Number:** 040.03NN
Outcome: Responsive Government		**Proposal Type:** Enhancing an Existing Service
Staff Contact: Shelly Shellabarger, x5375		**One-Time/On-Going:** On-Going
Fund: CMO	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This program 1) leverages volunteerism to enhance community resources and meet customer demands for civic engagement opportunities; and 2) fosters collaboration, partnerships and information sharing among stakeholders in the volunteer community with the goal of ***creating a city-wide culture of civic engagement***. Proposed functions will increase service value to the City, which in 2009 was calculated at nearly three million dollars.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$97,218	$102,421
Other	6,000	6,000
	$103,218	$108,421
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	1.0	1.0
LTE	0.0	0.0
Total Count	1.0	1.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings: This program offsets costs by providing service value to the City; in 2009, this service value was calculated at $2,816,388 and, per the Independent Sector[1], is anticipated to rise annually. Further cost savings will be realized with increased civic engagement opportunities proposed here, most specifically with the strategic use of high-level volunteers to augment city services, which will enable special projects and reduce the need for contractors in some areas. Development of sponsorships and giving opportunities with civically minded corporations and foundations, as well as potential grant funding, represents additional offsets.

Efficiencies/Innovations: The City of Bellevue has a diverse volunteer program. However, a more effective and purposeful pairing of assets will better coordinate existing resources and enable the development of new ones. It will also create opportunities to explore new possibilities and provide a framework for a more consistent volunteer experience. Additionally, the matrix-managed teaming proposed will have the added benefit of

[1] http://www.independentsector.org/volunteer_time?s=value

enhancing city employees' awareness of and engagement in other city programs and assets. Furthermore, centralized support creates time savings by eliminating redundant efforts while coordinated information sharing eliminates duplicative research. Specific efficiencies and innovations include a centralized background check system, which will eliminate duplications, saving time and money; a centralized referral system, which decreases customer frustration and provides enhanced choices; strategic development of sponsorships and donations; and a city-wide commitment to place high-level volunteers—those with advanced degrees and valuable skills.

Partnerships/Collaborations: Partnering and collaboration are central to the performance measures of this program. Primary internal partners for collaboration include departments with volunteer programs. Other key internal collaborations include: Civic Engagement Project Teams facilitating information sharing and collaboration between City program managers with linked interests (clusters such as improving background checks, marketing to diverse communities, issues in working with teens etc); joint projects with Neighborhoods to provide tailored civic engagement opportunities to specific neighborhoods; partnering with Diversity to engage ethnic, disabled and hard to reach populations; and working with Human Services to increase social service capacity throughout the city. Primary external partners are the members of the Bellevue Volunteer Coalition, a group of over 150 non-profits, schools, churches and organizations; mobilizing and managing the City of Bellevue Volunteer Coalition creates multi-level partnerships and projects amongst internal and external stakeholders. Most specifically, this program facilitates partnering with the faith based community, service organizations and businesses to leverage untapped populations of volunteers. Staff also partners with other local government entities to refine best practices.

Section 5: Budget Proposal Description

Budget Description: Budget items include 1 FTE: Civic Engagement Program Administrator (G24) (replacing an expiring LTE), funding for volunteer recognition and training; and promotional, marketing and outreach items reflecting a total request of $98,935. Current funding levels are $50,000 for .56 Volunteer Coordinator (G23 at 22.5 hours a week). Program enhancements reflected in this increase include initiatives to engage the faith based community, business community, diverse populations, neighborhoods and high-level volunteers; a matrix-managed collaborative which will better identify, engage and maximize assets, including strategically leveraging unused and underused resources; creation of a conduit through which new partnerships and sponsorships may be formed and managed; an all-way information sharing network; enhanced outreach to isolated populations; and increased marketing and promotion of civic engagement opportunities through volunteer newsletter, blogs and social media. Results will include an enhanced sense of community and connectedness for individuals, groups, neighborhoods, organizations and businesses in Bellevue; and an improved citizen experience.

Program Elements: This program creates and enhances civic engagement opportunities for citizens, organizations and businesses, and fosters partnerships and collaborations to meet community needs. Specifically, it 1) provides centralized support and continuity for existing COB volunteer programs (including registration and tracking, recruitment and outreach, marketing and promotion, training, background checks, policy review, recognition and evaluations); 2) supports development of new COB civic engagement opportunities; 3) provides referrals to citizens, businesses and organizations; 4) serves as a nexus for collaboration; 5) enables all-way information sharing for internal and external stakeholders; 6) fosters a vibrant regional volunteering community; 7) develops partnerships that empower creative and innovative opportunities for civic engagement throughout the community; 8) partners with local businesses, non-profits, the faith based community and other organizations to place volunteers and create tailored group service events; and 9) develops sponsorships and giving opportunities to support volunteer efforts.

Section 6: Mandates and Contractual Agreements **N/A**

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Purchasing Strategies: This program addresses all of the citywide purchasing strategies, with a primary alignment to ***increasing citizen participation and support.*** Enabling civic engagement is an important service for the City to provide its citizens because, according to the Corporation for National and Community service, 26.4% of the adult population participates in some form of volunteer service. Furthermore, in a nationwide survey, the highest level of neighborhood engagement was found in the Seattle area with a 34.3% volunteer rate. 14.2% of residents attended public meetings to engage in their community.[2] This, combined with last years' 64% increase in volunteer queries to the City of Bellevue, makes the case that there is a demand in Bellevue for a strategic, collaborative, community-wide civic engagement program. Furthermore, the recent economic downturn, combined with President Obama's Call to Service, has created an upswing in community volunteering at a time when it is needed most[3]. But connecting the right people to the right programs is a challenge. This program fills that gap. This program also provides an excellent value in meeting community needs by offsetting costs for some programs while, at the same time, providing service value to the City. Furthermore, it fosters gains in efficiency through creative and innovative collaboration and partnerships and, most specifically, enhances Bellevue's image with the citizenry by providing opportunities for involvement and ownership.

Primary Outcome Nexus: "***Bellevue values a government that seeks their involvement and pursues innovative solutions to regional and local challenges."*** This program embodies **responsive government**, creatively engaging the community in meaningful service; informing and involving stakeholders; enhancing opportunities for inclusion by fostering accessibility and outreach; promoting trust and credibility in city functions; fostering opportunities for public understanding of government functions and access to city services; encouraging all-way information flow between stakeholders; providing an engaged and well-equipped volunteer workforce; increasing service delivery; and positioning the organization to take advantage of powerful cross-community partnerships and collaborations.

B. Secondary Outcome Nexus: In fact, this program resonates in all of the outcomes via volunteer programming, the greatest alignments being with ***Innovative, Vibrant and Caring Community, Quality Neighborhoods***, and ***Healthy and Sustainable Environment***. For example, in 2009, volunteers provided $517,975 (of time value alone) to the improvement of City facilities and amenities, preserving and restoring natural space in the City of Bellevue. This example is replicable across all outcomes.

C. Short and Long term Benefits: According to the ***2009 Volunteer Annual Report***, in 2009, over 5,300 people volunteered in 55 programs across 9 departments, serving over 127,000 hours for City of Bellevue programs with a service value worth millions; this figure reflects time value only and does not factor in the value of the services performed. Millions more was contributed by volunteers serving non-profits and other agencies that provide direct services to Bellevue residents; this program directly supports these efforts by fostering partnerships and information sharing amongst nonprofits, as well as providing referrals to them. During 2009, City volunteer programs increased by 25% (+14 programs). Program highlights also include the creation of the Bellevue Volunteer Coalition—150 members strong—and implementation of the Eastside Volunteer Manager's Summit attended by 250 community leaders. The online Bellevue Community Volunteering Guide was launched along with an online registration tool; 356 referrals were completed, a 64% increase over 2008. 152 volunteer announcements were sent to hundreds of interested citizens in 2009, and 121 interagency communications

[2] http://www.volunteeringinamerica.gov/assets/resources/VolunteeringInAmericaResearchHighlights.pdf
[3] http://www.nationalservice.gov/PDF/10_0421_wh_serviceagenda.PDF

were sent to over 200 volunteer-using agencies. The Volunteer Home Page on the City website logged 31,065 views. It is anticipated that, in the short term, this level of service to the residents of Bellevue will continue to grow as community need and demand for volunteer opportunities increases. The long term goal is a community wide culture of civic engagement, leveraging citizens to serve citizens on many levels.

D. Performance Measures: Modeling after the federal Office of Innovation and Civic Participation, this program endeavors to engage more volunteers on a road to sustained service, provide easy-to-use-tools, encourage leadership in service, and create partnerships that bring the community together[4]. Proposed performance measures include: # of city volunteers, # of volunteer hours, average hour per volunteer, # of city volunteer programs offered, # of volunteers recognized, # of referrals completed, # of cross community partnerships or sponsorships with external stakeholders, and # of volunteer coalition members. Other metrics include volunteer satisfaction levels (as determined by evaluations results), program visibility (as determined by the number of news releases, list-serve members, outreach events and web page hits), and effectiveness of information sharing (as determined by the number of e-mail alerts, coalition announcements, SharePoint posts).

E. Level of Service: This proposed level of service allows the City to take advantage of the momentum the volunteer program has gained over the past three years, boost the culture of civic engagement, and deeply engage community stakeholders while keeping costs at a minimum.

Note: Stakeholder testimonials are available upon request.

Section 8: Provide a Description of Supporting Revenue

Supporting revenues for this program are speculative and include potential donations, grants and sponsorships.

Section 9: Consequences of Not Funding the Proposal

The greatest impact to not funding this proposal would be to the stakeholders. Specifically, citizens will encounter more roadblocks in finding and connecting with civic engagement opportunities; community organization will lose a powerful source of information sharing and partnering nexus; and stakeholders will find it harder to get volunteers. Furthermore, potential internal, community organization, and corporate partnerships will not be realized; momentum in crafting a cohesive Volunteer Community will be lost; outreach enhancements will not be realized; and volunteer services levels will remain static or drop.

[4] http://www.whitehouse.gov/administration/eop/sicp/initiatives/united-we-serve

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: City Management and Planning		**Proposal Number:** 040.04NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Brad Miyake, Deputy City Manager, x4096		**One-Time/On-Going:** On-Going
Fund: CMO	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): Intergovernmental Relations/Regional Issues (040.08NN), Communications (040.02NN, Environmental Stewardship, and One City (150.02NN)		

Section 2: Executive Summary

The City Manager's Office provides core leadership and management services provided by the City Manager's Office (CMO). Operating under a Council/Manager form of government, the role of the CMO is to provide strategic leadership to the City of Bellevue. It is dedicated to implementing policies established by the Council in an effective and cost-efficient manner, and in accordance with the City's Mission, Vision, and Core Values.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$846,978	$889,947
Other	58,493	58,493
	$905,471	$948,440
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	5.0	5.0
LTE	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The CMO partners with the Council, state, and federal agencies, local agencies and businesses, as well as with all internal departments, services, and functions of the City. The office provides strategic leadership to the City, collaborating with the Leadership Team to align internal plans and implementation strategies. The City is known for its innovative initiatives, such as Development Services, Environmental Stewardship, One City, mobility and infrastructures, public communications, the new City Hall, departmental accreditations, and many others. It has received numerous awards and broad recognition for its innovations. Exemplified by the establishment of Budget One, the CMO is focused on improving organizational efficiency and effectiveness to save costs in a way that addresses the most important needs of Bellevue citizens and the wider community.

Section 5: Budget Proposal Description

The Goals of the CMO are to provide leadership based on the Mission, Core Values, and principles of One City, fulfill City Council directives, and ensure effective management of human, financial and material resources; lead and coordinate the Environmental Stewardship Initiative; to ensure the City's role in local, regional, state, and federal intergovernmental issues while promoting effective partnerships with Bellevue's businesses and residential communities; to lead strategic communication with citizens and the news media on citywide issues, and maximize the effectiveness of city-owned media for enhancing understanding of City issues and programs

by residents, businesses, and City staff; to ensure timely and complete communications within the organization; and provide leadership and coordination for organizational assessment, change and improvement consistent with the principles of a high-performance organization. Core City Management and Planning positions include the City Manager, Deputy City Manager, Assistant to the City Manager, Organization Development Specialist, and Executive Administrative Assistant. In addition, the goals of the CMO are accomplished through oversight and coordination of programs in Intergovernmental Relations/Regional Issues (proposal 040.08NN), and Communications (040,02NN.) Coordination is provided from the CMO for the One City efforts (150.02NN).

Section 6: Mandates and Contractual Agreements

The electorate chose the current Council/Manager plan. The City Manager position is mandated by RCW 35 and 35A. RCW 35A.13 specifically addresses the Council/Manager plan of government.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – for the PRIMARY outcome:

The Council/manager form of government has been demonstrated to be a responsive form of government. It is used in about half of US City Governments (92 million Americans), by actively managing daily operations and community relationships, thereby freeing elected officials to focus on policy issues that guide the future of the community, develop a vision, determine which services to provide, lobby state legislatures, and communicate and forge new relationships with constituents (ICMA, the *Municipal Year Books*,. 1984-2010; Svara and Nelson, *Public Management*, 2008; California City Management Foundation, ICMA, and International City/County Management Association, 2009; Keene et al, *Public Management*, 2007.)

Evidence shows that the current form of government in Bellevue supports the City-wide purchasing strategies, as well as the purchasing strategies for Responsive Government, as follows:

Community connections: The *2010 Performance Measures Survey* for the City of Bellevue shows that 97% of citizens believe the City is a good to excellent place to live, 89% believe the Neighborhoods are good to excellent, 86% believe they are getting good value for their tax dollar, and 87% believe the City is headed in the right direction. 75% are satisfied with planning, 88% feel safe downtown after dark, and 84% feel safe in their own neighborhoods. These results indicate that community connections are very high between the City and its citizens. They are high when compared with other cities, and most show a steady increase since 2007. Community connections are enhanced by the establishment of strong ties between the CMO and the community that involve the people in making decisions and prioritizing services. The 2011 Budget One process itself is an example of a decision made by the CMO that supports this approach. The process is open and transparent, designed to promote trust, credibility, and produce results of high value to the community by prioritizing the work of the City based citizens' needs and priorities. The One City initiative is another example of a process arising from, and supported by the CMO. The Leadership Philosophy emphasizes the importance of valuing customers in the community, considering their priorities, and striving to make a positive difference in their lives. The Environmental Stewardship Initiative was similarly established in response to a strong value evidenced by the community regarding the safeguarding of the City's environmental assets.

Strategic Leadership: Supported through the CMO's own strategic vision and leadership, aligned with Departmental leadership and management and in turn aligned with groups, agencies, and businesses in the community. All operating departments have been accredited by their respective accrediting organizations. The City is recognized as a model for innovation, receiving numerous awards and recognition for its ground-breaking innovations in service delivery, customer service, telecommunications and social media, NORCOM, and mobility and transportation projects. The *2010 Performance Measures Survey* shows that 87% of the citizens surveyed

believe the City is headed in the right direction, with 61% of this explained by the high quality of the City's government and services. 75% are satisfied or very satisfied with the City's Planning for the future.

Engaged workforce: One City supports engagement by encouraging innovation, providing a framework for realizing the Community Vision and Core Values, and promoting individual and organizational learning (Bolman and Deal, *Reframing Organizations*, Jossey-Bass, 1997.) The level of engagement has been measured since 2008 through the *Employee Engagement Survey*. Two surveys have asked questions related to engagement and shown positive, significant increases in results (*City of Bellevue Survey of Employee Engagement*, Data Report, 2008 and 2010.) Areas that have shown statistically significant increases include employees feeling their efforts count, managers and supervisors recognizing good work and giving people the opportunity to do their best work, managers practicing the core values, supporting work-life balance, staff knowing how their work impacts others, increasing diversity, expanding and participating in decision making, making work processes more effective, and creating a feeling of teamwork. While work remains to be done, this level of improvement speaks to the dedication of the CMO in supporting and encouraging all managers and staff to engage the workforce.

Exceptional Service: Valued and encouraged by the CMO, the CM seeks out feedback from customers and relays it to departments with the expectation that it will be recognized and addressed. The majority of employees (92%) believe the City is known for the quality of service we provide. 79% of citizens surveyed in 2010 said they value the quality of services provided by City and 86% believe they receive good value for their tax dollar.

Steward of the Public Trust: The City is known to be a responsible steward, evidenced by sound business/financial practices, its bond rating, departmental accreditations, and programs such as the Environmental Stewardship Initiative (an effort to safeguard community assets for future generations.) The CMO requires and encourages all departments, services and functions of the City to act as responsible stewards.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

As the primary leadership for the City, the CMO is accountable for the strategies, leadership selection and encouragement of all departments, functions, and programs. Through its support for departmental leadership and management, it directly addresses all seven of the RFRs, championing and supporting a safe community, improved mobility, an innovative, vibrant, and caring community, a healthy and sustainable community, high quality neighborhoods, and economic growth and competitiveness. (See the evidence listed in Community Connections, above.) In addition, the CMO has directly sponsored additional resources for Economic Development, Environmental Stewardship, and the One City Initiative.

C. Short- and long-term benefits of this proposal:

Support for the City Manager's Office will ensure both short- and long-term benefits for the City. Evidence shows it is a proven form of government (see Section 7), and the City has flourished and expanded under the CMO's strategic leadership in recent decades. Short-term, when the City began experiencing an unprecedented budget shortfall due to the general economic decline, CMO leadership took early action to curtail discretionary spending, impose a hiring freeze, and establish budgeting for outcomes in order to be most responsive to the needs of Bellevue's citizens and maximize input from all stakeholders. The CMO supports the City through difficult times by managing conflict, addressing real needs of the citizens and other customers, and managing contingencies that may derail the City from its Mission and Vision. Over the long-term, by keeping the City strong, innovative, and cohesive, CMO leadership will enable a rapid return to future growth and expansion.

D. Performance metrics/benchmarks and targets for this proposal

- A high % of citizens and other customers continue to report satisfaction with the City's services and functions, as well as with Return on Investment. (Performance Management metrics, Budget Office)
- Employees' perceptions and experiences in the organization (*Survey of Employee Engagement* repeated in 2012) continue to show improvement in the areas of employee engagement, satisfaction, and customer service.
- The City's Vital Signs continue to show strong outcomes at all levels.
- The City plans to create a dashboard of Key Performance Is that roll up from each of the departments, services, and functions in the organization as a result of this budget process. This set of indicators is used during 2010-2012 on a regular basis by One City leadership to monitor their internal activities.
- Baldrige Criteria indicate strong results in all 7 areas of performance excellence in 2012. The scores continue to improve in subsequent years.

E. Describe why the level of service being proposed is the appropriate level:

The City Manager's Office operates with a streamlined FTE count, designed to deliver maximum value cost-effectively and efficiently. It focuses its efforts specifically on the seven outcomes defined by the Council and the Budget One process, designed to eliminate unneeded work and achieve the most appropriate level of resource support for work valued by the citizens. In addition, the CMO has cut funding of its own support by eliminating 1.0 FTE Assistant to the City Manager to allow 1.0 organization development FTE dedicated to the development of the organization overall to take precedence.

Section 8: Provide a Description of Supporting Revenue

Not Applicable

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Failure to support mandates RCW 35, 35A. RCW 35A.13
2. Customer Impact: A vote of the citizens would be required to change Bellevue's form of government
3. Investment/Costs already incurred: Decades of investment in the CMO, which has resulted in steadily increasing percentages of citizens expressing trust and confidence in the office. In addition, very high percentages of citizens express overall satisfaction, perceptions of safety, and effectiveness of transportation, planning, value for tax dollar, quality of neighborhoods and services, and communication.

B. Consequence of funding at a lower level:

To operate at a lower level, the Environmental Stewardship Initiative or Organization Development positions could be eliminated. This would result in loss of FTE support for these efforts.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Intergovernmental Relations/Regional Issues Program		**Proposal Number:** # 040.08NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Diane Carlson x4225		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		
Coordinating proposals: #140.35NN (Utilities)provides funding for the other half of a position included in this proposal		

Section 2: Executive Summary

The Intergovernmental Relations (IGR) program staff ensure Bellevue's interests are represented at the state, federal and regional government levels and seek positive results in the form of funding, regulations and service partnerships that are aligned with the City's interests. This proposal ensures the City Council and City organization have the support to analyze and resolve cross jurisdictional issues and maintain an effective voice and leadership role with regard to emerging regional, state and federal issues.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$417,902	$440,118
Other	121,443	123,574
	$539,345	$563,692
Supporting Revenue		
	$74,896	$79,341
LTE/FTE		
FTE	2.5	2.5
LTE	1.0	1.0
Total Count	3.5	3.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The IGR program utilizes a matrixed structure across departments to provide support for regional, state and federal relations and issues by utilizing the expertise of departmental staff, in addition to funding for 2.5 FTEs identified in this proposal, to help support Council efforts, analyze and develop policies and create partnerships. Coordinating across departments creates a more unified City approach to issues and allows flexibility to focus staff resources on priority cross jurisdictional issues, which change over time. This proposal uses contract lobbyists for state and federal lobbying services, which is a lower cost approach than utilizing staff to perform these functions. The work of the IGR staff results in partnerships that reduce costs to the city and bring revenue to projects benefitting the city (see Section 7).

Section 5: Budget Proposal Description

This offer funds the IGR program, provides support for the Communications program , and supports the City's share of an LTE for coordinated city jail planning (funded primarily by outside sources), to provide policy support for decision-making concerning all activities of the City that reach beyond the City's boundaries or are impacted by decisions made by other governments. These activities include:

Developing City policies to establish the City's interests for issues and services affected by local, regional, state and federal governments such as development of the state and federal legislative agendas and policy

positions for regional transportation facilities and investments (Federal and state legislative agendas available on request). **Advocating for and advancing City priorities at the regional, state and federal levels** for all areas that may impact the City through regulation, revenue, expenditure, and service provision. IGR staff **support Council involvement in regional, state and federal activities** such as the Puget Sound Regional Council, King County committees, Sound Transit, Growth Management Planning Council, Regional Transit Task Force, and meetings with state, congressional and federal officials by providing briefings to Council members and representing Bellevue at the staff level work groups. **Developing programs, policies and solutions to enhance regional coordination of services** such as the development of programs and interlocal agreements for animal control services, NORCOM, and jail services. **Negotiate agreements** with other jurisdictions for the provision of services for the City, especially when numerous cities are negotiating for services. **Advising City Council and staff** on a broad array of policy and service issues.

Section 6: Mandates and Contractual Agreements

IGR staff support existing and future interlocal agreements requiring the City to provide staff involvement and/or representation for the ongoing provision of services covered by the agreements and for negotiations of new agreements including: wastewater, solid waste, water, stormwater, National Pollution Discharge Elimination System implementation, jail services, court, animal control, and emergency call taking and dispatch.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections

- Accessibility: As issues are reported to Council by the IGR staff, the information is transmitted to the community at Council meetings, providing the community with an accessible source of information on regional, state and federal issues that could affect them at the local level. A special Regional Issues Council packet is provided to Council at least 10 times per year for the Regional Issues Study Session that is available to the public.
- Transparency: IGR staff work with the Council to develop and create statements of interest and principles on a variety of cross jurisdictional issues that clearly and transparently articulate the city's positions, goals and expectations. These are developed at council meetings allowing the public to view and comment on the direction being provided. Examples of interest statements include: mobility, regional transit and rail, SR 520, I-405 and I-90 improvements and funding, regional human service issues, county, state and federal tax and regulatory issues, animal control, Burlington Northern Santa Fe corridor ownership and use, and others.

Strategic leadership

- Vision: IGR work supports the City's ability to achieve success as regional leader to achieve the community vision by providing policy support to the Council and working directly with other organizations to achieve both short-term and long-term interests of the City**.** This proposal directly supports the Comprehensive Plan vision for Bellevue to play a regional role and to be an anchor for the Eastside by working as a leader to find solutions to regional issues (Bellevue Comprehensive Plan, pg 15).
- Strategic planning – IGR staff tracks the changing environment of other governments and seeks positive regulatory change and funding and/or protects against negative impacts from state and federal changes by supporting regional, state and federal issue development and advocacy. **Over 900 Legislative bills were monitored for City impact in 2009 and 2010**. This year staff and City lobbyists were instrumental in changing statutes related to interpretation of shorelines and Growth Management Act regulations that could save the City from costly legal challenges and worked to reverse decisions that resulted in a revenue loss from the brokered natural gas tax (approximately $100,000 per year).
- Partnerships – IGR staff directly supports City engagement to nurture and create partnerships and collaborations with other governments and organizations to provide services. For example, staff provides management of the regional jail administrative group and has taken a lead in negotiating the

animal control agreement with King County. In recent years, IGR staff have led efforts to create jail, court, animal control, water supply and NORCOM interlocal agreements for new regional services in partnership with other cities and the county and have nurtured relationships supporting the solid waste, wastewater, and transit collaborations with the goal of providing better services at lower costs.

Engaged Workforce

- Empowered workforce - The IGR program uses a "cabinet" approach to involving staff from each department in helping to identify, analyze, and resolve cross jurisdictional issues. This approach helps keep staff informed and engaged in the issues and allows for broad staff participation and utilization of expertise in the development of problem solving strategies.

Exceptional Service

- Effectiveness and efficiency - The IGR work contributes to effective delivery of services by providing timely and appropriate identification of emerging issues for Council and the community. Presenting these issues to Council allows informed decisionmaking and the ability for staff to carry out Council's direction in a prospective manner as evidenced by the creation of and carrying out of state and federal legislative agendas and interest statements for regional issues. Additional efficiency measures include utilizing a contract lobbyist for the city, which saves an estimated $100,00 per year as compared to having an in-house lobbyist. In research conducted in 2005 from two neighboring cities (Seattle and Tacoma) and two cities with centralized IGR function of relatively comparable population (Scottsdale and Overland Park, KS), the number of centralized IGR staff was well below the average of the four cities (2.3 for Bellevue vs 4.0 at that time).

Stewards of the Public Trust

- Financial Sustainability - The IGR program helps ensure the City is representing the interests of its residents and businesses at the federal, regional, state and local levels to secure outside revenues for infrastructure projects and partnerships to provide more cost efficient services. Positive results for this strategy include creating funding partnerships to leverage City dollars for capital projects, creating partnerships such as NORCOM to provide services more efficiently, and seeking stable, appropriately priced services to respond to the needs of the City. Evidence of success includes the estimated savings for transferring dispatch services to NORCOM ($6.6 million over 7 years), achieving a fair price for animal control services (IGR staff negotiated a savings of $100,000+ per year in the recent contract) and jail contract services, and working to secure state funding for the NE 10th overpass ($64 million), the NB I-405 braided ramps to SR 520 ($227 million) and other improvements on I-405, the I-90 R8A project, and many others over the years. On the federal level, IGR program efforts have resulted in nearly $50 million in Federal appropriations for projects in recent years including transportation, human services and the arts.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Due to involvement in policy issues that range across the spectrum of City issues and services, this offer addresses and supports outcomes in many other strategies such as:

- Providing a **safe environment** by ensuring the City has long term access to court services, jail facilities and animal control services on a contract basis;
- Promoting regional partnerships and advocating for City interests with WSDOT, King County and Sound Transit to support existing and future infrastructure and services for **improved mobility;**
- Supporting City engagement with Cascade Water Alliance and King County Metro to **ensure clean and reliable water resources and clean living environment;**
- Supporting Citywide purchasing strategy to **leverage collaborations or partnerships** with external organizations through engagement with regional, state and federal agencies

C. Short- and long-term benefits of this proposal:
Every year, federal, state and regional governmental agencies make decisions to allocate billions of dollars of funding and consider regulatory and service changes that could have costly impacts to the City. Notable examples include State Legislative funding allocations to transportation projects, proposed changes to local tax authority and King County tax and service decisions that impact the City. This proposal allows the City to continue to engage at the regional, state and federal level to protect the interests of residents and businesses and pursue beneficial partnerships and collaborations that positively impact City services, costs and revenues. This proposal also allows the City to continue to exhibit strong regional leadership to ensure the City is leveraging outside opportunities to effectively serve the community.

D. Performance metrics/benchmarks and targets for this proposal:

- % of residents and businesses who feel the City is doing a good job of looking ahead and seeking innovative solutions to regional, state and local challenges - (Community indicator for Responsive Government)
- Success in achieving items/interests on IGR agendas – target 50% (City actions do not control a successful outcome, but contribute to it)
- Residents saying Bellevue is headed in the right direction -79% (Bellevue Citizen Satisfaction Survey)
- Bills tracked each year – target +600 in odd years, +300 in even years *Final bill reports for each State Legislative Session available on request).
- Achieving funding partnerships for local and regional priority projects

E. Describe why the level of service being proposed is the appropriate level:
The current level of service, in combination with staff support from other departments on specific issues, supports the City's engagement with regional, state and federal partners and agencies and provides adequate support for Council participation in regional forums.

Section 8: Provide a Description of Supporting Revenue

The LTE for jail planning is supported by a consortium of cities. The projected amount of off-setting revenue is $74,896 in 2011 and $79,341 in 2012, leaving the Bellevue cost at $10,500 in 2011 and $11,000 in 2012.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Lost opportunities to impact legal statutes potentially impacting the City.
2. Customer Impact: A negative impact on City resources and strategic leadership by reducing the City's ability to protect against negative regulatory changes or to seek positive changes and funding, along with the lack of involvement in retaining and pursuing partnership opportunities.
3. Investment/Costs already incurred: N/A
4. Other: Council would have little to no support for their engagement in regional boards and forums. The City would lose the policy support necessary to influence regional, state and local issues and would forgo millions in external investments in City priorities.

B. Consequence of funding at a lower level: Would require staff reduction or reduction/elimination of state or federal lobbying contracts having similar negative impacts as described in #2 above.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civic Services Support for Relocation of Courts from Surrey Downs to Alternate Site		**Proposal Number:** 040.10D1
Outcome: Responsive Government		**Proposal Type:** New Service
Staff Contact: Susan Harper , x6905		**One-Time/On-Going:** One-Time
Fund: CIP	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): Parent Proposal is 040.10 Relocation of Courts from Surrey Downs to Alternate Site		

Section 2: Executive Summary

This proposal is dependent on the parent CIP proposal for Relocation of Courts from Surrey Downs to Alternate Site, 040.10PA.

This proposal provides Civic Services the staff support needed to manage the design and renovation of an existing facility for the Courts and Bellevue probation. This project will offer a permanent solution for a long-standing problem for the Bellevue District Court as required in the court interlocal agreement between Bellevue and King County.

Section 3: Required Resources

OPERATING

Expenditure	2011.00	2012.00
Personnel	$52,271	$54,974
Other	$0	$0
	$52,271	$54,974
Supporting Revenue		
Operating Transfer	$52,271	$54,974
LTE/FTE		
FTE	0.44	0.44
Total Count	0.44	0.44

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

See parent CIP proposal 040.10PA Relocation of Courts from Surrey Downs to Alternate Site. By utilizing staff (0.44 FTE) already trained and familiar with this project, the cost of hiring additional project management staff for this CIP project is avoided.

Section 5: Budget Proposal Description

See parent CIP proposal 040.10PA Relocation of Courts from Surrey Downs to Alternate Site

The staffing for the referenced parent proposal is reflected in this proposal. The parent proposal is for a major renovation of an existing building, requiring qualified project management expertise to manage the design and construction of a $4.5 million dollar facility project. With this proposal, staff would manage design to be completed in 2011, construction in 2012 and move-in early January 2013.

Section 6: Mandates and Contractual Agreements

The City has a contract with King County for court services that remains in effect until 12/31/2011 and a lease arrangement with the District Court to use the Surrey Downs building. The City can terminate the court services agreement with King County at the end of the period if notice is given by June 30, 2010, however the city is mandated to provide court services by RCW 39.34.180 and would need to start our own municipal court as a replacement, which is more costly than the King County contract for services. The City is obligated in the court agreement to work cooperatively with King County to evaluate an alternate location for the Bellevue District Court. This work has been on-going since 2007 to find a least cost alternative to relocate the court.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

See parent CIP proposal 040.10PA Relocation of Courts from Surrey Downs to Alternate Site for all parts of this Section.

A. **Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**
B. **Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**
C. **Short- and long-term benefits of this proposal:** This staffing proposal does not increase current staffing levels, but rather utilizes the professional expertise of staff that has extensive knowledge of the Courts/probation program and is experienced in managing design and construction of large facility projects.
D. **Performance metrics/benchmarks and targets for this proposal:**
E. **Describe why the level of service being proposed is the appropriate level:** This proposal reflects the necessary staffing level based on many years of managing the design and construction of facility projects. Additionally staff is very familiar with city codes, processes and court and probation operations thus avoiding the "learning curve" that would be necessary should these services be contracted.

Section 8: Provide a Description of Supporting Revenue

Funding for the project management support is included in the parent proposal 040.10PA, and will be funded thru an operating transfer from the CIP, should the parent proposal be approved.

Section 9: Consequences of Not Funding the Proposal

A. **Consequence of not funding the proposal at all:**
   1. Legal: N/q
   2. **Customer Impact:** Court services would continue to be delivered at Surrey Downs – a facility that, without significant expenditure, poses a health and safety risk to employees and citizens alike. Staffing reflected in this proposal to design and construct a viable alternative for Court operations would be diverted to continue the search for alternative court facilities to comply with the agreement with the county.
   3. **Investment/Costs already incurred:** The city has invested staff and financial resources in evaluating court facility alternatives over a period of many years, from the early 2000s to recently in order to search out potential lease options, which proved unfruitful, to develop the service and space program needs for the court and probation, to analyze the costs of building a new court building in various generic locations and to analyze costs to renovate an existing building.
   4. **Other:**

B. **Consequence of funding at a lower level:** Given the cost savings reflected in the scope and timing of this project and the level of staffing proposed, it is unlikely the project could be successfully completed if it were not fully funded. Should this funding level not be approved, consultants and contractors would be hired for the work at a much greater cost as past experience has validated.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Service First		**Proposal Number:** 045.01A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Laurie Leland, x4366		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

Service First provides centralized, seamless, one-stop delivery of a wide range of services and information to customers through our public service desk, six public phone lines, our customer assistance web portal, and our City Hall events program which manages City Hall's 11,000sf of public meeting spaces. Central to our service delivery approach is that customers shouldn't have to understand City business or how the City is organized to receive service.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$648,289	$683,318
Other	13,700	13,960
	$661,989	$697,278
Supporting Revenue		
	$12,000	$12,000
LTE/FTE		
FTE	7.0	7.0
LTE	0.0	0.0
Total Count	7.0	7.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Service First will cut 1.56 FTE Coordinator positions from our public service desk, resulting in a personnel savings of $126,508 in 2011 and $133,788 in 2012. We will cut our M&O ("other") costs by $28,729 in 2011 and $28,289 in 2012 by eliminating overtime, reducing our sponsorship of the BDA's "Live at Lunch" concerts, and reducing our training budget (with reduced desk staffing, there will be little opportunity to attend training & still maintain adequate coverage). **Total personnel & other cost savings $155,237 in 2011 and $147,748 in 2012.** Our City Hall Events program brings in revenue from space rental fees (expect $12,000 in rental revenue in 2011 & 2012).

Partnerships/Collaboration: Partnerships include: State Dept of Licensing (registering new businesses), King County (pet licenses, operation of accessible voting center), Bellevue Downtown Association ("Walk Downtown Bellevue" program, Live at Lunch concerts), and Meydenbauer Center (event overflow & coordination).

Section 5: Budget Proposal Description

Budget Required:

- Other Expenditures - general office & operating supplies ($9,600), staff training ($2,100), sponsorship fee for one BDA Live At Lunch concert ($2,000).
- 1.0 FTE Service First Manager – to plan & implement strategies to improve access to services across the organization & enhance the City's overall service responsiveness; to manage operation of the public service

desk, customer assistance web portal & associated software, parking & employee transportation services program, and Service First's financial transactions & bank deposits; to ensure successful resolution of customer issues.

- 1.0 FTE Program Administrator – to assist with the above, and administer the City Hall Events program which manages City Hall's 11,000sf of public meeting, event, and display space; to respond to reservation requests from the public, other agencies, and staff for City Hall's public meeting spaces; to coordinate special events/press conferences/photo shoots/temporary displays; to plan & coordinate space setups/takedowns; to determine the relative priority of competing requests for space & ensure compatibility of various uses; to collect space rental fees.
- 5.0 FTE Coordinators – to provide direct service to customers 8a-5p through the public service desk, six public phone lines, and customer assistance web portal; to transact $68M/year of the City's payment transactions.

Section 6: Mandates and Contractual Agreements

N/A

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Responsive Government - Community Connections: Our public service desk eliminates multiple stops for 5,240 walk-in customers a month who come to City Hall to pay bills, obtain licenses & permits, register for programs, submit project bids, etc. For those seeking services that extend beyond our offerings, we play an important liaison role, performing the research necessary to link them to the services they require. We connect with non-English speaking members of the community using an AT&T Language Line phone that allows 3-way communication between staff, customer, and an interpreter in over 150 languages. We expanded the use of these phones at Community Centers, Mini City Hall, and the Neighborhood Resource Center to facilitate access to their services.

The customer assistance web portal we built in collaboration with IT staff, allows people to report issues, request services, and ask questions all in one place without needing to know who to contact. Since its May 2009 launch, 963 cases have been submitted giving the community seamless access to services & information across the organization.

The event coordination we provide through our City Hall Events program supports public dialogue by engaging the community in discussions about topics and issues affecting them (i.e. Sound Transit Light Rail, 520 Tolling). The gubernatorial press conferences, public open houses, and community events we coordinate increase the opportunity for the community to participate in and understand its government. We work with City staff, neighborhood associations, community groups, and local non-profits to coordinate meetings & events for their programs.

Responsive Government - Strategic Leadership: To support our mission to contribute to ongoing improvements to service delivery throughout the organization, we created a guiding philosophy—*"Services and information should be easy to access and not require customers to understand City business or how we're organized to receive service."* We apply this philosophy to everything we do and push it deeper into the organization when collaborating on service delivery initiatives. Our strategic application of this philosophy has resulted in service enhancements: decentralized cashiering at City Hall allowing customers to pay where they receive service, redesigned City web site focused on what customers want to do not who departments are, A-Z online services directory, expanded customer bill payment options, and customer assistance web portal.

Our mission and guiding philosophy have led us to service delivery partnerships. We partner with the State Department of Licensing so individuals/businesses can obtain their UBI number & Bellevue business license in a single stop at our public service desk (515 licenses issued in 2009). We offer pet licensing services through our

collaboration with King County Animal Services (130 licenses issued in 2009). Our partnership with King County Elections brings one of three regional accessible voting centers to Bellevue City Hall to serve eastside voters.

We have expanded Bellevue's reputation in the eyes of those who look to our public service desk and customer assistance web portal as the state of the art. Since their implementation, 26 organizations from across the country have contacted us to see how they can apply our service delivery model. Our Service First desk is an innovation in delivery of municipal public services. The centralized delivery of a broad range of services means customers don't have to navigate through the building or understand how the City is organized to get served.

Responsive Government - Engaged Workforce: Having staff with the right service orientation is mandatory to achieving our mission and exceptional service results. For this reason we recruit individuals who share our values and have grown from service industries (i.e. hospitality, event coordination, retail). As part of our work force development and retention strategy, all of our staff is measured against clear performance expectations in a 360 performance evaluation process designed to facilitate open and direct performance feedback.

Responsive Government - Exceptional Service: Satisfaction with service delivery remains extremely high as evidenced in our 2009 external customer survey: 100% rated service they received as "good or excellent"; 100% said our staff had a positive impact on their experience with the City; 91% replied "excellent" when asked how well we are streamlining access to public services. In our 2009 internal customer survey, 99% of City staff respondents said they were satisfied with our responsiveness and quality of service.

The high volume (3,619/mo) and range of complexity of calls we receive combined with our reduced staffing means many calls will go to voicemail. However, we will respond to messages on our public phone lines within 1 business day. Although this response time is significantly longer than with our previous staffing level (all calls were answered live), it does offer customers predictability.

Responsive Government - Stewards of the Public Trust: We transact and safeguard $68M/year in public funds that flow through our public service desk in the form of payment transactions (27,933/year) and end up in our daily bank deposits. Service First desk is accountable for the receipt and delivery of thousands of documents, records, and other materials (2,915/year) that flow between customers, legal entities, and City staff. The meetings (3,967/year) and special events (99/year) we coordinate in City Hall's public meeting spaces support Council and departments in carrying out their business and put the common good and public interest above individual interests. Our City Hall Events program ensures that users of our spaces comply with Fire & Building codes, Washington State Liquor Control Board requirements for alcohol service, and minimizes the City's exposure to risk from food borne illness and injury from space setup & takedown activities.

B. Factors/Purchasing strategies addressed by this proposal – for the OTHER outcomes:

Healthy & Sustainable Environment – Conservation: We offer "green" meeting guidelines, provide compost & recycle bins at events to minimize waste, and ask caterers to use environmentally friendly food service products, bio-degradable supplies, flatware instead of disposable plastics, and water pitchers instead of bottled water.

Innovative, Vibrant, & Caring Community – Support Services: A significant increase in human services inquiries to Service First in 2009 led to the initiation of "Bellevue Cares," a recession response task force. Service First staff led the team that created the Bellevue Cares training curriculum geared at giving frontline staff across the organization the resources to assist members of our community affected by the economic downturn.

C. Short and long-term benefits of this proposal: Continued leadership in the seamless provision of a broad range of public services via multiple channels (i.e. in person, phone, email, online) but with highest priority given to in person transactions with external customers.

D. Performance metrics/benchmarks and targets for this proposal: Seeking 85% satisfaction rate on:

- Customer satisfaction with Service First's ability to streamline access to public services.
- Customer satisfaction with staff responsiveness & quality of service provided.

- Customer satisfaction with staff's impact on their experience with the City of Bellevue.
- Customer satisfaction with the public service desk as a valuable resource.

E. Describe why the level of service being proposed is the appropriate level: The level proposed allows us to continue to operate the public service desk 8a-5p with the following operational changes:

- In person transactions (251/day) given priority over phone, web, email
- External customers priority over internal customers
- Increased customer wait times, specifically:
  - 11:30-1:30 lunch period
  - Wed mornings
  - During our staff vacations, training, or other leave
- Phone calls (206/day) to voicemail returned within 1 business day (previously all calls answered "live")
- "Dial zero" calls transferred to departments (previously most calls went to Service First)
- Staff meeting room requests responded to within 1 business day (previously was 1 hour)
- Temporary badges, parking intercom response & motor pool keys not available before 7:30 a.m. (was 7:00 a.m.)
- Eliminate City Hall tours, daily meeting room checks, last minute meeting room setups/takedowns
- Return payroll distribution, car wash/storm drain kit checkout, fitness center lock issuance to depts
- Shift staff room reservations and City Hall visitor parking lot monitoring to SF Manager and SF Program Administrator

Section 8: Provide Description of Supporting Revenue:

Revenue is from space rental fees collected through our City Hall Events program (Attachment A, section 1).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: N/A
2. Customer Impact: Must navigate through the building to get served; unable to reserve City Hall's public meeting spaces; no walk-in access to Development Services on-duty staff or other department staff; no repository for delivery of documents; no management of City Hall parking; no central point of contact and accountable service liaison at the City.
3. Investment/Costs Already Incurred: Design & construction of Service First desk, staff recruitment/training, computers, multi-line phones, CRM software & web portal implementation, other misc equipment & supplies.
4. Other: Because frontline services we provide transferred to us from departments on secure floors of City Hall, those departments must determine how to do this work and customers will need access to secure floors; loss of revenue from daily parking fees because we won't do visitor lot enforcement; Bellevue's image as an innovator in service delivery will be tarnished.

B. Consequence of funding at a lower level: Staff burnout and retention issues, reduced business hours, elimination of additional services, increased customer dissatisfaction, no afterhours event coordination. Funding at a lower level may require a general re-evaluation of the service delivery model since services & service levels would be significantly reduced. Since the bulk of our FTEs are required for Service First desk operation, we considered other staffing options to reduce costs but determined that none were feasible under our centralized service delivery model (Attachment A, section 2).

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Real Property Services – Round 2 Combined		**Proposal Number:** 045.04A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Max Jacobs, x4182		**One-Time/On-Going:** On-Going
Fund: General Fund and CIP	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

This proposal describes all services provided by the Real Property team, falling into three categories: (1) Strategic Planning and Asset Management – consisting of interdepartmental advance planning around real estate opportunities; (2) Real Property Support to Departments – consisting of all real estate valuation and acquisition services supporting City projects; and (3) Leasing and Commercial Property Management – consisting of handling all City wireless leases and overseeing commercial property management and leasing activities at the City's 70-suite Lincoln Center property. Approximately half of the Real Property team's personnel costs are recovered from the CIP projects on which these services are performed.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$424,135	$446,072
Lincoln Center	$826,610	$851,034
Other	28,896	29,023
	$1,279,641	$1,326,129
Supporting Revenue		
Transportation CIP & Parks CIP/Levy	$231,925	$244,335
Utilities CIP	$59,173	$71,348
Lincoln Center Labor Cost Recovery	$15,470	$16,306
Lincoln Center Rent	$826,610	$851,034
Total Revenue	$1,133,178	$1,183,023
LTE/FTE		
FTE	3.56	3.56
LTE	0.0	0.00
Total Count	3.56	3.56

This proposal reflects conversion of a 1.0 LTE Real Property Manager to a 1.0 FTE.

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings: This proposal recommends a .44 FTE reduction, which would result in annual savings of $44,000. However, if the East Link project is funded (proposal number 130.39PN, "East Link Tunnel Funding Package and Project Funding Agreement"), the City would have to retain this half FTE to accomplish the associated workload.
Collaboration: This proposal contains an efficiency developed collaboratively for this budget process between the Parks, Utilities and Civic Services Departments, under which the Real Property team will take on wireless leasing functions for all City departments. This proposal also continues advancing the work of the collaborative

Property Committee, which seeks both to capitalize on new opportunities and to manage the City's high-dollar real estate assets strategically and interdepartmentally to optimize their value and use.

Section 5: Budget Proposal Description

Every City project that touches privately-owned land requires some form of real estate transaction. Public agencies such as the City of Bellevue therefore always have a real property staff. See Attachment A (surveying local agencies' real property staffing structures). This proposal will provide research, project consultation, value analysis, due diligence services, purchase offer development and negotiations, transaction documentation, and purchase closing for all non-Parks City projects involving real property. This proposal also will provide innovative ideas on structuring real estate transactions, insight on the state of the real estate market, and analysis of real estate opportunities, all of which advance a body of projects critical to Bellevue's vision for the future, including the East Link light rail and Bel-Red Corridor redevelopment projects. The Real Property team also updates and maintains the City's Real Property Inventory and Real Property Policies and Procedures. And this proposal provides commercial property management and leasing services for cell tower sites; Lincoln Center and other leases on City property and elsewhere, for example, on the City's "Safeway/Mid-Mountain" property or for City leases of space at Crossroads Mall, Factoria Mall, and Bellevue Transit Center.

Section 6: Mandates and Contractual Agreements

All real estate acquisitions must achieve a balance between state and federal constitutional requirements regarding taking private property and dispensing public funds. In addition, City, state and federal right-of-way acquisition procedures impose strict rules regarding the way property is appraised, purchase offers are prepared, negotiations are conducted, purchases are finalized and, where applicable, occupants of property are relocated: Uniform Relocation Assistance and Real Property Acquisition Policies Act, 49 CFR Part 24 (42 U.S.C. 61); RCW 8.26; WAC 468-100; WSDOT Right of Way Manual; WSDOT Local Agency Guidelines Manual. The City has parallel rules in the City of Bellevue Real Property Acquisition and Relocation Assistance Procedures. Similarly, condemnation procedures are governed by RCW 8.12 and RCW 8.25. Also, because Bellevue City Code 4.30.010 authorizes the City Manager or his designee to purchase real property for a price of up to $50,000 without specific Council approval, City decision makers authorizing such purchases need the guidance of well-informed and well-founded purchase recommendations.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

"Under all is the land." So begins the Preamble to the National Association of Realtors Code of Ethics. This simple statement speaks to the significance of real property: Virtually every City project involves the use of land. As the City continues to grow and evolve, well-informed City-wide planning on all manner of potential property transactions will continue to be an essential part of Bellevue's responsible governance. This proposal describes the Real Property team's services that contribute to the City's ability to make solid decisions regarding potential real estate opportunities, to execute well-structured property transactions, and to manage its real property assets wisely.

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership: The Real Property team helps turn community priorities into reality by analyzing and pursuing real estate opportunities that support planning for key City projects. Our contributions include: Early brainstorming with City leaders about potential sites for future City projects and partnerships with businesses and other government agencies; identifying evolving acquisition opportunities; providing professional advice in structuring real estate transactions; and thoughtfully managing the City's real property portfolio. The City stands at a threshold of dramatic new kinds of development, including the Bel-Red Corridor project, which, as recently as May 6, 2010, received national attention when Senator Patty Murray called it a "perfect example of the type of comprehensive approach to sustainable, environmentally-conscious development we are trying to encourage with the Sustainable Communities Initiative." The Real Property team will help advance this project.

Engaged Workforce: Real Property members are constantly learning and developing their skills and knowledge, keeping informed of developments in the business and real estate worlds and applying their expertise to assist City departments plan, budget and execute projects.

Exceptional Service: Inside City Hall, the Real Property team adds value to other departments' work by serving as project partners and promptly providing needed real property support that is thorough, insightful and relevant. In the larger community, the team constantly reinforces the City's reputation for competence, professionalism, and caring by providing accurate, helpful and timely information and assistance. Broad appreciation for the team's high quality, responsive service is reflected in customer satisfaction survey results.

Stewards of the Public Trust: Taking care to keep track of what one owns is fundamental to asset management and is a prerequisite to effectively using property and managing risks associated with it. Under this proposal the Real Property team continues as the custodian of the City's valuable real estate assets by maintaining, updating and mapping the City's Real Property Inventory and seeking to maximize operational usefulness of and, where appropriate, revenue from the City's real estate holdings.

Community Connections: In their land acquisition work, members of the Real Property team serve as ambassadors for the City. Real Property agents regularly stand in homeowners' living rooms, listening to their concerns and helping them understand City projects that impact their property and their lives. Agents ensure property owners are treated equitably, and given thorough information about the purpose and process of proposed land acquisitions. In that often delicate situation, the City needs representatives who are professional, skilled communicators who provide transparency and caring as they walk property owners through a process that can be seen as the most intrusive government interference. The result of the Real Property team's direct interaction with Bellevue residents and business owners is a tangible increase in the community's understanding of government and the connection between City services and community priorities.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

The Real Property team's services directly advance numerous Transportation and Utilities projects that contribute to the Improved Mobility and Sustainable Environment Outcomes. These services also advance the Economic Growth and Competitiveness Outcome because real property strategic planning is geared toward seeing, capitalizing on and creating real estate opportunities that will ultimately lead to increased development, investment and job growth in Bellevue. Services under this proposal also specifically advance the Economic Growth and Competitiveness Outcome in that the Real Property team, in collaboration the Economic Development Department, developed a business "incubator" program by which several of the smaller Lincoln Center units have been successfully marketed to new businesses and businesses new to Bellevue.

C. Short- and long-term benefits of this proposal:

This proposal delivers real estate services to all City departments, and maintains the level of real estate knowledge and dependability City staff need to plan, budget and execute projects. These services also help the City identify and take advantage of real estate opportunities, which particularly serves long-term City interests because the ability to make advantageous real estate decisions in years to come depends on imaginative, well-informed strategic planning today.

D. Performance metrics/benchmarks and targets for this proposal:

The following Performance Indicator has been and may be applied: percentage of Properties Acquired at City's Initial Offer Amount. In 2009, the Real Property team hit that metric with 100% success. Further, a core performance metric is whether the Real Property team successfully acquires needed property rights on time and within budget to advance City projects. The Real Property team consistently achieves this goal. The City's internal customer service survey has indicated a high level of general appreciation for the Real Property team's services. That metric should continue to be applied, but also augmented to allow more detailed performance measurement relating to response time, quality of information provided, and the team's ability to answer questions. Regarding the Lincoln Center property, standard real estate performance measures should be applied, including a review of operating costs, rental rates, occupancy, average remaining term on leases, and

delinquency rates. These measures must be adjusted to account for the City's long-term objectives for the property, which are to maximize revenue with minimal investment because the property eventually will be used for other projects and will not held as a long-term income-producing asset.

E. Describe why the level of service being proposed is the appropriate level:

The Real Property team is already minimally staffed, so the proposed .44 FTE reduction will strain the team's ability to deliver projects and respond to requests with the timeliness and accuracy the City needs, particularly in light of the CIP projects expected to go forward (see Attachment B). Also, if proposal number 130.39PN is funded (East Link Tunnel Funding), the City will need to retain the half FTE to accomplish the East Link tunnel work described there. Reducing the Real Property team any further would result in only miniscule net savings to the City, and would delay project delivery and require hiring outside consultants. That scenario causes increased project costs because comparable private industry services are more expensive. Managing and often training such consultants also requires significant staff time, resulting in increased cost and inefficiency.

Section 8: Provide a Description of Supporting Revenue

Approximately half of the Real Property team's personnel costs are recovered from revenue from Transportation and Utilities CIP projects, Parks CIP/Levy projects, and rent from the Lincoln Center project (residing within the Land Purchase Revolving Fund, Project No. 742251001). This proposal is supported by estimated capital revenue $1,133,178 in 2011 and $1,183,023 in 2012. Non-CIP services also generate interfund revenues from other non-General Fund departments. In addition to paying for City staff time, rent revenue generated by the Lincoln Center property pays all operating expenses and contributes to debt service.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Without an in-house Real Property team ensuring that complex laws governing acquisition and relocation procedures are followed the City would risk losing federal funding for any CIP project requiring land acquisition. Without this staff, there also would be an increased risk of litigation against the City resulting from improper attempts to take private property. In addition, the City's real estate assets, including the self-supporting Lincoln Center, would be neglected, causing significant risk of loss.
2. Customer Impact: Stakeholders in the Transportation, Utilities and Parks, among others, could not complete projects touching land without real estate planning and acquisition services. With regard to Lincoln Center, approximately 60 tenants at the property currently depend on the City continuing to manage it in a consistent, professional manner. Not funding this proposal would effectively terminate all property management functions at the property. Loss of these services also undermines implementing a consistent, City-wide approach to wireless leasing, and therefore potentially harms the City's ability to continue collecting revenue from that source.
3. Investment/Costs already incurred: The City already has invested significant resources in training and developing staff, and hiring a Real Property Manager, largely in anticipation of providing the real estate strategic planning support described in this proposal. Not funding the proposal loses the opportunity to realize the benefits of the City's investment. The City also made a major investment when it purchased the Lincoln Center property. Not funding this proposal would undermine the City's ability to realize revenue from the property, resulting in a net loss of revenue and cost increase.
4. Other: N/A

B. Consequence of funding at a lower level: The result of funding less than this full proposal would cause additional fractional reduction to FTEs, with corresponding significant delay in delivering projects. Funding at a lower level also would lead to cutting the operating budget of the Lincoln Center property, which would undermine the City's interests as such costs are necessary to minimally maintaining the building and surrounding premises and continuing to lease the property effectively.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Professional Land Survey Services		**Proposal Number:** 045.06.A1
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Lynn Call, x6460		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #: N/A**
Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

Protect and maintain the survey reference monuments essential to accurately locate property boundaries, easements and public rights-of-way as required by state and federal law. Create and manage the survey control information and reference systems necessary for cost effective and timely survey services by city staff and consultants. Provide cost effective and timely professional land survey services required for city operations and projects. This proposal combines Professional Land Survey Services and Survey Monument and Survey Control Network (Proposals 045.06PN and 045.06DN).

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$1,099,353	$1,157,369
Other	135,327	137,898
	$1,234,680	$1,295,267
Supporting Revenue		
	$633,709	$734,330
LTE/FTE		
FTE	10.0	10.0
LTE	0.0	0.0
Total Count	10.0	10.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Professional Land Survey services for city and private projects would be many times more costly without the survey reference systems provided by this proposal. The city's GPS Reference Stations allow city survey staff and private surveyors to do in one hour what would otherwise take days or weeks to accomplish. The Survey Control Database allows city survey staff to collect, organize, verify and reuse information on survey monuments over and over again. This information is published on the web and is used regularly by city consultants and private surveyors. In addition to the cost savings the Survey Control Network provides on city projects, it also saves our citizens more than $600,000 annually in private boundary survey costs.

City survey staff are members of the National Society of Professional Surveyors (NSPS), the American Congress on Surveying and Mapping (ACSM) and the Land Surveyors Association of Washington (LSAW) where information on best practices and technology advancements is regularly shared. Our survey staff actively participated in the last two major survey control modernization projects conducted by the National Geodetic Survey (NGS) in the State of Washington and each of the Primary Control Points in Bellevue's Survey Control Network is certified by the National Geodetic Survey and entered into the National Cooperative Base Network of Survey Control.

Section 5: Budget Proposal Description

The Survey Division provides many professional and technical services to most city departments, here are a few examples (see attachment for direct labor hours by department/function):

- Preservation of historic land survey monuments required to accurately locate property boundaries, easements and public rights-of-way as required by state and federal law.
- Management of three Global Positioning System (GPS) reference stations to facilitate efficient and cost effective field survey operations by city staff, city consultants, and private surveyors.
- Creation, maintenance and publication of a database about the survey monuments required for the design, permitting and construction of public works and private development projects; and for the accurate location of property boundaries, easements and public rights-of-way.
- Survey control, right-of-way maps, legal descriptions and property owner exhibits for acquisition of the rights-of-way and easements required for Transportation and Utility projects.
- Ongoing parcel boundary mapping for the city's GIS & Mapping systems.
- Topographic mapping and construction staking for Transportation, Utility, Parks and Facility projects.
- Certified American Land Title Association (ALTA) surveys for the purchase of city properties.
- Professional review of proposed plats, short plats, boundary line adjustments and other land use actions.
- Major accident and crime scene mapping for the Police Department and City Attorney's Office.
- Legal description preparation in support of rezones and annexations.
- Floodplain mapping and stream sediment monitoring surveys for the Utilities Department.
- Legal description review and map exhibit preparation for staff in numerous departments.
- Property boundary and survey advice to citizens.

Positions included in this proposal: Survey Manager (1), Prof. Land Surveyor (3), Surveyor3 (3), Surveyor1 (3)

Section 6: Mandates and Contractual Agreements This proposal provides staff and resources to keep the City in compliance with the following laws & requirements:
18 USC Section 1858 - Criminal offense to willfully destroy or remove government survey marker - subject to fine and/or imprisonment of up to 6 months.
RCW 58.04 & RCW 58.24 - Requires the preservation of survey monuments and makes it a gross misdemeanor to intentionally remove or destroy a survey monument. Requires guilty party to pay the cost of replacement.
WAC 332-120: Provides a legal means of temporarily removing and replacing a survey monument by a Professional Land Surveyor who must certify to the replaced monument's location.
WAC 332-130: The reference datum for horizontal survey control in Washington State shall be NAD83, as officially adjusted and published by the National Geodetic Survey (NGS) of the United States Department of Commerce.
RCW 18.43 and WAC 196: Requires that the city's parcel boundary mapping and legal description preparation be done "under the direct supervision of a Professional Land Surveyor".
Development Services procedures mandate professional survey review of proposed land use actions in accordance with RCW 58.09, RCW 58.17, WAC 332-130 and Bellevue LUC Sections 20.45A&B.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)
A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: The Federal Land Ordinance of 1785 defined our system of land ownership. It required that before any land could be sold that it must be first surveyed, platted and permanent survey monuments set. The survey monuments were required to provide a reliable, consistent and cost effective means of locating property boundaries. This federal requirement was duplicated by the states with RCW 58 (Boundaries & Plats) providing the same requirements in Washington State. The vast majority of our survey monuments are in the public roadways and are continually at risk of becoming lost or destroyed through construction and maintenance activities. When a survey monument is destroyed, the property boundaries which relied up it become less certain and more costly to establish. When several monuments are lost in an area, the cost to survey properties in that area becomes significantly more expensive and uncertain, often with conflicting surveys and feuding landowners. The city has a legal, ethical and fiduciary responsibility to perpetuate any monuments in danger of destruction by a city activity and must lead the efforts to assure that other development and maintenance activities protect survey monuments as well. The Survey Division leads the city's efforts in survey monument preservation.

City survey staff regularly interact with citizens who come to City Hall or call on the phone with questions about property boundaries and easements. We also provide professional and technical guidance to other city staff members who interact with the public.

Strategic Leadership: One example of strategic leadership is the city's adoption of the National Geodetic Survey's (NGS) latest officially published National Survey Control Network values. The NGS provides the national survey control framework that cities, counties and states rely on. Washington State law mandates the use of "officially adjusted and published" NGS survey control values. For over ten years the NGS worked on a project to update and improve the primary survey control for the nation. During this same ten years, city survey staff strategically and regularly organized and prepared its survey measurements for conversion to the new National Survey Network. Since this step was added to the regular workflow for survey projects, it was done at very little extra cost. When the new National Readjustment of Survey Control was published by NGS in 2007, it took Bellevue survey staff less than one day to readjust and publish its Survey Control Network referenced to the new, much more accurate, National Spatial Reference System of 2007. Other state and local agencies are now faced with years of work, and no resources, to bring themselves into conformance with this new national standard.

Engaged Workforce: City survey staff are very well trained and equipped. Survey technology is continually evolving, and survey staff must be constantly learning to keep current with industry standards. Bellevue's survey personnel are highly respected within the survey community and are recognized as being leaders in best survey practices. Six survey staff members are licensed Professional Land Surveyors (PLS) and one has qualified as a Land Surveyor in Training (LSIT). It takes 10-15 years of surveying experience and two very difficult days of testing to become a licensed PLS. Successfully passing these tests is rarely accomplished on the first attempt. It takes commitment, hard work and perseverance to continue forward to successful registration as a PLS.

Exceptional Service: The Survey Division takes great pride in its professionalism and in its acknowledged leadership role in the survey community. We earnestly strive to provide cost effective and timely survey services and are never the cause of project delays. On our last annual customer survey, 100% of our customers reported they were either "satisfied" or "very satisfied" with our services. We routinely receive comments from the private survey community such as: "you have the best survey data we have ever seen", "your web site is so complete and easy to use", and "why can't the other cities and counties do it like you?"

Stewards of the Public Trust: Bellevue's Survey Control Network has been systematically built over the last 22 years and provides the framework for the other survey services city staff and consultants provide. Without the Survey Control Network, our GIS mapping would not be geographically accurate and we would be unable to share GIS data with other agencies. Our Survey Control Network meets all federal and state accuracy requirements, but more importantly our system has long-term sustainability. All of our survey monument measurement data is contained in a single mathematical model, where each new measurement adds to and strengthens the whole. This data is regularly adjusted using the most stringent mathematical analysis, which can detect and eliminate errors, and where the values for the survey monuments in our network are continually updated and improved. This method of organizing and analyzing data doesn't require any more staff time than traditional methods, but it provides a much higher quality product. Because the accuracy of the city's Survey Control Network is improving over time, its usefulness is sustainable indefinitely. This is in contrast to most agencies that survey on a project-by-project basis with little effort put into reusability and long-term use. Their systems accumulate conflicting and undocumented information and become less reliable and useful over time at much higher long-term costs.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Safe Community: The Survey Division supports the Police Department and CAO in mapping major accident and crime scenes. The Survey Control Network and GPS Reference Stations greatly reduce the time city survey staff and private surveyors must work in traveled roadways to locate the survey monuments required to provide their services. This lessens disruption of traffic and decreases the chances of serious injuries.

Improved Mobility: A major portion of survey staff time is used to support all types of mobility projects. We work closely with members of the project teams and provide services in support of all phases of their projects. We anticipate that substantial survey resources will be required to collaborate with the city's East Link project team and with Sound Transit surveyors and engineers. This will involve verifying that the light rail project plans and property acquisition activities are consistent with city standards and expectations and maintain property rights.

Healthy & Sustainable Environment: Survey staff provides surveys and maps for the Parks Department in support of their enforcement activities against illegal tree cutting and encroachment onto city property and greenbelts.

C. Short- and long-term benefits of this proposal: Statutory compliance and lower costs to the city and citizens for required survey services. Greater accuracy and consistency for all types of surveys.

D. Performance metrics/benchmarks and targets for this proposal: Percent of Survey Control Network meeting federal "First Order" accuracy standards.

E. Describe why the level of service being proposed is the appropriate level: This level of service will maintain critical core internal survey service levels and competencies, while outsourcing the extra survey services required during peak project periods. The city survey group cannot provide all of the survey services currently needed by the city; with the remainder ($300K - $500K annually) being contracted to private surveyors at substantially higher costs. We believe that with the currently proposed CIP Project List and with the East Link and Bel-Red Area initiatives, survey staff will have more than enough work at the current staffing levels.

Section 8: Provide Description of Supporting Revenue Section

2011	2012	
$348,000	$367,500	CIP - Transportation
$86,500	$91,000	CIP – Utilities
$25,000	$26,500	CIP – Parks
$35,500	$37,500	East Link
$95,000	$95,000	Permit Fees
$43,709	$116,830	ITD
$633,709	$734,330	

Non-CIP services also generate interfund revenues from other non-General fund departments.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** Without this service, many survey monuments will be destroyed by city projects and the city and staff will be in violation of several state and federal laws. The city's boundary mapping and legal description activities will be without the direct supervision of a Professional Land Surveyor and will therefore be illegal. Many errors in the city's land use actions will go undetected and the city could be subject to lawsuits for approval of defective plats.
2. **Customer Impact:** The survey services required for city projects and private development will be significantly more costly. Locating property boundaries, road rights-of-way and utility easements will become more costly and less certain. City personnel who rely on survey staff for quick and knowledgeable advice will be forced to do without.
3. **Investment/Costs already incurred:** The city has invested 22 years of work in building the Survey Control Network. Without these services, the Survey Control Network will deteriorate and become unusable. Many decades of accumulated local survey knowledge will be lost and our citizens and private surveyors will be left to discover the anomalies and pitfalls by themselves.

B. **Consequence of funding at a lower level:** Contracted survey services will need to be increased at significantly higher costs with extended project timelines.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facilities Maintenance & Operations Round 2 Alternative Proposal		**Proposal Number:** 045.08A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Frank Pinney, x6049		**One-Time/On-Going:** On-Going
Fund: Facility Services	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.08D1 Facility Preventative & Major Maintenance, 045.08D3 Facility Tenant Services.		

Section 2: Executive Summary

This proposal provides for Maintenance and Operation (M&O) services for General Government Facilities, which includes City Hall, Bellevue Service Center (BSC), Surrey Downs (SD) and Old Fire Station 3 (OFS#3). It covers day-to-day operations for building and site maintenance which include utility costs, custodial services, including carpet cleaning and window washing, and minor repairs.

This proposal includes $100,000 reduction in base budget from 2010 for energy and maintenance efficiencies. It also includes a reduction in custodial service to skip service and reduction of window washing from two times a year to once a year. This results in additional $127,000 savings in 2011 and $129,413 in 2012.

Section 3: Required Resource

OPERATING

Expenditure	2011	2012
Personnel	$582,297	$612,869
Other	1,784,858	1,825,223
	$2,367,155	$2,438,092
Supporting Revenue		
	$1,603,624	$1,633,399
LTE/FTE		
FTE	6.06	6.06
LTE	0.00	0.00
Total Count	6.06	6.06

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Staff streamlined the custodial-related contracts for City Hall and BSC for 2010 that resulted in a $28,000/yr savings over 2009. Since moving into City Hall in 2006 our energy and maintenance costs have been reduced or stayed the same resulting in an overall savings of over $150,000 per year when considering inflation. This alternate proposal further reduces operating costs by $127,000 in 2011 and $129,413 in 2012 by reducing custodial and window washing services. These saving have allowed us to keep our rates consistent without taking inflation adjustments on several occasions. Similar savings have been realized at our other facilities; however City Hall has the highest operating costs and therefore the largest impact on savings. Facilities works daily with Information Technology Department (ITD) to conserve energy on their equipment and supports Utilities' recycling and compostable waste programs. Facilities also contracts with Parks for all landscape services.

City Hall has received the Energy Star award for energy efficiency and ranked in the 95th percentile for all office buildings in the United States for energy efficiency, and one of only seven City Halls nationally to receive this award. These same measures that won City Hall this award are used in all of the buildings operated by Facility Services. Facility Services buildings are ranked against other International City Managers Association (ICMA) agencies as far as operating costs per sq. ft (Attachment A).
Facilities staff developed a performance based contract to ensure there were measures in place to allow us to track the work of the vendors and ensure they meet the contract requirements. This format was shared with Contracting Services with other Eastside cities. It is currently being used by Kirkland and is being used by the State General Services Administration (GSA) as a potential best practice.
The City is a member of ICMA, Building Owners and Managers Association (BOMA), and Government Finance Officers Association (GFOA) all of which share operating ideas, best practices and benchmark information. Facilities Services has also partnered with Utilities and Parks Departments in developing a Maximo database that shares information relative to annual planning, labor tracking, and work orders that can be specific or rolled up for Citywide accountability. (Attachment A)

Section 5: Budget Proposal Description

M&O services cover 24 hour operations of the Police Department and the NORCOM dispatch center on the 7th floor of City Hall, as well as City Hall, BSC and Surrey Downs operational functions. Major components include yearly costs of $950,000 for utilities, $550,000 for response and repair contracts and materials, $525,000 for custodial contracts and materials; and $475,000 for labor to support the operations and in house repair. Attachment B lists all of the services provided under the Facility Services Division and is used as part of our service level agreement with the departments and outside clients such as NORCOM.
This alternative proposal reduces custodial services at City Hall & BSC to what is called skip service. This essentially reduces the following from daily to every other day :

- custodial services
- Restrooms and kitchens will continue to be stocked with paper products daily; other routine restroom services will be relegated to every other day.
- Vacuuming & spot cleaning of all carpeted surfaces,
- dusting, trash/recycling pickup

It also reduces from monthly to every two months:

- High level dusting
- Floor drain maintenance
- Floor polishing

It reduces from twice per year to once a year:

- Window blind cleaning
- Window washing

ICMA, BOMA, and GFOA have best practices policies that suggest how to maintain and operate facilities. Facilities Services monitors and measures against these best practices to ensure City facilities are kept in proper working order. GFOA recommends "*that local, state and provincial governments establish a system for assessing their assets and appropriately plan and budget for any capital, maintenance and replacement needs*". The Facility Services Fund is structured to monitor and measure the condition of City buildings, maintain a 10-year maintenance plan, and develop reserves through rates to meet the long-term needs of City facilities.

Section 6: Mandates and Contractual Agreements

Facility Services has a lease agreement with NORCOM located on the 7th floor of City Hall. This agreement is for M&O to support NORCOM'S services to the eastside communities on a 24-hour basis. In addition, City Hall and the BSC must meet certain levels of service and maintenance and must monitor these items in support of Police, Fire, Utilities, Transportation and Parks accreditation.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: Based upon our annual customer service survey, 88 percent of our customers agree that City facilities are safe and clean. This benchmark is used in the ICMA comparisons for cities nationwide. The employee survey completed in February, rated the workplace 4.03 out of a possible 5.0 for well-maintained facilities. The national average for public facilities is 3.07. The community survey stated that 86% of residences say they are getting their money's worth for the City government services and facilities.

Strategic Leadership: The strategic aspect of maintenance and operations is primarily maintaining and providing for an environment where staff and community leaders can carry out the business of strategic government. A safe and clean facility environment is essential for the support of these functions.

Engaged Workforce: Facility Services strives to empower its employees and the Citywide workforce to be leaders, develop alternative methods for maintaining the buildings and be a part of what makes City Hall a great place to work. 100% of the Facilities staff are Certified Building Operators through the NW Energy Efficiency Council, and most of the innovative ideas that have been put into place come from our front line staff.

Exceptional Service: Facility Services has a one call 24 hr phone line as well as an e-mail address where City staff can report problems or request services to deal with issues or emergencies to ensure our 24-hour facilities (City Hall and BSC) remain operational for the City's internal customers and the external customers they support.

Facility Services produces an Internal Service Agreement (ISA) with all of our clients which outlines the services provided and the response time expected for differing types of issues. This ISA is tailored to the client's needs as they can tend to be different depending on the service they provide.

Stewards of the Public Trust: City Hall was designed as a 100-year facility. A well-maintained facility is less expensive to operate, safe for staff and the public to occupy and lasts longer. The maintenance and custodial costs for City Hall as an example, have gone down since 2004 from $4.92 per sq. ft. to today's cost of $4.81 per square foot. Accounting for inflation, the overall savings would be approximately 12%.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Facility operations support all of the other outcomes by providing safe, clean and efficient facilities for support of government operations. The M&O aspect of operations directly support the Healthy & Sustainable Environment Initiative by reducing the use of electricity and natural gas and by supporting the waste and food recycling programs. The saving in electricity alone for 2009 was enough to power 44 homes in Washington State for a year.

C. Short- and long-term benefits of this proposal:

Taking this reduction in window washing and custodial may result in some short term savings, however this type of reduction has been tried in the past with limited or no success. Long term costs may actually increase due to increased deterioration of carpets and other surfaces, It has also been shown that decreased service levels of carpet care has an impact on air quality and increase the presence of allergens which may result in higher absenteeism of employees.

D. Performance metrics/benchmarks and targets for this proposal:

Utility costs comprise 40% of the M&O budget. We have managed to reduce our energy consumption and operating cost of the City Hall facility by 6% and absorbed utility rate increases since 2006. These savings go into our reserves which help fund future projects and keep our rates as low as possible. We benchmark against BOMA and ICMA for cost per sq. ft. and customer satisfaction (Attachment A). Reduction in window washing increases the susceptibility of vehicle fuel emissions residue that is an inherent problem with buildings located in high traffic areas (I-405). Industry standards indicate washing exterior windows twice/yr helps control this residue and any reduction in cleaning could have a long term effect in deterioration of glass.

Reduction in carpet vacuuming also reduces the life span of the carpet while increasing the accumulation of trapped solids which affects indoor air quality.

E. Describe why the level of service being proposed is the appropriate level:

Bellevue measures its performance against other Cities using ICMA comparables. We closely monitor both the cost per sq. ft. of custodial and repair and maintenance along with our customer satisfaction survey results. As you can see from Attachment B figure 4-3-B, Bellevue's cost for M&O without utilities is a $1.00 per sq. ft., and is near the bottom one-third of the costs submitted by other cities. For example, costs incurred by Coral Springs FL are three times as much as Bellevue, and taking into consideration that Washington is a prevailing wage state and Florida is a right-to-work state, makes it all the more notable. Our customer satisfaction for excellent on figure 4-8 indicates a rating of 88% good to excellent, with an excellent rating of 22% compared to Coral Springs at 100% good to excellent with 85% excellent. We could spend more on custodial to get a higher rating, but the return on investment does not make our buildings last any longer. While this proposal saves money, Facility staff does not believe this is an appropriate level of service due to the limited savings, the impact on overall customer satisfaction and the degradation of the building assets. This cut in service has been attempted on at least two separate occasions, both due to budget reductions. On both occasions , the customer feedback was quite negative and within a short period of time the services were restored by the direction of the City Manager. (see attachment A-other facility operators experience with custodial reductions.)

Section 8: Provide Description of Supporting Revenue

The M&O aspect of the Facility Services Fund is supported primarily by rates collected from general fund departments, as well as for rate supported departments such as Utilities and Development Services. In addition, we receive revenue from the other agencies that rent space in one of the City's computer rooms. The City receives rent from NORCOM for the operations of the Communications Center on the 7th floor of City Hall, some minor and intermittent grant funding, as well as a small amount of revenue from King County for the Court operation in Surrey Downs.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: There is no legal requirement to maintain buildings, but unmaintained facilities quickly fall into disrepair increasing the likelihood of slips, trips and falls along with the associated lawsuits.
2. Customer Impact: Facilities that are not properly serviced will result in poor or dimly lit spaces, increased complaints regarding staff comfort and have a negative effect on all who visit or work in our facilities.
3. Investment/Costs already incurred: All our facilities are maintained at a level that keeps them safe, clean and operationally efficient.
4. Other: N/A

B. Consequence of funding at a lower level: The public expects the City to spend their tax dollars wisely. A well-balanced cleaning and sanitation program keeps a facility clean, improves air quality, and improves the working conditions within the building. Reducing funding for maintenance will ultimately result in an increase in operational costs and degrade the value of the asset.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facility Preventive & Major Maintenance Round Two Alternative Proposal		**Proposal Number:** 045.08A2
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Frank Pinney, x6049		**One-Time/On-Going:** On-Going
Fund: Facilities Service	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.08PA Facilities Maintenance & Operations		

Section 2: Executive Summary

This proposal provides funding for preventative and major maintenance (PM) for the General Government Facilities which includes City Hall, Bellevue Service Center (BSC), Surrey Downs, and Old Fire Station 3. PM includes all activities to maintain, repair, or replace infrastructure, equipment or building systems with a proactive and planned methodology. The budgeting and planning for this work is completed in maintenance management software as well as the 10-year Major Maintenance Plan. A sound and effective PM program extends the useful life of equipment and building systems and reduces the occurrence of failures.

This proposal moves some projects scheduled in the 10-year Plan out a few years. It does not save money in the long term but does defer $200,000 for 2011 and 2012 which can be used for other proposals.

Section 3: Required Resource

OPERATING

Expenditure	2011	2012
Personnel	$583,103	$614,037
Other	1,168,300	1,176,068
	$1,751,403	$1,790,105
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	5.71	5.71
LTE	0.00	0.00
Total Count	5.71	5.71

This proposal reflects conversion of 0.25 LTE Facilities Operations Specialist to 0.25 FTE.

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This alternate proposal does not save money in the long term, but by moving projects out a few to several years, cash for 2011 and 2012 can be made available for other proposals. Deferring these major maintenance projects to future years provides a combined savings for 2011 & 2012 of $200,000.

City Hall has received the Energy Star award for energy efficiency. City Hall ranked in the 95th percentile for all office buildings in the United States for energy efficiency and one of only seven City Halls nationally to receive this award. These same measures that won City Hall this award are used in all of the buildings operated by Facilities Services. Many of these cost savings came from preventative and major maintenance projects that replaced older less efficient equipment with newer more efficient equipment that not only pays for itself, but

also saves operating dollars. Industry standards recognize that a good PM program saves money, reduces unscheduled interruptions to staff and operations and prolongs the life of equipment and systems. Facilities shares its methodology for PM planning and major maintenance with other departments including Parks and Fire. Facilities also shares process, ideas, and benchmarking with the City of Seattle, Redmond, Kirkland and King County. The City of Bellevue is a member of the International City Manager's Association (ICMA) who compiles our data for benchmarking with cities across the country.

Section 5: Budget Proposal Description

This proposal contains the PM costs for General Government facilities. Major Maintenance projects are tracked in the Maximo software and scheduled through the Preventative Maintenance application of the program. Typical PM work consists of belt and filter replacement on heating, ventilation, air conditioning (HVAC) equipment, elevator inspections, fire alarm and suppression system testing, painting and plumbing systems testing, assessment and evaluations. Major Maintenance projects are large in nature and include the replacement of HVAC equipment, roofs, parking lot paving, and replacement of large building systems (fire alarm, fire sprinkler, plumbing and lighting). Proactive and planned PM ensures we received the maximum life expectancy of each piece of equipment or building system. These systems and equipment are tracked through a 10-yr major maintenance plan for each building so Facilities can plan and schedule for subsequent replacement as needed and before they fail. By deferring some of these projects this alternative proposal allows for short term money to be made available for other proposals. Potential projects to be delayed include code required piping improvements for the City Hall generator at $170,000 and skylight replacement at the BSC for $30,000. PM is the cornerstone of good building management and sustainability. Buildings that are well-maintained are less expensive to operate, cost less to maintain, and retain their value. Several states mandate that facilities be assessed and maintained at an appropriate level or future funding can be in jeopardy. The State of Washington does not currently have a requirement for an assessment and maintenance program, however, the Government Finance Officers Association (GFOA) has several "Best Practices" that outline practices to manage and maintain facilities (Attachment B).

Section 6: Mandates and Contractual Agreements

State and Local Fire code requires that fire pumps, alarms, strobes, and detectors be tested and maintained on a regular basis. Failure to perform testing and preventative maintenance violates several fire and building codes and can result in significant fines. Facilities Services support the Parks, Transportation, Utilities, Police and Fire accreditation by providing appropriate, safe, and efficient facilities (Attachment C).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: City staff are Facilities' internal customers. Staff ratings for City buildings is 88% good to excellent, and 86% of the community surveyed says they are getting their monies worth for the City government services and facilities.

Strategic Leadership: The amount and type of PM planned for each facility is tailored to the age and useful life of the facility. City Hall, for example, was designed and constructed to be a 100-year building. Therefore, everything from the pavement, concrete walls, windows, electrical, HVAC, plumbing, and roofs have a PM schedule together with a repair or replacement schedule.

Engaged Workforce: 100% of our operations staff are Certified Building Operators and attend continuing education classes to keep abreast of latest technology and testing methodologies. Their input and expertise is critical in identifying the operational status of City building equipment/systems and influences what is tracked in the 10-year plan.

Exceptional Service: By performing PM on a scheduled basis, we are able to plan for and schedule the work to reduce the impact to our customers. When possible, staff will coordinate with other departments for efficiency and reduced impact to City staff.
Stewards of the Public Trust: PM is the key to maintaining a facility. Well-maintained facilities are more efficient and last much longer. Many systems within a building have a 10 to 20-year life expectancy. Many will last that long or longer, but planned and proactive maintenance allow for the replacement of these systems before they fail, and in many cases before their useful life is up, by replacing them with new more efficient equipment.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Properly maintained and efficient operating facilities are critical for staff to provide services to meet all of the Outcomes in the budget one process. Critical to Safe Community is the continuous and uninterrupted operations of the NORCOM dispatch center and Police and Fire functions at the BSC and City Hall.

C. Short- and long-term benefits of this proposal:

PM reduces the impact on the operations carried out in our facilities. Planning and funding for future replacement and repair of major systems decreases the impact to our customers, reduces the chance of failure and in the long run saves considerable money and time.

D. Performance metrics/benchmarks and targets for this proposal:

Facilities use several benchmark and performance measures to track services. Facilities tracks its customer satisfaction and balance their satisfaction with the cost of operations. Using ICMA measures to benchmark costs to other organizations, Facilities tracks costs of operation. Using proactive PM and by replacing inefficient equipment, Facilities has been able to reduce operating costs by nearly $150,000 per year since moving into City Hall in 2006. Using the updated version of our maintenance management software, we will be able to measure the ratio of cost of reactive maintenance vs. preventive maintenance. This is an emerging performance measure that says, the more you spend on preventive vs. reactive, the lower you operating costs.

E. Describe why the level of service being proposed is the appropriate level:

Facilities staff do not believe this is appropriate funding for the preventative maintenance in the long term. This funding proposal puts the Facilities Services Fund at risk of being underfunded should y the City Hall generator project, the BSC skylight replacement or any other planned project need to be accomplished before the funding is made available or should we have a major unanticipated failure of one or more systems.
Facilities has critical emergency functions located in City Hall and BSC. Interruptions of these critical functions will affect the operations of Police, Fire, and NORCOM 911 center. Planned testing is an integral part of PM. As an example, during our weekly generator testing, a piece of the electrical switch gear failed. As a result, Facilities was able to plan for the replacement of this equipment without impacts to the building and occupants. If a failure would have occurred during normal operations, it would have resulted in a failure of the backup power systems and in the total disruption of the Police, Fire and NORCOM for the term of the outage. An example of a not so successful PM operation can be seen in Attachment D.

Section 8: Provide a Description of Supporting Revenue

The PM aspects of the Facilities Services Fund are supported by rates collected from operating departments within City facilities. In addition, Facilities receives revenue from other agencies that rent space in one of the City's computer rooms. Additionally, Facilities receives rent from NORCOM for the operations of the Communications Center on the 7th floor of City Hall and money through a lease agreement from King County for the regional court at Surrey Downs.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Fire and building code require periodic testing of smoke and fire detectors, fire alarms, fire sprinklers and fire pumps in all General Government buildings.
2. Customer Impact: Not doing PM will result in equipment failures that will not only disrupt the operations of key public safety operations, but also the everyday government operations. The result in these unplanned failures will be extended disruptions and higher costs in the long run.
3. Investment/Costs already incurred: Bellevue has a significant investment in its general government facilities. Not maintaining these facilities at appropriate levels will result in degradation of the assets.
4. Other: As a self-insured City, Risk Management can attain a higher insurance rating because of our strong PM program.

B. **Consequence of funding at a lower level**:

This alternate proposal lowers the Facilities Services Fund rate by the amount proposed. However, this funding will have to be made up in out years by continued and currently unrealized savings, or by rate adjustments in later years to reestablish the funding level needed to complete these projects. The Facilities Services Fund reserve policy states "The rates shall be set to provide sufficient funds to meet all operating and capital costs on a pay-as-you-go basis, as well as to provide reserves for potential unanticipated plant failure/emergencies." This proposal will reduce the amount available in reserves and may result in reserves below those identified in the Fund Policy.

Facilities does a 10-year cash flow model which allows us to include all operation and replacement costs, along with projected revenues. This model is constantly updated to indicate the reserves expected in out years. Reducing the investment in this proposal will result in a funding short fall or result in not replacing key equipment which can result in a major interruption or disruption of City services.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facility Tenant Services		**Proposal Number:** 045.08A3
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Susan Harper, x6905		**One-Time/On-Going:** On-Going
Fund: Facilities Services	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.08PA Maintenance & Operations		

Section 2: Executive Summary

Tenant Services provides space planning & design services and management for approx. 550,000 sf of City facility space. Services include event staging and meeting support, food service, facility space planning and design, furniture management, office relocations and reconfigurations, facility drawing development and management, and minor tenant improvements. Ensuring compliance with the Americans with Disabilities Act and other workplace health and safety requirements is a key component of this work. These services are provided for department occupied spaces and common areas including public lobbies & corridors, training facilities, fitness centers, and meeting rooms at City Hall, BSC, and Surrey Downs.

This alternate proposal removes $135,300 of the budget for department specific services such as office relocations and reconfigurations.

Section 3: Required Resource

OPERATING

Expenditure	2011	2012
Personnel	$222,009	$233,744
Other	97,000	97,503
	$319,009	$331,247
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.53	2.53
LTE	0.00	0.00
Total Count	2.53	2.53

This proposal reflects conversion of 0.75 LTE Facilities Operations Specialist to 0.75 FTE.

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings/Innovations:

- Reduced 2009-10 budgets by $78,000 for services of 3 consultants by hiring 1 LTE to manage the AutoCAD system and facility data base and provide space planning services. This has resulted in an improved work product and greater efficiencies in delivering services.
- Cut approx. $30,000 in consultant services for construction document production by providing in-house AutoCAD support for 4 tenant improvement projects.
- Planning standards resulted in reduction in furniture moves/reconfigurations, with “box moves” now most common. These moves are 5x less costly than furniture moves.
- Office standards, furniture systems & accessories that are flexible, ergonomically designed and readily adaptable to various work requirements, result in considerable cost savings in response to organizational changes.

- In the current economic environment, the City has used only a portion of the funds allocated to tenant services for departments. For the past two years, this excess was returned to the Budget Office as one time rebates. This alternate proposal would remove this funding for the next two years resulting in a combined savings of $270,000 for 2011 and 2012.

Partnerships/Collaboration: We collaborate with all 15 City departments to design & maintain spaces that are ADA compliant, support full connectivity, and address ergonomic needs of employees. Our computer aided facility management software (CAFM) links AUTOCAD building drawings with data and provides a snapshot of space and how it is utilized. This data used by all departments to accurately determine their cost of space. Projects of all sizes benefit from the close collaboration with DS to identify challenges early on that could affect project design, constructability and/or costs.

Section 5: Budget Proposal Description This offer is for cost effective and efficient management of well designed and maintained facility assets, providing those services essential to a quality workplace environment that supports staff in delivering programs and services to the community in a timely and effective manner. This proposal requests funding for Facility Tenant Services which manages approx. 550,000sf of space at City Hall, BSC, and Surrey Downs. The program has three major components**:** **Response.** These services ensure timely response to planned or unplanned events or situations affecting City operations. Completing office relocations and facility changes in response to reorganizations and changes in department staffing and service delivery can be effectively accomplished with short notice. **Meeting and Event Support/Minor Repairs in Tenant Services.** This includes meeting and event set-up and take-down for both internal and external customers, and an array of minor repairs and/or modifications to tenant spaces (furniture and small equipment repair, carpentry, signage, etc.) In 2009 there were limited office moves or reconfigurations, but over 4000 hours of direct labor charges were recorded last year to accomplish these tasks. **Space Management.** This includes space planning and design, furniture specification and inventory, relocations and reconfigurations, facility drawing management (original and asbuilts) and facility data base management. Ensuring compliance with the Americans with Disabilities Act (ADA) and other health and safety requirements, and addressing ergonomic needs in the workplace are core elements of these services.
(This offer does not include major reconfigurations requested by departments. Such projects will be supported by separate offers submitted by departments with facilities staff managing planning and implementation of these projects. Also not included are major equipment or physical alterations to the facilities required by department operational needs.
Historically within the Facility fund, a portion of funds are allocated for departments to do minor office reconfigurations and relocate staff. This provides for equity across departments, allowing smaller departments with limited operating budgets to move staff as needed. This alternative proposal removes this funding thereby reducing the overall rates charged to the departments.

Section 6: Mandates and Contractual
Americans with Disabilities Act (ADA) requires that all facilities and services be fully accessible to persons with disabilities. The City is responsible for identifying any access barriers for employees and the public and for completing work necessary to remove those barriers. Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Administration (WISHA) monitor the workplace to ensure full compliance with building codes and health and safety requirements as established by law. This protects workers as well as employees and those visiting.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)
A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:
Community Connections: Facilities that are convenient and easily accessible to all citizens are important in promoting meaningful community connections. City Hall is designed, managed and maintained to assure that

citizens and those doing business at City Hall can easily access services. Service First, Permit Center, public meeting and training rooms are offered to promote community interaction and enhance the ability of citizens to view City Hall as a positive connection to city government. The meeting room setups & takedowns our staff do support over 3,400 meetings and events that occur at City Hall each year.

Strategic Leadership: Public space offered and effectively managed is a strategic business tool that supports the image of our City as a local, regional and national leader, which facilitates economic and governance partnerships at all levels. National accreditations in Police, Fire, Parks, Utilities, and Transportation are dependent on compliance with certain facility requirements, ADA, ergonomics, meeting & public spaces to name a few. **Engaged Work Force:** US General Services Administration (GSA) research confirms that providing a comfortable, flexible, well equipped workplace with amenities such as wellness programs & fitness facilities and food service contribute to employee satisfaction. Anecdotal evidence also supports the belief that the workplace will be a critical factor in attracting and retaining highly qualified employees. The recent City survey validates the importance to employees of a safe, clean, attractive work environment. The workplace must be continually evaluated to assure that it continues to support the optimum delivery of services to the community and accommodates varying work styles. **Exceptional Service.** Proactive and responsible management and delivery of space resources enables our organization to respond to planned events and emergencies. . A critical component of this proposal is the maintenance of facility drawings and data that are the basis of planning and accurately scoping projects and providing accurate facility reports for a variety of management decisions. Such management tools will become increasingly important as we plan for changes in the workforce. How much space will be needed and how it must be designed for optimal delivery of services to our citizens will be important future business decisions. Contributing to the cost-effective management of this information is the capacity to have highly skilled in-house staff tasked with this responsibility. Previous attempts to develop and maintain this information with contractors and consultants have proven extremely expensive (see Section 4) and accuracy of the data has been compromised by constant turnover in contractors. **Stewards of the Public Trust:** Failure to manage and understand the opportunities and constraints of facility resources could lead to costly future practices such as leasing space at high rates and potentially not having space available to meet the strategic needs of the organization in the future. Workspaces designed and furniture selected with ADA and ergonomics in mind, demonstrate best practices in avoiding risk and minimizing liability. Additionally, assuring compliance with all worker safety laws (OSHA and WISHA) is crucial to the City in avoiding expensive claims.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Our Police facilities, including a nationally recognized forensics ID lab providing expedited and high quality service to the citizens of Bellevue is inherent to the expectations of a **Safe Community.**

C. Short- and long-term benefits of this proposal:

- Management of risk and liability. Avoid expensive claims for ergonomics and ADA
- Capacity to respond quickly to planned and unplanned events
- Facilities that promote fitness and wellness for employees (supports required fitness component of Public Safety) and provide a healthy and accessible workplace for employees and citizens
- Exceptional and efficient delivery of facility services to internal and external customers
- Well designed and maintained public assets supporting operations of a high-performing organization
- A City Hall that offers a community connection to all citizens
- Demonstrates best practices

This alternative proposal potentially saves money in the short term. Long term savings cannot be realized through this process as the need for these services does not go away, but rather builds over time. This pent up need will result in more and larger projects in the future with correspondingly greater costs.

D. Performance metrics/benchmarks and targets for this proposal: See referenced attachments for Section

- The International Facilities Management Association (IFMA), *Space and Project Management Benchmarks, Research Report #28, 2007,* reports approximately 43% of facility managers sampled use a CAFM system and 84% maintain electronic files of facility infrastructure (CAD drawings). Both are

considered a "best practice" in those organizations that most effectively and efficiently manage their building assets. Four out of five respondents to the 2007 IFMA Space and Project Management Survey, track space at their facility for the purpose of designing and utilizing space to best meet the strategic business goals of the organization both from a cost and client service perspective. This proposal is consistent with that best practice.

- The 2007 IFMA Survey Benchmark Data reports the dollars allocated to furniture management, space design, move services, and drawing and data base management (all the activities covered under this proposal) average $0.56/SF. Our cost/SF is $0.29.
- 2008 City Survey reports that 87% of respondents believe they are getting their money's worth in thinking about City services and facilities. Maintain a baseline goal of 87% satisfaction.
- 2010 Employee Survey reports customer satisfaction of 85% or higher for services provided in this proposal. Achieve a 90% customer satisfaction rating for the 2012 survey.
- Continue to minimize ergonomic claims and other claims related to worker safety. Since implementing an ergonomics program, only one claim has been filed. Minimize complaints related to accessibility both from employees and citizens by continuing to monitor for barriers and mitigating identified barriers.
- Continue best practice in allocation of space. Our allocation of 256 square feet of usable space per employee compares favorably to the GSA benchmark average of 239 usable square feet per person. Our 21% allocation to collaborative space is consistent with the 20 to 35% for "Best in Class" organizations that assign 200 – 250 usable square feet per person (Attachment A).
- Continued use of BOMA/ANSI Standard that has been used by our AUTOCAD staff for measuring space since its adoption by the industry in 1996.
- In 2009 90% of moves were "box moves". Continue to plan for and support best practice (and City policy. The former minimizes cost and disruption (see Section 4).

E. Describe why the level of service being proposed is the appropriate level:

Providing this level of tenant services with highly trained staff rather than highly paid consultants has proven to be a sound business practice resulting in cost savings and greatly enhanced quality and timeliness of service. (See Section 4). We have used data from IFMA, BOMA, & GSA to benchmark our practices and assure they are in keeping with contemporary practices and innovations in delivery of tenant services in similar organizations. Under the current economic climate, fewer department requests are being made for moves or reconfigurations. In addition, without having the current budget adopted, many moves would not occur until late in 2011 or early 2012. This may allow the Facility Fund to anticipate this current lack of need and reduce the rates for a two year period.

Section 8: Provide a Description of Supporting Revenue

Funding for this proposal comes from the Facilities Services Fund and are supported by rates collected from operating departments within City facilities. In addition, Facilities receives revenue from other agencies that rent space in one of the City's computer rooms. Revenues are reported in parent proposal 045.08PA , Facilities Maintenance and Operations.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. **Legal:** Increase worker compensation claims, OSHA & WISHA citations, building & fire code violations. Failure to monitor for ADA and mitigate barriers that adversely impact accessibility could result in citizen complaints and ultimately a filing by the Department of Justice – all of which could compromise the City's ability to receive federal grant funds for a wide range of projects.
2. **Customer Impact**: An undesirable workplace could lead to lowered productivity and employee satisfaction, higher turnover and ultimately adversely impact the City's ability to attract and retain highly skilled employees. Community unable to utilize facility for events w/out support.
3. **Investment/Costs already incurred:** AUTOCAD station, computer software (FM Desktop & ADA).

B. Consequence of funding at a lower level:

- Past efforts at accomplishing this work through consultants, vendors, contractors etc. has proven very costly and unsatisfactory. Employees engaged in furniture and equipment moves detracts from their core responsibilities.
- Claims would likely increase for ergonomics and accessibility.
- Complexity and cost of future office moves and facility projects increases significantly. Without accurate space utilization data, departments are unable to determine their true cost of operations and planning for future organizational changes and requirements is near impossible.
- Compliance with best practices characteristic of a world-class city would be compromised.

Taking this cut or not funding at the recommended level will compromise the departments' ability to adapt their organizational needs to the requirements of the next adopted budget. The Facility Fund has not funded this portion of the budget in the past with some unwanted and expensive consequences. While planning for City Hall, there was a mandate to "freeze" all moves, reconfigurations and relocations. But change happens – employees come and go and new initiatives and priorities drive the need to adapt organizationally. This impacts how space is used and configured. By the time of the move to City Hall, this pent up need for change had reached a breaking point. Departments had experienced reorganizations, business models had changed and service delivery processes were affected. Ultimately, this resulted in the reinstatement of the department portion of the tenant services as well as an infusion of over $400,000 to address the emergent department needs.

Not funding this at all or funding this long term will result in pent up need for change, which can, and has proven to cost as much or more than if department needs are met as change occurs.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facility Security		**Proposal Number:** 045.09NA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Paul Bartelmes, Earl Meldahl, x6153		**One-Time/On-Going:** On-Going
Fund: Facilities Services	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Building Safety & Security Program provides a safe and secure environment for staff and customers, reduces risk, and minimizes loss of property, while educating building occupants of their roles and responsibilities in support of the program. An efficient and effective program is a combination of well-designed and implemented equipment and the right mix of well-trained staff and contracted employees who are able to recognize and respond to security issues when needed.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$108,795	$114,496
Other	153,000	155,812
	$261,795	$270,308
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	1.00	1.00
LTE	0.00	0.00
Total Count	1.00	1.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Facilities Services saved approximately $10,000/year by using contract night security to supplement event support rather than paying staff overtime charges.

Facilities Services utilizes security guards to monitor the increased public presence after hours at City Hall and to assist with emergency evacuations, patrol, and monitor building systems, and to perform site security at various City properties. Their presence deters questionable activity which can result in damage claims to the City. Their routine inspections have discovered several equipment failures or malfunctions that, if not found, may have resulted in staff disruption and more costly repairs had they completely failed. As an example, during a recent routine inspection of City Hall, our guard discovered water leaks to two critical pieces of the building's equipment. Their discovery and subsequent dispatch to Facilities staff for response averted what could have been costly repairs. Security guards routinely inspect the three server rooms, main electronic centers (MEC), and numerous data branch electronic centers (BEC) at City Hall and Bellevue Service Center (BSC), which house the City's main servers and

critical phone/data equipment. We partner with Bellevue Police, City Attorney's Office, and Human Resources on the City's Threat Assessment Team. This team was formed to oversee and prepare for incidents which may affect City staff at any facility. In addition, we provide education for new employees in collaboration with Human Resources Workplace Violence training.

Section 5: Budget Proposal Description

Facility security is a result of access control through a card key system, monitoring using video cameras and recorders, security guard personnel and employee education. This proposal requests funding for the Building Safety & Security costs for City Hall, BSC, Surrey Downs, and Electronic Communication Shop (ECS), as well as coverage for the City's Lincoln Center and Safeway Mid Mountain property sites. It includes scheduled testing, equipment and software maintenance, operations of the electronic access system, and oversight of the contracted security guard program. Security guard services patrol City Hall and BSC campuses, assist with afterhours building use, and monitor equipment/systems within City Hall that are critical to the building's operational functionality. The access control utilizes a sophisticated electronic security and monitoring system and includes access control, photo-badging, 50 CCTV cameras, 24 duress buttons, and 15 call stations. It is flexible enough to accommodate the demands of the higher security level needed in the police staff areas, holding facility, sally port, and public safety garage. We also increased our background check process, which is now performed by Police Records, to pre-determine the credibility of individual(s) working in our buildings. Security and guard functions are ever changing depending upon the need and necessity to ensure the building security program is operating efficiently and effectively.

Section 6: Mandates and Contractual Agreements

Currently Facilities Services contracts for electronic security preventative maintenance, system monitoring, and security guard services. NORCOM 911 Center (per lease agreement) and the Police Department both require 24/7 secured access control. Within the facility we also have lease agreements with KC Courts at SD and with other agencies in MEC or Main Equipment Center at City Hall.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The LT recommended an increased level of security prior to occupying the new City Hall following lengthy planning sessions with Police, security consultants and City staff. Our building security policy was updated to reflect changes that offered a more secure environment without compromising access by staff once in the building.

Community Connections: Part of Civic Services' mission statement is "to create a safe and inviting environment for civic engagement and government operations." Accomplishing this mission requires balancing access to City Hall for citizens (and employees) by implementing measures to ensure their safety. Controlling unauthorized access by unwanted visitors, performing police background checks on all non-City staff, photo-badging and security database management, and site security by guards during routine patrols are all reasons why maintaining a level of security within our General Government buildings makes sense. City Hall also operates as a warming shelter providing a safe and secure environment for citizens who may be displaced from their homes following a weather-related or natural disaster event.

Strategic Leadership: An all-encompassing security program shows a commitment to staff that personal safety, infrastructure, and equipment are protected.
Engaged Workforce: The City's Threat Assessment Team (TAT) was developed several years ago to address incidents that had the potential to affect City staff and our facilities. We help staff this team and provide valuable insight and emergency response when necessary. Once in 2008, twice in 2009 and once already in 2010, the TAT has responded to potential threats that tested our security system readiness.
Exceptional Service: We are cognizant of all security-related requests and issues and plan coverage accordingly. We developed a Security Policy & Program that, in cooperation with Police, addresses response procedures for a wide range of issues such as bomb threats, suspicious persons and/or packages and unwanted visitors. Working with Service First through their City Hall Events program, allows us to plan and prepare for adjustments in building access or modifications of the security guard schedules to ensure staff and the event attendees occupy a safe and secure site for their events and meetings.
Stewards of the Public Trust: Prior to the move to new City Hall, a security consultant was hired to help develop a security system that would provide a safe environment for all building occupants. This system design was based upon the premise that having an electronic access system, together with a security guard presence, would meet the requirements of a medium level threat as defined by the Department of Homeland Security.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Safe Community

C. Short- and long-term benefits of this proposal:
Reduces risk associated with property and liability damage claims, occupant safety, and afterhours support to City buildings. Short-term benefits provide for continued site security at City Hall and BSC, which includes continued inspections to monitor the buildings' occupants and systems. City Hall's public use is reserved months in advance, so long-term we are able to plan and adjust schedules to ensure adequate security is in place.

D. Performance metrics/benchmarks and targets for this proposal:
Facilities Services' annual Customer Service Survey indicate that 89% of City staff say it is important for them to have a safe and secure work environment. In addition, these facilities are inspected by our insurance broker and we have constantly exceeded the Eastside benchmarks for safe facilities in our area. These high ratings have a direct effect on our insurance rates and the safety of our staff and visitors. See Attachment A.

E. Describe why the level of service being proposed is the appropriate level:
The current level of security balances the cost of services without compromising safety and security. It makes good business sense to continue operating our security program utilizing both security guards and an electronic access system supporting NORCOM, Police, and general City staff.

Section 8: Provide Description of Supporting Revenue

Funding for this proposal comes from the Facilities Services Fund and are supported by rates collected from operating departments within City facilities. In addition, Facilities receives revenue from other agencies that rent space in one of the City's computer rooms. Additionally, Facilities receives rent from NORCOM for the

operations of the Communications Center on the 7th floor of City Hall and money through a lease agreement from King County for the regional court at Surrey Downs.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Elimination of a security program may increase liability and risk, open our buildings to unscreened contracted staff, adversely affect the accreditation of five City departments, and fail to meet the requirements of the City's annex to King County's regional Hazard Mitigation Plan.
2. Customer Impact: Elimation of a security program would increase liability and risk, open buildings to contracted staff who have not been pre-screened, adversely affect the accreditation of five City departments.
3. Investment/Costs already incurred:
    - A considerable initial investment in the electronic access control system
    - Access control and software testing and maintenance $40,000 annually
    - Security guard contract. $125K annually
4. Other: The ongoing accreditation status of Fire, Police, Transportation, Parks and Utilities Departments requires that their facilities be supported by a security program. Elimination of the security program (including no longer completing background checks of all non-City staff working in our buildings) would jeopardize the accreditation of these departments and open buildings to individuals who may have criminal records. The City would also be out of compliance with King County's Regional Hazard Mitigation Plan which stipulates Bellevue's responsibility to protect life/property and support emergency services by protecting and maintaining critical facilities.

B. Consequence of funding at a lower level:

Decreasing security levels may result in increased liability, increased vandalism, limited availability of afterhours building use and visitor assistance, reduced reliability of access control, and more reactive rather than proactive responses to issues.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facility Emergency Management & Response		**Proposal Number:** 045.10NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Marina Stefanovic, x4486		**One-Time/On-Going:** On-Going
Fund: 1280 Facility Services Fund	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): F070.04PN, City-Wide Emergency Management Services		

Section 2: Executive Summary

This proposal contains the costs of Facility Emergency Management and Response for City Hall, Bellevue Service Center (BSC), Surrey Downs (SD), and Old Fire Station #3 (OFS #3) formerly Electronic Communications Shop. It also indirectly supports all Fire Stations and Parks Community Centers in the event of an emergency. The primary responsibility is the continuation of operation of City's Critical Facilities; NORCOM 911 dispatch, Emergency Operations Center in City Hall, Police and Fire Department Facilities, and Emergency Operations Command Centers for various other departments, such as Utilities and Transportation at BSC.

The Facility Emergency Management and Response program provides for preparedness, mitigation, response, and recovery of critical facilities for all natural, technological or man-made disasters.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$54,400	$57,250
Other	19,900	19,754
	$74,300	$77,004
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.50	0.50
LTE	0.00	0.00
Total Count	0.50	0.50

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Due to our work with Risk Management Division and our insurance carrier, Factory Mutual, we have managed to avoid an insurance premium increase for the next three-year cycle.

In 2009 Civic Services Facilities and Fleet divisions obtained a $300,000 grant from Washington State to purchase four multi-voltage portable generators and one load bank testing system with supporting equipment. Civic Services is responsible for storing, dispatching, maintaining, and testing these generators, and making them available for use in any City facility in the event of an emergency.

In 2002 our staff applied for and received a $745,000 grant from FEMA for seismic upgrades to City Hall.

Facilities Services partners with other departments and outside agencies to pool resources whenever possible. Contracts and agreements are in place to outsource specialized services.

This proposal responds to mandated Federal, State, and local jurisdictional requirements, including building and fire codes. The proposal encompasses staff time for every member in Facilities Services, with some key staff devoting more time to the programs described.

Section 5: Budget Proposal Description

The City's ability to survive, respond to, and recover from an emergency is critical to sustaining life, property and economic vitality. It is well documented that not preparing for an emergency event will have a devastating and long lasting impact on the citizens and the community.

The program includes:

- Structural and non-structural seismic facility mitigation and improvements
- Rapid Building Assessment (ATC-21) program with staff training/certification and procedures development
- Emergency power generator and UPS maintenance, testing, and training/certification
- Partnering with Fleet in acquisition and maintenance of portable generators
- Planning, training and procedures development for fire alarm testing, evacuation, relocation, temporary facilities, and shelters for the City
- Managing contracts and agreements for on-call professional services for earthquake damage, power outages, and other facility related disasters
- All planning and training in support of the City's Emergency Operations Plan (EOP)

Facilities Division is the lead for training, development, and implementation of the Rapid Building Assessment (ATC-21) program, with support from the Development Services Department.

In partnership with the Fire Department our division is responsible for developing and implementing plans for fire alarm testing and building evacuation. Facilities implements the ADA accessibility and building code fire/safety requirements throughout the General Government buildings. We assist the Parks Department in opening emergency shelters, both by providing staff (during the wind storm event), supplies, and assistance with generator back-up. Facilities works with Utilities and Transportation Departments to provide a permanent facility and backup for their Emergency Command Centers.

Civic Services has an assigned position in the Emergency Operations Center (EOC) in support of the Fire Emergency Preparedness Division and the City's EOP. Facilities staff attend monthly EOC meetings, participates in internal and external training, and obtains certification as required.

See: *Attachment 1* - Staff NIMS/ICS Training, FEMA requirement for receiving federal funds after an event
Attachment 2 - Staff ATC-21 Training, Rapid Building Assessment for re-occupancy determination

Section 6: Mandates and Contractual Agreements

International Building Code and NFPA Life Safety Code 2000
Fire Safety, Evacuations, ADA Accessibility
Federal
Homeland Security PDD-5; Managing Domestic Incidents-NIMS
Public Law 106-390; Disaster Mitigation Act of 2000-Mitigation Plan
State of Washington
RCW 38.52 - Emergency Management
RCW 42.14 - Continuity of Government
City of Bellevue
BCC 3.98

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections – The City actively engages the Community within the emergency preparedness and response program by having the School District, Red Cross, Overlake Hospital, and the EARS group (amateur radio volunteers) all participate in the EOC. The Bellevue Emergency Response Team (BERT) program educates staff and citizen volunteers for disaster preparedness for hazards.

Strategic Leadership – The Emergency Preparedness Division, within the Fire Department, leads the entire City effort for the program. The EOP was enacted in 2008. It outlines policies, procedures and responsibilities to prepare for, respond to, and recover from emergencies and disasters. In conjunction, Civic Services has it's departmental EOP, which is continually updated and amended as needed.
Engaged Workforce – Every department participates in the team effort, but also has additional duties and responsibilities that are unique to their individual operation to ensure Continuity of Government in an event. Civic Services Facilities Division has all-field staff and managers trained and qualified to perform Rapid Building Assessment (ATC-21) for the City's General Government buildings. As directed by Development Services staff, Facilities also inspects Parks and Utilities facilities and/or private structures. Facilities staff have received National Incident Management System (NIMS) training; specifically the Incident Command System program.
Exceptional Service – Facilities staff understands and respects the policy of Duty to Report for any event 24/7. This is true for emergencies and building issues that warrant staff presence outside of normal working hours. Staff has responded in numerous instances effectively, efficiently, and professionally.
Stewards of the Public Trust – Facilities staff is trained across the board to respond to the multiple needs of the City and community. We continuously train to stay current on our certifications, maintain and improve our response plans and programs, and monitor and align with best practices to assure proper maintenance of public assets. We manage risk and liability by complying with regulations, insurance requirements, and evolving regulatory and legal mandates.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Prevention – Part of the prevention aspect of Facilities Program is being knowledgeable about governing laws and regulations, ensuring compliance, implementing an effective inspection and maintenance procedures, maintaining staff education and certification, and sharing information with its clients.
Response – Civic Services and Facilities staff are ready to respond around the clock to emergency and non-emergency situations in a timely and appropriate manner.
Planning & Preparation – This includes planning and documented procedures for all types of emergency response, such as our established Standard Operating Procedures for emergency response, fire alarm testing and maintenance, power failures, building assessment, and 24/7 on-call services. Facilities assigns, trains and maintains the City's safety team database for staff reporting and building evacuation at City Hall, BSC, Surrey Downs and OFS #3 for mandated drills and general emergency response.
Community Engagement - In the City's citizen survey, 88 % of the responders felt that Bellevue is a safe community in which to live, work, and play. Only 58% felt that Bellevue is well-prepared to respond to local emergencies. *See Attachment #3*.
In our Civic Services Survey, 89% of the staff responded that they are 'Satisfied' or 'Very Satisfied' with the level of safety and security of their work environment. *See Attachment #4.*

C. Short- and long-term benefits of this proposal:

The short term benefit of this proposal is that to date Facilities has been able to comply with regulatory and legal requirements and has successfully responded to all types of events efficiently and effectively. Long term benefits are: we manage risk and liability by complying with building code, insurance requirements, evolving regulatory and legal mandates, and this contributes to protection of life, property and economic vitality.

D. Performance metrics/benchmarks and targets for this proposal:

Performance metrics/benchmarks are the internal Civic Services Staff Survey, and the external Citizen Survey results. *See Attachments #3 and #4*.
Another performance measure is managing risk and liability exposure. Due to our work with Risk Management Division and our insurance carrier, Factory Mutual, we have managed to avoid an insurance premium increase for the next three-year cycle. Factory Mutual rated City Hall in the top 2% among their clients in terms of exposure to risk. This not only has an impact on our insurance rates, but reduces damage and improves recovery in an event. *See Attachment #5*.

E. Describe why the level of service being proposed is the appropriate level:

The proposal is to maintain our current level of service and to continue with the many policies, procedures and programs that are currently in place. Reduction in service would bring negative results for the people who live and work in the City of Bellevue.

Section 8: Provide a Description of Supporting Revenue

Funding for this proposal comes from the Facilities Services Fund and are supported by rates collected from operating departments within City facilities. Revenues are reported in proposal 045.08DA, Facilities Maintenance and Operations.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal:
   Legal consequences could be loss of certification/compliance, loss of reimbursement funds, and loss of life and property. FEMA requires that all department staff be trained in the NIMS program. Non-compliance will result in reduction or denial of funding following a disaster.
2. Customer Impact:
   The outcomes would be unsatisfactory for citizens, businesses and staff. Non-funding would affect Civic Services' responsibility to ensure City Hall continues to operate as a designated warming shelter and hub of communication for the general public during an emergency event.
3. Investment/Costs already incurred:
   Staff is trained, and policies, procedures and programs have been identified and documented. There are contracts in place for specialized services such as fire alarm testing, emergency power and earthquake response on-call services.
4. Other:
   Examples can be studied from events such as the response to Hurricane Katrina, fires in California, and the earthquake in Haiti.

B. Consequence of funding at a lower level:

Same as not funding except with reduction in total negative outcomes:

- Not being able to prepare, respond, and recover from an emergency event, jeopardizing life, property and economic recovery.
- Legal and monetary ramifications for not following Building and Fire Safety Code, and Federal, State and local mandates.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facility Planning & Project Management		**Proposal Number:** 045.11NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Frank Pinney, x6049		**One-Time/On-Going:** On-Going
Fund: Facilities Services	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Long-range facility planning and management ensures that facilities are planned for and in place to accommodate the vision of the city as reflected in the Comprehensive Plan, which charts a clear direction for future facility planning and development. Project management is provided for feasibility studies and assessments, programming, design, construction of facility upgrades, demolition, renovation, and new construction. The value of the assets directly managed under this proposal totals $183 million.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$129,495	$136,214
Other	15,000	15,000
	$144,495	$151,214
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	1.03	1.03
LTE	0.00	0.00
Total Count	1.03	1.03

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- Long-range facility planning addresses the need for future facilities, avoiding costly options of leasing/buying in an unfavorable economic climate. Also provides a process for weighing competing needs for facilities and thoughtful consideration of options to address those needs. It provides ready response to accommodate emergency relocation of facilities and services and immediate modifications to the existing facilities.
- Knowledgeable and well-trained staff with core competencies requiring minimal reliance on expensive consultants will avoid an estimated 2-year expenditure of $100,000. This is a cost-effective approach both in dollars saved and staff efficiencies.
- On-going extensive collaboration with King County, Seattle, Eastside cities, Sound Transit and all City departments. Partnered with City of Kirkland in recently completed City of Bellevue/City of Kirkland Jail Feasibility Study, and with King County on court planning. Partnering with Sound Transit for the route of the East Link project with direct impacts on City Hall campus.
- Managing risk and avoiding liability. Another performance measure is compliance with jurisdictional and legal requirements, as well as managing risk and liability exposure. Due to its work with Risk Management Division and the City's insurance carrier, Factory Mutual, Facilities has managed to avoid an insurance premium increase for the next three-year cycle. Factory Mutual rated City Hall in the top 2% among their clients in terms of exposure to risk. This not only has an impact on our insurance rates, but reduces damage and improves recovery in an event. (*See Attachment A).*

Section 5: Budget Proposal Description

This proposal provides long-range facility planning to ensure that facilities are planned for and managed to accommodate the vision of the City as reflected in the Comprehensive Plan. It charts a clear direction for future facility planning and development. Project management is provided for feasibility studies and assessments, programming, design, construction of facility upgrades, demolition, renovations, and new construction projects. Project management is an integral part of facility management, and one of the nine core competencies required to obtain certification in the field. Activities included in this proposal are: project planning and scope development, scheduling, estimating, budget development, design and construction management, project liaison with senior management, and ultimately meeting customer (internal and external) expectations by delivering projects on time and within budget.

Project management support is provided for existing facilities, future CIPs, and facility construction and renovation projects requested by City initiatives and operating departments such as Civic Services Fleet and Communications, Fire, Police, Transportation, and Utilities. Extensive staff time is usually invested in many City initiatives and CIP projects before they are fully funded. Additionally project management will be provided for courts/Surrey Downs, and projects related to East Link such as revisions/reconstruction of police and visitor parking and the public plaza. Staffing for these projects are submitted in separate proposals. The value of the assets directly managed under this proposal totals $183 million.

Section 6: Mandates and Contractual Agreements

- All Building and Fire Life Safety codes (including ADA) must be considered and complied with in all planning and construction
- Occupational Safety and Health Administration (OSHA)
- Washington Industrial Safety and Health Administration (WISHA)

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal – for the PRIMARY outcome:

Community Connections. The City's Comprehensive Plan is developed with extensive involvement of the community and reflects their values and priorities. Facilities must be managed, planned for, and in place to support the implementation of the Comprehensive Plan and the delivery of services to those who live and work here.

Strategic Leadership. It is critical to think long-term and strategically about facility needs, and ensure that appropriate and well-maintained facilities are planned for and provided to support the City's Comprehensive Plan and the seamless delivery of services to the community. This planning reflects the vision of the City and charts a clear direction for the future. Strategic facility planning provides the roadmap essential to forming important partnerships, staffing effectively and efficiently, aligning resources, and budgeting to support the implementation of the plan. New City Hall and outstanding police facilities are current outcomes of long-range facility planning.

Engaged Workforce. This proposal retains professional, accomplished staff with extensive institutional knowledge and successful track record in planning and managing projects such as jails, courts, maintenance facilities, seismic upgrades, and a broad range of large facility renovations, new construction, and tenant improvements. Staff have an in-depth understanding of the City's business practices as well as policy and legal issues related to project development, management and contracting activities.

Exceptional Service. An engaged workforce is most likely to deliver exceptional service. Competent staff will continue to deliver timely and quality services. Staff will continue to collaborate and partner with all internal departments to achieve facility project needs and with other jurisdictions on regional initiatives, including Sound Transit, King County, and other Eastside cities. Staff will continue to provide facility expertise and project support, including future CIP planning, to departments such as Police, Fire, Utilities and Transportation, which have extensive and often complex facility needs.

Stewards of Public Trust. Projects are planned and delivered successfully supporting the operating requirements of the organization and the goals of the comprehensive plan. Facility planning consistent with the City's Comprehensive Plan and mission reflects a best practice for high performing local governments. Major projects are planned and implemented to preserve the longevity of our facility assets (approximately $180 million), avoid risk and liability to the City, and assure that appropriate facilities are in place to serve the community for now and decades to come.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Although the primary focus of this proposal is **Responsive Government**, all outcomes benefit from the services included in this offer. Our Police facilities, including a nationally recognized forensics ID lab, is vital to the expectations of a **Safe Community.** Facilities Services partners with City departments to provide short-term facility needs and develop long-term plans. This addresses future facility requirements in an informed and cost effective manner, supports their capacity to deliver services to the community, and promotes Bellevue as **an Innovative, Vibrant and Caring Community** that strives to **Improve Mobility** and create a **Healthy and Sustainable Environment**. Supporting the City's Comprehensive Plan with strategic facility planning and with project support demonstrates the City's commitment to manage growth in a way that supports the economic vitality and competitiveness of the community **(Economic Growth and Competitiveness**).

C. Short and Long Term Benefits of this Proposal:
Short-term benefits are immediately derived by having well qualified staff with institutional knowledge who can respond quickly and effectively when required. Staff understand the operations of the organization, the facility needs to support those operations, and can mobilize to assure facility deficiencies do not disrupt the delivery of services to the community. Completing required building improvement and code/life-safety projects preserves the value of our assets and ensures safe facilities for all. The routing of Sound Transit will have major impacts on City Hall campus. Staff has been engaged for many years in exploring long-term solutions for Court facilities, and is well prepared to move forward with implementing a permanent solution.
Long-term benefits are described in Stewards of Public Trust.

D. Performance metrics/benchmarks and targets for this proposal:

- The International Facilities Management Association (IFMA), reports the following benchmark for Project /Construction management:

Facility Size	Nr. Responding	Benchmark	City of Bellevue	Note
500,000 – 750,000 SF	53 organizations	4.15 staff	1.03 staff	COB has > 550,000 SF
< 50,000 SF	48 organizations	2.08 staff	1.03 staff	

E. Describe why the level of service being proposed is the appropriate level:
Examples of projects that would be managed under this proposal include upgrades to Fleet operations, Police firing range, restroom renovations, and 20-year building improvement projects at the BSC. Submitted in separate proposals is staffing for larger projects such as court relocation or upgrades to Surrey Downs, Fire facility management, and campus projects related to East Link. Past projects have included Electronic Communication Services relocation, relocation of City Hall, tenant improvements at the BSC for departments, and feasibility studies related to plaza upgrades, courts, and Bellevue/Kirkland jail study.
Current practice of 1.03 FTE falls well below the IFMA benchmark of 4.15 FTE for this body of work (as noted in table above). Facility Services has lost 3 FTE Project Managers due to attrition. To enable us to continue to provide a high level of service, smaller less complex projects can be contracted out to consultants. This allows us to be flexible, but is not the most cost effective.

Section 8: Provide a Description of Supporting Revenue

A portion of the rent collected from the departments is allocated to a portion of the budget to fund facility studies such as court and jail studies, as well as preliminary planning for larger scale projects. Sometime larger projects are included in the CIP and funding for staff may be reimbursed by those CIPs, but not always. Courts, East Link, and Fire facility maintenance all have staffing requirements for those proposals. The project management staff and staffing costs are included in those proposals.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** There would not be the necessary internal expertise for oversight and accountability for contracted services, therefore the work could not be done. This would mean that legally mandated projects such as ADA and building/life-safety projects could not be completed. The workplace would not be monitored for compliance with building codes, OSHA, WISHA, ADA, thus increasing risk and liability.
2. **Customer Impact:** Projects could not be done. Fundamental organizational framework would not be in place to support and respond to changing organizational and community demands. Past efforts at contracting for the expertise to do or manage this body of work proved extremely challenging, with quality, effectiveness, and timeliness being critically compromised. Facility long-range plans would not be in place to ensure future facility infrastructure essential for seamless delivery of services to the community**.** Projects needed to preserve the value of the City's assets would not be completed.
3. **Investment/Costs already incurred:** The City has invested in assets approaching a value of $200 million.

B. Consequence of funding at a lower level: With 1.03 FTE, funding at a lower level is not feasible unless a decision is made to outsource all the work. It is certain that this would not result in a lowered expenditure, but rather the anticipated cost of consultants/contractors would be much higher. Historically, this has proven to be the case. Without facility expertise for project management, departments would have to contract for and manage those services. In-house staff would still be needed to manage and oversee the consultants or contractors.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Facilities Reserves		**Proposal Number:** 045.15NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Frank Pinney / Anna Marie Wellman, x6049		**One-Time/On-Going:** On-Going
Fund: Facities Services	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Facility fund provides coordinated planning, development, maintenance, and management services required to support City operations in general City facilities. This Fund includes maintenance and operations, capital and reserves for operating general city buildings. Rates charged to user departments are based on the full cost of maintaining and operating these facilities, excluding future replacement. The Fund combines planning, maintenance, and Capital Investment Program (CIP) projects along with operating budgets to provide for full operational cost.

Section 3: Required Resources

OPERATING	2011	2012
Personnel	$0	$0
Other (Reserves)	877,326	968,979
	$877,326	$968,979
Supporting Revenue		
Budget Balance Forward	$732,255	$877,326
LTE/FTE		
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

By planning for proactive repair and or replacement of systems or equipment, we are able to reduce the cost and impact to our customers. Reactive repair can result in failure of equipment, higher costs and increased disruption to our customers.

Section 5: Budget Proposal Description

The fund will be based on a 10-year major maintenance plan, long-term system replacement plan, and operating expenses for utilities, custodial, contracted services, routine maintenance and repairs. The rates shall be set to provide sufficient funds to meet all operating and capital costs on a pay-as-you-go basis, as well as to provide reserves for potential unanticipated plant failures/emergencies (see first part of Attachment A). This reserve amount shall be set at the estimated costs of a single major component (e.g., HVAC).

During each biennial budget process, a 10-year cash flow model shall be used to determine appropriate reserve amounts and any necessary rate adjustments. Reserves in excess of the amount needed for the upcoming biennium shall be returned to the contributing funds, unless specific uses within the Facilities Services Fund are identified and approved as a part of the subsequent budget.

Reserves are not being collected to provide for new or replacement facilities nor for major catastrophic events. Such major replacement/emergency costs will be financed through long-term debt.

Utilities (electric, gas, water); major maintenance (parking lots, exterior painting and elevator repairs); replacements (roofs, heating and ventilation systems); building and code improvements (seismic mitigation and ADA improvements); routine maintenance (electrical and heating systems, security, and emergency generators); custodial services (carpet, routine, and restroom cleaning); public use/event support; operating supplies; and contracted services. These costs include projects that maintain the existing infrastructure to preserve the City's capital facility investment, improve asset utilization, and support the delivery of City services and programs and are now included in the Facilities Services Fund rather than the Capital Investment Program.

Section 6: Mandates and Contractual Agreements

None

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: In our facilities, much of the Community is our employees. However Service First, Development Services and the meeting rooms on the first floor are our connection to the community. Properly maintained facilities allow our staff and the public to have a safe, clean and comfortable place to do the work of government.

We conduct a formal yearly survey with our customers, review the results and make adjustments to meet our customer needs. In our last survey 88 percent of our internal customers think that our facilities are safe and clean. This bench mark is used in the International City/County Managers Association (ICMA) comparisons. In the employee survey just completed in February, Bellevue employees rated the workplace 4.03 out of a possible 5.0 as well maintained facilities. This is very high rating for a public facility. The national average for public facilities is 3.07.

Strategic Leadership: The strategies aspect of Preventative and major maintenance is primarily providing for an environment where staff and community leaders can carry out the business of strategic government. A safe and clean facility environment is essential for the support of these functions. The amount and type of preventative maintenance planned for each facility is tailored to the age and useful life of the facility. The collection and management of reserves allows for the planned preventive and major maintenance of our facilities. City Hall was designed and constructed to be a 100-year building. Therefore everything from the pavement, concrete walls, windows, electrical HVAC, Plumbing and roofs have a preventative maintenance schedule along with a repair or replacement schedule.

Engaged Workforce: Our employees are critical for the planning and implementation of the preventative and major maintenance programs. All of our frontline facility staff are Certified Building Operators (BOC) . They receive updated training on a regular basis as technology and systems are continually changing.

Our employees are the experts in what they do, they define the plans and we listen to what they have to say and implement their ideas. As an example, we have implemented "Light Harvesting" in our stair wells (turns lights off when daylight reaches a certain level) and have a large scale relighting project at the BSC, because our electrician did the research to show that these projects have a payback cycle of just a few years.

Exceptional Service: By performing preventative and major maintenance on a scheduled basis, we are able to plan for and schedule the work to reduce the impact to our customers to a minimum. Not doing work this way may reduce the initial cost of repair and maintenance, but will result in higher costs later on and significant disruption to the customer. Facilities staff proactively plan and schedule work after hours to minimize the impacts to the building occupants.

Stewards of the Public Trust: Preventative and planned major maintenance is the key to maintaining a facility. Well maintained facilities are more efficient and last much longer. City Hall was designed and built as a 100-year building. Many systems within a building have a 10 to 20 year life expectancy. Many will last that long or longer, but planned and proactive maintenance allow for the replacement of these systems before they fail and in many cases before their useful life is up by replacing them with new more efficient equipment.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Properly maintained and efficient operating facilities are critical for staff to provide services to meet all of the Outcomes in the budget one process. Critical to Safe Community is the continuous and uninterrupted operations of the NORCOM dispatch center, Police and Fire functions at the BSC and City Hall.

C. Short- and long-term benefits of this proposal:

The collection and retention of reserves allows for a smoothing of rates over a period of time. Reserves fluctuate based on the amount and cost of major maintenance projects planned for a given biennium. This smoothing allows for consistent and predictable rates for the departments and tenants within the facilities.

The long term benefit of reserves allow for the replacement or repair of large systems or equipment. As an example, in 2005 we replaced the very large roof and associated HVAC equipment at the BSC. This project cost nearly $1,200,000. By collecting rates over time, we were able to build reserves sufficient to pay for that significant replacement.

D. Performance metrics/benchmarks and targets for this proposal:

Facilities use several benchmark and performance measures to track our services. We track our customer satisfaction and as described in the M&O proposal we balance their satisfaction with the cost of operations. We use International City/County Managers Association (ICMA) and International Facility Management Association (IFMA) measures to benchmark our costs to other organizations, we track our cost of operation and as described in the M&O proposal, we have been able to reduce our operating costs by nearly $150,000 per year since moving into the building in 2006 and that is in the face of inflation. We continue to look for new ways of saving money, improving efficiency and providing exceptional public service.

We follow the best practices of the Government Financial Officers Association (GFOA) best practices including: Recommended Budget Practice on the Establishment of Strategic Plans; Capital Asset Assessment, Maintenance and Replacement Policy; and the Long-Term Financial Planning (see last part of Attachment A).

E. Describe why the level of service being proposed is the appropriate level:

We have critical emergency functions located in City Hall and the BSC. Interruptions of these critical functions in unacceptable. As an example, we do weekly generator testing. At one of these tests, we found a piece of equipment that had failed. Parts were not available and considerable work as needed to rebuild this part. Plans were put in place so in the event we had a power outage, we could maintain our emergency backup systems for Police and NORCOM. If we had not been testing our critical systems on a regular basis, we would have found this failure only when the power went out a few weeks later. That would have resulted in a failure of the backup power systems resulting in total disruption of the Police, Fire and NORCOM, for the term of the outage.

Not all systems are this critical, but preventative maintenance and testing allow us to determine their criticality and provide appropriate maintenance and repair to these systems.

Section 8: Provide a Description of Supporting Revenue

Funding for this proposal comes from the Facilities Services Fund and are supported by rates collected from operating departments within City facilities. In addition, Facilities receives revenue from other agencies that rent space in one of the City's computer rooms. Additionally, Facilities receives rent from NORCOM for the operations of the Communications Center on the 7th floor of City Hall and money through a lease agreement from King County for the regional court at Surrey Downs.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal:
   Fire and building code require periodic testing of smoke & fire detectors, fire alarms, fire sprinklers and fire pumps in all Government buildings. Without reserves we would not be able to maintain and repair these critical systems.
2. Customer Impact:
   Not doing preventative and major maintenance will result in equipment failures that will not only disrupt the operations of key public safety operations, but also the everyday government operations. The result in these unplanned failures will be extended disruptions and higher costs in the long run.
3. Investment/Costs already incurred:
   Bellevue has a significant investment in its general government facilities. Not maintaining these facilities at appropriate levels will result in degradation of the assets.
4. Other:
   Some states require periodic review and rating of government facilities. If facilities fall below certain levels, then state and federal funding can be in jeopardy. The State of Washington currently does not have that requirement.

B. Consequence of funding at a lower level:

The attached 10 year cash flow model (again see first part of Attachment A) shows projected revenues and operating expenses. The Major maintenance expenses are included and are also illustrated. (See the middle section of attachment A). As the model indicates, reducing the investment in this proposal will result in a fund short fall in year 2013. Or result in not replacing key equipment which can result in a major interruption or disruption of City services.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civic Services Management & Support		**Proposal Number:** 045.18NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Anna Marie Wellman, x4063		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Department management provides strategic leadership and management oversight of the department, integrating the organization's Core Values and Leadership Philosophy into management practices. The director leads the management team in developing and ensuring effective delivery of the department's work program and customer service expectations in collaboration with customer departments. Proactive fiscal stewardship is critical due to the magnitude and diversity of funds managed by Civic Services.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$311,316	$327,332
Other	25,200	25,681
	$336,516	$353,013
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.00	2.00
LTE	0.00	0.00
Total Count	2.00	2.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- In 2008 the City Manager consolidated several internal service functions: Service First, Facilities Management, Facilities Planning & Development, Real Property, Land Survey, and Fleet and Communications. These functions were previously in the Finance, Parks & Community Services, Transportation and Utilities Departments. Consolidating these functions provides for more efficient service delivery and allows departments that previously managed these functions to focus on their main lines of business.
- In late 2009, Facilities Management and Facilities Planning & Development were merged under one division manager, reducing personnel costs and better integrating their staff and operations.
- An administrative support position (.40 FTE) will be eliminated starting in 2011. Management personnel will relocate adjacent its Facilities division who will provide administrative support as needed.
- Because Civic Services provides internal operational support to every department, collaboration is key to our success. For example, our Fleet staff collaborates with vehicle users to ensure the vehicles we buy meet their needs. Real Property and Land Survey staff partner with Transportation and Utilities staff to deliver their capital projects.

- Internal rates charged by Facilities and Fleet & Communications have held steady and decreased, respectively, since 2008 despite inflation. This reflects a continued emphasis on efficiencies and innovations that result in cost savings.

Section 5: Budget Proposal Description

This proposal is comprised of two positions: Director and Fiscal Manager. These resources benefit all functions within the department and could not logically be assigned to an individual proposal. (See Attachment 1 for organization chart)

The Director provides strategic leadership and management oversight of the department, integrating the organization's Core Values and Leadership Philosophy into management practices. The director leads the management team in developing and ensuring effective delivery of the department's work program and customer service expectations in collaboration with customer departments. Additionally, as a member of the City's Leadership Team, the Director helps lead citywide initiatives such as One City and Environmental Stewardship.

The Fiscal Manager oversees all financial aspects of the department in collaboration with our management team. The department's 2010 budget exceeds $62M, spread across seven funds, and including operations, replacement reserves, CIP and grant funds. This position's emphasis on fiscal management and internal controls is critical due to the magnitude and diversity of funds. Additional responsibilities include budget development and monitoring, financial planning, forecasting and analysis, rate modeling, accounts payable, and billing.

Section 6: Mandates and Contractual Agreements

Bellevue City Code 3.36, as approved by Ordinance 5822, provides for establishing the Civic Services department, its functions, and the responsibilities of the director. (See Attachment 2) Each division has a variety of mandates and contractual agreements as detailed in their proposals.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections:

City Hall is the embodiment of our city government -- where citizens come to access services, receive information about their government and gather for civic purposes. Civic Services (as excerpted from our mission statement and goals) enables these processes by ensuring that City Hall is "a safe and inviting environment for civic engagement and government operations". Additionally, the goal of Service First is to "streamline access to public services…."

Strategic Leadership:

While Civic Services is an internal operating department, our mission and goals were drafted with an external focus on how the services we provide ultimately benefit our citizens. This mission statement has become a theme for our all staff meetings to ensure that each employee knows how their work relates to the mission, and ultimately the Community Vision. And while work programs are generated by each division, they are then reviewed and adjusted to meet departmental objectives and support citywide initiatives.

Engaged Workforce:

Civic Services was one of the earliest departments to begin focusing on how to implement One City/High Performing Organization concepts. This effort is lead collaboratively by the director, a manager and a program administrator, all members of the One City Core Team. The management team analyzes the department's

results from the city's biennial employee surveys and develops strategies to address them. For example, the 2008 survey indicated a deficiency in supervisory effectiveness. To address this, a form was developed to provide feedback from each employee on their manager's performance. (This has been updated per the Leadership Philosophy.) The 2010 employee survey showed a marked increase in scores related to supervisory effectiveness!

Exceptional Service:
Our department was established to provide a more integrated approach to management of the city's property, facilities and equipment assets. Many of our proposals demonstrate our emphasis on providing timely and cost-effective services and equipment adapted to meet our customers' needs.

Service First provides a special opportunity to demonstrate the city's commitment to exceptional service. Its foundational concept is to "streamline access to public services and encourage consistent service across the organization." Conveying a professional image of the city is a key objective in all of our interactions.

Stewards of the Public Trust:
Civic Services is responsible for millions of dollars of the city's assets. Part of our mission is "to manage the City's facilities, property, and equipment assets in an integrated, cost-effective and environmentally responsible manner. As stated, proactive fiscal stewardship is a critical element of department management. Our approach to asset management is focused on meeting the city's goals in a long-term and sustainable manner as exemplified by our focus on preventive maintenance and life cycle management of facilities and vehicles. Our management of the city's property assets also reflects this emphasis on stewardship, from our robust survey control network to our approach to interdepartmentally managing the city's real property to optimize the city's extensive investment. Management of risk and liability is an additional element that is especially notable in management of our facilities and maintenance of vehicles.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Civic Services touches all outcomes by provision of services, facilities and equipment.

C. Short- and long-term benefits of this proposal:
This proposal benefits the city by providing effective leadership and management of Civic Services. In the long-term, this management will preserve the city's significant investment in property, facility and equipment assets, and ensure cost-effective and integrated provision of departmental services.

D. Performance metrics/benchmarks and targets for this proposal:
Civic Services Customer Survey; Goal of 90% satisfaction rating for all functions.
Citywide Employee Survey; Goal of all questions scoring at least 3.50, participation rate of at least 75%.

E. Describe why the level of service being proposed is the appropriate level:
Two FTEs is a minimum staffing level for department management. A director is needed for strategic leadership and integrated management. A fiscal manager is needed to effectively manage the significant value and variety of funds.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. Legal: None

2. Customer Impact: Service provision could regress to a less integrated approach, interdepartmental collaboration would be impaired, and support of citywide initiatives would significantly diminish. Financial management of equipment replacement and operation funds would be seriously degraded.
3. Investment/Costs already incurred: See other Civic Services proposals.

4. Other:

B. Consequence of funding at a lower level: See 7.E.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fleet Maintenance and Repair		**Proposal Number:** 045.1601
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Peter Bednar , x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

Fleet Operations manages all city vehicles and mechanical equipment to flexibly and efficiently support city-wide operations. Their objective is to safeguard the City's investment in vehicles and equipment through timely and cost-effective asset management, maintenance and repair services. Managing the City's publicly funded assets in a responsible, fiscally sustainable manner means keeping them in good sound condition and tells the community what kind of stewards we are of the public trust. Reliable vehicles and equipment in good working order are essential to the community service team to maintain streets, keep utilities in proper working order, ensure public safety employees can execute their duties, and perform countless other activities that ensure public services of all sorts are available to citizens in a timely and professional manner.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$1,127,232	$1,185,790
Other	650,416	676,418
	$1,777,648	$1,862,208
Supporting Revenue		
	$752,341	$789,958
LTE/FTE		
FTE	12.75	12.75
LTE	-	-
Total Count	12.75	12.75

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- Maintenance costs have declined in the last 4 years; Fleet Operation's rates are typically $40 dollars an hour less than competing vendors.
- Thoughtful and well researched vehicle specifications reduce maintenance costs and customer frustration with lost productivity when the vehicle is down for repairs.
- Fleet standardization provides efficiencies and cost savings via reduced parts inventory, reduced technician training needs, and overall quicker repairs with reduced downtime.
- Performing more vehicle maintenance in-house reduces vehicle downtime and costs associated with higher vendor rates and labor costs for vehicle transport.
- Some efficiency lies with reducing errors by mechanic technicians, vehicle operators, and a number of our outside vendors.

- Since 2007 the warranty program has accumulated over $293,000 in cost avoidance, including recalls, repairs and roadside assistance.
- Fleet has been certified by Ford, GM among other manufacturers to perform in-house warranty repairs and receives reimbursements back through payments and/or credits.
- Fleet partners with Risk to ensure repair costs are billed to the appropriate party whether it's an outside third party or the end user department. (2008-09 total cost avoidance of $373,000)
- In agreement with Risk, Fleet performs accident inspections whenever there is third party involvement.
- Fleet has instituted a program to purchase and install more vehicles with rear bumper proximity sensors as well as rear view cameras to help prevent accidents due to backing.
- By maintaining a diverse and efficient motor pool, Fleet Operations enables other city departments to limit the number of assets in their departmental pool. This reduces the number of parking spaces needed, limits the number of underutilized departmental assets and lowers overall fleet costs.
- Our focus lies with one client, the City of Bellevue; we have intimate knowledge of our clients' operational needs and range of work performed. We work collaboratively with departments in prioritizing their maintenance and repairs. With this personalized relationship we are able collaborate on what vehicles to purchase and insure the right equipment is ordered.
- Fleet collaborates with departments to schedule non-safety repairs with minimal downtime, ensuring they can meet the citizens' expectations for service.

Section 5: Budget Proposal Description

This proposal includes all maintenance and repair of mechanical equipment, whether performed in-house or via outside vendors. It covers 950+ vehicles and mechanical equipment for all departments within the City. Fleet's objectives in maintaining this equipment, and in turn, supporting the city operating departments is to:

- Ensure mechanical safety while equipment is being operated
- Optimize life expectancy of vehicles
- Minimize vehicle downtime
- Provide vehicles and equipment that support efficient operations

Preventive maintenance is the cornerstone of the program, scheduled per manufacturer's specifications, national standards and best practices, with the goal of minimizing breakdowns and resulting downtime. When repairs or unscheduled maintenance is needed, we have certified in-house mechanics to diagnose and perform the majority of repairs. Outside vendors are used for specialty services, such as body work and painting which also has stringent environmental requirements. Vehicle/equipment damage from accidents or abuse is handled in collaboration with Risk, with the cost of repair recovered from a third party or the responsible department. Warranties are built into the purchase price of the vehicle or parts, so it is important to take advantage of this opportunity for cost avoidance.

Motor Pool is also included in this proposal. A diverse group of equipment supports departments' need for intermittent usage of staff cars and job site equipment to perform day-to-day city functions.

Section 6: Mandates and Contractual Agreements

Local: Ordinance No. 699 created Mechanical Equipment Rental Fund (MERF), responsible for planning, directing, managing, coordinating and supervising programs for the acquisition, assignment, maintenance and repair, rental, warranty recovery, inventory stores function, replacement and disposal of the vehicle fleet, and motorized equipment. Fleet Internal Service Agreement, Equipment Rental Fund Policies.
Laws/Standards: National Highway Traffic Safety Administration, Federal Motor Vehicle Safety Standards, National Traffic and Motor Vehicle Safety Act, US Code for Motor Vehicle Safety, WA. St. Dept. of Transportation, US Dept. of Energy, US Environmental Protection Agency, Occupational Safety and Health Administration, Washington Industrial Safety & Health Administration, American National Standards Institute

Best Practices/*Accreditations*: American Public Works Association *(Transportation and Utilities)*; Commission on Accreditation for Law Enforcement Agencies *(Police);* Commission on Fire Accreditation International *(Fire)*; American Academy for Parks & Recreations Administration *(Parks)*; National Association of Fleet Administrators, Public Fleet Managers Association, National Fire Protection Association, Automotive Service Excellence

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership: Fleet Operations employs a comprehensive and proactive approach to managing the City's vehicle and equipment assets: vehicles specifications consider operational needs and ease of maintenance; scheduled repairs are completed efficiently and cost-effectively to enable timely service delivery by front-line staff. Fleet has worked inter-jurisdictionally with the Puget Sound Clean Cities Coalition to define innovative standards for EverGreen Fleet certification.

A right-sized Motor Pool facilitates downsizing the fleet that is assigned to departments where the bulk of the city's vehicles are assigned.

***Engaged Workforce**:* Fleet Operations continually adjusts operational practices in order to deal with technology and laws that are in constant fluctuation. Each technician receives on-going specialized training, they hold and maintain specialized certifications; they are experts in their field, as well as valuable consultants for management and departments pertaining to the various classes of equipment. Being a fleet warranty repair facility brings opportunities to receive factory training, and empowers our work force in adopting industry standards, usually found exclusively at original equipment manufacturer repair facilities. Obtaining expertise requires people willing to make careers in the field and in the making of successful careers, requires people who have a passion for the work they perform. The fleet shop also is well equipped to maintain the wide variety of operational equipment and vehicles.

Exceptional Service: "Appropriately equipping government" is why Fleet Operations exists. Timeliness, predictability and effectiveness are key objectives as described in section 4. Professionalism is demonstrated by our staff, via their multiple professional certifications and detailed attention to safety, resulting in equipment availability.

Stewards of the Public Trust: See executive summary and Strategic Leadership. Preventive maintenance is scheduled to minimize equipment/vehicle failures that could result in liability claims. Safety is a priority!

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Fleet Operations provides and maintains vehicles and equipment for staff that support all outcomes.

Healthy & Sustainable Environment Fleet Operations has been "greening" the fleet with hybrid and electric vehicles. We recycle materials such as coolant, tires and metals. In addition, Fleet purchases re-refined oils and burns most waste oil produced, to heat the Fleet shop. Attachment B

C. Short- and long-term benefits of this proposal:

The City has invested millions of dollars in its vehicles and equipment. Optimal maintenance and repair services ensure that these assets are available for the city's operations on a daily basis. In the long-term it supports asset longevity and reduces costs.

D. Performance metrics/benchmarks and targets for this proposal:

Hourly shop rate vs. competitors
Maintenance cost/mile
% of out of service time (Down Time)
% of vehicles "past due" for maintenance
Motor Pool utilization
Customer Survey data
Vehicle-Equipment/Mechanic ratios per industry standards
ICMA benchmarks for fleet management

E. Describe why the level of service being proposed is the appropriate level:

Per NAFA national standards, we have been operating short 2.8 FTEs, for the shop overall. We have been able to survive through a mix of efficiencies, outside service (vendor work), standardization of the Fleet and a heavier than usual influx of new equipment the last few years. A reduced service level would increase costs, likely in the short term and certainly in the long run. Fleet Operations cannot lower maintenance levels below the recommended manufacturer's intervals. It would be a liability to the City and Fleet personnel could be found personally liable for injuries or fatalities due to such neglect.

Section 8: Provide a Description of Supporting Revenue

This proposal is supported by revenues collected from customer departments including customers from Enterprise funds (Development Services, Parks Enterprise and Utilities).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

Maintenance would have to be outsourced which would increase direct costs and indirect costs.

1. **Legal:** Outsourcing risks increasing the city's liability exposure. Litigation and personal liability claims could result from a potential event of a piece of equipment failing at a critical time because of a lack of maintenance. If maintenance is outsourced, the City might not have critical maintenance information needed for such lawsuits.
2. **Customer Impact:** Vehicles would need to be transported to/from vendors and downtime. City departments would need to become familiar with laws pertaining to their equipment and its usage. Repair staff would likely not be available to support emergency events. As an alternative to motor pool, departments would need to either buy additional vehicles for intermittent use or use an outside rental company.
3. **Investment/Costs already incurred:** The present value of the City's fleet is approximately $52,000,000. Approximately $1.7M was recently spent to upgrade and renovate the Fleet shop.
4. **Other:**

B. Consequence of funding at a lower level:

Fleet Operations staff is stressed by their heavy workload (see 7.E.). If this function was funded at a lower level, preventive maintenance would be delayed significantly past manufacturer's specifications, downtime for repairs would be increased, and costs would likely increase. I would also expect to see turnover in Fleet staff which has been stable for several years now. Attachment A

Reducing the number of motor pool assets could result in vehicles or equipment not being available for transportation to off-site meetings and project sites, or during emergency events. Obtaining equipment from private sources during an emergency event can be difficult and would hinder staff in their efforts to react quickly to potentially dangerous or costly situations (snow events, windstorms, earthquake or power outages).

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fleet & Communications – Surplus/Disposal		**Proposal Number:** 045.1604
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Tom Wall, x6019		**One-Time/On-Going:** Both
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.16PA Vehicle/Equipment Acquisition or 045.16PB Vehicle/Equipment Acquisition Alternate		

Section 2: Executive Summary

All City owned surplus vehicles and equipment have a cash value that is recovered to the replacement funds. The Fleet Surplus Program is in the previously owned vehicle and equipment business, remarketing assets to get the greatest return (typically 15 – 20% of the original investment) which follows best business practices.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$26,042	$27,415
Other	200	250
	$26,242	$27,665
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.25	0.25
LTE	0.00	0.00
Total Count	0.25	0.25

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Historically the city contracts with the State of Washington GA Surplus that charges a commission for this service. We are piloting a resale program utilizing an online public auction site that charges the buyer at time of sale which does away with the past cost of commissions. The Fleet Warranty Administrator is managing this in partnership with Purchasing staff. This program is expected to result in a cost avoidance of 9.5% to 17% commission fees ($20,000 – 37,000 annually) and will provide improved reporting at the time of sale.

Section 5: Budget Proposal Description

The Fleet & Communications Surplus Program is for the disposal and remarketing of assets that have been replaced due to lifecycle, obsolescence or damage loss. These assets are in the form of licensed vehicles and equipment that costs more than $1500 which include the following from both MERF and EERF:

- Emergency Response Medic & Fire apparatus, vehicles and equipment
- Police Patrol response vehicles, motorcycles and equipment
- Storm & Surface Water vehicles and equipment
- Water Dept vehicles and equipment
- Waste Water Dept vehicles and equipment
- Parks & Grounds Maintenance vehicles and equipment
- Snow & Ice Removal equipment
- Street Maintenance vehicles and equipment

- Traffic Signals vehicles and equipment
- Motor pool vehicles and equipment
- Facilities vehicles and equipment
- General purpose vehicles
- Emergency stationary & mobile back up power generation equipment
- Communications equipment

As stewards of the public trust, Fleet Operations has the duty to properly maintain vehicles and equipment, keeping them in proper working order throughout their life cycle. To this end Fleet is able to remarket these assets for the best possible value having an outstanding reputation for providing good quality surplus equipment. One of the performance measures we use is the percentage of return on the initial investment with an average of 17% return which falls in line with best business practices.

The Fleet Operations Warranty Program Administrator currently manages the Surplus Program in collaboration with the Purchasing Dept. This person currently provides the description, proposed value, pictures of surplus equipment and posts this information on PublicSurplus.com. This is the same online auction service the State of Washington is using for their surplus sales. The City was paying a 9.5% commission fee to the State to handle this service. Public Surplus collects fees and commissions from the buyer at time of sale, eliminating fees paid under the past program.

Fleet Operations proposes to retain a portion of surplus sales revenue to cover the increasing costs of managing the surplus program. With the number of assets replaced each year, Asset Management space is limited. The goal is to utilize these funds to acquire a permanent facility for Asset Management.

Section 6: Mandates and Contractual Agreements

Bellevue City Code and the State of Washington mandate the requirement to surplus all City owned assets and those funded by Utilities through open auction.

4.32.010 Sale of unneeded property owned by the City.

Except as provided in BCC 4.32.015 and 4.32.017, the city manager may authorize department directors to declare as surplus any personal property owned by the city and which is in the custody of their departments when they have certified in writing to the purchasing manager that the properties are no longer of public use to the city, or that the sale thereof would be in the best interests of the city. (Ord. 5760 § 1, 2007; Ord. 5626 § 1, 2005; 1961 code § 2.21.010.)

4.32.030 Sale of personal property over $2,000 in value.

The purchasing manager is authorized to sell personal property owned by the city valued at more than $2,000, and may call for sealed bids thereon. Such call shall specify the time and place of bid opening and shall contain a description of the property to be sold, the location thereof, the name and address of the person with whom the bid is to be filed, the last date for filing bids and other pertinent information. Such call shall be published at least once in a newspaper of general circulation in the city, not less than five days before the last date for filing of bids. (Ord. 5626 § 1, 2005; Ord. 1981 § 1, 1973; 1961 code § 2.21.030.)

4.32.070 Alternate method of sale – Auction.

Notwithstanding any other section of this chapter, when an accumulation of city property is to be sold, the value of which exceeds $2,000, the purchasing manager may, with prior approval of the city manager or his/her designee, sell said accumulated property at public auction to the highest bidder. Notice of such sale, stating the time and place thereof, and containing a description in general terms of the property to be sold, shall be published at least once in a newspaper of general circulation within the city at least 10 days prior to the date fixed for said sale. (Ord. 5626 § 1, 2005; Ord. 2331 § 1, 1976.)

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: We will provide a link on the City's main website to PublicSurplus.com so that our citizens will have the opportunity to purchase city surplus as well as providing an increased level of transparency within the program.

Strategic Leadership: This is aligned with the City's goals of decreasing costs. Participation in PublicSurplus.com bolsters use of the site so it is more successful for all public agencies using it.

Engaged Workforce: The Warranty Administrator has successfully implemented this specialized process and has been empowered to continue to innovate and enhance our processes to further increase the net revenues from this program.

Exceptional Service: The city's remarketing program is very cost-effective and proficient, with continuing innovations the process will become increasingly efficient and streamlined.

Stewards of The Public Trust: Bringing the sale of surplus in-house Fleet can avoid the expensive costs of commissions and transport fees. In the past Fleet and Communications surplus was being sold to the Public by contract with the State of Washington GA Surplus Branch for a 9.5% commission fee. Due to increasing costs the State raised their fees by charging for transport to their storage facilities. Recently the State moved from using EBay to using PublicSurplus.com (like EBay for Public Agencies) for listing over the internet to the general public. In looking at other third party companies, some that charge as high as 17% commission, we found that Public Surplus will charge their fees to the buyer upon sale and leave us with no costs, increasing the amount of return on the sale of surplus.

Below is the amount of generated revenue from the sale of surplus over the past three years and approximate commission fees based on 9.5%:

	Total Surplus Revenue	Commission Fees	Net Revenue
2007	**$200,484.00**	**<$19,046.00>**	**$181,438.00**
2008	**$271,000.00**	**<$25,745.00>**	**$245,255.00**
2009	**$190,644.00**	**<$18,111.00>**	**$172,533.00**
Totals	**$662,128.00**	**<$62,902.00>**	**$599,226.00**

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s) N/A

C. Short- and long-term benefits of this proposal:

The short term goals of this program will assist in the immediate needs of avoiding costs and increasing revenue to the Replacement Funds. This is a cost avoidance and revenue gaining program.

D. Performance metrics/benchmarks and targets for this proposal:

- Percentage of return on the original investment; target is 17%
- Amount of sale versus the book value where applicable
- Resale time following posting for sale
- Time of new vehicles coming into service and surplus vehicles sold

E. Describe why the level of service being proposed is the appropriate level:

This program is staffed with less than one FTE and provides significantly more revenue than it costs. Having a person who specializes in remarketing equipment has provided additional surplus revenue.

Section 8: Provide a Description of Supporting Revenue

Revenues generated by the sale of surplus equipment and vehicles are returned to Replacement Reserves offsetting the cost of new equipment purchases.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** The city is obligated by mandate to sell surplus equipment by means of public auction.
2. **Customer Impact:** The revenues generated by this program are returned to the Replacement Fund which is a benefit to the customer. If the program is not funded, these revenues would decrease significantly.
3. **Investment/Costs already incurred:** The city has invested millions of dollars in its vehicles and equipment that still have some value after reaching their useful life span.
4. **Other:**

B. Consequence of funding at a lower level: If we do not manage this program efficiently the City of Bellevue citizens will incur costs/fees and miss out on an opportunity to receive greater revenues. The vehicles will stack up and exacerbate our current parking situation.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fuel System Management		**Proposal Number:** 045.1606
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Pete Bednar , x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments: No**	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.16PA Vehicle/Equipment Acquisition or 045.16PB Vehicle/Equipment Acquisition Alternate		

Section 2: Executive Summary

Fleet manages the city's fuel acquisition, ensuring adequate supply for vehicles, equipment and emergency generators at several sites throughout the City. Regular monitoring and reconciliation is critical for environmental compliance and fiscal stewardship. Fuel management processes and equipment must be adapted for alternative fuels that are optional and/or required.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$73,486	$77,420
Other	$929,300	$996,350
	$1,002,786	$1,073,770
Supporting Revenue		
	294,654	309,387
LTE/FTE		
FTE	1.00	1.00
Total Count	1.00	1.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings: Even with the increase in the number of fleet assets, the conversion of many light duty vehicles to hybrids and the purchasing of efficient diesel powered trucks and equipment, Fleet Operations has continued to reduce the consumption of unleaded fuel. These savings along with lower than projected escalation of fuel prices and no significant emergency events has resulted in the following savings: $525K in 2009, projected $456K in 2010, proposed $186K in 2011 and $40K in 2012.
Fuel is purchased off the state bid at a savings of $0.30 per gallon of unleaded and $0.60 per gallon of diesel fuel as compared to retail prices.
Weekly and annual inspections along with testing, ensures compliance with state and federal standards for underground storage tanks, avoiding the potential cost of fines of $5000 per tank, per day.

Innovation: The use of alternative fuels has become the norm for municipal governments within the State of Washington. This requires research into system requirements and overall fuel management. Higher quantity ethanol based fuels have a harsh effect on standard fuel systems, requiring the upgrade to stainless steel hardware. Biodiesel creates multiple situations that need to be addressed; it reacts as a cleansing agent, which

requires closer monitoring of filters, which can plug sooner than standard diesel, thus causing additional maintenance. It also has a higher rate of biotic growth that must be closely watched and treated with a biocide when present. Monitoring biodiesel fuel quality is key to ensuring vehicles will not be adversely affected by potential product failure. Vehicle manufacturers set recommended limits to the percentage of bio-fuel allowed in their vehicles. If the quality of fuel is not properly maintained, substantial repair costs will incur. Networking tank monitors and site transaction kiosks has sped up the time taken to perform daily checks. This has been a time saver, allowing for more time to perform routine preventive maintenance to fuel pumps and filter replacement. This is a requirement with new fuels and their idiosyncrasies.

Partnerships/Collaboration: Fleet Operations has entered into agreements with the City of Clyde Hill and the Bellevue School District to share fuel resources during potential emergency situations.
The Bellevue Fire Department performs stage one and two weekly inspections on all fire station fuel sites. The golf course personnel also perform these same inspections. These records are checked and updated by Fleet staff when visiting the stations to ensure compliance.
Assistance has been given to help Utilities comply with procedures for two tank sites they manage.
Fleet Operations is prepared to refuel fire trucks in the field in case of a multi-alarm fire that may take a significant time to control. In some jurisdictions the apparatus ran out of fuel fighting a fire. This partnership is solidified to avoid such a fatal process.

Section 5: Budget Proposal Description

The fuel system management program provides fueling for all City equipment. The fuel system is comprised of 12 fueling sites: the Bellevue Service Center, nine fire stations, the Bellevue Municipal Golf course, and a 10,000 gallon storage tank for City Hall. These sites are utilized by City employees using an access card system to fuel equipment, and to supply fuel for backup power generation.
Federal and State regulations for underground storage tanks are extensive and strictly followed. Auditing fuel sites is a State requirement to insure that fuel has not been stolen or leaked. Daily, weekly, monthly, and annual inspections are performed in compliance with EPA, DOE and WAC requirements. These records must be retained and provided for annual DOE audits. Fuel reconciliation is performed weekly to check for loss of fuel at each site.
Security permissions and fueling transactions are monitored via an electronic tracking system.
Maintenance to the dispensing equipment is performed by Fleet staff. Filters, hoses, nozzles and breakaway fittings are a few of the items that require ongoing attention. A preventive maintenance program has been established for each site to ensure quality operation and performance.
Fuel levels are tracked and fuel orders placed with the State-contracted fuel vendor. Fuel levels are monitored daily to ensure adequate supply is kept on hand in case of an emergency situation. Alternate fuel sources and supply agreements are written to limit disruption to core city emergency operations ensuring priority service.
The location of private fuel sites in Bellevue are tracked to be aware of potential fuel sources if there is a need.
Historically, this function was staffed with temporary help. From mid-2008 to mid-2010 it was staffed by an LTE with additional duties. Purchasing over a million dollars a year in fuel and the daily tasks and inspections are critical, needing stable staffing. The knowledge and training required for this job is no longer suitable for temporary help.

Section 6: Mandates and Contractual Agreements

- State of Washington contract for Fuel–Bulk Deliveries & Keep Full Service
- Title 42 The public health and welfare – Chapter 82 Solid waste disposal – Subchapter IX Regulation of underground storage tanks
- WAC 173-360 Underground Storage Tank Regulations: Chapter 173-360 WAC: Underground storage tank regulations

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership: The fueling system is designed to support the City's current equipment and available fuels; however, management must plan ahead to take advantage of innovative opportunities and comply with evolving regulatory requirements. Fleet Operations has entered into agreements with the City of Clyde Hill and the Bellevue School District to share fuel resources during potential emergency situations.

Exceptional Service: The fuel system provides a variety of fueling locations, minimizing travel time for staff to refuel vehicles or equipment. Integrated management of the fuel system combined with the ability to transport fuel for emergencies further supports continuity of service. Networked monitoring of all sites and management of fuel deliveries ensures that fuel is predictably available. Preventive maintenance of pump equipment also facilitates reliability. Data from the fuel system is used to calculate preventive maintenance schedules, vehicle fuel mileage, cost per mile, other key parameters used for reviewing and making decisions on replacement schedules of vehicles and equipment.

Stewards of the Public Trust: Providing scrutiny and evaluation on a significant investment in fuel is fiscally responsible and demonstrates accountability for this important service. Reconciliation of fuel deliveries and actual dispensed quantities facilitates quick discovery of any product loss.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Fleet provides fuel for vehicles and equipment for staff who support all seven outcomes.

Safe Community is a key factor in how fuel levels and supply are managed. In the event of a natural disaster, ensuring that there is a sufficient supply of fuel to continue with operations is critical. During the winter months Fleet Operations insures adequate fuel supply for weather events and storms.

Healthy and Sustainable Environment: Purchasing bio-fuels supports procurement of environmentally preferable products and conservation of natural resources. Proper monitoring of the fuel system helps reduce the risk of pollution.

C. Short- and long-term benefits of this proposal:

In the short-term, operations will continue to have a supply of fuel to perform their functions. Emergency response is kept at a high level of performance. System monitoring and testing ensures that the City remains in compliance with State and Federal environmental laws and statutes. In the long-term, conversion to more environmentally-friendly fuel options will benefit everyone. Proper management of the fuel system also mitigates the risk of long-term environmental clean-up.

D. Performance metrics/benchmarks and targets for this proposal:

Annual DOE audit compliance.
City of Bellevue Product Totals by Site
ICMA
Customer Survey Results

E. Describe why the level of service being proposed is the appropriate level:

The bulk of this proposal is for fuel acquisition which is based on operational demand. Reducing the dedicated staffing level could impact regulatory compliance, the availability of fuel, and customer's ability to perform their function.

Section 8: Provide a Description of Supporting Revenue

Proposal is supported by revenue collected from customer departments including customers from Enterprise Funds (Development Services, Parks Enterprise, and Utilities).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal**: Monitoring the fuel system is critical to meeting DOE and EPA regulations. Failure to comply could result in fines or penalties that would be costly to the city. Following environmental mandates, the cost to decommission fuel sites would be significant. Liability for the city would be substantial, and personal liability could result from lack of regulatory compliance.
2. **Customer Impact**: Fuel would need to be purchased at private stations which usually are not set up for heavy equipment and are not geographically dispersed throughout the city. The cost/gallon of fuel would likely be significantly higher and the level of service would be diminished. Not having fuel available on site would increase response times for field staff located at the BSC and Fire stations. Tracking of equipment mileage would need to be manually performed and entered into Maximo, reducing efficiency and accuracy and thus increasing costs. This would be time consuming, adversely impacting Fleet Operations preventative maintenance program. Tracking fuel transactions would require a FTE just for billing and reconciliation.
3. **Investment/Costs already incurred**: The value of the current fuel system is at least $2.5 Million. (12 fuel sites including tanks, tank monitoring equipment, dispensing equipment, fueling kiosks; fuel cards, card data base management software, tank monitoring software).
4. **Other**: Currently this workload is done with City staff. If this was to move to an outside vendor the costs associated with additional overhead and profit calculations would make it extremely costly.

B. Consequence of funding at a lower level:

The bulk of this proposal is for fuel acquisition which is based on operational demand. This proposal reflects a reduction from past years enabled by hybrid conversions and lower than expected fuel prices. Reducing the dedicated staffing level could impact regulatory compliance, the availability of fuel, and ultimately service to our citizens. This escalates to a critical level during emergency events. During the last major wind storm, fuel was scarce, causing civil unrest that required Police intervention. In a major event it is important for the City to have a guaranteed fuel supply that can be prioritized for critical responders.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fleet & Communications Management		**Proposal Number:** 045.1612
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Peter Bednar x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.16PA Vehicle/Equipment Acquisition or 045.16PB Vehicle/Equipment Acquisition Alternate		

Section 2: Executive Summary

This proposal continues to fund the management of the Fleet and Communications infrastructure that supports the delivery of municipal services to the community. This proposal ensures the purchase, asset management, preservation and maintenance of the City's fleet of vehicles not only for public safety services, but for all City vehicles. Additionally, this proposal ensures that electronic communication systems are purchased and are operational at all times to support the City's daily and emergency communication needs.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$235,968	$248,623
Other	18,019	19,561
	$253,987	$268,184
Supporting Revenue		
	$21,418	$22,489
LTE/FTE		
FTE	2.50	2.50
LTE	0.00	0.00
Total Count	2.50	2.50

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- The division actively collaborates with customer department staff to ensure we are meeting their needs.
- Vehicle and equipment standardization has improved cost-effectiveness of the division.
- A preventive maintenance program was implemented a few years ago, reducing reactive repair costs and optimizing vehicle life expectancy.
- The recently implemented Maximo upgrade will greatly enhance data reporting and analysis capabilities.
- The manager regularly collaborates with other jurisdictions and professional organizations to leverage opportunities for joint purchasing, sharing knowledge and best practices, and analyzing new technologies and equipment.
- The city participated with the Puget Sound Clean Cities Coalition to obtain grant funding for acquisition of hybrid vehicles, and to develop the innovative Evergreen Fleet certification standards (environmental certification for public and private fleets).

Section 5: Budget Proposal Description

This proposal funds the management and administrative staff for the Fleet and Communications Division, overseeing:

- 25 employees
- Over 950 pieces of mechanical vehicles and equipment
- Over 2,500 pieces of electronic equipment/systems
- 2010 Operating budget of $7,022,000
- 2010 Asset replacement budget of $26,382,000
-

The Fleet and Communications Manager is responsible for the division's strategic planning, customer relations, asset management, and overall management of the operations and employees. He is ultimately responsible for ensuring compliance with laws, regulations, policies and procedures. The ERF budget is substantial, so financial stewardship and oversight also is a critical responsibility.

The second position included in this proposal is an Accounting Associate who processes all requisitions and routine financial transactions for the division (over 2,230 in 2009). This position also ensures financial data is entered into Maximo and JDE financial systems and provides reporting and analysis of this information for division staff.

The third (.5 FTE) position is a Program Administrator who implements technology and other special projects for the division. Over the past 18 months he has been the division's lead for Maximo implementation.

Section 6: Mandates and Contractual Agreements

- Bellevue City Manager mandate to reduce the City's carbon footprint, the purchase of Green vehicles and equipment; Hybrids, electric vehicles, alternative fuel vehicles and equipment.
- Washington State, Governor Gregoire has mandated the COB fleet be 100% alternative fuel compliant by 2015
- NAFA, PFMA, ICMA
- Washington Department of Transportation; to include Vehicles RCW's, Weight RCW's (Bridge Law Restrictions).
- Emergency Lighting-FMVSS (Federal Motor Vehicle Safety Standards)
- Puget Sound Clean Cities Coalition
- American Public Works Association (APWA) *accreditation for Transportation and Utilities*
- Commission on Accreditation for Law Enforcement Agencies (CALEA) *accreditation for Police*
- Commission on Fire Accreditation International (CFAI) *accreditation for Fire*
- American Academy for Parks & Recreations Administration (AAPRA) *accreditation for Parks*.
- Fleet Internal Service Agreement/Contract with all departments.
- Fire Department NFPA Standards, i.e., Aerial Inspections/Certifications: NFPA 1911
- Federal Spec KKK-A-1822 standards for ambulances.
- Insulated Aerial Lifts (bucket trucks): WAC 296-869-20015 & ANSI A92.2
- Mobile Cranes: WAC 296-155 & ANSI B30.5
- International Building Code and NFPA Life Safety Code 2000
- Homeland Security PDD - 5; Managing Domestic Incidents-NIMS
- Public Law 106-390; Disaster Mitigation Act of 2000-Mitigation Plan
- State of Wash. RCW 38.52 - Emergency Management
- State of Wash. RCW 42.14 - Continuity of Government
- City of Bellevue BCC 3.98

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership: Fleet and Communications has an internal service agreement with all customer departments that ensure alignment between the division's activities and customer departments' missions. Externally, Fleet has worked interjurisdictionally with the Puget Sound Clean Cities Coalition to define innovative standards for Evergreen Fleet certification.

Engaged Workforce: The division manager is responsible for overall employee management, personnel relations and union negotiations/relations for the division. An engaged and well-trained staff is critical to a successful operation that produces timely, safe and well-maintained assets.

Exceptional Service: "Appropriately equipping government" is why the division exists. Timeliness, predictability and effectiveness are key objectives that the manager continually monitors. The other staff included in this proposal provide tools and data to support this. The manager and special projects supervisor research fleet management methods and technologies, and ensuring that the division stays current with industry best practices.

Stewards of the Public Trust: This team provides life cycle asset management for this valuable fleet of equipment, ensuring compliance with applicable laws and regulations and proper financial processes and accountability. The manager also manages equipment replacement reserve funds, setting parameters for asset replacement, maintenance and disposition with the goal of optimizing the city's overall cost of equipment ownership and performs replacement analysis of vehicles, equipment and electronic systems;

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

The Fleet & Communications Division, by providing vehicles and equipment, supports staff, who work on all outcomes. Police and Fire are major customers, as well as Utilities. Division's support of these departments, especially during emergencies supports **Safe Community**. Greening of the fleet and best practices for purchasing and disposing of supplies such as engine oil supports **Healthy and Sustainable Environment**.

C. Short- and long-term benefits of this proposal:

Short-term: Benefits of funding this proposal are sound management and best practices of the city's fleet and communications assets, their repair and maintenance, and the funds allocated to replace them.

Long-term: This proposal continues to fund the management of Fleet and Communications infrastructure that supports the delivery of public health and safety services to the community.

D. Performance metrics/benchmarks and targets for this proposal:

Hourly shop rate vs. competitors
% of out of service time (Down Time)
% of vehicles "past due" for maintenance
Customer Survey data
Vehicle-Equipment/Mechanic ratios per industry standards
ICMA, Best Practices

E. Describe why the level of service being proposed is the appropriate level:

A staff and budget of this size warrants a full division manager and full-time accounting staff person. The additional resource to implement technology and other special projects optimizes others' ability to perform their assigned responsibilities. A review of other departments revealed that a technology specialist/system expert is critical to successfully utilizing enterprise technology systems. This is minimal staffing for a division of this size and complexity, and really could use a fleet data analyst, also. Together the 2.5 FTEs provide the management and administrative structure for a successful operation.

Section 8: Provide a Description of Supporting Revenue

Supported by rates charged to customers.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. **Legal:** There is a significant amount of risk and liability associated with managing vehicle and communications operations. Improper management of fleets resulting in equipment failure, citizen injury or death and resulting lawsuits has made front-page news across the nation. Proper vehicle licensing and registration could be jeopardized.
2. **Customer Impact:** The management of city assets is critical for long range planning and stabilizing the workload to ensure that the vehicle/equipment is in a dependable and reliable condition. Without this leadership the city would face major costs in both maintenance and capital. The customers would see costly delays in their ability to provide services to the citizens. Fire, Police and other departmental accreditations require a level of business management that could not be obtained without the funding of this program.
3. **Investment/Costs already incurred:** As previously stated, the city has invested millions in the fleet and communications equipment.
4. **Other:** If this proposal is not funded, there would be no centralized management of the city's fleet and communications assets. Cost-effective management based on both industry knowledge and availability of good data would not occur.

B. Consequence of funding at a lower level:

See description of not funding this proposal. If it is funded at a lower level, it would mean that one of the three employees would be laid off and their duties would not be done. These are not responsibilities that can be outsourced.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fuel System Management		**Proposal Number:** 045.1606
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Pete Bednar , x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments: No**	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.16PA Vehicle/Equipment Acquisition or 045.16PB Vehicle/Equipment Acquisition Alternate		

Section 2: Executive Summary

Fleet manages the city's fuel acquisition, ensuring adequate supply for vehicles, equipment and emergency generators at several sites throughout the City. Regular monitoring and reconciliation is critical for environmental compliance and fiscal stewardship. Fuel management processes and equipment must be adapted for alternative fuels that are optional and/or required.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$73,486	$77,420
Other	$929,300	$996,350
	$1,002,786	$1,073,770
Supporting Revenue		
	294,654	309,387
LTE/FTE		
FTE	1.00	1.00
Total Count	1.00	1.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings: Even with the increase in the number of fleet assets, the conversion of many light duty vehicles to hybrids and the purchasing of efficient diesel powered trucks and equipment, Fleet Operations has continued to reduce the consumption of unleaded fuel. These savings along with lower than projected escalation of fuel prices and no significant emergency events has resulted in the following savings: $525K in 2009, projected $456K in 2010, proposed $186K in 2011 and $40K in 2012.
Fuel is purchased off the state bid at a savings of $0.30 per gallon of unleaded and $0.60 per gallon of diesel fuel as compared to retail prices.
Weekly and annual inspections along with testing, ensures compliance with state and federal standards for underground storage tanks, avoiding the potential cost of fines of $5000 per tank, per day.

Innovation: The use of alternative fuels has become the norm for municipal governments within the State of Washington. This requires research into system requirements and overall fuel management. Higher quantity ethanol based fuels have a harsh effect on standard fuel systems, requiring the upgrade to stainless steel hardware. Biodiesel creates multiple situations that need to be addressed; it reacts as a cleansing agent, which

requires closer monitoring of filters, which can plug sooner than standard diesel, thus causing additional maintenance. It also has a higher rate of biotic growth that must be closely watched and treated with a biocide when present. Monitoring biodiesel fuel quality is key to ensuring vehicles will not be adversely affected by potential product failure. Vehicle manufacturers set recommended limits to the percentage of bio-fuel allowed in their vehicles. If the quality of fuel is not properly maintained, substantial repair costs will incur. Networking tank monitors and site transaction kiosks has sped up the time taken to perform daily checks. This has been a time saver, allowing for more time to perform routine preventive maintenance to fuel pumps and filter replacement. This is a requirement with new fuels and their idiosyncrasies.

Partnerships/Collaboration: Fleet Operations has entered into agreements with the City of Clyde Hill and the Bellevue School District to share fuel resources during potential emergency situations.
The Bellevue Fire Department performs stage one and two weekly inspections on all fire station fuel sites. The golf course personnel also perform these same inspections. These records are checked and updated by Fleet staff when visiting the stations to ensure compliance.
Assistance has been given to help Utilities comply with procedures for two tank sites they manage.
Fleet Operations is prepared to refuel fire trucks in the field in case of a multi-alarm fire that may take a significant time to control. In some jurisdictions the apparatus ran out of fuel fighting a fire. This partnership is solidified to avoid such a fatal process.

Section 5: Budget Proposal Description

The fuel system management program provides fueling for all City equipment. The fuel system is comprised of 12 fueling sites: the Bellevue Service Center, nine fire stations, the Bellevue Municipal Golf course, and a 10,000 gallon storage tank for City Hall. These sites are utilized by City employees using an access card system to fuel equipment, and to supply fuel for backup power generation.
Federal and State regulations for underground storage tanks are extensive and strictly followed. Auditing fuel sites is a State requirement to insure that fuel has not been stolen or leaked. Daily, weekly, monthly, and annual inspections are performed in compliance with EPA, DOE and WAC requirements. These records must be retained and provided for annual DOE audits. Fuel reconciliation is performed weekly to check for loss of fuel at each site.
Security permissions and fueling transactions are monitored via an electronic tracking system.
Maintenance to the dispensing equipment is performed by Fleet staff. Filters, hoses, nozzles and breakaway fittings are a few of the items that require ongoing attention. A preventive maintenance program has been established for each site to ensure quality operation and performance.
Fuel levels are tracked and fuel orders placed with the State-contracted fuel vendor. Fuel levels are monitored daily to ensure adequate supply is kept on hand in case of an emergency situation. Alternate fuel sources and supply agreements are written to limit disruption to core city emergency operations ensuring priority service.
The location of private fuel sites in Bellevue are tracked to be aware of potential fuel sources if there is a need.
Historically, this function was staffed with temporary help. From mid-2008 to mid-2010 it was staffed by an LTE with additional duties. Purchasing over a million dollars a year in fuel and the daily tasks and inspections are critical, needing stable staffing. The knowledge and training required for this job is no longer suitable for temporary help.

Section 6: Mandates and Contractual Agreements

- State of Washington contract for Fuel–Bulk Deliveries & Keep Full Service
- Title 42 The public health and welfare – Chapter 82 Solid waste disposal – Subchapter IX Regulation of underground storage tanks
- WAC 173-360 Underground Storage Tank Regulations: Chapter 173-360 WAC: Underground storage tank regulations

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership: The fueling system is designed to support the City's current equipment and available fuels; however, management must plan ahead to take advantage of innovative opportunities and comply with evolving regulatory requirements. Fleet Operations has entered into agreements with the City of Clyde Hill and the Bellevue School District to share fuel resources during potential emergency situations.

Exceptional Service: The fuel system provides a variety of fueling locations, minimizing travel time for staff to refuel vehicles or equipment. Integrated management of the fuel system combined with the ability to transport fuel for emergencies further supports continuity of service. Networked monitoring of all sites and management of fuel deliveries ensures that fuel is predictably available. Preventive maintenance of pump equipment also facilitates reliability. Data from the fuel system is used to calculate preventive maintenance schedules, vehicle fuel mileage, cost per mile, other key parameters used for reviewing and making decisions on replacement schedules of vehicles and equipment.

Stewards of the Public Trust: Providing scrutiny and evaluation on a significant investment in fuel is fiscally responsible and demonstrates accountability for this important service. Reconciliation of fuel deliveries and actual dispensed quantities facilitates quick discovery of any product loss.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Fleet provides fuel for vehicles and equipment for staff who support all seven outcomes.

Safe Community is a key factor in how fuel levels and supply are managed. In the event of a natural disaster, ensuring that there is a sufficient supply of fuel to continue with operations is critical. During the winter months Fleet Operations insures adequate fuel supply for weather events and storms.

Healthy and Sustainable Environment: Purchasing bio-fuels supports procurement of environmentally preferable products and conservation of natural resources. Proper monitoring of the fuel system helps reduce the risk of pollution.

C. Short- and long-term benefits of this proposal:

In the short-term, operations will continue to have a supply of fuel to perform their functions. Emergency response is kept at a high level of performance. System monitoring and testing ensures that the City remains in compliance with State and Federal environmental laws and statutes. In the long-term, conversion to more environmentally-friendly fuel options will benefit everyone. Proper management of the fuel system also mitigates the risk of long-term environmental clean-up.

D. Performance metrics/benchmarks and targets for this proposal:

Annual DOE audit compliance.
City of Bellevue Product Totals by Site
ICMA
Customer Survey Results

E. Describe why the level of service being proposed is the appropriate level:

The bulk of this proposal is for fuel acquisition which is based on operational demand. Reducing the dedicated staffing level could impact regulatory compliance, the availability of fuel, and customer's ability to perform their function.

Section 8: Provide a Description of Supporting Revenue

Proposal is supported by revenue collected from customer departments including customers from Enterprise Funds (Development Services, Parks Enterprise, and Utilities).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal**: Monitoring the fuel system is critical to meeting DOE and EPA regulations. Failure to comply could result in fines or penalties that would be costly to the city. Following environmental mandates, the cost to decommission fuel sites would be significant. Liability for the city would be substantial, and personal liability could result from lack of regulatory compliance.
2. **Customer Impact**: Fuel would need to be purchased at private stations which usually are not set up for heavy equipment and are not geographically dispersed throughout the city. The cost/gallon of fuel would likely be significantly higher and the level of service would be diminished. Not having fuel available on site would increase response times for field staff located at the BSC and Fire stations. Tracking of equipment mileage would need to be manually performed and entered into Maximo, reducing efficiency and accuracy and thus increasing costs. This would be time consuming, adversely impacting Fleet Operations preventative maintenance program. Tracking fuel transactions would require a FTE just for billing and reconciliation.
3. **Investment/Costs already incurred**: The value of the current fuel system is at least $2.5 Million. (12 fuel sites including tanks, tank monitoring equipment, dispensing equipment, fueling kiosks; fuel cards, card data base management software, tank monitoring software).
4. **Other**: Currently this workload is done with City staff. If this was to move to an outside vendor the costs associated with additional overhead and profit calculations would make it extremely costly.

B. Consequence of funding at a lower level:

The bulk of this proposal is for fuel acquisition which is based on operational demand. This proposal reflects a reduction from past years enabled by hybrid conversions and lower than expected fuel prices. Reducing the dedicated staffing level could impact regulatory compliance, the availability of fuel, and ultimately service to our citizens. This escalates to a critical level during emergency events. During the last major wind storm, fuel was scarce, causing civil unrest that required Police intervention. In a major event it is important for the City to have a guaranteed fuel supply that can be prioritized for critical responders.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fleet and Communications Inventory and Stores Management		**Proposal Number:** 045.16A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Pete Bednar, x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.16PA Vehicle/Equipment Acquisition or 045.16PB Vehicle/Equipment Acquisition Alternate		

Section 2: Executive Summary

Fleet Inventory Stores Management directly supports Fleet Operations by ensuring parts and materials are readily available to repair vehicles and equipment so they can be restored to full service quickly. Purchasing the best product for the best price in the best available timeframe ensures that City departments, including Fire & Police, have vehicles and equipment so they can continue to operate and provide service to the community. This proposal incorporates a 10% reduction of Fleet & Communications Surplus/Disposal, Fleet & Communications Management, and Inventory/Stores Management (Proposals 045.1604, 045.1612, 045.1613) by reducing parts inventory available for vehicle repair.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$201,160	$211,852
Other	605,874	629,978
	$807,034	$841,830
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.50	2.50
LTE	0.00	0.00
Total Count	2.50	2.50

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost savings/Collaboration/Partnerships: We purchase parts, tires, lubrication products, hardware, and fuel from State bid contracts which provides cost savings because we benefit from collective purchasing/group discounts. The new Fleet Operation's maintenance management system enables personnel from across the organization to view parts inventories and request items from other storerooms. The system has the ability to track charges between the storerooms for journal entries of funds enabling a better sharing of resources. This alternative proposal reduces the parts operating budget and reduces inventory by $121,590 (10%) in 2011 and $127,354 (10%) in 2012. This proposal will also increase the turn-around time for getting parts in a timely manner and impact the shop functions by having vehicles torn down waiting for parts. Overall savings by this proposal will be offset by increased costs in the shop and loss of efficiencies.

Innovation: Utilizing added functionality in our new maintenance management system allows us to attach photos of items to the parts record. This allows stores personnel view exactly what is in stock without needing to physically retrieve the item from the shelf. We are also able to do online parts research by equipment vehicle identification number and can do online parts ordering and price comparisons.

Section 5: Budget Proposal Description

This proposal requests funding for maintaining inventory stores at a level necessary to support Fleet Operation's maintenance and repair program, enabling City departments to successfully perform their required services. A well stocked and efficient storeroom is critical to the work flow and response time required to maintain our diverse fleet of equipment and vehicles which consists of over 950 asseted fleet related vehicles and equipment and over 2,500 electronic related assets, including small mowers, 60ft Fire Department Ladder Trucks and various electronic equipment. Inventory personnel directly support the 14 technicians in maintaining and repairing the City's fleet and electronic equipment efficiently. The inventory store room supports customers from other departments in fleet maintenance item requests. Fuel and motor pool management is overseen by the inventory supervisor. This alternative proposal reduces the parts budget but not the need to obtain parts. Fleet Operations must maintain vehicles in a safe efficient manner, so a vehicle in need of repair cannot go back into service. The delay of having a vehicle torn down and not having parts available, means that the vehicle is idle, either in a parking stall or shop bay, and no added value work is being accomplished. This will decrease the number of vehicles bays in the shop available for preventative maintenance, negatively impacting the ability to schedule this work. Ordering parts that should be stocked will have an increased work load on parts persons. This cost reduction will have a severe impact on efficiencies and will increase costs in other proposals. The original proposal was right sized based on the vehicles we have in the fleet. This alternative proposal cuts parts for vehicles but the needs of the current fleet must still be met. This proposal will result in significant decline in service levels.

Section 6: Mandates and Contractual Agreements

Stores function is a mandatory business that is audited by the State Auditor. It must run very strictly with purchasing protocols and be secured as all purchases must be able to be accountable for.
State Contract – 11305 - Industrial Supplies and Equipment – Grainger Entire Catalog
State Contract – 09005 - Lubricants, Virgin and Re-refined
State Contract – 1809 - Fleet Vehicle Parts, Just-in-Time (Includes Batteries)
State Contract – 00108 - Tires, Tubes and Services
Bellevue City Code 4.28 Purchasing
Bellevue City Code 3.90 Code of ethics
City of Bellevue "Guide to Procurement"

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. **Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

Our efficiently stocked storeroom ensures we are able to respond to the over 8,000 parts work orders we process annually. The storeroom has 9600 different lines of parts which keeps operations flowing and minimizes downtime. We use inventory tracking reports to compare stocked items against active assets in the fleet so we can maintain appropriate stocking levels. If a part is deemed obsolete it is either returned to the vendor for credit or is surplused via the State auction. The decision to stock new items is a collaborative effort between storeroom and repair shop personnel who evaluate items based on personal experience (i.e. Have we seen this item wear out or fail? Is this a hard to obtain item for a critical, emergency related asset?) to ensure the proper parts are available in inventory when needed . As new assets are entered into our maintenance management system, a specification sheet is compiled that is utilized to build a list of parts used in maintaining the asset.

Parts such as filters, tires, wiper blades, and specialty lighting are added to the list to assist us in locating the proper item when needed. We add items that have longer lead times and are harder to obtain in order to expedite a like repair in the future. This proposal will also limit This proposal will limit the amount of parts we stock for emergency response.. This inventory is low turnover and we will have to reduce this level in order to meet the maintenance needs of the fleet. This proposal reducing the inventory will mean a higher risk of not having, for example, chains, snow blades, etc. that is needed during an event and may not be able to get purchased in time. This will also risk the exposure of not having sufficiently planned for the event and the wrath of the public. Similar to what happened to Seattle in the last snow storm. Cutting inventory is a short term cost savings, but the impact to maintenance will significantly increase maintenance workload and costs.

Responsive Government – Stewards of The Public Trust: Storeroom security is important in keeping part costs down. The only access to the storeroom is via a card locked security door that tracks personnel access. Access is limited to storeroom personnel. All inventory transactions are tracked in our maintenance management information system and audited at the completion of each work order. Shop staff initials upon the receipt of an item. If a part is preordered for repair, the part remains in the storeroom until the repair task is at hand.

Monthly Cycle counts are performed to ensure accuracy in quantity. A yearend inventory count is also performed on three key commodity groups; tires, automotive batteries and tire chains. Yearend inventory totals are supplied to the Finance department for review. These totals are supplied by March 31st of each year.

Responsive Government - Engaged Workforce

Purchase requisitions, purchase orders and invoice transactions are tracked in Maximo. In accordance with an agreement with Bellevue Purchasing, all purchase requests under $5000.00 are departmentally approved. All requisitions over $5000.00 must have departmental and the Purchasing department's approval. This process is handled programmatically within Maximo and JDE functionality. The level of research performed for specialty equipment parts continues to grow as technologies advance. This requires a skilled workforce, with specialized knowledge and familiarity of our diverse fleet. This diverse knowledge required for researching and stocking parts for the City's fleet is not common for the typical repair facility. Examples range from an 18 year old fire truck, to a 2010 hybrid sedan. Many of these parts are one of a kind and manufactured overseas. Locating and procuring them can be challenging.

B. Short- and long-term benefits of this proposal:

Short term: This function enables Fleet Operations to perform their function of repair and maintenance of the city's fleet of equipment. This enables all departments who utilize fleet equipment to perform their duties. Fire, Police, Transportation, Utilities departments are all impacted by the level of service provided. This proposal will cut costs for the short term in inventory but increase costs in maintenance.

Long term: A reduction of obsolete parts. Familiarization of commonly used and specialty parts. Standardization of inventory to improve efficiencies and reduce inventory stocking levels. All of this reduces our inventory holding costs on a sustained level. This proposal will long term increase maintenance costs and the time it takes to repair a vehicle and has the potential of significantly impacting our ability to respond in emergency events.

C. Performance metrics/benchmarks and targets for this proposal:

Inventory markup in the industry is at an average of 35% across the board. Fleet Operations has a rolling mark up for their customers: $0.01 to $150.00 is 24.2%, $150.01 to $500.00 is 10% and $500.01 and up is 5%. This is a mark up to cover true overhead costs and not a mark up to make a profit. Closely tracking overhead costs helps keep these charges to the customer at a minimum.

D. Describe why the level of service being proposed is the appropriate level:

Cost containment in the area of inventory management requires a good level of oversight to ensure all areas of potential loss are covered. Ensuring quality materials are purchased in a timely manner for repair and

maintenance is critical to the success of Fleet Operations in reducing downtime of City assets. The recommended proposal was right sized based on the current equipment and vehicle needs. This proposal is impacted by the fleet size and there is no significant decrease in fleet size, but the needs for the repairs and thus the inventory still remains. This proposal takes significant risks of not having vehicles and equipment ready to serve the public.

Impact to shop operations

- Some parts (especially those that are needed infrequently) would not be available from in-house inventory. Parts staff would order these parts and some would take several days to receive.
- Vehicles would be idle waiting for parts
- Idle vehicles would occupy either a shop bay or one of the limited number of parking stalls
- Reduction in available shop bays reduces the number available for scheduling preventive maintenance
- Prolonged delay of preventive maintenance will increase repair costs.

Impact to customers

- Customers would need to use alternate transportation while their assigned vehicle is idle waiting for parts. They would need to move field equipment to the alternate vehicle which may not be well-suited for their needs (Prius used for construction inspection).
- Delay in repairing vehicles during an emergency would inhibit the city's ability to effectively respond to our citizens at a critical time.

Section 8: Provide a Description of Supporting Revenue

This proposal is supported by revenue collected from customer departments including customers from Enterprise funds (Development Services, Parks Enterprise, and Utilities.)

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** Fire and Police accreditations require a level of repair service that could not be obtained without the funding of this program. In the event that a piece of equipment fails at a critical time because of a lack of maintenance, it would be a potential for litigation.
2. **Customer Impact:**
   Fleet Operations would not be able to repair or maintain the City's equipment, thus creating a negative impact on City department's ability to provide services to the community.
3. **Investment/Costs already incurred:**
   9600 stocked line items valued at approximately $320,000.00.
4. **Other**:

B. Consequence of funding at a lower level:

There would be a reduction in the efficiency of obtaining materials for equipment repair. Lower quality items purchased could affect equipment performance or dependability. Downtime of equipment would be directly affected.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Vehicle and Equipment Acquisition		**Proposal Number:** 045.16PA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Peter Bednar, x4880		**One-Time/On-Going:** On-Going
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.1601 Fleet Maintenance & Repair, 045.1603 Fleet - Modifications and Upfits, 045.1604 Fleet and Communications - Surplus/Disposal, 045.1605 Fleet and Communications Emergency Events, 045.1606 Fuel System Management, 045.1607 Fuel Equipment Upgrade, 045.1609 Motor Pool, 045.1610 MERF Operational Reserves, 045.1611 MERF Asset Replacement Reserves, 045.1612 Fleet & Communications Management, and 045.1613 Fleet and Communications Inventory/Stores Management.		

Section 2: Executive Summary

Acquisition of the city's vehicle and equipment assets represents a significant city investment and is a critical process for ensuring efficient operations for employees who use the assets. The foundational step in optimizing this investment is proper specifications followed by quality control prior to acceptance. When performed well, vehicle "spec'ing" can reduce acquisition and operating costs. Many factors are evaluated during the replacement process; operational needs, budget, mandates, initiatives, accreditation, efficiencies, State and Federal required standards, etc. This knowledge base with a clear concise understanding of the City's diverse fleet of vehicles and equipment requirements gives Fleet Operations the ability to manage assets, achieving the best value for the dollar. This supports the City's departments in accomplishing their missions required by our community and the citizens of Bellevue.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$103,766	$109,245
Other	6,519,603	4,121,395
	$6,623,369	$4,230,640
Supporting Revenue		
	$695,000	$621,600
LTE/FTE		
FTE	1.00	1.00
LTE	0.00	0.00
Total Count	1.00	1.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- Standardize the fleet; Purchasing like engines, transmissions, cab and chassis, service bodies, body modules, etc. results in cost savings; parts and inventory reduction, more efficient training (both for technicians and the end user), reduces the diagnostic software needed, etc. Standardizing also results in purchasing efficiencies, and reduces the time invested in spec'ing and purchasing vehicles and equipment.
- We utilize the competitive bidding process to acquire the best value for dollar spent.
- Fleet collaborates with customer departments to receive grants to offset the cost of new assets.

- Innovations in the Fleet include reducing our carbon footprint and fuel cost by purchasing and doubling the number of hybrid vehicles to over 70, and in addition to hybrids we are purchasing flex fuel vehicles (FFV) capable of using E85 Ethanol fuel. These efforts have lowered our overall fuel consumption.
- Fleet is an active member of the Puget Sound Clean Cities Coalition which are driving new innovations and Green Fleet alternatives.
- Fleet collaborates and partners with associations like NAFA and PFMA (Fleet Manager Associations). These are great networking tools to stay current with new innovations in the industry, and to find best value in Fleet business operations and new vehicles and equipment.
- Fleet works closely in a collaborative effort with all departments, prioritizing their vehicle and equipment requirements so that the City can maintain services. For example in 2009-10 Fleet participated in a committee to develop specifications for new fire pumpers. Five are to be purchased over the next two years at a cost of approximately $560,000 each.

Section 5: Budget Proposal Description

This proposal addresses the operating budget for vehicles and equipment acquisition for all city departments. Fleet vehicle and equipment acquisition is supported by (1) one Fleet Contract Administrator and the Fleet & Communications Manager. There are over 100 vehicles and equipment replaced annually at a cost of $3.9M in 2008 and $2.4M in 2009. During the replacement process these employees will touch each vehicle and piece of equipment in the city when the vehicle or equipment has met its life cycle. Many factors are evaluated during the replacement process: operational needs, budget, mandates, initiatives, accreditation, efficiencies, State and Federal required standards, etc. Fleet acquisition staff has a deep understanding of the City's diverse fleet of vehicles and equipment needs and requirements, and thus are able to manage our vehicle and equipment assets to achieve the best value for the dollar and allowing the City's departments to accomplish the services required by our community and the citizens of Bellevue.

High volume light duty vehicles are relatively easy to purchase. However, the acquisition process for heavy duty and/or specialized equipment can take hundreds of hours. Vehicle and equipment acquisition encompasses:

- Writing a detailed vehicle or equipment specification. A spec is needed to start the competitive bidding process and is the technical content for the purchase contract.
- Performing pre-build, mid and final acceptance inspections on specialized vehicles and equipment.
- Receiving new vehicles and equipment from vendors, verifying paperwork accuracy, VIN #, processing new vehicle paperwork in preparation for vehicle acceptance and licensing.
- Coordinate and manage the vehicle and equipment up-fit by outside vendors and/or city technicians.
- Complete all administrative processes, process new vehicle paperwork, data entry in Maximo, tracking of the asset from receiving to the delivery to the end user, coordinate and schedule training from the vendor to the end user, creating and managing a contract/asset reference library, etc.

Section 6: Mandates and Contractual Agreements

- City of Bellevue and Washington State Purchasing policies
- Washington Department of Transportation (D.O.T.); to include Vehicles RCW's, Weight RCW's (Bridge Law Restrictions)
- Emergency Lighting-FMVSS (Federal Motor Vehicle Safety Standards)
- Fire Department NFPA Standards, i.e., Aerial Inspections/Certifications: NFPA 1911
- Federal Spec KKK-A-1822 standards for ambulances.
- Insulated Aerial Lifts (bucket trucks): WAC 296-869-20015 & ANSI A92.2
- Mobile Cranes: WAC 296-155 & ANSI B30.5
- Puget Sound Clean Cities Coalition Grant Agreement

- King County Medic One Levy
- Accreditation requirements for Transportation, Utilities, Police, Fire, Parks
- Fleet Internal Service Agreement/Contract with all departments.

This is a sample of the many different mandates/standards that we need to consider when purchasing an asset.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership – Fleet partners in a reciprocal practice with the State of Washington and other Municipalities to work with vendors that have gone through the competitive bid process. In addition, Fleet aligns itself with vendors that practice environmental stewardship and those who have a stake in the Bellevue Community.

Engaged Workforce – Fleet encourages all its staff to be involved in the processes, i.e., technicians are asked to be part of the spec'ing process as they are part of the big picture and many times the experts on the equipment due to having an extensive knowledge and having worked on and operated the equipment. This process gives the techs ownership in the process, and the vehicles and equipment as well.

Exceptional Service – Fleet Operations views all vehicles and equipment as critical to the daily operations and delivery of government services. Whether it's a Fire truck, Police vehicle, Medic Unit, Storm and Surface Water Combination Jet/Eductor truck, or an emergency backup generator for the Water Dept to supply water; when these services are needed by the citizens of Bellevue the departments responding need to have confidence in their equipment. Fleet specs all vehicles and equipment with operational reliability as a priority.

Stewardship of The Public Trust – Fleet, when designing vehicles and equipment look for efficiencies to include; vehicles and equipment that will meet a specified life cycle, meets all safety standards, provides the best value for its intended purpose, is designed to be economically maintained, when possible is environmentally Green, will meet or exceed all industry standards, will be standardized with like vehicles to reduce parts inventory and training costs, etc.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Safe Communities: Many of the city's vehicles/equipment are critical for emergency response, i.e., backup power generators, fire and police vehicles, sewer, water, and storm water trucks, etc. If there's a power outage and the water supply pumps for the city lose power, there will be no water for emergency services for the Fire Department to respond.

Quality Neighborhoods: The services provided by the departments in the City like Storm & Surface Water, Sewer, Parks, Water, Streets, Fire, and Police, all depend upon the vehicles and equipment utilized in the neighborhoods.

Improved Mobility: Departments that directly affect infrastructure and traffic movement utilize vehicles and equipment, i.e., Traffic Signals utilizes many types of vehicles from large bucket/boom trucks to pickup trucks and vans. The vehicles and equipment are design specifically for their operations to service the community.

Healthy & Sustainable Environment: The City has been progressively "greening" our fleet by purchasing hybrid, flex fuel and select all electric vehicles. This supports conservation of petroleum resources and reduces greenhouse gas emissions.

C. Short- and long-term benefits of this proposal:

In the short-term, Fleet will continue to replace vehicles as they approach the end of their optimal life span (before they require major repairs/component replacements). The long term benefit is that Fleet will continue to be aggressive in its vehicle and equipment purchasing practices, maintaining a tight budget while continuing to look for industry innovation and improvements to reduce overall operating cost without sacrificing quality, value, or the level of service to our citizens.

D. Performance metrics/benchmarks and targets for this proposal:

Number of assets replaced/year
Value of assets replaced/year
Fuel consumption/MPG
Percentage of alternative fuel vehicles
Customer survey results
ICMA Benchmarks

E. Describe why the level of service being proposed is the appropriate level:

The current level of service is inadequate to keep up with the number of vehicles being purchased per year. Acquisitions are backlogged 7-9 months. This is due to the workload associated with spec'ing and contract writing in support of purchasing these vehicles and equipment. An alternate proposal requests an additional FTE for this function. See enclosed attachment.

Section 8: Provide a Description of Supporting Revenue

Acquisitions are funded through replacement reserves within the Equipment Rental Fund . In addition, the City will be receiving funding from EECB6 Grant for additional cost of hybrids. (2011 - $184,000, 2012, - $102,600.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** If vehicles and equipment are not replaced in a timely manner they will be subject to increased failure, raising the city's liability for accidents and escalating disruption of service where this equipment is needed to support community services.
2. **Customer Impact:** If we cannot fund this proposal, city departmental customers and the community will feel the impact in the form of higher vehicle and equipment failure, extended out of service times (downtime), higher maintenance costs, reduced ability to provide services to the citizens in a timely manner, etc. In the end this will impact the citizens of Bellevue due to required equipment not being available.
3. **Investment/Costs already incurred:** The current value of the City's vehicle and equipment assets is approximately $52 Million.
4. **Other:** Parks, Police, Fire, Transportation and Utilities are all accredited. There are a significant number of departmental accreditations that require specific levels of performance by Fleet Operations, as well as, vehicles and equipment utilized by these departments. This is important to the city and cuts in services could affect these accreditations.

B. *Consequence of funding at a lower level:*

Consequences would be similar to previously stated, especially since this function is already understaffed and has a backlog.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Electronic Communications Shop – Other Agencies		**Proposal Number:** 045.17D1
Outcome: Responsive Government		**Proposal Type:** Reduction in Service
Staff Contact: Pete Bednar x4880		**One-Time/On-Going:** Ongoing
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 045.17PN Electronic Communications Shop – City Equipment		

Section 2: Executive Summary

The workload for Electronic Communication Services has decreased due to actual work from outside agencies being significantly less than projected. As a result, staffing will be reduced by 2 FTEs.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	5,000	5,000
	$5,000	$5,000
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal reduces ECS expenses by from 2010 2 FTEs. This proposal has been discussed with the Police and Fire Departments who are direct customers of NORCOM and they concur with the recommended reduction.

Section 5: Budget Proposal Description

Until July 2009, the City operated its own 911 communications center that was maintained by in-house staff from Electronics Communications Services (ECS). This staff also performed some work for other dispatch centers and public safety facilities that were interconnected with the City's communications center. When NORCOM was formed and assumed responsibility for an expanded regional communications center, the City and NORCOM entered into an agreement to provide it with preventive maintenance and repair services. We expected a workload comparable to when the City managed its own communications center (approximately 2 FTEs) and ECS received over $300k per year in interfund revenues. Based on NORCOM's utilization of ECS services to date, projected revenue from NORCOM for ECS services for 2010 is only $50k and declines to $40k in 2011 and $35k in 2012. This

translates to approximately .15 FTE rather than 2.0 FTE that we had projected. Additionally, NORCOM has said that they would not need standby services, which is only operationally feasible with three technicians due to the amount of coverage time needed to respond beyond our normal hours of operation. The City also approached the remaining three Eastside dispatch centers, offering to provide them maintenance services, too. They were not interested in entering into an agreement with the City for these services.

As a result, the workload for Electronic Communication Services associated with NORCOM and potentially from outside agencies is significantly less than projected and a staffing reduction of 2 FTEs is recommended. One FTE will actually be laid off in mid-2010 and the other in early 2011.

Section 6: Mandates and Contractual Agreements

ECS Service and Maintenance Agreement (effective through December 2010). It should be noted that the NORCOM contract does not contractually commit NORCOM to use a specified level of City services or pay the City a predetermined sum irrespective of services rendered.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

C. Short- and long-term benefits of this proposal:

This proposal adjusts staffing to align with actual workload. Expenses would be reduced commensurate with the reduction in actual revenues that has been experienced since mid-2009.

D. Performance metrics/benchmarks and targets for this proposal:

E. Describe why the level of service being proposed is the appropriate level:

As noted above, anticipated work for two FTEs has not materialized from contractual arrangements as projected.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** The City would likely not renew its service agreement with NORCOM.
2. **Customer Impact:** There are no internal customer impacts to Police and Fire. There appear to be negligible impacts on external customers who appear to not project needing this City service .
3. **Investment/Costs already incurred:**
   - Trained, well equipped personnel.
   - Specialized test equipment, screen rooms, etc.
4. **Other:** n/a

B. **Consequence of funding at a lower level:** N/A

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Electronic Communications Maintenance – City Equipment		**Proposal Number:** 045.17PN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Pete Bednar, x4880		**One-Time/On-Going:** Ongoing
Fund: Equipment Rental	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Citizens expect the most responsive, reliable City services possible – many of those services, including Utilities repair crews and Fire and Police first responders, depend on reliable communication equipment to do their jobs. Electronic Communication Services (ECS) maintains and repairs the communication systems and equipment utilized by City staff from all departments. By ensuring this equipment is fully operational and available 24/7, the ECS shop helps Bellevue provide the high level of service citizens expect during normal operations and emergencies.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$216,590	$226,282
Other	98,834	98,772
	$315,424	$325,054
Supporting Revenue		
	$27,762	$29,150
LTE/FTE		
FTE	2.00	2.00
LTE	0.00	0.00
Total Count	2.00	2.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- Radio replacements were planned coincident with NEXTEL Re-Banding Project, whereby City costs to replace older non-compliant radios is offset by Nextel reimbursements.
- Provide in-house custom solutions for our customer's unique needs, saving consulting and engineering costs.
- Collaborate with Police on surveillance and other equipment, providing specialized expertise.

Section 5: Budget Proposal Description

ECS provides a single contact point for City department needs for technical assistance or maintenance on electronic equipment and communication systems. They provide in-house service of specialized electronic and two-way radio communication equipment utilized by City staff to perform their jobs safely and efficiently. Work includes:

- FCC licensing and documentation
- Ensuring City usage of 30 radio operator frequency licenses complies with FCC regulations

- Completing federally mandated upgrades to City communication systems (see FCC Narrow Banding and NEXTEL Re-Banding descriptions below)
- Maintaining antennas for fire, land survey, and other systems
- Maintaining fire station audio/control equipment systems
- Electronic equipment installation, repair and programming
- Installing radios in new and replacement vehicles
- Repairing all portable and mobile radios and other electronic equipment (currently there are 492 portable radios and 475 mobile radios)
- Researching new technologies for potential City application

Two upcoming projects demonstrate the type of expertise needed for continuity of the City's communications systems.

FCC Narrow Banding: The FCC has set a date of 12/31/12 for all radios operating on specified frequencies, including those used by the City, to be narrow band compliant. This allows more channels to be squeezed into the same space. Operation of noncompliant radios after this date will be illegal. Radio station licenses not certified as compliant will be canceled.

NEXTEL Re-Banding: Due to interference between NEXTEL cellular and public safety radio frequencies, the FCC mandating NEXTEL to upgrade and/or replace radios and infrastructure of the public safety users across the nation that cannot operate on the new radio frequencies. Bellevue is in the last phase, scheduled to start 4th quarter 2010 and be completed within 18 months.

Section 6: Mandates and Contractual Agreements

FCC (Federal Communication Commission) regulations for radio frequency licensing and use
FCC Narrow Banding Mandate

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections: We provide "all-way communication" for City operational staff.

Strategic Leadership: The City's communications network is dependent on a layered regional network with EPSCA and NORCOM. This proposal positions the City to provide those services required for our operations while not overlapping with their regional services.

Engaged Workforce: The ECS staff is highly respected for their technical expertise. They are long-tenured with significant depth of knowledge on the city's system as well as the regional system in which it is embedded. They are given the freedom to design systems and problem-solve customer needs. Their new shop at BSC provides efficiencies with its co-location adjacent to the Fleet shop.

Exceptional Service: In-house electronic communications expertise ensures that departments have the equipment they need and that it can be reliably operational and repaired in a timely and professional manner. This is accomplished through our design and implementation of backup systems, and quick, effective response to our customer communication needs. We strive to provide the services that our customers expect at the level they require. The public places its trust and confidence in government to have systems and assets in place to safeguard their life and property. As City employees, we have a "duty to report" to meet community challenges during emergency events.

Stewards of the Public Trust: All of the City's operational departments, and especially public safety first responders, rely on our well-designed and maintained communications system. This reliability is key to managing risk and liability in these critical functions.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

Safe Community: ECS maintains radios for staff that support several of the other outcomes (Improved Mobility, Healthy & Sustainable Environment). They provide additional support for the **Safe Community** Outcome:

- Reliable, well maintained communication equipment allows efficient and timely delivery of law enforcement services, fire suppression, emergency medical resources, public utility and other City functions.
- Support Police patrol vehicle communications, emergency lighting and surveillance equipment.
- Maintain Fire department communication systems in the fire stations and emergency vehicles.
- Support critical communications systems, ensuring that the EOC (Emergency Operations Center) as well as departments have operational communications systems during emergency events.

C. Short- and long-term benefits of this proposal:

- Retains technical expertise in-house as single point of contact for communication maintenance needs.
- Provides certainty and capacity over time to support critical communications systems.
- Avoids the lengthy bid process to find the variety of contractors needed to properly support the complex function ECS performs in-house now.

D. Performance metrics/benchmarks and targets for this proposal:

- Our goal is 100% operational communications equipment, all the time.
- Minimize downtime to less than 2%.
- Seek 100% satisfaction rate on Civic Services internal customer survey.
- Maintain an in-house hourly rate that is lower than the contracted rate for same services (In house fully loaded rate = $125/hour; Contractor rate = $140/hour)

E. **Describe why the level of service being proposed is the appropriate level:** This staffing level (2.0 FTEs) is based on historical averages for work performed on the City's communications systems. Previously, 4 FTEs performed this work and supported the City's 911 Communications center. This provided significant flexibility in assigning peak workload and overall staff management. If the total shop staffing is reduced, 2 FTEs is the minimum needed to be functional.

Section 8: Provide a Description of Supporting Revenue

This proposal is supported by revenue collected from customer departments including customers from Enterprise funds (Development Services, Parks Enterprise, and Utilities.)

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

See discussion of funding at a lower level. If this proposal is not funded at all, there would be no one with technical expertise to manage vendors maintaining these technically sophisticated systems and equipment.

1. Legal:

- Potential non-compliance with FCC regulations resulting in loss of Operator Frequency Licenses and use of associated communications equipment.
- Non-compliance with Narrow Banding Mandate – Radios being operated illegally. Legal action and fines levied by the FCC.
- Public safety liabilities incurred by the city due to communication equipment being inoperative for extended lengths of time.

2. Customer Impact:

- The technical ability and resource relationships that exist today would be removed, slowing response time to failures.
- Once NEXTEL Re-Banding is complete, Bellevue's new radios would no longer operate properly, older radios would not operate at all.

- External, decentralized repair facilities increase city manpower and administrative costs. Outsourced repairs would need to be delivered or shipped elsewhere increasing down time of the equipment.
- Loss of quality control and longer turnaround times.
- The efficiency of the end user of the equipment would be affected by the loss of equipment.
- Loss of use of non Narrow Band compliant radio equipment and licensing.

3. **Investment/Costs already incurred:**
   - Trained, well equipped personnel.
   - Specialized test equipment, screen rooms, etc.
   - ECS was moved into newly renovated section of Bellevue Service Center in 2009.
4. **Other:** n/a

B. Consequence of funding at a lower level:

The two combined ECS proposals would result in a reduction from 4 FTEs to 2 FTEs, so the shop capacity will be significantly reduced. If this proposal is funded at a lower level (in addition to the other proposal recommendation of reducing by 2 FTEs for outside services), that would leave only 1 FTE in the shop. In this circumstance, virtually all work would be done by contractors. However, since contractors are more expensive than in-house staff, less work could be done with the following potential implications.

- There would be no in-house coverage during vacation and other leaves.
- Multiple vendors would be needed to cover variety of expertise needed.
- Costs would increase relative to in-house services.
- Reduced reliability of the various communication systems.
- Infrastructure support is reduced by reacting only to repair actions as they occur rather than mitigating them through scheduled maintenance.
- Repairs that are sent out could take days or weeks to return back to the customer.
- In the past, contracted work had to be rechecked and sometimes properly completed.
- Poor customer reviews/dissatisfaction.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civic Services Management & Support		**Proposal Number:** 045.18NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Anna Marie Wellman, x4063		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Department management provides strategic leadership and management oversight of the department, integrating the organization's Core Values and Leadership Philosophy into management practices. The director leads the management team in developing and ensuring effective delivery of the department's work program and customer service expectations in collaboration with customer departments. Proactive fiscal stewardship is critical due to the magnitude and diversity of funds managed by Civic Services.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$311,316	$327,332
Other	25,200	25,681
	$336,516	$353,013
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.00	2.00
LTE	0.00	0.00
Total Count	2.00	2.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

- In 2008 the City Manager consolidated several internal service functions: Service First, Facilities Management, Facilities Planning & Development, Real Property, Land Survey, and Fleet and Communications. These functions were previously in the Finance, Parks & Community Services, Transportation and Utilities Departments. Consolidating these functions provides for more efficient service delivery and allows departments that previously managed these functions to focus on their main lines of business.
- In late 2009, Facilities Management and Facilities Planning & Development were merged under one division manager, reducing personnel costs and better integrating their staff and operations.
- An administrative support position (.40 FTE) will be eliminated starting in 2011. Management personnel will relocate adjacent its Facilities division who will provide administrative support as needed.
- Because Civic Services provides internal operational support to every department, collaboration is key to our success. For example, our Fleet staff collaborates with vehicle users to ensure the vehicles we buy meet their needs. Real Property and Land Survey staff partner with Transportation and Utilities staff to deliver their capital projects.

- Internal rates charged by Facilities and Fleet & Communications have held steady and decreased, respectively, since 2008 despite inflation. This reflects a continued emphasis on efficiencies and innovations that result in cost savings.

Section 5: Budget Proposal Description

This proposal is comprised of two positions: Director and Fiscal Manager. These resources benefit all functions within the department and could not logically be assigned to an individual proposal. (See Attachment 1 for organization chart)

The Director provides strategic leadership and management oversight of the department, integrating the organization's Core Values and Leadership Philosophy into management practices. The director leads the management team in developing and ensuring effective delivery of the department's work program and customer service expectations in collaboration with customer departments. Additionally, as a member of the City's Leadership Team, the Director helps lead citywide initiatives such as One City and Environmental Stewardship.

The Fiscal Manager oversees all financial aspects of the department in collaboration with our management team. The department's 2010 budget exceeds $62M, spread across seven funds, and including operations, replacement reserves, CIP and grant funds. This position's emphasis on fiscal management and internal controls is critical due to the magnitude and diversity of funds. Additional responsibilities include budget development and monitoring, financial planning, forecasting and analysis, rate modeling, accounts payable, and billing.

Section 6: Mandates and Contractual Agreements

Bellevue City Code 3.36, as approved by Ordinance 5822, provides for establishing the Civic Services department, its functions, and the responsibilities of the director. (See Attachment 2) Each division has a variety of mandates and contractual agreements as detailed in their proposals.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections:

City Hall is the embodiment of our city government -- where citizens come to access services, receive information about their government and gather for civic purposes. Civic Services (as excerpted from our mission statement and goals) enables these processes by ensuring that City Hall is "a safe and inviting environment for civic engagement and government operations". Additionally, the goal of Service First is to "streamline access to public services…."

Strategic Leadership:

While Civic Services is an internal operating department, our mission and goals were drafted with an external focus on how the services we provide ultimately benefit our citizens. This mission statement has become a theme for our all staff meetings to ensure that each employee knows how their work relates to the mission, and ultimately the Community Vision. And while work programs are generated by each division, they are then reviewed and adjusted to meet departmental objectives and support citywide initiatives.

Engaged Workforce:

Civic Services was one of the earliest departments to begin focusing on how to implement One City/High Performing Organization concepts. This effort is lead collaboratively by the director, a manager and a program administrator, all members of the One City Core Team. The management team analyzes the department's

results from the city's biennial employee surveys and develops strategies to address them. For example, the 2008 survey indicated a deficiency in supervisory effectiveness. To address this, a form was developed to provide feedback from each employee on their manager's performance. (This has been updated per the Leadership Philosophy.) The 2010 employee survey showed a marked increase in scores related to supervisory effectiveness!

Exceptional Service:
Our department was established to provide a more integrated approach to management of the city's property, facilities and equipment assets. Many of our proposals demonstrate our emphasis on providing timely and cost-effective services and equipment adapted to meet our customers' needs.

Service First provides a special opportunity to demonstrate the city's commitment to exceptional service. Its foundational concept is to "streamline access to public services and encourage consistent service across the organization." Conveying a professional image of the city is a key objective in all of our interactions.

Stewards of the Public Trust:
Civic Services is responsible for millions of dollars of the city's assets. Part of our mission is "to manage the City's facilities, property, and equipment assets in an integrated, cost-effective and environmentally responsible manner. As stated, proactive fiscal stewardship is a critical element of department management. Our approach to asset management is focused on meeting the city's goals in a long-term and sustainable manner as exemplified by our focus on preventive maintenance and life cycle management of facilities and vehicles. Our management of the city's property assets also reflects this emphasis on stewardship, from our robust survey control network to our approach to interdepartmentally managing the city's real property to optimize the city's extensive investment. Management of risk and liability is an additional element that is especially notable in management of our facilities and maintenance of vehicles.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Civic Services touches all outcomes by provision of services, facilities and equipment.

C. Short- and long-term benefits of this proposal:
This proposal benefits the city by providing effective leadership and management of Civic Services. In the long-term, this management will preserve the city's significant investment in property, facility and equipment assets, and ensure cost-effective and integrated provision of departmental services.

D. Performance metrics/benchmarks and targets for this proposal:
Civic Services Customer Survey; Goal of 90% satisfaction rating for all functions.
Citywide Employee Survey; Goal of all questions scoring at least 3.50, participation rate of at least 75%.

E. Describe why the level of service being proposed is the appropriate level:
Two FTEs is a minimum staffing level for department management. A director is needed for strategic leadership and integrated management. A fiscal manager is needed to effectively manage the significant value and variety of funds.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. Legal: None

2. Customer Impact: Service provision could regress to a less integrated approach, interdepartmental collaboration would be impaired, and support of citywide initiatives would significantly diminish. Financial management of equipment replacement and operation funds would be seriously degraded.
3. Investment/Costs already incurred: See other Civic Services proposals.

4. Other:

B. Consequence of funding at a lower level: See 7.E.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: East Bellevue Community Council		**Proposal Number:** 050.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Michelle Murphy, x6466		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The East Bellevue Community Council, established in 1969 , was continued for an additional four years by its electorate at the November 2009 General Election. The Community Council, empowered under RCW 35.14, is charged with local land use review authority over certain designated land use issues within their jurisdictional boundaries. The statute also provides that they may advise or recommend to the City Council on other local matters that directly or indirectly affect their jurisdiction.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	4,000	4,000
	$4,000	$4,000
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The elected Community Councilmembers hold uncompensated positions (RCW 35.14.030).

Section 5: Budget Proposal Description

The East Bellevue Community Council was created in 1969 as a condition for annexation of a significant piece of unincorporated King County. The Community Council is an elected body charged with land use review . As determined by the Legislature, they have authority to veto specific types of land use actions within their jurisdiction once action has been taken by the Bellevue City Council. It consists of five members directly elected by the people within the East Bellevue Community Municipal Corporation boundaries, as set out in RCW 35.14. (See Attachment)

The East Bellevue Community Council has approval/disapproval authority over the adoption, approval, and amendment by the City Council of any ordinance or resolution applying to land, buildings or structures within the Community Council Corporation with respect to the following:

- Land use codes;
- Comprehensive plan amendments;
- Zoning;
- Conditional use permits;
- Subdivision ordinances;
- Subdivision plats; and,
- Planned unit developments.

Under the same authority granted by this statute, the Community Council may make recommendations concerning any other proposed action or proposal which directly or indirectly affects the use of property or land within their service area.

Section 6: Mandates and Contractual Agreements

Community Council – RCW 35.14

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for Responsive Government:

The Community Council is granted approval/disapproval authority over a finite number of land use matters as prescribed under RCW 35.14.

Community Connections (Communication, Accessibility, Transparency) – In support of open government and transparency, the Community Council's agendas and legislation are posted to the Community Council's webpage for ease of access to their information. Actions taken by the Community Council occur at open meetings and are journaled and posted to their web pages. The Community Council provides a forum for public participation on issues related to land use, conservation, improvements, or development occurring within its Municipal Corporation. They conduct hearings and invite the community to participate and express their views in person, by written communication or email.

Strategic Leadership (**Vision, Stategic planning, Partnerships)** – The Community Council devotes time and resources to studying impacts of proposed land use changes within the Community Municipal Corporation to help guide their decision making and to accomplish the best possible land use solution for their neighborhoods and businesses. This grassroots government represents their electorate by providing input to the City Council, the various boards and commissions charged with land use and regulatory matters, and by working with the City in seeking solutions to East Bellevue neighborhood concerns.

Exceptional Service (Timeliness, Predictibility, Effectiveness) – The Community Council holds monthly meetings to consider land use actions within the Community Municipal Corporation and to hear from its constituency. At each meeting there is a portion of the agenda dedicated to public communications at which time citizens can address the Community Council and discuss their issues. The Council listens attentively and tries to provide guidance, and, if able, champions those concerns. The Council also publishes articles in *Its Your City* informing its constituency of their recent and pending actions, and communicates regarding other areas of public interest.

Stewards of the Public Trust (Maintenance of public assets) – The Community Council through study, listening to citizen concerns and carefully weighing the land use issues before them, take actions to protect the public's property interests and neighborhood character within its borders.

B. Factors/Purchasing strategies addressed by this proposal - for Quality Neighborhoods:

Sense of Community (Character, Stability) – The purpose of the Community Council's formation was to ensure local control on how the area was developed. To this end, the Community Council encourages public participation at its meetings and invites the public to share their concerns and neighborhood interests to begin the dialog on how to accomplish the neighborhood vision and retain neighborhood character.

C. Short- and long-term benefits of this proposal:
The Community Council has been continued by its electorate through 2013. It provides an opportunity for its citizens to be heard and is an added layer of land use control for their area.

D. Performance metrics/benchmarks and targets for this proposal:
Performance measures tracked are dependent on City Council and privately-initiated land use issues within Community Council jurisdictional boundaries and are primarily indicators of activity.

Community Council Activities	2005	2006	2007	2008	2009	2011	2012
# hearings conducted	18	7	14	7	16		
# articles published in *Its Your City*	3	3	3	3	2		
Community Council Effectiveness							
# land use issues advocated on behalf of constituents	**3**	**3**	12	5	10		
% land use matters taken up and approved	88%	100%	100%	100%	100		
% electorate approval (every 4 years)	67.05%	NA	NA	NA	81.75%	NA	NA

E. Describe why the level of service being proposed is the appropriate level:

The Community Council, as unpaid elected officials, have a minimal impact on the City's budget. The amount designated for maintenance and operations falls under RCW 35.14.030, stating "*Each community council shall be staffed by a deputy to the city clerk* of the city with which the service area is consolidated or annexed and shall be provided with such other clerical and technical assistance and a properly equipped office as may be necessary to carry out its functions….*The necessary expenses of the community council shall be budgeted and paid by the City*."

***** *Clerical support (.25 fte) previously captured in the Community Council's budget has been transferred to City Clerk's budget (See 020.01NN, City Clerk Operations) , consistent with the method of budgeting City Council administrative support.*

Section 8: Provide Description of Supporting Revenue
The Community Council budget is General Fund supported.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Non Compliance with RCW 35.14 and exposure to legal action.
2. Customer Impact: The Community Council's continuance was approved by 81.75% of the electorate in the November 2009 General. To discontinue funding violates the letter of the law and the electorates' will.
3. Investment/Costs already incurred: In 1999 a lawsuit was filed by the Community Councils against the City related to the 'Necessary Expense' clause in RCW 35.14.030. The Court ruled that the Community Council statute clearly placed the authority of budgeting necessary expenses with the City. However, it pointed to the Community Council's ability to ask the courts for relief from arbitrary and capricious conduct by the City. Such available recourse addressed the Community Council's concern regarding the City's exercise of budgetrary discretion. Thus, under the statutory scheme of RCW 35.14.040, the Community Council is empowered to independently assess the expenses they deem necessary for the execution of their statutory responsibilities and request those expenses of the City. The City, in turn, must consider the Community Council's request and exercise its discretion carefully lest it face legal action for perceived arbitrary and capricious decisions.

B. Consequence of funding at a lower level:

The Community Council is currently funded at the minimum level to support maintenance and operations. A modest amount of funding set aside for travel/training was an outcome of the above lawsuit.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Finance Central Services		**Proposal Number:** 060.07DN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Earle Stuard, Finance Department, x6894		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): #060.07PN which is Finance Department Management & Support		

Section 2: Executive Summary

This proposal will provide the City with copy machines, copy center services, mail room services (including postage), and central receiving/distribution of deliveries at City Hall. All are provided under contract for 2011. We anticipate a lower priced contract for 2012. On-going and extensive reviews will be conducted in order to identify the appropriate levels of service and potential for cost savings.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other:		
First Class Postage	$103,950	$105,925
Bulk Mail Postage	$120,758	$123,052
Copiers	$433,926	$416,000
Copy Center	$455,000	$437,700
Mail Room	$82,600	$91,000
Central Receiving	$16,900	$19,000
Total	$1,213,134	$1,192,677
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings Proposed:	2011	2012
Reduction in First Class and Bulk Mail Postage	$50,000	$50,000
Copiers (reduce number of copiers)	$43,600	$58,000
Copy Center (restructure pricing)	$3,000	$18,000
Mail Room (reduction of service to outlying City offices)	$4,800	--
Total	**$101,400**	**$126,000**

Partnerships/Collaboration:

Finance is partnering with the vendors to explore savings that can be achieved during the last year of the contract (2011). Furthermore, Finance is collaborating with all City departments to evaluate necessary service levels as we move into a new contract in 2012. The above table outlines the savings anticipated for 2011 and 2012.

In order to accomplish the reduction in the number of copiers used, a cross-departmental Copier Task Force has been formed to analyze where cost savings can be accomplished. Input from this team will also be used as the services are evaluated in preparation for the Request For Proposal (RFP) leading up to the 2012 contract.

Section 5: Budget Proposal Description

This proposal includes vendor services currently provided under a General Services Contract. The services which are described in more detail below are: Rental of Copiers, Management of the Copy Center, Management of the Mail Room in City Hall, and Management of the Central Receiving and Distribution of deliveries to City Hall.

1. **Copiers**: There are 83 copiers placed throughout the City in locations most easily accessed by staff to make copies, print from their desktop PCs, Fax or scan to their desktop using eCopy. In addition to reducing the number of copiers in the fleet, staff in each department will be sent frequent reminders (from their peers on the Copier Task Force) to voluntarily reduce the number of copies produced.
2. **Copy Center:** The Copy Center portion of the Central Services Contract requires the City to provide the space in City Hall, and the vendor provides the high-speed copying equipment and labor needed to meet the high volume copy demands of the City. The monthly contract cost includes 300,000 black and white copies and 70,000 color copies.
3. **Mail Room:** Management of the Mail Room requires the vendor to have one person on duty during the hours of operation, which are 7:00 a.m. to 5:00 p.m. The vendor receives incoming mail from the Post Office, sorts the mail, and delivers outside mail and interoffice mail to City Hall locations 3 times per day. In addition to delivering mail to City Hall, the vendor provides courier services to outlying areas of the City 3 times per day.
4. **Central Receiving and Distribution:** The vendor is required to have a person available to respond to deliveries at the loading dock between the hours of 7:00 a.m. and 6:00 p.m. When packages are delivered, they are inspected, entered into a tracking system, and delivered to the ordering department within 4 hours of receipt.

The current contract for these services expires 12/31/2011. Discussions with the vendors have resulted in identifying ways costs can be reduced by removing some copiers or reducing off-site deliveries. These decisions are being reviewed with representatives from each department so they have some say in the outcome. This proposal includes cost estimates for 2012 based on current pricing levels and possible savings through reductions in services.

Also included in this proposal are amounts to fund First Class and Bulk Mail postage. These expenses are billed to departments via the Interfund billing process.

This proposal is linked to the Finance Department Management and Support proposal because this contract is managed by an Assistant Finance Director, and the monthly invoice auditing and Interfund billing process is performed by the Financial Analyst in Finance.

Section 6: Mandates and Contractual Agreements

None.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

Because City Hall is a secured facility, all mail and package delivery must go to the loading dock and be distributed to the departments by a person who has a security clearance.

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Responsive Government:

Stewards of the Public Trust: *Manage public funds in a responsible and fiscally sustainable manner by:*

- Identifying areas and taking advantage of cost savings in all parts of the Central Services Contract;
- Working with vendors to make sure services are the highest quality and at the best price.

- *Solicit and analyze performance feedback to enable reflection on results achieved and adaptively respond to improve performance and service delivery at a least cost by:*
  - Conducting customer satisfaction surveys and holding vendors accountable for achieving the highest possible rating;
  - Conducting quarterly meetings with the vendors to review service records and focus on solving problems in service delivery.

Exceptional Service: *Ensure services are provided when needed and expected by:*

- Collaborating with departments on the level of services required;
- Exploring options for alternate ways of meeting service needs.

- *Equip the organization with the tools, technology, and personnel to effectively respond to planned and unplanned events or conditions by:*
  - Collaborating with vendors to make sure the services are delivered at the right time and for the right price to be effective.
- *Enhance professionalism and responsiveness to calls for service by:*
  - Following up with the vendor to make sure service calls are promptly responded to;
  - Implementing a back-up plan when primary equipment breaks down and cannot be fixed promptly.

Community Connections: *Engage the community (City staff) in a variety of ways, involving people in decision making, service prioritization, and gauging their satisfaction with the services provided by:*

- Conducting user satisfaction surveys to measure User confidence and satisfaction of services provided;
- Modifying the service model to better fit the needs of the departments;
- Engaging the vendors in helping find solutions that better meet the users' needs;
- Inviting City staff to participate in the selection process and help make decisions that will guide the direction of the contract for the next four to six years.

- *Promote trust, accountability, and credibility with the community through fair and equitable processes by:*
  - Inviting members of the vendor community to participate in the competitive process;
  - Partnering with service providers to help solve the City's current financial difficulties.
- *Optimize transparency and openness of the processes and results achieved from government actions by:*
  - Inviting vendors to attend a forum where our next competitive process will be discussed;
  - Providing an open, transparent, and fair competitive process to find the next contract supplier(s).

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

City Purchasing Strategies:

- *Leverage collaboration or partnerships with other departments by:*
  - Involving representatives of every department and making their ideas part of the cost savings solution;
  - Partnering with vendors to find ways to save money on the contract has proven very successful.
- *Considers best practices by:*
  - Reducing the service levels to a more cost effective and appropriate level;
  - Considering best practices (rent vs. lease vs. purchase) moving forward with the next contract.

- *Consider short- and long-term financial impacts by:*
  - Evaluating the cost impact of different service alternatives for future contracts.
- *Promote environmental stewardship by:*
  - Encouraging departments to reduce the number of copies and prints produced which will use less paper and less ink.

C. Short- and long-term benefits of this proposal:

- Promotes greater economy in the selection and use of copiers and print media;
- Promotes collaboration with all departments on specifying levels of service for the next contracts;
- Moves the City closer to electronic document management and away from using so much paper.

D. Performance metrics/benchmarks and targets for this proposal:

- Number of copies produced;
- Vendor service response times.

E. Describe why the level of service being proposed is the appropriate level:

- This proposal includes a reduction in the level of service for the final year of the contract and calls for departments to collaborate in determining the appropriate level of service for the next contract;
- The number of copiers under contract has been reduced as requirements have changed.

Section 8: Provide a Description of Supporting Revenue

None.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: The City is under contract for services to be provided in 2011. If funding is discontinued, there may be some sort of legal challenge and claim for lost revenue by the vendor.
2. Customer Impact:
   a. Departments would be forced to copy and print required documents individually, resulting in much higher costs and less convenient ways of obtaining the service (e.g., by driving to a local vendor location). In addition, if centralized copying and printing devices were not available, departments would most likely purchase their own laser printers, and the cost of the end products would be extremely expensive.
   b. If the mail room and central receiving services were not funded, departments in City Hall would need to process their own mail and get their own shipments from the loading dock, which would make the process very disorderly and uncoordinated. Vendors would deliver packages directly to the departments which would keep City Hall from being a secure facility.
3. Investment/Costs already incurred: None.
4. Other: None.

B. Consequence of funding at a lower level:

Departments would be limited in filling their copy/print needs causing them to seek services elsewhere and use other budget funds. Underfunding the Mail Room and Central Receiving operation would reduce the service levels to all departments in City Hall and could cause a delay in the City for both sending and receiving important mail.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Finance Department Management & Support		**Proposal Number:** 060.07PN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Earle Stuard, Finance Department, x6894		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): 060.07DN Finance Central Services		

Section 2: Executive Summary

The resources in this proposal provide strategic direction and leadership for the City's fiscal policy and management and oversight of the Finance Department, its functions and business systems. Revenues and expenditures are essential to all City functions, therefore fiscal policy and operations impact all City Outcomes and the Bellevue Convention Center Authority.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$760,974	$800,743
Other	136,108	135,833
	$897,082	$936,576
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	4.5	4.5
LTE	0.6	0.6
Total Count	5.1	5.1

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The following table summarizes cost savings included in this proposal. Cost savings have been achieved through efficiencies, redistribution of work, and a reduction in planned Finance Systems project delivery for the 2011/2012 budget period.

Personnel	2011	2012
Eliminate 1.0 FTE Sr. Administrative Assistant	$89,087	$94,129
Eliminate 1.0 FTE Administrative Assistant	$75,450	$75,450
Eliminate 1.0 FTE Business Process Analyst (funded by CIP)	$105,764	$111,594
Eliminate Budget for Overtime	$2,877	$2,877
Eliminate Budget for Temporary Agency (515000)	$5,439	$5,287
Subtotal Personnel	**$278,617**	**$289,337**
Reduce M&O Budget	$18,068	$18,495
Total	**$296,685**	**$307,832**

Section 5: Budget Proposal Description

This proposal includes the roles and corresponding responsibilities that have department-wide impact in the Finance Department. In addition, because revenues and expenditures are essential to all City outcomes, fiscal policy and operations impact all City departments and the Bellevue Convention Center. These resources are:

1. **One Finance Director:** The Finance Director recommends fiscal policy to maintain and enhance the financial health of the City. This includes responsibility for the approximately $450M annual budget, oversight for $477M in investments for the Municipal Employees Benefit Trust retirement fund, and $10M in revenues generated from the Bellevue Convention Center Authority. The Finance Director recommends fiscal policy to maintain and enhance the financial health of the City.
2. **Two Assistant Finance Directors:** These roles have overall responsibility for the financial planning and financial operations of the department. This includes primary responsibility for establishing and maintaining effective working relationships with all staff, public officials, auditors, agency representatives, and the community. Each Assistant Finance Director also represents the Finance Department on various Citywide teams, committees, and special projects.
    - 2.1 Assistant Director, Financial Management and Reporting – Sets the strategy for and ensures the accuracy and quality of the following functions: Tax, Treasury, Investments & Debt, Accounting, and Business Systems. The Tax Division is responsible for the collection of $54M annually in revenues; Treasury and Investments & Debt are responsible for the City's banking and investments totaling $220M, and debt issued totaling $200M.
    - 2.2 Assistant Director, Finance Operations – Sets the strategy for and ensures the accuracy and quality of the following functions: Purchasing, Contracts, and Disbursements (Payroll and Accounts Payable) responsible for $300M in commitments and payments to employees, vendors, and suppliers. Represents the City and ensures reimbursement for expenses for federal and state emergencies (e.g., $1.2M for 2007 windstorm).
3. **One-Half Financial Analyst (0.5):** The Financial Analyst administers the City's travel program, ensures compliance with the City's Business Expense Policy, and performs interfund billing of Central Services (mail, print, receiving). This position provides the sole resource providing analytic and administrative support for the Department.
4. **One Business Systems Manager and one 0.6 Business Process Analyst:** These resources maintain, enhance, and optimize the City's Finance and Human Resource Systems. These systems are the foundation for managing the City's money and people, which in turn support all City outcomes. These resources also identify new services, quality improvements and cost efficiencies and implement these with changes to business processes and systems.

Section 6: Mandates and Contractual Agreements

Bellevue City Code 3.37.020. The functions of the department shall be executed under the supervision and control of a Director of Finance.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

<u>Responsive Government Purchasing Strategies:</u>

Stewards of the Public Trust: Manage *funds and assets in a responsible and fiscally sustainable manner.*

- Departmental leadership establishes the policies, processes, and systems to manage public funds and assets.

- The City's Finance and Human Resources Systems are the foundation for managing the City's funds and staff. To ensure this foundation meets the City's needs, these systems must be maintained and enhanced. Maintenance ensures that systems are supported and any problems are resolved and prevented from recurring. Enhancements ensure that the system responds to legislative changes and mandates, and provides flexibility to meet new business requirements and implement process improvements.

Manage risk, minimize liability, and provide for accountability

- Department leadership manages risk in revenue sources, investments (approximately $220M), and disbursements (approximately $300M annually). Accountability is accomplished by the annual state audit of the City's financial activity and statements.

Solicit and analyze performance feedback

- Through the Performance Management Program and citizen surveys, the Department solicits feedback from citizens on the City's performance. It also solicits employee feedback through the employee survey.

Strategic Leadership: *Make informed decisions, investment choices, and resource allocations for the short- and long-term.*

- The Finance Director and Assistant Directors set a strategic vision for the City's financial outlook. This includes a forecast and assessment of revenues and funding weighed against the demands of competing wants and needs of the community.

Community Connections**:** *Engage the community, increase opportunities for the community to understand its government, optimize transparency and openness of processes and results achieved with government actions.*

- The Finance Director's frequent updates to Council engage and increase opportunities for the community to understand Bellevue's finances and provide a transparent process for the community.
- The Finance and Human Resources Systems have been modified to increase opportunities for vendors who do business with the City to register their services and compete for business. In addition, these systems have increased opportunities for employees to access their pay and personal information electronically outside of the work environment and work hours (i.e., MySelf Service). Business Systems resources (1.6 FTE) will continue to improve how these systems connect to the community.

Exceptional Service*: Ensure services are provided when needed and processes are timely and predictable.*
A key responsibility of the Assistant Directors is to ensure that services to the community and employees are timely and predictable. This includes paying employees and vendors accurately and on time, and ensuring that our financial statements meet State Auditor requirements.
Equip the organization with the information, tools, and technology to respond effectively. The Business Systems resources maintain, enhance, and optimize the Finance and Human Resources Systems to ensure that they meet legislative requirements, mandates, and new business requirements.
Engaged Workforce**:** Departmental leadership *encourages innovation and fosters organizational learning by reflecting on results, adapting and responding to optimize performance and service delivery.*

- As champion of the Budget One process, Finance's leadership has fostered organizational collaboration and innovation in developing the operating and capital budgets for 2011-2012.
- Innovation is achieved through ongoing reviews of existing business processes, introduction of new services, and achievement of efficiencies. For example in 2009, Finance staff introduced electronic payment for our vendors and suppliers. This is more convenient for our vendors and suppliers at a lower cost for the City.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

The City's financial health is foundational to all City outcomes and priorities.

<u>Citywide Purchasing Strategies:</u>

- *Consider short-term and long-term financial impacts.* The City's financial health affects our ability to raise short-term debt (i.e., line of credit) and long-term debt (i.e. bonds). The City has been conservative in its use of long-term debt; current debt funded is approximately $200M.
- *Consider best practices and ensure sound management of resources and business practices:* Many of the City's financial policies and practices follow Government Financial Officers Association (GFOA) Best Practices and Advisories. A GFOA Best Practice identifies specific policies and procedures as contributing to improved government management and sound financial management practices.

C. Short- and long-term benefits of this proposal:

- Short-term – Ensure that financial operations are timely and predictable. Maintain and enhance the City's foundational Finance and Human Resources Systems.
- Long-term – Ensure the long-term financial health of the City through fiscal stewardship. Optimize the City's business processes and systems to offer new services, improve quality and achieve efficiencies.

D. Performance metrics/benchmarks and targets for this proposal:

All metrics, targets, and benchmarks from this proposal are included in other proposals written to cover the functions of the Finance Department. In addition, the Finance and Human Resources Systems will be compliant with all legislation and mandates and support new business requirements.

E. Describe why the level of service being proposed is the appropriate level:

The work of the eliminated Administrative Assistant positions will be redistributed throughout the department. The elimination of the Business Process Analyst position is made possible by a reduction in the effort allocated to optimizing the Finance and Human Resource Systems to provide new services, improve quality and gain efficiencies. Further reductions will jeopardize the stability and effectiveness of the Finance functions and the Finance and Human Resources Systems.

Section 8: Provide a Description of Supporting Revenue

None.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Bellevue City Code requires a Finance Director.
2. Customer Impact: Requests from City Council and accurate and timely payments to vendors, suppliers, and employees could be jeopardized without fiscal planning and financial oversight.
3. Investment/Costs already incurred: The Finance and Human Resources System (JDE) is the City's largest system investment. It is important to maintain and enhance this asset to meet legislative requirements, mandates, and optimize its use to achieve efficiencies.
4. Other: If our bond rating decreases due to inadequate fiscal oversight, this will negatively impact our ability to raise short-term and long-term debt and increase costs to do so as well as have a negative effect on Bellevue's image as a first class City.

B. Consequence of funding at a lower level:

A Finance Director is required. A reduction in the number of Assistant Directors would result in too great a span of control and an increased financial risk to the City. Additionally, there would be decreased capacity for strategic fiscal planning. A reduction in the resources supporting our foundational business systems would put the stability and accuracy of these systems at risk, and diminish our ability to identify and incorporate efficiencies and new services. These functions are critical during challenging economic times.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Miscellaneous Non-Departmental (MND)		**Proposal Number:** 060.08A1
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Jan Penney, x5263		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The Miscellaneous Non-Departmental (MND) budget is used to fund items that generally benefit the City as a whole, but do not reside in any direct services or support services program, such as memberships in governmental organizations, regional committees/organizations, election fees, and employee functions. A contingency is also maintained to fund upcoming labor negotiations and unplanned initiatives and needs as approved by the City Manager.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	1,512,600	1,530,500
	$1,512,600	$1,530,500
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Section 5: Budget Proposal Description

The City is a member of several professional organizations that provide: networking opportunities, information sharing, training, programs pertaining to community development and infrastructure, sustainability, finance and economic development, planning for regional transportation, best practices and addressing economic and environmental issues. Memberships are maintained in the following organizations:

- PS Clean Air Agency ($103,000): Mandated by RCW 70.94.093 for annual clean air assessment.
- Office of Minority & Women's Business Enterprises ($6,500): per WAC 325-02-034(1).
- Association of Washington Cities ($54,000): Partnership of Washington Cities and towns which provides an effective voice before the Legislature and the Governor's Office; offers training, products & publications, workshops for elected officials. Addresses Strategic Leadership through cross-jurisdictional partnerships; shares knowledge of best practices and latest innovations.
- Mountains to Sound Greenway Trust ($10,000): Private non-profit organization that brings together interest groups along I-90 to address economic development, land use, transportation and resource stewardship strategies.
- Puget Sound Regional Council ($93,000): Provides planning for regional transportation.

- National League of Cities ($14,000): Provides leadership training seminars, networking, information sharing and representation related to federal legislative, regulatory and judicial developments.
- Public Technologies, Inc. ($6,000): Sharing information, experiences, best practices relating to new technologies and practices for the public sector; assisted the city with the Electric Vehicles grant.
- Innovations Group ($7,600): National organization that provides online training, consulting resources, benchmarking, networking and continuous improvement sharing.
- Leadership Eastside ($6,500): Promotes connections, develops and enriches leaders, and is a catalyst for communities to address important issues and meet the challenges of a diverse and dynamic region.

Election Fees ($155,000) – As required by State law, the City pays the King County Elections Office the City's fees for managing the election process including voter registration, candidate filing, initiative and referendum filing, the Voter's Pamphlet, ballot printing and distribution, vote tabulation, election validation and precinct mapping.

Employee functions ($15,000): Designed to build morale and facilitates networking among City employees and volunteers.

A labor placeholder ($100,000) is maintained to provide funding for labor contracts that will be negotiated in the near term and will require funding that is not included in General Fund department budgets.

The General Fund Contingency policy, as approved by Council and included in the Budget Detail budget document, states that six-tenths of 1% of the General Fund total resources including resources forward will be set aside as a contingency. Based on the resource forecast for 2011, a 0.6% contingency would be $942,000. This will be finalized after the 2011 total resources are known.

Section 6: Mandates and Contractual Agreements

1) Puget Sound Clean Air Agency membership is mandated by RCW 70.94.093 for annual clean air assessment.
2) Payment to Office of Minority & Women's Business Enterprises ($6,500) is mandated per WAC 325-02-034(1), which states that political subdivisions within the State contribute to the costs of the State's certification program for minority and women's business enterprises. The City administers a policy which requires or encourages the use of certified minority, women, or disadvantaged business enterprises.
3) RCW 29A.04.216 states that King County Elections will manage the elections for local municipalities and special districts and all costs of such elections must be borne by the city, town, or district concerned per RCW 29A.04.320 and 29A.04.330.
4) The General Fund Contingency policy, as approved by Council and included in the Budget Detail budget document, states that six-tenths of 1% of the General Fund total resources including resources forward will be set aside as a contingency.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership – Bellevue's participation in professional organizations and interest groups provides opportunities for coordinating with other groups and agencies and advances Bellevue's interests. Knowledge of best practices is also acquired. The contingency enables the City to respond to emerging needs and issues as deemed appropriate by the City Manager. These activities provide leadership development and skills in

strategic planning, knowledge of the latest technological advancements, as well as fostering regional partnerships.

Community Connections - Voter registration and elections facilitate communication between citizens and governmental agencies; provides opportunities for citizens to impact the course of action their community is taking. Civic engagement engages the community in meaningful service and promotes public understanding of government functions and access to city services.

Engaged Workforce - Supported by membership in professional organizations which provides information sharing of best practices and innovations, training opportunities, networking, and staff development, all of which contribute to employee growth and development and workforce satisfaction. These benefits also lead to improved service delivery.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

C. Short- and long-term benefits of this proposal:
Bellevue's interests are advanced by partnering with other jurisdictions and groups to address a wide variety of issues, including regional transportation, environmental sustainability, and legislative and economic development.

D. Performance metrics/benchmarks and targets for this proposal:

- A high % of citizens and other customers continue to report satisfaction with the City's services and functions, as well as with ROI. (*Performance Management Metrics*, Budget Office)
- Employees' perceptions and experiences in the organization (*Survey of Employee Engagement* to be repeated in 2012) continue to show improvement in the areas of employee engagement, satisfaction, and customer service.

E. Describe why the level of service being proposed is the appropriate level:
Allows continued participation in professional organizations that has had positive results. Builds in flexibility by providing contingency funding for emerging needs and allowing us to take advantage of new opportunities (past examples include Innovative Technology workshop, Baldrige training for High Performance Organizations, One City Initiative). The City pays election costs as billed by the County which are non-negotiable. City policy requires that a General Fund contingency be maintained.

Section 8: Provide a Description of Supporting Revenue

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Would be out of compliance with State law regarding clean air assessment; the City is also required to pay its share of costs for minority and women's business certification which allows these businesses to bid for federally funded projects – if the City does not pay its costs, then it would be unable to take advantage of federal funded projects. The City is required to pay for election costs and voter registrations.
2. Customer Impact: Bellevue's absence from the cross-jurisdictional groups would reduce the City's voice on regional issues which could adversely impact the community.

3. Investment/Costs already incurred: Bellevue's participation has helped build its reputation as a regional leader and its absence could result in decisions that could adversely affect Bellevue.
4. Other:

B. Consequence of funding at a lower level:

The only expense categories that are not mandated by law or policy are the memberships in professional organizations, and employee/volunteer events. Resulting impacts would be: a reduction in the City's participation in regional groups, a lower level of staff involvement and development, and fewer opportunities for staff/volunteer appreciation and community building. General Fund reserves would be drawn down to cover unbudgeted labor settlement costs if funds were not set aside for this purpose. Costs that are not mandated total approximately $306,100.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Citywide Banking and Revenue Receipting		**Proposal Number:** 060.13NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Arnaz Bharucha, x7252		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides centralized fiscal oversight for the City's revenue collections, and for cash handling and banking transactions totaling $945 million per year in accordance with State Law, City Policy and Procedures, the Government Finance Officers Association (GFOA), and Treasury Management Association (TMA) recommended "Best Practices". Central monitoring by staff that do not personally handle the receipting function provides a strong internal control mechanism for greater accountability, managing risk, and minimizing liability of fraud.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012	
Personnel	$339,779	$357,807	
Other	81,827	82,425	Includes Citywide Banking Fees $50,350 each year
	$421,606	$440,232	
Supporting Revenue			
	$0	$0	
LTE/FTE			
FTE	3.25	3.25	0.75 Treasury Manager, 1 Senior Treasury Analyst, 1 Treasury Analyst, 0.5 Senior Accounting Associate.
LTE	0.0	0.0	
Total Count	3.25	3.25	

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings included in this proposal are $128,413 for 2011, $135,941 for 2012 for Personnel Costs, and $13,000 each year for M&O which includes $5,000 each year due to innovation.

Cost Savings: Savings result from the reduction of 1.75 FTEs from the Treasury Division's budget. This reduction has been achieved through efficiencies from technology automation and the appropriate reallocation of staffing resources within Treasury and client departments as a result of focused management review.

Innovation: This proposal provides cost savings from the use of new and innovative banking technologies and solutions to the departments that implement them. These solutions are recommended GFOA Best Practices and:

1. enhance customer service to our citizens and customers;
2. provide a quicker, more secure way of receiving and transmitting moneys from and to the bank; and/or
3. result in cost savings to the departments who handle the receipt of money.

The solutions which are either currently underway or intended to be implemented in 2011 are:

Solution	Description	Estimated Timeline	Cost Savings
EPayables	Provides a rebate to the Finance Department for payments to vendors via credit cards	October 2010	Rebate included in 060.16.NN
Remote Deposit Capture	A quicker and more secure method of sending funds to the bank via digital images of checks	January 2011	$5,000 annually
PayMode Concentrator	A consolidation service for online payments processed by individual bill payers/banks daily and sent to the City by the bank electronically for faster processing	Utilities implemented recently. Solution to be explored for other departments in 2011.	Included in Utilities' proposals

Partnerships/Collaboration: Various City departments maintain their own billing/receipting systems to record the services they render to their customers, e.g., Utilities uses CIS, Development Services uses AMANDA , Parks uses CLASS, and Finance uses JDE for centralized payments to vendors and employees of the City. Treasury staff reconcile centralized banking activities and partner with departments and the City's bank to initiate, plan, and deliver appropriate technological banking solutions.

Section 5: Budget Proposal Description

This proposal provides resources for oversight of the Citywide revenue receipting function, miscellaneous accounts receivable, and banking services. In addition to new banking solutions, services delivered include:

- Establishing the policy and procedures of operation for those departments that handle the City's money.
- Testing and verifying that the established control mechanism is functioning appropriately by performing surprise cash counts, reviewing cash handling business practices, and providing ongoing training for frontline staff who handle money.
- Verifying accuracy and timeliness of daily banking transactions against the City's financial system records .
- Preparing and sending a daily consolidated deposit of funds received at multiple City locations to the bank.
- Evaluating banking services periodically and conducting a comprehensive Request For Proposal effort every four years per City policy. Work collaboratively with the bank to assure that the City receives the optimal level of automated banking services at competitive prices, and control credit card costs where possible.
- Preparing daily cash flow requirements, transfers between bank accounts, and disbursement requests.
- Overseeing the Citywide uncollectible accounts receivable write-off process, following up with the collection agency, and managing miscellaneous accounts receivable invoicing totaling $22 million a year.

Section 6: Mandates and Contractual Agreements

The mandates are derived from the Revised Code of Washington (RCW) and GFOA and TMA Best Practices. The City has entered into a two-year banking contract with Bank of America to deliver banking services in 2010 and 2011 with the provision to extend the contract on the same terms and conditions for another two years.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Citywide Purchasing Strategies:

- *Are innovative and creative* - this proposal explores and implements new banking technological solutions for cash handling practices.
- *Consider best practices* - our policies and procedures are guided by GFOA and TMA best practices described below.
- *Eliminate low value added activities* - staff have realigned and revised processes to gain efficiencies.

Responsive Government Purchasing Strategies:

In 2009, as a result of our cash management processes, the City identified $347,000 in fraudulent check activity in relation to the City's accounts payable bank account but this fraudulent check activity did not result in any financial loss to the City because of our timely verification.

The proposed cash management, banking, and accounts receivable functions primarily serve the following purposes:

***Stewards of the Public Trust*:** This proposal provides stewardship of the public trust by ensuring that funds are appropriately recorded and safeguarded. It specifically addresses the following purchasing strategies:

i) To manage public funds in a responsible manner;
ii) Manage risk, minimize liability, and provide for accountability.

The methods employed by Treasury to accomplish these are:

Mandated: RCW 43.09.240 requires the deposit of moneys collected with the Treasurer within 24 hours.

Best Practices:

- Implement revenue control and management policies, establish controls and make certain they are documented and followed, and utilize specific tools developed by the banking industry for bank account fraud prevention. Services provided in this proposal ensure continuous monitoring of the City's Cash Handling and Custody Policy and Procedures, and recommended tools like "ACH Blocks and Filters" and "Payee Positive Pay" for fraud prevention have been implemented.
- Follow best practices for procurement of banking services and make the most of electronic payment systems, and automated banking services. Services provided in this proposal provide for the continuing evaluation of available banking services and technologies to provide efficiencies now and in the future, and meet the growing demands of citizens and taxpayers for more ease and accessibility of government services.
- Establish procedures for timely collection of delinquent accounts and periodic write-off of uncollectible accounts. Services provided in this proposal ensure compliance with policies and procedures established to manage accounts receivable.

***Exceptional Service*:** This proposal provides exceptional service to our internal customers supporting processes and problem resolution related to cash controls, cash handling, banking, and accounts receivable. It also provides exceptional service to our community in the safeguarding of public assets. Specific purchasing strategies addressed include:

i) Ensuring services are provided when needed, and processes are timely and predictable;
ii) Demonstrating collaboration;
iii) Enhancing professionalism and responsiveness to calls for service.

The services provided by this proposal demonstrate these by:

- Providing clear guidance on process and procedures;
- Serving as a resource to departments for appropriate resolution of exceptional situations; and
- Partnering with our internal customers to meet the needs of their external customers.

***Engaged Workforce*:** This proposal provides periodic cash handling training to City staff who accept money from the public and also collaborates with City departments to implement new banking technologies. Specific purchasing strategies addressed are:

i) Continually enhance the knowledge, skills, and abilities of the workforce to support the provision of quality professional services;

ii) Foster an environment that is open to considering new methods and technologies.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

C. Short- and long-term benefits of this proposal:

Short-term benefits: Fraudulent activities are discovered immediately. Oversight and reconciliation functions provide preventive controls which act as a deterrent for inappropriate cash handling practices.

Long-term benefits: These include the short-term benefits, as well as bringing the City into the 21st century in regards to technological banking solutions and enhance security of transactions.

D. Performance metrics/benchmarks and targets for this proposal:

- % of reduction in the number and $ value of fraudulent incidents;
- Cost savings per new technological solution/% reduction in banking fees;
- % of idle cash invested within 24 hours of availability.

E. Describe why the level of service being proposed is the appropriate level:

These Treasury functions preserve the integrity of the financial data and eliminate/minimize the risk of fraud. This proposal is sized right to enable the City and its citizens and customers to ensure appropriate oversight of cash and benefit from new technological advances in the banking industry.

Section 8: Provide a Description of Supporting Revenue

This proposal is supported by General Fund Revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: The requirement of RCW 43.09.240 may not be met.
2. Customer Impact: Recommended best practices will not be followed. The City's fiduciary responsibility to the citizens and customers of Bellevue will not be met, and fraudulent transactions may go undetected resulting in significant financial liability for the City.
3. Investment/Costs already incurred: N/A
4. Other: N/A

B. Consequence of funding at a lower level:

This proposal includes high value-added activities that address the City's fiscal responsibility. This proposal also includes significant efficiencies; level of service changes would result in potentially damaging levels of internal control and fiscal responsibility and increase opportunity for fraud.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Investment Portfolio Management and Accounting Services		**Proposal Number:** 060.14NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Zemed Yitref, x6101		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The proposal provides resources to manage the City's $220 million investment portfolio by first preserving the principal of investment, while providing adequate cash flow to meet the City's liquidity needs and optimizing investment return. The City's portfolio produces approximately $7.8 million in interest earnings each year, and internal management of the City's Investment Portfolio provides an additional $1.2 million revenue to the City each year compared to investing in "passive investments" (examples include, State Local Government Investment Pool, US Agency and Treasury Index).

Section 3: Required Resource

OPERATING

Expenditure	2011	2012
Personnel	$115,282	$121,267
Other	543	553
	$115,825	$121,820
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.85	0.85
LTE	0.00	0.00
Total Count	0.85	0.85

0.60FTE Investment Mgr and 0.25 FTE Treasury Mgr* (Note that a portion of the Treasury Mgr time reported here is spent on Debt Management)

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Avoidance: The investment program is administered in a highly efficient manner. For example, most other portfolios with similar size to Bellevue subscribe to 'Bloomberg Software' that costs approximately $45,000 per year. The City avoids this cost by utilizing alternative "near live" market data providing sources mostly free of charge. Selected Bloomberg generated data is provided to the Investment Manager (the"Manager") by collaborating with brokers/dealers.

Partnerships/Collaboration: The City partners with the State of Washington Treasurer's Office to contract investment safekeeping/custodial services. The City has achieved approximately $7,000 annual cost savings by entering into a multi-year contract for custodial services under the umbrella of the State contract.

Section 5: Budget Proposal Description

This proposal provides resources to manage the City's $220 million investment portfolio by first preserving the principal of investment, while providing adequate cash flow to meet the City's liquidity needs and optimizing investment return. This is achieved by:

A. ***Portfolio management:*** Finance staff plans, directs, monitors, evaluates and executes long-term fixed-income (US Treasuries, US Agency Securities) and short-term investments (Bank Deposits, Certificate of Deposits). The following is a depiction of the daily investment process:

B. ***Accounting and reporting functions:*** These functions ensure compliance with internal control procedures and Generally Accepted Accounting Principles.
C. ***Ongoing due diligence:*** In accordance with the Investment Policy and SEC rules, Finance staff performs ongoing review of quarterly financial statements and capital adequacy reports of financial institutions.
D. ***Achieve market rate of return***: Within the City's established risk profile, the Manager works diligently to outperform the benchmark investment returns established by the Policy.
E. ***Exceptional customer service:*** Investment is a relationship business and, as such, Finance staff maintains excellent relationships with brokers/bankers and City departments. Staff takes pride in providing outstanding customer service for internal and external customers.
F. ***Liaison to Investment Advisory Committee:*** Tasks performed include: 1) preparing meeting Agenda materials, 2) coordinating and leading semi-annual meetings, and 3) bringing forward changes to the Policy, discussing, and securing approval.

Section 6: Mandates and Contractual Agreements

Mandates are: 1) State RCW 35.39.030 requires the City to invest public funds in eligible investments identified by the State Treasurer, 2) State RCW 35.39.034 requires allocating investment income to City funds, 3) State RCW 35.39.032 requires reporting on investment transactions to elected officials, and 4) Securities and Exchange Commission (SEC) 15c3-1 requires broker/dealers to maintain adequate capital reserves.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. **Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

Citywide Purchasing Strategies:

- *Provide the best value in meeting community needs*: Brokers/dealers conducting business with the City are certified every three years through a fair, transparent, and equitable process.
- *Provide for gains in cost savings and ensure that services are "right sized"*: This task is performed with only 0.85 FTE and inexpensive operating costs.
- *Leverage collaboration or partnerships with external organizations:* The City partners with the State of Washington Treasurer's Office to contract investment custodial services which have achieved cost savings by entering into a multi-year contract with a custodian bank under State contract.
- *Consider best practices:* Function is guided by GFOA's best practices for investing public funds.
- *Ensure sound management of resources:* The Manager invests with prudence by first assuring the preservation of principal, while providing adequate cash flow to meet the City's liquidity needs and optimizing investment return.

Purchasing Strategies for Responsive Government:

- *Stewards of the Public Trust by:* 1) *managing public funds (investments) in a responsible manner, and 2) managing risk, and minimizing liability, and providing for accountability.*
  The methods applied by the Manager to accomplish this are:
  - Act as a fiduciary with duties to: 1) avoid any conflicts of interest, 2) act prudently, 3) provide diversification of investments managed, and 4) be accountable to all stakeholders.

- Perform ongoing due diligence: For brokers, review the Firm's annual audited financial statements and call reports, and monitor online for filed complaints. For banks, review quarterly financial statements, call reports, capital ratios, and credit ratings.
- Protect investment principal: The Manager has an excellent track record in protecting the principal invested. During the 2007 global financial meltdown, the portfolio did not sustain any loss. In the last 10 years, there were no forced sells of investments before maturity date to meet cash flow needs.
- Educational background and experience: The Portfolio is managed by a qualified Manager with CPA and MBA credentials and over 10 years experience in fixed income investments.
- Earn market rate of return: The Portfolio has produced $5.8 million in incremental investment earnings compared to the benchmark (2-year Treasury) in the last 5 years. These resources have funded City programs and helped keep taxes lower for Bellevue stakeholders. The following table shows the Portfolio's performance.

% Return of Portfolio (5-year Avg)	% Return of Benchmark (5-year Avg)	% Portfolio Return Exceeding Benchmark	$ Portfolio Exceeding Benchmark (5-Year)	$ Property Tax Levy Needed to Compensate for Lost Interest Income
3.76%	3.10%	0.66%	$5,815,000	$154,654,000

- *Best practices:* Below are GFOA's recommended practices for investing public funds:
  - *Adequate diversification:* The Portfolio is well diversified in terms of: 1) asset allocation (e.g., Treasury, Agency, CDs), 2) final maturity/duration, and 3) type of securities (e.g., callable and non-callable).
  - *Managing market interest rate risk (duration):* In accordance with the Policy, the maximum duration of the Portfolio is limited to 2.5 years, and the target is even more conservative at 1.5 years.
  - *Managing credit interest risk:* Per Policy, the Manager invests in only Aaa-rated securities and the highest rated short-term investment vehicles.
  - *Strong Internal Control:* Investment procedures are well defined, documented with adequate separation of duties, and implemented by the Manager to assure adequate internal control of the investment process. The Policy requires periodic independent review of the investment function.
  - *Community Connections: 1) engage the community, 2) promote trust, accountability, credibility, and 3) optimize transparency.*
- In accordance with the Policy, a four-member Investment Advisory Committee from Bellevue business community knowledgeable in the area of investment management is established by the City Manager. The Committee (oversight body) meets periodically to review the investment program and make recommendations to the Finance Director with regard to proposed changes to the Investment Policy and performance of the Portfolio.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

C. Short- and long-term benefits of this proposal:

The short-term benefits protect public assets, fund City programs from investment earnings and help keep taxes lower to Bellevue citizens. The long-term benefits maintain the City's Aaa bond rating and financial sustainability.

D. Performance metrics/benchmarks and targets for this proposal:

1. City Bond Rating (Moody's) = Aaa. The City has maintained this rating since 1998. Target = Aaa.

2. % of return on City Investments exceeding standards. Target was exceeded for all years measured.

Actuals			Target		
2007	2008	2009	2007	2008	2009
0.16%	0.79%	0.97%	N/A	0.20%	0.15%

E. Describe why the level of service being proposed is the appropriate level:
The City's decision to actively manage its Portfolio has resulted in incremental average investment earnings of $5.8 million in the last 5-years. In addition, as part of the Budget One process, the City conducted a Request For Information (RFI) on outsourcing options for the Investment Management Service. Twenty-two firms responded to the RFI, and it was determined that the cost of outsourcing the investment function was significantly greater than the cost to do it in-house even after factoring a five year-average return on investments. The additional cost of outsourcing ranged from $314,000 to $ 1.1 million.

Section 8: Provide a Description of Supporting Revenue

Additional investment interest earnings of $200,000 in 2011 and $250,000 in 2012. The City's portfolio produces approximately $7.8 million in interest earnings each year, and internal management of the City's Investment Portfolio provides an additional $1.2 million revenue to the City each year compared to investing in "passive investments". Additional investment earnings will be accomplished by having the Manager spend approximately 5% more time analyzing investment securities by assigning some administrative tasks to other staff. The additional interest revenue is estimated to be 5% of the total projected investment interest earnings. Investments are one area in government, if managed properly, can result in incremental earnings that can be used towards funding critical programs or mitigating increases in taxes. The City's decision to manage the portfolio internally, as opposed to putting all funds in the LGIP or a 2-year Treasury Index, has resulted in incremental investment earnings of $5.8 million in the last five years, as shown above. By implementing a passive investment strategy, the City will lose $1.2 million annually ($5.8 million divided by 5 years) in investment earnings based on the last 5-year performance of the Portfolio.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Noncompliance with State and Federal (SEC) statutory requirements.
2. Customer Impact: Increase in taxes and/or City program cuts from lost investment earnings.
3. Investment /Costs already incurred: The City has trained the Manager for the last 10 years in two economic cycles and, as such, it is prudent to continue to reap the benefits of this human investment.
4. Other: N/A

B. Consequence of funding at a lower level:
Minimum service level is "passive investment" which involves minimal trading based on the belief that it is impossible to beat the averages on a risk-adjusted basis consistently (examples include investing funds in the LGIP, US Agency Index, and US Treasury Index). If the minimum service level is employed, the City will lose $1.2 million annually in investment earnings based on the last 5-year performance of the Portfolio.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Business Tax and License Administration		**Proposal Number:** 060.015A1
Outcome: Responsive Government		**Proposal Type:** Enhancing an Existing Service
Staff Contact: Lucy Liu, x4445		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #: NA**
List Parent/Dependent Proposal(s): 1) Business Tax and License System Replacement Project (060.15DN) and 2) IT Software Development		

Section 2: Executive Summary

This proposal includes the functions of the Tax Division, which is responsible for collection, administration and enforcement of the City's business licenses and taxes. The tax division's work accounts for approximately $108 million in revenue for the 2011/2012 biennium. There are approximately 33,500 active business license accounts. This offer includes a $40 increase in the one-time general business license fee to recover additional revenue to offset licensing cost and 2 additional FTEs for Tax Compliance Enforcement activities . The proposed functions will ensure the City's business tax and license revenues are collected and properly accounted for, which enables the City to continue to earn the public's trust.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$818,005	$833,246
Other	330,000	336,524
	$1,148,005	$1,169,770
Supporting Revenue		
	$54,300,000	$54,430,000
LTE/FTE		
FTE	8.00	8.00
LTE	0.50	0.25
Total Count	8.50	8.25

Existing Resources	
Manager	1
Senior Tax Analyst	2
Tax Analyst	2
Senior Accounting Associate	1
Part-Time Contract Auditors	4
Enhancement Resources	
Tax Analyst	2
IT Application Developer	0.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings

1. Elimination of $125,000 in contingency funds allocated for outside legal services to defend tax audits. Tax staff will continue to work with the City Attorney's Office to defend tax audits. Unusual circumstances that would require additional legal expertise may require funding from an examination of city-wide resources.
2. The license fee increase will generate approximately $300,000 in new revenue to offset licensing costs.
3. Continue to achieve the following cost savings:
   - A number of functions are outsourced, including tax compliance auditing, mailing, printing, lockbox, and collection services, to reduce costs.

- Competitive bids are conducted periodically to ensure the City gets the best value on outsourced services. This proposal incorporates a 60% cost avoidance from an RFP for mailing and printing services and a 25% cost savings from an RFP for lockbox services.
- City tax forms and business license application forms are offered online to reduce mailing and printing costs.

Partnerships

1. Partnership with the Department of Licensing to provide one-stop joint license registration with Bellevue and a number of state agencies and local jurisdictions.
2. Partnership with the City of Seattle to conduct joint tax audits to gain efficiencies and reduce audit costs.
3. Partnership with Department of Revenue to provide joint taxpayer outreach informational workshops.
4. Partnership with the Department of Licensing and other workgroups to detect for unregistered taxpayers.

Section 5: Budget Proposal Description

This proposal includes resources to support the City's licensing and tax collection functions, similar to those of the Internal Revenue Service. Existing resources include 6 FTEs and 4 part-time contract tax auditors. The enhancement would provide two additional Tax Analysts to focus on compliance enforcement activities. Below is a listing of the Tax Division's key functions.

1. **Business License Administration** - The Division currently maintains approximately 33,500 active business license accounts and issues approximately 4,000 new licenses per year. Their key functions include:
   - License application review and approval
   - Account information maintenance

   This proposal includes a $40 increase in the one-time general business license fee in order to recover additional revenue to offset the cost of the business licensing service, without adding any additional FTEs. Bellevue has one of the lowest business license fees in the region (currently $30) and does not impose an annual renewal fee. See 060.15PA.1 Attachment A for comparison information.
2. **Tax Administration** – The Division processes approximately 52,000 tax returns per year. Their key functions include:
   - Tax receipts processing and reconciliation
   - Balance due billing and refund review and processing
   - Taxpayer education, including workshops and responding to taxpayer inquires
   - Monitoring taxes collected by the State on the City's behalf, including sales, use, and lodging taxes
   - Processing cable franchise fee payments
   - Monitoring state and federal legislation pertaining to city business licensing and taxation
   - Collaborating with the Department of Licensing, Department of Revenue and other cities to explore efficiencies in license and tax administration.
3. **Tax Compliance Enforcement** – Three programs are designed to increase compliance which will generate approximately $5.4 million in revenue, at the enhanced level, for the 2011/2012 biennium.
   - Audit Program – This program audits taxpayers for compliance with the City's license registration and tax filing requirements. The Division has found through past experience that it is more cost effective to outsource a portion of this work to contract auditors with extensive audit experience, rather than doing the work in-house.
   - Detection Program – This program identifies unlicensed taxpayers doing business in the City to get them registered. This program generates 400 - 500 new registrations per year.
   - Delinquent Collection Program – The program focuses on getting delinquent tax returns filed and paid.

Section 6: Mandates and Contractual Agreements

The City is required to calculate B&O taxes, penalties and interest in accordance with RCW 35.102.040 (Municipal B&O Tax Model Ordinance – Mandatory Provisions).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Stewards of the Public Trust

- Manage public funds and assets in a responsible and fiscally sustainable manner.

1. Collecting and properly accounting for the business license, tax, and franchise fee revenue collections; and
2. Ensuring that the City is using funds responsibly by using the most cost effective and efficient methods and resources, such as outsourcing and partnering where it makes sense.

Exceptional Service

- Ensure services are provided when needed and/or expected; and processes are timely and predictable.

1. The proposed functions will allow the City to continue to provide taxpayers with the tax and license information, forms and services they expect in a timely and predictable manner; and
2. The outreach workshops, tax hotline, tax website, and tax email box provide taxpayers with convenient options to access information they need on a timely basis.

- Demonstrate collaboration and reduce redundancies in service delivery.

1. The partnerships for joint licensing and audits provide time savings for taxpayers.

Community Connections

- Promote trust, accountability, and credibility with the community through fair and equitable process.

1. The compliance enforcement and collection activities ensure everyone doing business in the City pays their share of taxes and fees. This promotes credibility with taxpayers.

- Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making.

1. Online registration, the tax website, and online tax forms provide easy access for taxpayers to get information they need.

Strategic Leadership -- Identify and foster cross jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost.

The partnerships with the State and City of Seattle enable the City to improve service delivery to taxpayers while reducing costs.

Engaged Workforce -- Invest in continuous employee development, training, wellness, and security.

Cross training opportunities are provided for staff from other workgroups to work on the Delinquent Collection Program. This promotes employee growth while enhancing revenue collections.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

City-Wide Strategies

- Provide for gains in efficiency and/or cost savings and ensure services are "right sized".
- Leverage collaboration or partnerships with other departments and/or external organizations.

1. Outsource functions where it is more feasible than performing them in-house.
2. Partner with the State and City of Seattle to improve service delivery to taxpayers while reducing costs.
3. Collaborate with other workgroups to monitor tax collections, detect for unregistered taxpayers, and collect delinquent taxes.

Consider Short-Tem and Long-Term Impacts -- We are proposing to enhance the current suite of compliance enforcement programs. This will bring revenue that is otherwise unpaid to the City in the short term and long term. In addition, this will ensure the City's taxes and licenses are administered with fairness and equity; and promote greater taxpayer compliance in the future.

Ensure Sound Management of Resources and Business Practices -- The City collaborates with the Department of Revenue and a number of local jurisdictions throughout the year to continually explore best practices in license and tax administration and gain efficiencies. Partnership meetings with the Department of Revenue and Tax Manager Roundtable meetings with other local jurisdictions are held for this purpose.

Economic Growth and Competitiveness -- Community Policy, Planning & Development

- Promote business-supportive City procedures, policies and programs.
  The state and local joint licensing program makes it easy to apply for a business license.
- Leverage the predictability and stability of the City's financial policies.
  Taxpayers with minimal income are exempt from business taxation and filing returns.

C. Short- and long-term benefits of this proposal:

Funding this proposal will ensure the City's business tax and license revenues (a major revenue source of approximately $108 million for the next biennium) are collected and properly accounted for, which enables the City to continue to earn the public's trust.

D. Performance metrics/benchmarks and targets for this proposal:

1. Audit Program return on investment of 3:1
2. 350 detections identified and registered and 3,300 delinquencies resolved per year.
3. Reconcile tax receipts within one day of collection 95% of the time.

E. Describe why the level of service being proposed is the appropriate level:

Only essential services are proposed at levels that are necessary to meet reasonable taxpayer expectations and ensure optimal revenue collections. This offer proposes to:
1) Mail only the key tax forms and offer remaining supplemental forms solely online
2) Remove the contingency for contract legal services to defend tax audits
3) Implement measures with the mailing vendor to reduce mailing related costs.

A cross divisional team analyzed the tax audit program and determined that the current structure, a combination of in-house and contract auditors, is the most efficient solution for the next biennium. It was also determined that adding 2.0 FTE to this program will generate between $400,000 and $460,000 in additional revenue for the 2011/2012 biennium, more than offsetting the additional cost and could be managed within the current support structure. Therefore, this proposal includes the addition of 2 tax analysts for Tax Compliance Enforcement activities.

Section 8: Provide Description of Supporting Revenue

This offer supports the collection of approximately $103 million in General revenue for the biennium. The compliance enforcement activities (audit, detection, and delinquent collection programs) will generate approximately $5.4 million and the license fee increase will generate approximately $300,000 in additional revenue for the biennium. The costs for this proposal are supported by General Revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. **Legal**: Inability to meet statutory requirements pertaining to tax, penalty and interest calculations.
2. **Customer Impact**: Inability to meet taxpayer expectations, which ultimately results in revenue loss.
3. **Investment/Costs already incurred**: NA
4. **Other**: Lack of ability to collect business license fees and taxes of approximately $108 million in the next biennium.

B. Consequence of funding at a lower level:

This proposal could be funded at the current level (without the proposed audit enhancement and license fee increase) with no service level consequences but with a reduction of $700,000 - $760,000 to revenue anticipated for the biennium.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Disbursements		**Proposal Number:** 060.16NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Earle Stuard, x6894		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal covers the management and administration of the City's Payroll, Accounts Payable, and Procurement Card (ProCard) processes. These functions oversee the majority of the City disbursements totaling $300 million in accordance with applicable laws and sound business practices to provide for accountability, and deliver exceptional service to the community.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$748,491	$788,866
Other	14,255	14,526
	$762,746	$803,392
Supporting Revenue		
Rebates	$74,000	$75,700
LTE/FTE		
FTE: Payroll	4.0	4.0
Accounts Payable	3.7	3.7
ProCard Process	0.5	0.5
LTE	0.0	0.0
Total Count	8.2	8.2

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings Proposed:

Personnel	2011	2012
Eliminate 1.0 FTE Sr. Acct. Assoc. position in AP	$79,711	$84,311
Transfer 0.5 FTE Admin. Asst. from Contracting Services to AP	-$42,698	-$45,136
Subtotal Personnel	**$37,013**	**$39,175**
Reduce M&O Budget	$28,041	$27,770
Total	**$65,054**	**$66,945**

The cost savings indicated above are the result of process efficiencies and decreased activity due to the economic downturn. The process efficiencies coming soon are:

1) Transfer payment of employee personal reimbursements from AP to Payroll and include the reimbursements on paychecks, which will eliminate the need to issue multiple checks to employees.

2) Change method of paying some vendors from check to "ePayables" which deposits payments to vendors' credit cards. This method reduces paper and increases City revenue via credit card rebates.
3) Receiving invoices electronically instead of a paper copy which will substantially reduce the time needed to enter invoices into the JDE financial system.
4) Change method of paying City Utility Bills which will eliminate AP issuing numerous monthly checks to the City of Bellevue. Instead, funds will be transferred by the Accounting Journal Entry process.

Collaborations for this proposal include working with Bank of America on ePayables and Paymode.

Section 5: Budget Proposal Description

This proposal requests resources to provide Payroll, Accounts Payable, and ProCard services for the City.

Payroll for the City's estimated 1,660 employees is processed on a semi-monthly basis and includes steps to make certain that all employees are paid accurately and timely for work performed, costs are appropriately recorded, and all internal and external reporting is performed in accordance with legal and professional standards. Total payroll is approximately $140 million annually.

Accounts Payable (AP) pays vendors and suppliers an average of $3 million weekly. Processes are in place to ensure that payments are a legal use of tax dollars, appropriately authorized and that taxes are correctly applied. AP services also include compliance with federal and state reporting requirements.

ProCard Policy authorizes City staff to use a ProCard for procuring small value goods and services for business reasons, as a low cost alternative to traditional purchasing and payment methods. Services in this proposal include monthly review and audit of ProCard transactions to ensure compliance with City policy and state law.

Section 6: Mandates and Contractual Agreements

Payroll - The City is required to pay employees in compliance with federal and state laws, and according to the provisions in nine labor union contracts. Payroll taxes must be collected from employees and transmitted based on IRS rules and regulations, and benefit payments are made to various vendors, e.g., Department of Retirement Systems (state retirement), Municipal Employees Benefit Trust (social security replacement), and union dues (must be in good standing as a condition of employment).

Accounts Payable - The City is required by Washington State law (RCW 42.24.080) to audit and pay its financial obligations. The City is also required by the IRS code to provide a statement of earnings (form 1099) and file those 1099s with the IRS for any vendor that received payments totaling more than $600 for the calendar year.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Responsive Government

Stewards of the Public Trust : *Manage public funds in a responsible manner by:*

- Maintaining the required checks and balances and performing reconciliation of bank accounts by Finance staff not associated with Payroll or AP functions.

Manage risk, minimize liability, and provide for accountability by:

- Maintaining strict audit functions, which include:
  - reviewing invoices and ProCard documents for validity and public purpose;
  - reviewing employee pay and benefits to ensure accuracy of payroll reporting.

- Maintaining internal controls which include:
    - separation of duties to avoid fraud;
    - facilitation of State audits of Payroll and Accounts Payable transactions;
    - compliance reviews of processes and procedures by outside accounting firms.

Exceptional Service: *Ensure services are provided when needed and expected, and processes are timely and predictable by:*

- Maintaining timely payment schedules – Employees are paid twice a month and vendors are paid weekly, the regularity of which is critical to assure compliance with federal and state laws.

Demonstrate collaboration and reduce redundancies in service delivery by:

- MySelf Service – This software application is utilized to put employees in control of their time reporting eliminating the need for timekeepers. Salary, leave, and job information is available 24/7 to employees and managers via MySelf Service.
- ProCards - Using credit cards streamlines the purchasing process by substantially reducing the need for paperwork (requisitions) prior to purchases. City staff are able to go directly to vendors for over-the-counter purchases to quickly fill their business need for materials and supplies.

Equip the organization with the information, tools, technology, and personnel to effectively respond to planned and unplanned events or conditions by:

- Eliminating cumbersome, manual, paper- intensive processes such as the paper timesheet and the payment of City Utility bills with the creation of more efficient electronic processes;
- Implementing JDE financial system enhancements to eliminate paper checks and process electronic payments, e.g., ePayables, PayMode, and direct deposit of employee pay.

Enhance professionalism and responsiveness to calls for service by:

- Having disbursement staff coordinate with employees and vendors to meet their needs;
- Collaborating with Human Resources on issues pertaining to employee record changes, new hires, terminations, and MySelf Service enhancements.

Engaged Workforce: *Encourage innovation in the workplace by:*

- Conducting frequent process reviews and implementing changes;
- Working with vendors/service providers to implement process efficiency measures.

Identify and implement strategies to reduce service gaps and support employee growth and development by:

- Conducting customer satisfaction surveys and make improvements where appropriate;
- Authorizing employees to have access to a City-issued credit card;
- Empowering staff to represent their departments in relationships vendors.

Invest in continuous employee development and training by:

- Scheduling training sessions with City staff to keep them informed about system enhancements, process improvements, and efficiency measures.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

<u>Citywide Purchasing strategies</u>

Leverage collaboration or partnerships with other departments by:

- Collaborating with Information Technology on system upgrades, enhancements, and problem solving;
- Collaborating with Human Resources to streamline data entry of new employees and transfer of information;
- Collaborating with departments to streamline the timekeeping functions and eliminating central timekeepers resulting in a 35% savings in Payroll costs since 2007.

Consider best practices by:

- Utilizing a credit card model that is a widely accepted best practice in professional purchasing and government finance organizations throughout the United States and Canada.

Provide for gains in efficiency and cost savings by:

- Implementing improved methods of paying vendors which uses fewer resources;
- Streamlining the processes used to pay vendors.

C. Short- and long-term benefits of this proposal:

By funding this proposal, the City will maintain its ability to pay its vendors timely, accurately as required by our contractual agreements. The City will continue to be in compliance with federal and state laws related to paying its employees and providing required 1099 data to its vendors and the IRS.

D. Performance metrics/benchmarks and targets for this proposal:

- Number and Percent of error free checks issued;
- Cost of processing AP and Payroll disbursements per employee involved in the process;
- AP transactions per AP employee on a monthly basis;
- Percent of AP claims processed within the 30 days standard;
- Percent of disbursement checks voided because of processing errors.

E. Describe why the level of service being proposed is the appropriate level:

A recent survey of 17 local public agencies comparing payroll staffing shows the City of Bellevue to be among the lowest in the ratio of payroll staff to employees paid. The survey also shows in-house payroll processing to be the industry norm. In addition, as part of the Budget One process, the City conducted a Request For Information on outsourcing options for Payroll and determined that the cost to outsource the payroll function was significantly greater than the cost to do it in-house.

Section 8: Provide a Description of Supporting Revenue

- ProCard estimated rebates of $34,000 in 2011 and $35,700 in 2012.
- ePayables estimated annual rebate of $40,000.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1) Legal: The City would be in violation of federal and state laws, IRS Rules & Regulations, and labor union agreements .
2) Customer Impact: Employees and vendors would not be paid. Service delivery and customer service would no longer exist for these functions. If ProCards are eliminated, departments would be required to generate purchase requisitions for every purchase made.
3) Investment/Costs already incurred: Significant costs have been incurred to create and maintain the JDE Finance and Human Resources System that includes employee on-line self-help capabilities along with the means for processing accurate and timely payroll and payments to vendors.
4) Other: If these programs were eliminated, the annual ePayables and ProCard rebates received by the City would not exist. In addition, Payroll and AP functions would need to be outsourced, the cost of which would be substantially higher, and the level of customer service would be substantially lower.

B. Consequence of funding at a lower level:

Any further reductions would prohibit these functions from making accurate payments on time, meeting the City's contractual obligations, and would impact the City's ability to meet federal and state laws.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Procurement		**Proposal Number:** 060.17A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Earle Stuard, x6894		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides resources for centralized oversight, management and support for the procurement of over $85 million of goods and services for the City of Bellevue annually. These services ensure open and fair competition in the public bidding process, promote positive and effective vendor relations, which are cultivated by informed and fair buying practices and strict adherence to ethical standards in public procurement. This alternate proposal is at a reduced service level from the proposal originally submitted.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$923,915	$973,640
Other	$23,548	$23,999
	$947,463	$997,639
Supporting Revenue		
eCityGov FTE	$81,895	$86,600
Sale of Surplus	$186,000	$188,914
LTE/FTE		
FTE	10.0	10.0
LTE	0.0	0.0
Total Count	10.0	10.0

Personnel Costs include the following:

- 2 FTE - Accounting Supervisor (G24)
- 3 FTE - Buyer (G21)
- 3 FTE - Procurement Specialist (G21)
- 1 FTE - Data Analyst (G21)
- 1 FTE - Senior Accounting Associate (G18)

Funded by eCityGov

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings Proposed:

The original recommended proposal included the following cost savings from efficiencies, reorganization and reallocation of work:

Personnel	2011	2012
Eliminate the 1 FTE Manager position	$126,056	$132,845
Transfer 0.5 FTE (Sr Admin Asst) from Contracting Services to Accounts Payable	$42,698	$45,136
Subtotal Personnel	**$168,754**	**$177,981**
Reduce M&O Budget	$21,241	$20,794
Total Savings	**$189,995**	**$198,775**

2011-2012 Budget Proposal

This alternate proposal includes additional adjustments that eliminate one Buyer position in addition to the manager position and .5 Sr. Admin Asst. resulting in a total reduction of salary and benefits for 2.5 FTEs and a 50% reduction in M&O expenses:

Personnel	**2011**	**2012**
Eliminate the 1 FTE Manager position	$126,056	$132,845
Eliminate 1 FTE Buyer position	$92,940	$98,164
Transfer 0.5 FTE (Sr Admin Asst) from Contracting Services to Accounts Payable	$42,698	$45,136
Subtotal Personnel	**$ 261,694**	**$ 276,145**
Reduce M&O Budget	$21,741	$21,294
Total Savings	**$ 283,435**	**$ 297,439**

Innovation and Partnerships:

A primary objective of the procurement process is ongoing cost savings for the City. These cost savings are realized through lower pricing, a result of competitive processes, negotiated purchases and blanket contracts. By eliminating one additional position, the ability to do competitive price quotes will be severely limited. In addition, purchases under $5,000 in value will be shifted to the departments for buying directly from vendors without using a PO, reducing internal controls that prevent fraud and misuse, along with a reduction in potential cost savings.

Other efficiencies and cost savings included in the original proposal are the result of past innovations and partnerships, such as time savings realized from the creation of the Shared Procurement Portal (SPP). Future innovations included in this proposal are:

1. **Shared Project Manager Pool**: This proposal includes a creation of a cross-departmental team created to implement a Shared Project Manager Pool to manage public works projects. The team is tasked with developing a pilot program that utilizes in-house expertise to reduce the reliance on contracted project managers. Success of the program depends upon the availability of project managers from the Civic Services, Finance, Fire, Parks, Utilities and Transportation Departments. .
2. **Improvements to the City's Contracting Process**: Another instance of collaboration was the formation of a Task Force to review the City's contracting process and make recommendations to the Internal Strategic Planning Committee. The recommendations to be pursued in the coming year are:
    a. Revising the Purchasing Code to tie bid limits to state law
    b. Modifying contracting policies to increase the threshold for Council approval of contracts,
    c. Streamlining and automating the agenda memo process,
    d. Eliminating steps in the contract routing process for contracts using the standardized contract form and standardized insurance coverage
    e. Engaging a consultant to do an in-depth review of the City's insurance and indemnification requirements
    f. Enhancing training and education of contracting departments.

Section 5: Budget Proposal Description

This proposal is for funding the Purchasing and Contracting Services Division, including salary and benefits for 10 staff people (one of whom is funded by the eCity Gov Alliance, not the General Fund.) The Other category of this request includes expenses associated with maintaining current equipment, travel/training expenses, legal notices, association membership dues and fees to enable use of Washington State Purchasing contracts.

Services provided under this proposal are at a reduced service level from present and include:

- Developing and monitoring City policies, procedures and processes relating to procurement.

- Facilitating and coordinating competitive solicitations for contracts, purchase agreements and purchase orders valued at $5,000 or greater with a reduction in the capacity to negotiate purchase agreements by at least 25% because of reduced resources.
- Overseeing the development of contracts, purchase orders in excess of $5,000, solicitations, and City standards.
- Promoting positive and effective vendor relations as time permits.
- Informing, educating, and performing outreach to our internal and external customers.
- Reducing City risk and liability.
- Providing Help Desk type support for the Shared Procurement Portal application of the eCity Gov Alliance.
- Disposal of City surplus items using least cost alternatives.
- Developing, facilitating, collaborating and participating in Citywide initiatives.
- Providing administrative support on an as needed basis for the Finance Director's office.

Section 6: Mandates and Contractual Agreements

The City's procurement processes are governed by federal, state, and local laws, policies and procedures including: RCW 35.22, 39.04, 39.10, and 39.80; WA State Title VI; and Bellevue City Code chapters 4.28 and 4.32. With respect to grant funding agreements, solicitation processes, procurements, and contracts are reviewed for compliance with all federal solicitation requirements and mandates of WA State Title VI of the Civil Rights Act of 1964. All processes are subject to the annual audit performed by the WA State Auditor's Offices.

Section 7: Proposal Justification/Evidence

A. Factors/Purchasing strategies addressed by this proposal – for the PRIMARY outcome:

Responsive Government

Community Connections: *Engage the Community, increase opportunities for the community to understand and have access to the City, and gauge the satisfaction of services by:*

- Performing outreach to the business community to promote trust, accountability and credibility;
- Training the business community to increase awareness and understanding of City procurement processes;
- Conducting an annual survey of our business customers to gauge satisfaction.

Optimize transparency and openness of the process:

- Utilizing the SPP promotes openness and transparency to over 1,500 vendors;
- Planning for future enhancements to the SPP that increase transparency in the solicitation process;
- Publicly open formal bids.

Strategic Leadership: *Identify and foster cross-jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost by:*

- Participating and leading the Shared Procurement Portal team which fosters regional leadership;
- Creating partnerships and collaboration with other governmental agencies;
- Reducing redundancy by aligning services of 23 participating agencies; and
- Improving service delivery by reducing redundant processes and reducing costs of providing services.

Engaged Workforce: *Invest in continuous employee development and training by:*

- Providing training to City staff on procurement laws and processes.

Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service delivery by:

- Improving public and supplier confidence with a well-trained and knowledgeable work force resulting in a proper and ethical bidding environment.

Exceptional Service: *Ensure services are provided when needed and/or expected, and processes are timely and predictable by:*

- Providing a diverse "toolbox" of procurement options for City staff to utilize that streamline, simplify, and promote efficiencies;
- Implementing innovative and alternative methods for procuring construction, such as "Job Order Contracting";
  - Best Practices – The Job Order Contracting program is modeled after the City of Miami's program which was awarded the National Institute of Governmental Purchasing Best Practices in 2005.
- Seeking opportunities to utilize c Washington State contracts when possible.

Equip the organization with the information, tools, technology, and personnel to effectively respond to planned and unplanned events by:

- Preparing for the continuity of government in the event of an emergency or disaster by participating in the Emergency Operations Center (EOC).

***Stewards of the Public Trust** – Foster an organizational culture which contributes to every member knowing, practicing, monitoring, and rewarding ethical behavior by:*

- Educating staff and businesses on the City's fair and open policies and processes;
- Ensuring that all procurement information is easily accessible to the public;
- Responding to vendors inquiries, questions and public records request regarding process.

Manage public funds and assets in a responsible and fiscally sustainable manner:

- Ensuring that processes are in compliance with all applicable federal, state, and local laws and policies;
- Automating processes to promote transparency, encourage greater participation, and increase accountability in procurement.

Manage risk, minimize liability, and provide for accountability by:

- Recommending and reviewing insurance requirements to ensure the City is protected from risk and liability issues.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Economic Growth and Competitiveness:

***People and Partnerships -** Build upon, participate in, and leverage local, regional, state, federal, or international partnerships and relationships by:*

- Creating, participating, and leading regional Shared Procurement Portal team;
- Actively participating in professional procurement organizations.

Outreach to, and/or develop partnerships with businesses, business association by:

- Performing training and outreach to business community to foster relationships and build trust;
- Encouraging OWMDBE and small businesses to participate in City solicitations;
- Attending workshops, participating in trade shows, advertising in minority news.

Maximize collaboration with other appropriate entities to eliminate duplication and increase efficiency by:

- Collaborating with SPP agencies to develop automated processes that align common services;
- Participating in the following Citywide initiatives: Environmental Stewardship Initiative (ESI); Contract Process Review Task Force (CPRTF); Shared Project Manager Pool – Pilot Program.

C. Short- and long-term benefits of this proposal:

Short-term: Solicitations are performed; pricing is competitive; procurement is efficient; programs and projects are delivered on time and efficiently to the public; communication and interactions between City staff and the business community are informative, courteous and professional. FTE reductions contained in this proposal will result in these benefits being accomplished to a lesser extent than in the past and will result in reduced internal controls to prevent fraud, misuse and waste.

Long-term: Our competitive processes are open, fair, and transparent, which in turn results in increased supplier confidence, greater competition and better pricing; procurement processes transparent to the public.

D. Performance metrics/benchmarks and targets for this proposal:

	2009 Actual	2010 Target	2011 Target
% of applicants who feel informed of City solicitation opportunities	42%	50%	55%
% of City staff who are very satisfied/satisfied with the Division services	81%	85%	89%
% of requisitions processed within 2 days of receipt in Purchasing	95%	0%	0%
% of requisitions processed within 4 days of receipt in Purchasing	---	95%	95%

E. Describe why the level of service being proposed is the appropriate level:

The further reduced level of funding included in this alternate proposal will have a **negative impact on our customers** in the following ways:

- Transfer of responsibility and workload for purchases of less than $5,000 to departmental staff. This will reduce the City's ability to achieve the most competitive pricing for these purchases. This may also compromise the City's ability to comply with state regulations which in turn may affect the City's bond rating and ability to obtain grant funding in the future.
- Increased turnaround time for purchase orders handled by Purchasing from 2 days to 4 days.
- Reduction in time available to negotiate and obtain the most competitive pricing.
- Reduction in revenue resulting from the sale of surplus goods by approximately $20,000 per annum.
- Value added customer services will be eliminated.

Section 8: Provide Description of Supporting Revenue

- Surplus Disposal: Purchasing is responsible for the disposal of surplus via the least cost alternative.-
  Anticipated Revenues: 2011 = $186,000 2012 = $188,914 (offset to both MERF and GF)
- eCityGov - SPP has 1-FTE administrative position offset by subscriber fees collected by eCityGov Alliance. Finance is reimbursed quarterly for this expense.
  Revenues: 2011 = $81,895 2012 = $86,600

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Not funding this proposal would result in elimination of processes that currently enable us to safeguard public resources and verify compliance with laws and policies.
2. Customer Impact:
   External- Businesses: The predictability and consistency that suppliers and contractors have come to rely upon would no longer exist.
   Internal- City: Solicitation processes would be handled by City staff who may not have the skills or knowledge about laws and policies to effectively perform these duties.
3. Investment/Costs already incurred: N/A
4. Other: A lack of confidence in the City's procurement process would result in reduced competition and increased pricing.

B. Consequence of funding at a lower level:

Further reductions in staffing would impact the number of solicitations processed, delay contract routing, transfer procurement of goods and services to the departments, eliminate the ability to provide assistance with competitive price quotes and impact the oversight provided to the purchasing and contracting work at the City. As a result, the likelihood of overlooking critical compliance issues is high which could result in findings issued by the State Auditor's Office. (According to a recent Seattle Times article, The Seattle School Board was cited by the State Auditor for compliance issues related to purchasing and expense credit cards. These findings negatively impact the organization's bond rating and the ability to obtain grant funding.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Financial Accountability & Reporting		**Proposal Number:** 060.18NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Diane Ijiomah, x4060		**One-Time/On-Going:** On-going
Fund: 0100 – General Fund	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides fiscal oversight to the City of Bellevue through the preparation and submission of mandatory financial reporting to the State Auditor's Office, the State Department of Revenue, and federal agencies requiring special reporting. It provides for adherence to best practices through preparation of a Comprehensive Annual Financial Report (CAFR) and the use of internal audits. Acceptance of this proposal ensures compliance with State Law and Generally Accepted Accounting Principles and minimizes the City's risks for potential liabilities and misappropriation of assets. This proposal enables the City to provide for accountability, a key element of stewards of the public trust.

Section 3: Required Resources:

Expenditure	2011	2012
Personnel	$475,017	$500,033
Other	146,550	149,333
	$621,567	$649,366
Revenue		
	$0	$0
LTE/FTE		
FTE	4.5	4.5
LTE	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal represents a 0.4 reduction of an FTE for the Finance Department, representing $16,011. This savings is being accomplished as a result of efficiency gains from the elimination of cash basis accounting and budgeting in 2008; improved financial system reporting; efficiencies in accounting processes through innovations; and the effective recruitment of staff. Also included are minor reductions of service to the Treasury Division and the annual volume of internal audits.

Section 5: Budget Proposal Description

This proposal provides resources of 1 Accounting Manager, 3 Senior Financial Analysts, and a 0.5 Senior Accounting Associate to support central accounting and reporting services for the City. Deliverables include:

- An Audited Comprehensive Annual Financial Report (CAFR) submitted to the Government Finance Officers Association (GFOA) for the Certificate of Excellence in Financial Reporting Award program (award received for 27 consecutive years). Readers of the CAFR include bond rating agencies, bond issuers, and grant award agencies who use this report to determine the City's Financial reliability, compliance with laws and accounting principles.

- Submission of all State Schedules and Basic Section of the CAFR to the State Auditor's Office as required.
- State Auditor's Office annual audit and Opinion Letter for the CAFR on the City's compliance with Generally Accepted Accounting Principles (GAAP) and the accuracy of our financial report.
- State tax return filing and unclaimed property reporting for the City in compliance with State law.
- Centralized support for financial documentation and reporting in the event of regional or state emergencies where the City has applied for FEMA reimbursement.
- Mandated federal grant status reports for various departments' grants.
- Data and process integrity for the City's financial system and chart of accounts as prescribed by the State Auditor's Office.
- Collaborative teamwork between Department fiscal staff to ensure integrity of financial processes throughout the organization and support of Treasury Division for improved internal controls.
- Internal audits of specific financial activities or systems to identify process efficiencies and minimize risk and liability.

Section 6: Mandates and Contractual Agreements

- RCW 43.09 authorizes the State Auditor's Office (SAO) to prescribe GAAP (includes Basic Section of CAFR and State Schedules) and mandates their performance of an annual audit of the City's financial records.
- RCW 82 addresses State tax reporting and RCW 63.29 regulates unclaimed property reporting.
- Federal Grant and Disaster Recovery financial recordkeeping mandated by Federal Office of Management and Budget (OMB) Circular A-133; A-87; the Stafford Act (93-288); and ARRA Section 1512.

Section 7: Proposal Justification (may use charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal (including evidence) - for the PRIMARY outcome:

Stewards of the Public Trust*:* Financial Accountability and Reporting is a key element of stewardship of the Public Trust. The creation of strong financial processes and systems to ensure compliance with GAAP, state and federal requirements, and the oversight of those via independent audit provide assurance to the Public of that stewardship. This proposal specifically addresses the following purchasing strategies:

- *Manage public funds and assets in a responsible and fiscally sustainable manner* through reporting, audit, and financial systems.
- *Manage risk, minimize liability, and provide for accountability* through internal audits and independent audits.
- *Acquire, develop, and maintain publicly-owned assets that support high performing government* through the maintenance, and enhancement (as made available in upgrade versions) of the City's Financial Systems.

Exceptional Service: This proposal provides exceptional service internally to Departments and externally to Citizens. Departments are served through direct support and consistent processes. The public is served through the assurance of the Financial Stewardship described above. This proposal offers services based on GFOA best practices for internal review, oversight, and disaster recovery. It addresses the following purchasing strategies:

- *Ensure services are provided when needed and/or expected; and processes are timely and predictable*.
- *Equip the organization with the information, tools, technology, and personnel to effectively respond to planned and unplanned events or conditions*.
- *Enhance professionalism and responsiveness to calls for service*.

Community Connections: This proposal's primary connection to the public and community is through the publication of the City's CAFR which provides assurance of the reliability of financial reporting. This proposal utilizes GFOA best practice for web-accessible CAFR and responds to the following purchasing strategies:

- *Promote trust, accountability, and credibility with the community through fair and equitable processes*.

- *Increase opportunities for the community to understand its government and access City services, information, facilities, processes, and decision making.*
- *Optimize transparency and openness of the processes and results achieved from government actions*.

Engaged Workforce: The resources provided in this proposal provide expertise and assistance for departments to understand compliance requirements, improve methods of gathering and summarizing financial information, increase awareness of importance of strong internal controls of financial information and assets. Work with Business Systems to improve the financial system. These actions respond to the following purchasing strategies:

- *Invest in continuous employee development, training, wellness, and security.*
- *Encourage innovation in the workplace.*
- *Help employees understand how their jobs support the Community Vision.*
- *Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service delivery.*
- *Identify and implement strategies to reduce skill and service gaps and support employee growth and development*.

B. Factors/Purchasing strategies addressed by this proposal (including evidence) - for the OTHER outcome(s):
Citywide Purchasing Strategies: This proposal is benefitted by preceding years' investments in *innovation*, *collaboration, and implementation of best practices*. The implementation of JDE and associated process improvements has significantly reduced the workload associated with producing the City's CAFR and supported the reduction of one Accountant in 2007 and the reduction of 0.4 Senior Accounting Associate with this proposal.

C. Short- and Long-term Benefits of this proposal:
The State Audit provides:

- An independent review with further assurance in the reliability of the financial statement information.
- A level of assurance of compliance with the laws and policies applicable to the activity subject to the audit.
- A catalyst toward improved processes for the future where weaknesses have been identified.

The oversight of the City's financial system and activities:

- Provides reliable financial information for all users of the City's financial system through design of chart of accounts, general ledger (GL) integrity monitoring, and financial reporting.
- Lowers risk of penalty and interest costs associated with incomplete or untimely tax and unclaimed property reporting.
- Manages risks and minimizes liabilities by ensuring compliance with local, state, and federal regulations and monitoring internal controls.
- Maintain grant funding opportunities by ensuring compliance with grant regulations and achieving excellent audit results.
- Helps maintain high bond rating, lowers borrowing costs, and increases opportunity for higher yields on investments.
- Provides opportunities for efficiency gains through internal audits of financial processes and systems.

D. Performance Metrics/Benchmarks and targets for this proposal:

- Audit Letter - Unqualified Audit Opinion Certificate of Excellence in Financial Reporting
- Internal Audit Reports – 3, plus follow up, completed by December 31
- Management Letter Items or Findings – minimal to none
- Close GL month end by 10th of month
- Complete CAFR by June 30

E. Describe why the level of service being proposed is the appropriate level: The Accounting Division has worked hard to streamline processes, reduce redundancy, and identify those functions that are most appropriate for centralized service. Most functions performed are mandated by State Law or GAAP. Internal audits are a Best Practice recommended by the GFOA. In 2011, Accounting will team with the Budget Office and fiscal staff in the City to identify any redundancies or opportunities for efficiency.

Section 8: Provide a Description of Supporting Revenue

- Admin costs for FEMA add 1% to the base which FEMA uses to calculate their 75% reimbursement.
- We receive $2 million to $5 million in federal grants annually, which will be in jeopardy if we receive significant negative audit results.
- High Bond ratings lower the cost of borrowing and provide opportunity for higher yields on investments.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal:
   - By not preparing financial statements and state schedules , the City will be non-compliant with state and federal laws and GAAP, resulting in findings on audit reports and a negative (qualified) audit opinion.
   - RCW 43.09.280 authorizes the State Treasurer to deduct State Audit costs from our portion of collected taxes if left unpaid.
   - Penalties and interest on tax liabilities for non-filing of tax returns -Violation of RCW 82.
   - Potential for individual fines (CMO, Council members) as a result of non-compliance with RCWs.
2. Customer Impact (internal):
   - General ledger and chart of accounts not maintained resulting in loss of integrity.
   - No accounting expertise and support for departments.
3. Investment/Costs already incurred: N/A
4. Other:
   - Reduction in Bond ratings leading to inability to obtain financing, or increasing our financing costs.
   - Department accreditation processes will be more arduous or at risk.
   - Without individuals to provide expertise and alternate FEMA applicant agent functions the City is at risk of denial of funding for non-compliance and a high risk of losing other grant funding.
   - The absence of monitoring and internal audits creates a higher risk for audit findings, ethical behavior issues and risks, and citations for Statement of Auditing Standard (SAS) 112 internal control weaknesses and financial reporting deficiencies.

B. Consequence of funding at a lower level:

- Risk of lack of integrity of financial information and negative audit results because remaining staff would not have capacity to monitor properly or conduct internal audits.
- Risk of losing federal grant funding opportunities and lower bond rating (and higher interest rates) due to negative audit results.
- Reduced capacity for system upgrades and enhancement design, testing and implementation participation and fewer opportunities for innovation and creativity for improving processes.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Financial Planning		**Proposal Number:** 060.19PN
Outcome Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Jan Penney, x5263/Rich Siegel		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): 060.19DN CIP Financial Management		

Section 2: Executive Summary

This proposal provides resources to plan for and produce a balanced biennial budget representing the City's vision and goals, and providing a plan for matching community needs to City resources. Planning includes long-range planning/modeling, value-added analysis, budgetary control and oversight. Financial planning provides for fiscal sustainability, policy analysis and recommendations, feedback to citizens and stakeholders, and performance measurement and management (see: Performance Management Function 060.02PN) that contribute to strategic leadership, public trust, and stewardship.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012	
Personnel	$833,516	$877,114	
Other	107,780	78,635	
	$941,296	$955,749	
Supporting Revenue			
	$0	$0	
LTE/FTE			
FTE	7.0	7.0	1.0 FTE has been cut
LTE	0.0	0.0	
Total Count	7.0	7.0	

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

A reduction of 1.0 FTE is reflected above; one Sr. Budget Analyst position that has been vacant for over a year has been eliminated. M&O savings totaling $10,000 have also been identified. The resources in this proposal collaborate closely with Fiscal Staff and leadership in other Departments to achieve the proposed results.

In 2011, the Finance Department will be conducting a comprehensive review of the Financial Planning function along with the Financial Reporting and Accountability and Department fiscal functions to identify opportunities for greater collaboration and elimination of unnecessary redundancies.

Section 5: Budget Proposal Description

The proposal provides for the development and presentation of a balanced budget for adoption per State law. The budget serves as a planning document by identifying community needs, city resources and a plan to match resources to needs. The budget is also an operations guide and explains how the plan will be carried out as well as an important communication tool describing city policies, operations, and fiscal planning to the community.

The City's new budget process is developed through collaboration with staff throughout the organization to develop CIP & Operating budgets focused on outcomes rather than departments to achieve the results the community values most. The resources in this proposal are responsible for executing and supporting the budget process and preparing all support materials necessary to develop the budget, including schedule, creating instruction manuals, facilitating meetings, providing information, support, analysis, and financial consultation related to preparing the City's budget.

This proposal also includes oversight and administration of the City's adopted budget (CIP & Operating) and Comprehensive Financial Policies, provides financial analysis support for department, citywide, and/or regional initiatives and projects. Staff monitors revenues and expenditures and recommends course corrections and ensures compliance with approved FTE levels. Financial Analyst projects include long range planning, feasibility analysis, budgetary forecasting, policy analysis and interpretation. Some examples include CIP Financing, NORCOM, municipal court, regional jail, and BCCA.

Section 6: Mandates and Contractual Agreements

The Budget Office fulfills the requirements of Washington State Law and the State Auditor's Office: RCW 35.33.020, 35.33.051, 35.33.075 and 35A.34 address requirements of the preliminary and adopted budgets, procedures for budget amendment, quarterly monitoring reports to Council, and budgeting for non-operating/special funds. The Council adopts the City's Comprehensive Financial Policy which contains all of the City's financial policies and the Budget Office is responsible for implementing these policies.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Financial planning supports ***Strategic Leadership*** by providing timely financial analysis, alternative options, and analysis of financial impact to City and citizens and improves stakeholder decision-making; ensures best use of resources through evaluation, long-term financial planning and monitoring supporting departments to:

- Help the city *realize the Community Vision; and*
- *Foster cross department and jurisdictional partnerships*

Supports ***Exceptional Service*** by *equipping the organization with the information to effectively respond to planned and unplanned events or conditions* (emerging service needs, economic climate, etc.) by providing assistance to departments on budget and policy matters.

The Financial Planning proposal provides *Stewardship of the Public Trust* by providing:

- *Manage public funds and assets in a responsible and fiscally sustainable manner* ; provide Financial sustainability through planning; Ensure results, measurement, accountability through monitoring;
- *Management of risk and minimize liability* through accurate and comprehensive analysis; Ensure adherence to financial policies and legal mandates (list mandates) as evidenced by:
    - Maintaining bond rating by ensuring that laws are adhered to and adequate reserves are maintained;
    - Earning annual GFOA Budget Award to gain credibility and trust with the public;
    - Maintaining tax rates that are lower that other cities' rates to maintain Economic Competitiveness and sustainability;
    - Implement best practices and guidelines of various organizations (General Finance Officers Association, Municipal Research and Services Center of Washington, National Advisory Council on State and Local Budgeting, Association of Washington Cities).

Community Connections: this proposal inc*reases the communities understanding of government and helps create a strong nexus between services and service delivery and the community priorities* by providing:

- *Engaging the community* with all-way communication (budget is public document that communicates with stakeholders, surveys);
- Equitable and inclusive processes (interdepartmental committees, public hearings, surveys);
- Accessibility (public budget hearings, Council presentations, budget surveys, budget documents on city's website);
- Transparency (public budget hearings, budget surveys, Council presentations, budget documents on city's website).

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

The following **Citywide purchasing strategies** are also addressed:

- *Provide best* value in meeting community needs through strategic planning and execution;
- *Provide for cost savings and ensure that services are "right-sized"* through review/approve budget requests, evaluate position requests);
- *Leverage collaboration with other departments*; Collaborate with Departments to identify and evaluate budget issues;
- *Consider best practices* (routine collaboration with GFOA/WFOA, ICMA, Baldrige, audit reports, MSRC and talk with other cities to see how similar challenges were addressed);
- *Consider short- and long-term financial impacts* (perform multi-year forecasting);
- *Ensure sound management of resources and business practices (*via sound budgeting practices, appropriate oversight and analytical support).

Economic Growth and Competitiveness is supported by the Budget Office analysis of economic factors, trends, and long-range forecasting which contribute to the development of financial policies that have earned Bellevue a reputation as a well-managed City. The City is also nationally recognized as a leader in performance management which enhances Bellevue's image as a leader in municipal governments. This can help assure businesses that Bellevue is a well managed and efficient city adding to the image and brand that is "Bellevue". The Budget Office also analyzes and compares the City's tax rates to other regional cities in order to ensure that Bellevue maintains more favorable rates than other cities to retain its economic competitiveness.

The following **Citywide purchasing strategies** are also addressed:

- Provide best value in meeting community needs (through strategic planning and execution);
- Provide for cost savings and ensure that services are "right-sized" (review/approve budget requests, evaluate position requests);
- Leverage collaboration with other departments (identify and engage other departments impacted by budget issues);
- Consider best practices (routine collaboration with GFOA/WFOA, ICMA, Baldrige, audit reports, MSRC and talk with other cities to see how similar challenges were addressed);
- Consider short- and long-term financial impacts (perform multi-year forecasting);
- Ensure sound management of resources and business practices (via sound budgeting practices, appropriate oversight and analytical support).

C. Short- and long-term benefits of this proposal:

Short term: Produces a balanced budget that is required by law; ability to identify broad citywide options to address short term fiscal issues.

Long term: The City needs thorough financial analysis (forecasting and modeling) in order to provide sustainable services and long-range planning; decision support systems are created that support strategic planning and decision making and help the City to accomplish its long term vision.

D. Performance metrics/benchmarks and targets for this proposal:

- Maintain Aaa bond rating
- % of Year-end expense variance from 2nd qtr report
- % of Year-end revenue variance from 2nd qtr report
- GFOA Distinguished Budget Award

E. Describe why the level of service being proposed is the appropriate level:

- Increasing number of and complexity of projects
- Providing timely financial information to City leadership, Council and staff, particularly during tough economic times, is crucial. It supports proactive decision making and mitigates the potential for unplanned service reductions.
- Current economic situation demands greater analysis and planning in order to respond to financial crises in the most effective way.

Section 8: Provide a Description of Supporting Revenue

None

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: State law requires the adoption of a budget, the maintenance of the proper appropriations and quarterly monitoring reports.
2. Customer Impact: Leadership and Council would not have benefit of timely financial analyses; staff would have to stop providing other services in order to develop the budget, prepare Council agenda items, and perform research and analysis projects; department staff would have to assume additional responsibilities. Decision making would be adversely impacted due to lack of availability of accurate, timely and broad perspective information.
3. Investment/Costs already incurred: n/a
4. Other: Work would be distributed to departments where a citywide perspective, collaboration, and independent perspective is less likely.

B. Consequence of funding at a lower level:

Delay in response to Council, reduced ability to perform Financial research projects impacting the timing and potential accuracy of response. Department staff time would be required to address some concerns of Council and City leadership, fewer projects would be completed, increased staff stress and burnout.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Debt Management Services		**Proposal Number:** 060.20NN
Outcome: Reserves		**Proposal Type:** Existing Service
Staff Contact: Zemed Yitref, x6101		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides resources to support fiscal oversight, administration, and debt service of the City's $200 million debt portfolio in a prudent and cost-effective manner, including cash flow reserves for LID Guaranty, LID Control, and Interest and Debt Redemption Funds. These services are crucial to maintaining the public trust and financial integrity of the City.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012	
Personnel	$54,251	$57,065	= $122,565 in Responsive Government
M & O	$5,662	$5,587	
Total General Fund	$59,913	$62,652	These costs are supported by unrestricted General Taxes
Debt Service	12,869,724	13,220,912	
Reserve Balance	701,027	691,929	Reserve Balances are held until debt is retired (fully paid)
Total Debt Service	$13,570,751	$13,912,841	
Total Debt Mgmt	13,630,664	13,975,493	
Supporting Revenue for Debt Service			
BFB	$913,239	$965,622	
Supporting Revenue	$11,644,631	$11,923,639	Hotel/Motel taxes, Moorage Fees & transfers from the CIP
Total	12,557,870	12,889,261	
LTE/FTE			
FTE	0.4	0.4	0.4 FTE (Debt Mgr) (0.10 FTE of Treasury Mgr time reported on Investment Proposal is spent on Debt Management)
LTE	0.0	0.0	
Total Count	0.4	0.4	

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost Savings are $15,000 for 2011 and 2012

Cost Savings: Finance staff estimates cost savings of $15,000 for 2011 and 2012 from the Debt Manager ("the Manager") performing high level professional work (strategic financial planning and due diligence tasks) that is normally outsourced to the City's Financial Advisors and Bond Counsel. This will be accomplished by freeing up approximately 5% of the Manager's time currently spent on administrative tasks. For example, when the City issued its 2009 $30 million LTGO bonds (line of credit), the Manager performed most of the coordination, review and financial analysis resulting in cost savings of approximately $5,000 (Financial Advisor fees avoided).

Partnerships/Collaboration: The City partners with the State of Washington Treasurer's Office to contract Fiscal Agent services. The City has achieved approximately $6,000 annual cost savings by entering a multi-year contract with the current Fiscal Agent under the umbrella of the State contract.

Section 5: Budget Proposal Description

A. ***General debt management:*** Finance staff administers the City's estimated $200 million debt portfolio. This administration assures timely access to capital markets, low-cost financing to the City's capital program, and provides expertise in short- and long- term financial strategy for funding capital projects.

B. ***Debt financing:*** Based on the City's CIP program, Finance staff evaluates financing structures available in the market for debt financing in collaboration with the Budget Office and borrowing departments. They administer the City's $30 million revolving line of credit, and regularly review and monitor the City's debt portfolio for cost-saving opportunities including refinancing options.

C. ***Local Improvement District (LID) administration:*** LID involves an improvement (e. g., NE 4th Street improvement project LID# 277) where all benefited properties are assessed taxes to pay the construction cost. The cost of the projects is first financed by issuing LID bonds and the principal and interest on the debt will be paid from assessment tax collections throughout the life of the bonds. Finance staff oversees the LID contract (billing, collection, reporting and delinquency management functions outsourced), monitors LID assessment revenue collections, calculates LID debt pay-off amounts and arranges bond calls/ redemptions. They perform an annual review and transfer excess funds from the LID Guaranty Fund to the General Fund.

D. ***Ongoing Due Diligence for Debt:*** Finance staff complies with SEC rules for the City's bond issues related to ongoing disclosures, and assures Debt Service Funds' reserves comply with arbitrage rules. They ensure compliance with all bond covenants.

E. ***Liaison to Bond Counsel and Contract Administration:*** Finance staff reviews bond ordinances/resolutions, prepares agenda memos, and assists in interpreting non-tax exempt debt and arbitrage. They prepare the Request For Proposal (RFP), select a vendor, and monitor the Bond Counsel contract.

F. ***Liaison to Financial Advisor and Contract Administration:*** Finance staff coordinates debt issuance and refinancing transactions; develops components of Official Statements (financial, legal) for bond sales; and prepares the RFP, selects a vendor, and monitors the contract.

G. ***Fiscal Agent/Arbitrage Compliance contract and Interfund Loan Administration:*** Finance staff confirms semi-annual principal and interest payments and provides notification of LID bond calls to the Fiscal Agent. They provide annual expenditure and interest income data for active bonds, reviews and approves 5th year anniversary arbitrage/yield restriction computations provided by the outside vendor. They also coordinate the internal interfund loan process.

H. ***Reserves:*** This proposal consolidates Debt reserves reflected in draft reserve proposals 060.80.NAand 060.82NA to reflect all mandated debt service and reserves and management costs in a single proposal (see attachment).

Section 6: Mandates and Contractual Agreements

Please refer to Section 7 "Proposal Justification/Evidence".

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Citywide Purchasing Strategies:

- ***Provide the best value in meeting community needs***: The City's Financial Advisors and Bond Counsel are selected every four years through a fair, transparent, and equitable process.
- ***Provide for gains in cost savings and ensure that services are "right sized"***: Most tasks are performed with only 0.50 FTE and inexpensive operating costs.

- ***Leverage collaboration or partnerships with external organizations***: The City partners with the State of Washington Treasurer's Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.
- ***Consider best practices***: This function is guided by GFOA's best practices for debt management.
- ***Ensure sound management of resources***: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's Aaa bond rating.

Purchasing Strategies for Responsive Government:

- ***Stewards of the Public Trust***: 1) *manage public funds in a responsible manner, and 2) manage risk, minimize liability, and provide for accountability.*
  The methods applied by the Manager to accomplish this are mandated:
  - Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
  - State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
  - RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).
- ***Strategic leadership***: *1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.*
  - The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

C. Short- and long-term benefits of this proposal:

The City of Bellevue's current Aaa credit rating has allowed inexpensive financing costs. Examples are below:

Comparable Investor Yields			
City of Bellevue Bond issues	**City of Bellevue Rate**	**Estimated AA City Rate**	**Estimated A City Rate**
2008 LTGO (Supplemental CIP) Bonds	3.91%	4.20%	4.60%
2008 LTGO Bond Anticipation Notes (Line of Credit)	1.88%	2.08%	2.48%
2009 LTGO Bond Anticipation Notes (Line of Credit)	1.65%	1.90%	2.30%

D. Performance metrics/benchmarks and targets for this proposal:

- City's Bond Rating (Moody's) = Aaa. The City has maintained this rating since 1998. Target = Aaa.
- City's Net Outstanding Limited Tax General Obligation (LTGO) Debt Per Capita. 2009 = $1,550. Target = $1,500.
- City's Annual Debt Service as % of Total General Fund Revenues. 2009 = 8.37%. Target = 8.50%.

E. Describe why the level of service being proposed is the appropriate level:

Most of the debt functions are mandated by Statute and Bellevue City Code, and is in compliance with the Debt Policy adopted by Council as part of the Biennial Budget. These functions are supported by 0.5 FTE or ($69,000) which is significantly lower than what the City's Financial Advisors and Bond Counsel would charge for performing similar tasks. The current average hourly rates of our Financial Advisor and Bond Counsel are $220 and $340 respectively.

Section 8: Provide a Description of Supporting Revenue

This proposal is supported by General Fund Revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal:
   - Potential loss of the tax-exempt status of City bonds.
   - Potential litigation from bondholders for negligence on fiduciary obligations.
2. Customer Impact:
   - Capital programs could suffer without adequate financing.
   - Dissatisfied LID customers.
   - Potential loss of the City's Aaa rating – the City and stakeholders will suffer through higher financing costs.
3. Investment/Costs already incurred:

   The City has invested approximately 20 years of training the current Manager.
4. Other: N/A

B. Consequence of funding at a lower level:

It is prudent and cost effective to maintain the current funding level. The growth in Bellevue in the last five years requires significant infrastructure capital projects that will be partially financed through the issuance of short- and long-term debt. The current and future workload related to debt administration justify maintaining the current funding level. The alternative is to utilize the City's Financial Advisors and Bond Counsel at a significantly higher hourly rate.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Performance Management Function		**Proposal Number:** 060.21PN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Rich Siegel, rcsiegel@bellevuewa.gov, x7114		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): 060.21D1 Performance Management System		

Section 2: Executive Summary

Performance Management is crucial to the implementation of Budgeting for Outcomes (BFO) and continuation of Bellevue's nationally recognized Performance Management Program. Are we making a difference? Are intended results taking place? If we don't measure, how do we know? The City's strong Performance Management Program helps the City answer these and other questions related to organizational performance.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012	
Personnel	$216,355	$227,705	
Other	49,868	85,672	Increase in 2012 is for additional survey
	$266,223	$313,377	
Supporting Revenue			
	$0	$0	
LTE/FTE			
FTE	2.0	2.0	1 Performance Management Coordinator, 1 Senior Budget Analyst
LTE	0.0	0.0	
Total Count	2.0	2.0	

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Key collaborators are City departments and their staff. Budget Office staff will continue to work with them to improve performance metrics, and identify new metrics that better track program performance and progress in achieving their outcomes. We will help to identify alternative or enhanced service delivery mechanisms in collaboration with One City (Improvement & Assessment sub-team) and the change management efforts of the Organizational Consultant. In partnership with the Office of Economic Development, we will begin to query non-resident stakeholders (business owners and their employees) using survey methodology designed to gather valid opinions relating to the City. Internet surveying may be used in conjunction with other scientific approaches to reaching target audiences.

Cost savings are not directly quantifiable in this proposal, but we believe that our collaborative work with departments will lead to discussions on effectiveness and efficiencies which may lead to savings. We may also leverage the Lean Six Sigma capacities of One City.

Our association with the National Center for Civic Innovation, International City and County Management Association (ICMA), the Puget Sound Performance Consortium, the Alliance for Innovation and other national

organizations will help to identify cutting edge "best practices" that can produce dividends for the City. Also, the involvement with the ICMA project is integral to our benchmarking and comparative cities project that compares operational programs in Bellevue to those in other cities on an "on par" basis. This is key to our advancement as a higher performance city and future recognition by the Baldrige National Quality Program. Over the years, our association with the above programs and organizations has enhanced Bellevue's image as a leader and innovator in performance management, and has resulted in numerous awards to the City.

Section 5: Budget Proposal Description

Our work is to bring data to the table to support decision-making, conduct analyses and reviews, write reports, and give advice to the organization regarding performance management. In summary, surveying stakeholders, working with departments in a systemic way to develop and assess performance metrics, conducting analyses, dialogue and feedback related to outcomes and achievement of departmental goals, and public reporting and feedback support a result focused on a high performing government and improved community conditions.

This program is a continuous and cyclical quality improvement model focusing on results that incorporate (1) strategic planning, (2) budgeting, (3) management, evaluation and learning, and (4) reporting.

In practice, performance management will help officials and managers acquire accurate, timely, and relevant information for decision making and grow the skills and knowledge needed to incorporate measurement techniques in their day-to-day operations and to analyze and understand results so that Bellevue can continuously improve services.

Performance management has helped the City in the following areas and will continue to do so:

- Understand public needs;
- Help to identify and implement programs and services that will meet those needs;
- Help to assure that policies, strategies, and services are in alignment;
- Collect and analyze performance information;
- Apply information to continuously improve results and become more efficient;
- Use good data to inform and illuminate decisions;
- Support accountability, both within the organization and to the public;
- Provide understandable information on performance to the public; and
- Encourage citizens to provide feedback and get involved in the government's decision-making processes.

Section 6: Mandates and Contractual Agreements None.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

The National Performance Management Advisory Commission (NPMAC), the Baldrige National Quality Program, the ICMA, the Government Finance Officers Association (GFOA), Association for Government Accountants (AGA), Bellevue's One City HPO Initiative, as well as other major organizations recommend evidenced-based decision making, continuous organizational learning, and a focus on outcomes and accountability. Measurement is at the heart of Budgeting for Outcomes. Indeed, the following opportunities for improvement from the 2008 Baldrige Feedback Report underscore the need for a comprehensive Citywide performance management program:

Under Strategy Deployment: A systematic approach to ensuring that outcomes are achieved and sustained is necessary. COB may have difficulty improving its provision of cost effective public service in the absence of a systemic process, which is key to its organizational culture.

Under Measurement, Analysis, and Improvement of Organizational Performance:

- A process to ensure the effective use of key comparative data and information to support operational and strategic decision making and innovation is required for Bellevue to fulfill its Vision.
- It is unclear how performance measurement processes are deployed throughout the organization and systematically improved.
- It is not clear that COB has a systematic approach for translating organizational performance review findings into priorities for continuous and breakthrough improvement and innovation.

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal addresses all five of the purchasing strategies identified for the Responsive Government Outcome. Seven key principles of performance management recommended by the NAPAC and endorsed by Bellevue touch most, if not all, of the Responsive Government Purchasing Strategies:

1. A "results" focus permeates strategies, processes, and decisions. (**Strategic Leadership**)
2. Information, measures, goals, priorities, and activities are relevant to the government and the community. (**Community Connections, Exceptional Service**)
3. Information, decisions, and processes are transparent (easy to access and understand) by stakeholders. (**Community Connections, Stewards of the Public Trust**)
4. Goals, programs, activities, and resources are aligned with mission, priorities, and desired results. (**Strategic Leadership General Purchasing Strategies and all five Outcome-specific Purchasing Strategies)**
5. Decisions and processes are driven by timely, accurate, and pertinent data (**Stewards of the Public Trust**).
6. Processes are sustainable over time and across organizational changes (**Strategic Leadership**).
7. Performance management transforms the organization, its management, and the policymaking process (**Engaged Workforce, Exceptional Service; Stewards of the Public Trust**).

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Performance Management relates to ALL of the OTHER outcomes because it helps determine how we know progress is being made toward meeting outcomes.

C. Short- and long-term benefits of this proposal:

Performance management can help produce better results for the public. Performance management can help the City know what works and thus improve results and positively impact Bellevue's community condition. Evidence-based information can signal the need to modify strategies and actions to implement new solutions.

D. Performance metrics/benchmarks and targets for this proposal:

- Increase in % of employees who agree or strongly agree that their workgroup uses performance data to improve the quality of their work (Employee Survey).
- Year-to-year increase in key outcome, effectiveness, and efficiency measures meeting or exceeding annual targets.
- Continued recognition and certification by peers and national associations as a performance management leader.

- Progress in deploying performance measurement processes throughout the organization and systematically improved.

E. Describe why the level of service being proposed is the appropriate level:
The level of service is adequate to provide performance management leadership in an organization that already has a strong culture of performance.

Section 8: Provide a Description of Supporting Revenue

Generally, supporting revenue is not available. However, Bellevue receives in-kind support from national organizations who perceive Bellevue as an influential partner in promoting the use of performance management in local governments. For example, "A Report to our Citizens" was designed and 10,000 copies printed by the AGA at no cost to the city.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: None
2. Customer Impact: Bellevue would not know if it is making progress in its intended outcomes; would fail to gather statistically valid data from the public; would reduce its level of transparency by not publishing reports that meet national standards and guidelines, and may not employ evidence based information to make allocation decisions.
3. Investment/Costs already incurred: None
4. Other: Not funding the performance management service would run counter to the desired results from the Budgeting for Outcomes. Eliminating the support to review and analyze performance results in an objective way is contrary to the principles of High Performance Organizations and the Baldrige National Quality Program.

B. Consequence of funding at a lower level:
Funding this program at a lower level may necessitate elimination of statistically valid surveys, annual reports to citizens, and reduce or eliminate partnerships with entities that support benchmarking. This would significantly impact the effectiveness of this program and limit transparency and accountability.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Fire Facility Maintenance & Operations		**Proposal Number:** 070.07NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Mike Eisner, x6895		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This proposal provides for the routine maintenance and operating costs for Bellevue's nine fire stations and Public Safety Training Center. Fire facilities operate 24 hours a day, seven days a week. Over 200 firefighters are assigned to work out of these Fire facilities. Proactive maintenance of facilities is required to provide a safe working enviroment for personnel and to ensure that facilities remain operable to allow for the continuous provision of fire suppression and emergency medical services.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$ -	$ -
Other	$ 447,549	$ 459,208
	$ 447,549	$ 459,208
Supporting Revenue		
	$ 65,415	$ 65,005
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

As part of the 2011-2012 Budget Process, the fire department is submitting a collaborative budget proposal with Civic Services that, if approved, would transfer the responsibility for maintaining and renovating fire facilities to Civic Services. Civic Services currently has the responsibility to maintain and repair city facilities, including the City Hall Building, the Bellevue Service Center and other city facilities. The Fire Department feels it would be more efficient to utilize the Civic Service staff, expertise and existing contracts with various vendors to provide the same services for the fire facilities, than to continue to manage our facilities with a limited staff and dependence upon professional services contracts for project management.

This proposal also includes transferring the responsibility for all grounds management and maintenance functions for fire stations and the Public Safety Training Center to the Parks Department. Combining the fire station landscaping with other city facility landscape services will provide more efficient use of professional and technical expertise. This allows for a consolidation of landscape administration for City of Bellevue facilities.

On-going savings for this proposal will be realized in the General Fund as the Fire Department will be able to reduce staffing by one (1) FTE Battalion Chief in Fire Administration. Fire Department Management and Support is a separate proposal (Proposal # 070.05NB)

Section 5: Budget Proposal Description

The maintenance of all fire facilities is accomplished through a combination of daily activities performed by on-duty personnel, regular maintenance and repairs through the operating budget and on-going capital improvement projects for major repairs and renovations. These facilities must be kept in condition to operate continuously, including during an earthquake or other disasters to provide critical services to the community. This commitment requires a high degree of maintenance and care.

This program provides for the routine maintenance and operating costs for Bellevue's nine fire stations and Public Safety Training Center. Approximately fifty percent (50%) of program costs are utility services; electricity, natural gas, water, wastewater and storm water. Other functions provided for in this program include:

- Grounds management and maintenance;
- Janitorial services at the Public Safety Training Center;
- On-going monitoring and servicing of built-in fire protection systems;
- Pest control;
- Laundry services for rugs and work towels;
- Electrical, and plumbing repairs; and,
- Preventative maintenance and repair of facility systems and equipment including: HVAC systems, exhaust extrication systems, overhead doors, washer extractors, fitness equipment, catch basins, roofs, fitness equipment, lighting, and appliances.

All work is currently being coordinated by Fire administrative staff and provided by private contractors. As proposed, Civic Service and Parks staff will coordinate the work and some of the minor repairs to facilities may be performed by existing Civic Service employees.

Section 6: Mandates and Contractual Agreements

- Bellevue contracts with six municipalities and one fire district to provide Fire & Emergency Medical Services to their communities. As such, Bellevue Fire's extended service includes the communities of Beaux Arts, Clyde Hill, Medina, Hunts Point, Yarrow Point and Newcastle.
- Maintenance of fire department facilities and the corresponding operation of fire and EMS services at Fire Station 1, 4, 5 & 9 are a contractual provision contained in the Fire Protection Contracts with the communities of Medina, Yarrow Point, Beaux Arts, Clyde Hill, Hunts Point, King County Fire District 14, and the City of Newcastle.
- Chapter 296-305 Washington Administrative Code, Safety Standards for Firefighters outlines the basic requirements for fire station facilities.
- Washington State Department of Labor and Industries - Prevailing wage rate requirements for public works.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

Preventative maintenance is the cornerstone of good building and grounds management. Assets that are well maintained are less expensive to operate, cost less in the long-run to maintain, and retain their value.

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

- ***Response –*** A proactive and comprehensive program of preventive maintenance for fire department facilities that provides for a safe environment for all fire personnel and ensures that personnel are able to quickly and efficiently respond to emergencies.
- ***City-wide Purchasing Strategies*** - Consistent with adopted financial policies, maintaining the landscape at fire stations and the Public Safety Training Center is a priority for the City as a provision to protect the City's investment of these facilities. Combining the building maintenance and landscaping with other city facility services provides an efficient use of professional and technical expertise. This allows for further consolidation of landscape and building management for City of Bellevue facilities.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

- ***Healthy & Sustainable Environment*** – Whenever possible, the department seeks to promote environmental stewardship through increased efficiencies and/or the purchase of environmentally recommended products. Due to the age of our facilities, most of our facilities are currently in need of energy efficiency upgrades. The department is currently working with PSE to determine capital improvements required and potential savings for both electrical and natural gas consumption. In addition, a partnership with the Parks Department will provide expertise necessary for sound grounds management practices and increased water conservation.
- ***Responsive Government*** - Centralizing facilities and grounds management will lead to improved design and maintenance of the City's Public Safety Facilities; increased accountability and safety. In addition, this program seeks to manage public assets in a responsible and fiscally sustainable manner. Ultimately this provides for improved stewardship and public trust.
- ***Economic Growth & Competitiveness/Quality Neighborhoods*** – Providing for attractive, safe and clean facilities and landscapes enhances the City's visual character and helps to provide a sense of communty for surrounding neighborhoods.

C. **Short- and long-term benefits of this proposal:**

- More cost effective to maintain existing assets rather than replacing them.
- Consistent with the City's Comprehensive Financial Management Policy, Section XI. Capital Investment Program Plan Policies, I. Preserving Existing Capital Infrastructure before Building new Facilities.
- Recommended GFOA Best Practice, Capital Asset Assessment, Maintenance and Replacement Policy.
- Meets the expectations of Bellevue citizens and helps to provide a sense of communty for surrounding neighborhoods.

D. **Performance metrics/benchmarks and targets for this proposal:**

- Maintenance of existing facilities is a high City Council priority within the Capital Improvement Projects (CIP) budget.
- The new facility and grounds management structure will enable the Department to utilize MAXIMO to more easily track operating and maintenance cost by facility.

E. **Describe why the level of service being proposed is the appropriate level:**

- Personnel assigned to work out of Fire Stations perform critical emergency functions. Properly maintained facilities are essential to ensuring the continuous operations of fire suppression and emergency medical services. Interruptions of these critical functions are unacceptable. The current level of funding was determined through an evaluation of the conditions of the facilities and developing a proactive maintenance plan that provides for the safety of personnel assigned to work at these facilities.

- Proper scheduling of maintenance, repair and renovation projects protects the City's investment in their facilities and extends their useful life. This in turn relates to the Core Values of Stewardship, Commitment to Employees and Exceptional Public Service.
- The requested level of service adequately addresses safety and environmental stewardship issues and provides a level of aesthetics that citizens can be satisfied with, while demonstrating stewardship of taxpayer dollars.

Section 8: Provide a Description of Supporting Revenue

The fees paid by Fire Service contract customers include costs associated with facilities M & O. The contracts provide revenue for approximately 14% of the funds expended for this program.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. *Legal:*
   - If the City of Bellevue did not provide for preventive maintenance and repair of these essential fire department facilities, it may violate provisions of the Fire Services Contract with neighboring cities to provide fire department resources for fire suppression and EMS services from four of our nine fire stations located throughout the community.
   - Washington State regulations, as defined in WAC 296-305, *Safety Standards for Fire Fighters that* state and define requirements for fire station facilities.
2. *Customer Impact:* Decreased or elimination of preventative maintenance and repairs to fire department facilities will result in unsafe working conditions for firefighters, longer response times if any existing facility is temporarily or permanently closed for major repairs, and a lowering of property values for residences and businesses located near unsightly fire facilities.
3. *Investment/Costs already incurred*: The current replacement value for the ten fire department facilities is conservatively estimated at $72,000,000. Reduced maintenance at these facilities will reduce the value of City assets.
4. *Other:* Increased cost of future repairs/facility replacements.

B. Consequence of funding at a lower level:

Funding at a lower level would result in the deferment of routine maintenance and potential higher costs for major repairs and/or replacement of essential public safety facilities. Decreased funding would result in less attractive facilities and may increase liability exposure.

ATTACHMENTS: **Bellevue Fire Facilities Description**
GFOA Best Practice, Capital Asset Assessment, Maintenance and Replacement Policy

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Civic Services Support for Renovation of Public Safety Facilities Renovation		**Proposal Number:** 070.12DN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Mike Eisner/Frank Pinney, x6049		**One-Time/On-Going:** On-Going
Fund: Facilities Services	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): Dependent on Renovation of Public Safety Facilities proposal 070.12PN		

Section 2: Executive Summary

This project will provide Civic Services support for major repairs, renovations, and/or upgrades required at all Fire Stations and the Public Safety Training Center which are not of sufficient magnitude to warrant a separate capital investment project. The Fire Department has 10 facilities to maintain with unique and special requirements necessary to operate efficiently 24 hours a day, seven days a week. This is the only funding provided by the General Fund and General CIP for this activity.

Section 3: Required Resources

OPERATING		
Expenditure	**2011**	**2012**
Personnel	$167,354	$176,918
Other	$0	$0
	$167,354	$176,918
Supporting Revenue		
Operating transfer	$167,354	$176,918
LTE/FTE		
FTE	-	-
LTE	2.00	2.00
	2.00	2.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

As part of the 2011-2012 Budget process, the Fire Department is submitting a collaborative budget proposal with Civic Services that, if approved, would transfer the responsibility for maintaining and renovating Fire facilities to Civic Services. Civic Services currently has the responsibility to maintain and repair City facilities, including the City Hall, Bellevue Service Center (BSC), and other City facilities. It would be more efficient to utilize the Civic Service staff, expertise, and existing contracts with various vendors to provide the same services for Fire facilities.

Civic Services will use the funds that the Fire Department currently spends on contractors, consultants, and management staff in their CIP, along with money in their operating fund for utilities and minor repairs to operate and maintain the 10 fire facilities. The Fire Department currently uses two in-house staff and two or more consultants to manage their facilities. The overall proposal will eliminate one Fire FTE and two highly-paid

consultants. Using these savings, Civic Services proposes to hire two Limited-Term Employees (LTE) to staff the needs of the Fire Department on a 24 hours a day, seven days a week basis.
Civic Services has done extensive investigation and use of consultant and contractors to do some of Facilities work, especially to cover peak workloads. For short durations, this can be somewhat cost effective. However, long-term use of contractors and consultants is considerably more expensive than using in house staff, especially for everyday maintenance and operations work. In addition, the use of LTEs allows for a 2-year test period that gives the Fire Department time to evaluate the effectiveness of this proposal. If after two years, the Fire Department determines that the level of service or savings in operating costs are not what they expected, this proposal can be terminated.

This proposal may not save operating money in the beginning, but will allow for facility assessments, proactive maintenance and repair, and energy conservation projects which will ultimately result in operating and capital savings for the Fire Department and the City.

Section 5: Budget Proposal Description
See the parent proposal for Renovation of Public Safety Facilities.

Section 6: Mandates and Contractual Agreements
See the parent proposal for Renovation of Public Safety Facilities.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)
See the parent proposal for Renovation of Public Safety Facilities.

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:
See the parent proposal for Renovation of Public Safety Facilities.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
See the parent proposal for Renovation of Public Safety Facilities.

C. Short- and long-term benefits of this proposal:
See the parent proposal for Renovation of Public Safety Facilities. In addition, this proposal will allow Civic Services to provide better coverage for the 24-hour operations of City Hall and BSC, as well as Fire facilities by adding staff at no overall cost increase who can respond in emergencies.

D. Performance metrics/benchmarks and targets for this proposal:
Civic Services will implement facility audits and condition assessments for all Fire facilities. This will allow the development of major maintenance plans for each facility to plan for and schedule needed repairs. Civic Services will use a maintenance management software to track the actual costs for each facility and allow a cost per sq. ft. measurement for each facility. This cost per sq. ft. can be used as a benchmark against other facilities and help measure the success of this program.

It is the City's policy to ensure that adequate resources are allocated to preserve the City's existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This policy addresses the need to protect the City's historical investment in capital facilities and to avoid embarking on a facility enhancement program which, when coupled with the existing facilities requirements, the City cannot afford to adequately maintain.

In addition, Government Finance Officers Association (GFOA) best practices dictate that reserves be allocated to maintain facilities at an acceptable level to preserve the value of assets. See the attachments included in the parent proposal, Renovation of Public Safety Facilities.

E. Describe why the level of service being proposed is the appropriate level:
See the parent proposal for Renovation of Public Safety Facilities. At the time of the writing of this proposal, not all aspects of the service to the Fire Department have been worked out, including the actual need for LTEs. However, Civic Services manages nearly half a million square feet of space and is confident that the funds available will be adequate to provide the right level of service needed by the Fire Department in a cost effecting and strategic manner.

Section 8: Provide a Description of Supporting Revenue

The funds needed to support this proposal are already included in the Fire Department CIP and Fire operating funds. The management of the funds will remain within the control of the Fire Department. The allocation, prioritization, and completion of the work will be done by Civic Services. Funding for the project management support is included in the parent proposal 070.12PN, and will be funded thru an operating transfer from the CIP, should the parent proposal be approved.

Section 9: Consequences of Not Funding the Proposal

See the parent proposal for Renovation of Public Safety Facilities.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Health Benefits Operating Fund		**Proposal Number:** 080.01NA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Michelle Robinson		**One-Time/On-Going:** On-Going
Fund: General Fund for the Health Fund	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The health benefits fund provides medical, dental, vision, life /accidental death and dismemberment (AD&D)insurance, flexible spending arrangements (health and dependent care), and an employee assistance program for the purpose of attracting and retaining highly qualified employees. These programs are a major component in maintaining a strong total compensation program allowing the City to compete for the top candidates in the job market. Effective program administration and oversight are critical in providing competitive plans in a cost-effective manner.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$13,310,331	$14,546,472
Other	$5,907,767	$6,514,191
	$19,218,098	$21,060,663
Supporting Revenue		
	$19,051,638	$20,924,666
LTE/FTE		
FTE	1.00	1.00
LTE	0.8	0.8
Total Count	1.80	1.80

*includes citywide medical claims payments

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Staff continually explores opportunities to contain or save costs for the City that impact the health benefits fund. We work closely with our broker/consultant to determine best practices in the market place. For the 2011/2012 budget cycle, there are two areas of focus for cost savings:

- April 2010 successful negotiations with the life/AD&D insurance vendor led to a decrease in life rates by 50%, guaranteed through December 2013. This has resulted in an annual savings of $67,106 (or $134,212 for 2011/2012) for the City while maintaining the same benefit level to the employees.
- Effective January 1, 2011, the City is proposing changes to the self-insured medical plans, subject to acceptance by the unions. The goal is to offer a balanced combination of increased/new benefits along with benefit reductions that provide cost savings to the City while still providing employees a competitive plan without increasing employee premiums. The financial impact is expected to achieve annual cost savings of $380,000 (or $760,000 for 2011/2012). The three areas of focus are:
  1. Cost Containment based on actual City utilization.
  2. Streamline plan choices from eight to five.
  3. Modernize plan design to align with current medical plans in the market to attract more third party administrators to bid on our business and thus increase potential for lower administrative costs.

During future budget and union negotiations cycles:

- The City will continue to pursue cost containment measures that are common in the marketplace (deductibles, co-insurance, etc.) as well as explore ways to improve the health of employees.
- Due to recent federal health care reform legislation, there will be far reaching impacts on health care plans between 2010 and 2018 with the recent signing of the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Affordability Reconciliation Act of 2010. The majority of the cost impacts/changes will be effective in 2014. A conservative potential cost increase for the changes effective during the 2011 / 2012 budget cycle is $375,000.

Section 5: Budget Proposal Description

This proposal covers the following programs and services to approximately 1,265 benefited employees:

- *Health Care Benefits:* Medical, Dental and Vision
- *Welfare and Other Benefits*: Life/AD&D insurance, Flexible Spending Arrangements (Health and Dependent Care), and an Employee Assistance Program (EAP)
- *Wellness:* On-site flu shots, Weight Watchers at Work, fitness center equipment, on-site health screenings, and partial funding for firefighter fitness exams

Effective benefit program administration is critical to providing competitive plans in a cost-effective manner:

- *External Administration Services:* broker/consultant services, COBRA administration, and online benefit management/enrollment services
- *Internal Administrative Services* provided by staff:

1.0 FTE – HR Program Administrator (position 0674)

- Provides customer service to all benefited employees
- Monitors the financial performance of the health fund monthly, including claims experience reports
- Ensures compliance with all applicable State and Federal legislation, including health care reform, COBRA legislation, HIPAA, and all aspects of the Local Government Self-Insurance Program RCW 48.62.
- Serves as the Privacy Officer
- Provides vendor and contract management
- Plans and conducts annual open enrollment; prepares rates through financial modeling; designs materials for the benefit programs and communicates changes organizationally
- Assists with the development of benefit policies and proposed changes to programs

0.80 LTE - Human Resources Assistant

- Audits, reconciles and ensures timely payment of vendor invoices
- Oversees eligibility for new hires, changes for existing employees and terminating employees
- Assists with the implementation of health care reform scheduled to last between 2010 and 2018 as well as wellness activities.

Section 6: Mandates and Contractual Agreements

Fifty-one percent of City of Bellevue benefited employees are represented by labor unions. Existing labor agreements and certain binding practices for represented employees create legal commitments to provide certain health insurance benefit levels at contractually agreed to rates. These legal commitments must be fulfilled from the health benefit fund until the parties negotiate a change to these commitments or exhaust bargaining obligations as permitted by law under RCW 41.56 et. seq. For the City's uniformed personnel (fire/police), if the City fails to reach agreement in contract negotiations, the City may be required to submit unresolved issues to interest arbitration. Arbitration is a costly and time-consuming procedure. For uniformed service, City health policies are constrained by benefit levels of comparable agencies which would be used as a benchmark for an arbitration decision.

Beyond labor laws, if the City offers health insurance, it is obligated to comply with state and federal legislation covering both union and non-represented employees.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The primary outcome for the Health Benefits fund is Responsive Government. The programs that exist within the health benefits fund align with Factor 3 "Engaged Workforce", specifically the key sub-factor Recruitment and Retention. Health benefits are an integral part of any competitive total compensation package that draws a well qualified and diverse candidate pool. The goal of a competitive total compensation package is to attract and retain a highly skilled and professional workforce that can deliver high quality services to the community.

- In the 2010 MetLife 8th Annual Study of Employee Benefit Trends, it cites that benefit satisfaction plays a major role with job satisfaction, both as reasons for joining an employer (61%) as well as staying with an employer (69%). Benefits, especially health benefits, contribute to employee loyalty.
- The Segal Company found that government employees value benefits above pay (65% vs. 56%).
- The 2010 City of Bellevue Survey of Employee Engagement also supports this view, with Benefits scoring the highest of all categories surveyed.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

C. Short- and long-term benefits of this proposal:

Both the short and long-term benefits of this proposal are simply to attract and retain highly qualified employees by maintaining a strong total compensation program. This allows the city to compete for the top candidates in the job market. These qualified employees help meet the goals of an engaged workforce, one of the factors that contribute to the outcome of Responsive Government now and in the future.

D. Performance metrics/benchmarks and targets for this proposal:

- Scores from City of Bellevue employee surveys that reflect perceptions of Benefits
- Relation of annual cost trend of the City's self-insured health plans to the national trends
- Benchmarking the City of Bellevue's health plans to other local government employers

E. Describe why the level of service being proposed is the appropriate level:

Health fund expenses are comprised as follows:

- *Health Care Benefits:* Medical, Dental and Vision = 97%
- *All other expenses* = *3%*

The largest expense (approximately 77%) of the health benefit fund is the City's *self-insured* medical/prescription drug plan. When compared to other local governments, the City's plan does have a slightly higher level of coverage as there are currently no deductibles or co-insurance associated with the most common plan design. In contrast, the City charges employee's higher monthly payroll deductions for this coverage, as other government entities charge lower or no premiums for the coverage they offer.

The City will continue to pursue cost containment measures that are common in the marketplace during the next budget and union negotiation cycles, as well as explore ways to improve the health of employees. Health care reform requirements will be better known and integrated into future City proposed plan changes.

Section 8: Provide a Description of Supporting Revenue

City Contributions	= 78.1%
Employee contributions	= 12.7%
LEOFF 1 Interfund	= 7.7%
Other (COBRA, interest, etc)	= 1.5%

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: With respect to collective bargaining agreements, the common law of contracts requires the City to meet those contract obligations. If the City breaches the terms of the health insurance provisions of the contracts, union/employee challenge is likely with obvious legal consequences.
2. Customer Impact: The City would no longer be a competitive employer, as the total compensation package would not include health benefits. The City would have difficulty retaining current employees and attracting new employees because other employers do offer such health benefits.
3. Investment/Costs already incurred: The City would be obligated to meet the cancellation terms of the various vendor contracts in effect as well as fund the incurred, but not reported medical and prescription drug claims for the self-insured plan out of the reserve account.
4. Other: N/A

B. Consequence of funding at a lower level: Certain labor contracts permit plan design changes for cost containment purposes so long as it is consistent with non represented employees. However, absent contractually permitted plan modifications under collective bargaining agreements, the City is legally committed to maintaining the status quo with respect to health insurance plan design which represents the main area of possible cost containment other than premium reallocation. If the City wishes to change health insurance benefit levels or premium sharing, the City has an obligation to bargain the proposed change and either reach agreement with the union or impasse before the change can be implemented. Failure to meet these bargaining obligations could subject the City to an unfair labor practice complaint. For reference, the City currently has nine union contracts in effect. Each is bargained separately; the duration of each contract is between 2-3 years and have varying expiration periods.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Human Resources Administration		**Proposal Number:** 080.03NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Cathryn Laird, x6817		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This proposal provides strategic and proactive Human Resources support to the City's executive team by designing systems and developing policies for organizational effectiveness and employee satisfaction. This proposal also provides resources to support the gathering, maintaining, and distributing of employment data and documentation necessary for making informed decisions, employee investment choices, and staffing resource allocations for the short and long term. This support is core to the City's ability to manage and maintain a productive, consistent, cost effective, and legal relationship with employees, from time of hire to separation. The goal is to ensure sound management of employee resources and business practices in order for the City to provide the best value in meeting community needs.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$556,791	$585,768
Other	66,550	67,817
	$623,341	$653,585
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	4.0	4.0
LTE	0.0	0.0
Total Count	4.0	4.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

In 2010, HR Administration consists of two Executive Team (ET) managers and three Support Team (ST) employees. (The ET and ST functions are described in Section 5.) For 2011, the ET decided to eliminate a fourth vacant ST position, a.70 regular FTE HR Assistant. Additionally, HR has been asked to cut one filled 1.0 regular FTE. If HR was required to cut one filled position, the ET reluctantly offers to cut the Senior Office Assistant position. The annual personnel savings if both positions are eliminated will be:

2011 = $130,594 ($76,809 for the Senior Office Assistant and $53,785 for the HR Assistant)

2012 = $138,206 ($81,288 for the Senior Office Assistant and $56,918 for the HR Assistant)

It should be noted that in the original 080.03NN proposal, the cost savings was $40,693 for 2011 and $43,493 for 2012, as this was to eliminate only the vacant .70 HR Assistant. The reason the savings in the original proposal is less than the actual .70 FTE cost identified above is because the Senior Office Assistant would have been reclassified to the HR Assistant and would have received a 5% promotional increase.

Section 5: Budget Proposal Description

If this proposal is implemented, for 2011 and 2012, HR Administration will be comprised of the Support Team (ST), which includes a Business Process Analyst and a Senior Administrative Assistant, and the Executive Team (ET), which includes the HR Director and Assistant HR Director. The ST provides technology and administrative support to the HR staff and data and documentation retrieval assistance to the entire City. The ET provides strategic leadership to the HR staff, the City Manager's Office, Department Directors, and the entire City.

Specifically, the ST provides direct customer contact with City employees by providing ad hoc and regularly-generated data and reports, answering HR-related questions, and directing employees to the proper resources or HR staff. They obtain proper new hire and other employment-related documentation and ensure data entered into the JDE HR/Payroll system is accurate and timely. They problem-solve data entry issues and identify ways to decrease similar problems in the future. They conduct employment verifications, gather data for public records requests, and ensure HR records are properly archived and retrievable.

The ET advises management and City leaders on significant trending issues and changes in laws that can have an impact on the City's workforce plan, including the ability to attract and retain employees, organizational issues, health benefit costs, labor issues, retirement changes, and any number of other aspects of Human Resources. The goal of the ET is to ensure HR staff members are maintaining its mission of: "providing outstanding customer service and stewardship of resources in attracting, selecting, and retaining a high-performance, diverse workforce." The ET also ensures the "City of Bellevue is an equal opportunity employer and values diversity in its workforce."

Section 6: Mandates and Contractual Agreements

The ST must understand and comply with applicable laws relating to: records retention and destruction; employment verification; public records requests; Department of Licensing Commercial Driving License requirements; posting requirements of federal and state employment law posting requirements; social security number verification before hire; and various Bellevue City Code employment requirements. Additionally, they must understand City policy to ensure data entered and maintained in JDE is accurate, secure, timely entered (so employees can be paid) and accessible.

The ET must ensure HR staff complies with required federal, state, and local laws associated with their specialized field. They also ensure practices and procedures are applied in a consistent manner with City policy, union contracts, and past practices.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The ET ensures the HR staff members utilizes their expertise and specialties to assist the City with attracting and retaining highly qualified employees and to assist City management in developing, training, equipping, and promoting their employees within an environment that embraces innovation and diversity to optimize service deliveries.

As a result, the primary outcome for this proposal is Responsive Government (RG) and this proposal supports key RG factors and purchasing strategies as follows:

Community Connections: Promote trust, accountability, and credibility; optimize transparency.

Strategic Leadership: Help realize the community vision; coordinate opportunities that improve service delivery and reduce costs.

Engaged Workforce: Invest in continuous employee development and security; encourage workplace innovation; help employees understand how their jobs support the Community Vision; reduce skill and service gaps and support employee growth and development.

Exceptional Service: Ensure services are provided when needed; effectively respond to planned and unplanned events or conditions; demonstrate collaboration and reduce redundancies in service delivery; enhance professionalism and responsiveness to calls for service.

Stewards of the Public Trust: Manage risk, minimize liability, and provide for accountability; Adaptively respond to improve performance and service delivery at least costs.

The goal of the ET is to ensure the City has selected and retained employees who understand how their jobs support the Community Vision. The ET also ensures HR staff members effectively partner with management to keep employees focused on their jobs rather than employment issues. Employees who are engaged and productive meet community needs by providing effective customer service at a better value.

The ET and HR staff comes along side management and guides them through the maze of compliance issues and legal concerns, ensuring management decisions do not inadvertently create disparate impact. The ET further ensures policies and procedures are current and appropriate, salaries are competitive, benefit costs are monitored and contained, union contracts are timely negotiated, employee questions are answered timely, employee issues effectively and appropriately addressed, qualified hires are made, employee data kept secure and appropriately maintained, and any other aspects relating to employees are appropriately and timely handled. This is done to ensure the community receives the best services from trusted and well-engaged employees, which in turn reduces compliance risk, minimizes liability, and provides accountability to our citizens.

In summary, the ST and ET functions are well aligned with industry standards and identified best practices as confirmed through the Society of Human Resources Management at www.shrm.org/hrdisciplines/staffingmanagement/articles. As would be expected, the ST function should provide timely and accurate responses to requests for data and information, in order to help management make informed decisions so they can effectively respond to planned and unplanned events or conditions. Since HR should play a strategic and vital role in the organization, this is accomplished through the ET function. Critical deliverables are produced such as identifying and recommending creative and innovative solutions or remedies to mitigate impacts, addressing policy concerns, adjusting policies and procedures, and communicating outcomes and changes, all while ensuring legal compliance and procedural consistency. This in turn allows executive management the flexibility and freedom to execute City-wide initiatives knowing the ET will act as a catalyst for implementing their decisions that have human resources implications.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

While the ET and ST functions clearly fall within the purview of Responsive Government, it has an impact on optimizing all outcomes by ensuring strategic and proactive HR support to executive management, and the maintaining and distributing of employment data and documentation.

C. Short- and long-term benefits of this proposal:

Maintaining the ET function structure as is will ensure continuity in HR leadership as described in Section 7 above. However, reducing the ST function by one regular 1.0 FTE does not have any short or long term benefits. Service delays will be encountered and backlog of archiving and records issues will occur. Further details are described in Section 9 below.

D. Performance metrics/benchmarks and targets for this proposal:

Decrease in the # and frequency of data entry errors (i.e., do not want errors to affect pay)
Average length of time to complete a records request
Average # of hours responding to customer questions (analyze types of questions for trending purposes and determine what changes in information need to be made)
Effectiveness of the HR Actions site in association with questions asked

E. Describe why the level of service being proposed is the appropriate level:

As described in Section 7 above, having ST and ET functions are well-aligned with industry standards. The ET exists in order to provide the necessary HR strategic support to the City's executive team. HR collaborates and partners with departments and leadership to ensure the City's strategies and goals are implemented fairly,

consistently, and in compliance with federal, state, and local laws. HR in general is a highly administrative function that requires the processing or paperwork, documents, data, etc. The ST provides critical, behind-the-scenes support of HR's administration function as well as supports the ET and HR staff members, which releases them to provide employees and managers with high-level technical HR guidance.

Section 8: Provide a Description of Supporting Revenue

None

Section 9: Consequences of Funding the Proposal at this Level

It should be noted that HR is not trying to "gold plate" our service. Rather, based on our current HR staffing levels, we are doing all we can to meet the ever increasing employee/manager customer service needs relating to employment issues and questions. Additionally, at this time, HR is functioning very efficiently despite working with a lean staff. This proposal identifies the elimination of a 1.0 regular status administrative support FTE in the ST function. The overarching consequences of eliminating this position will result in a visible decrease in employee/manager customer service and delays in providing requested data or information. Because most elements of this position must be completed, the elimination of this position will result in HR taking longer to complete required tasks, or other professional HR staff members will need to complete required tasks, or non-required tasks will not be done.

Required tasks that will take longer to complete by the remaining one administrative employee include: Employment verifications, public records requests, archiving, employment law postings, director/assistant director administrative support, HR staff administrative support, answering phones (will be considering a different phone answering process as we may not be able to maintain a main HR phone number), and direct employee/manager customer service.

Required tasks that will be completed by professional HR staff members include: Assisting customers on basic needs/questions, electronic filing of HR Actions, job postings, maintaining Commercial Driver's License (CDL) new hire and drug/alcohol testing process, verifying new hire social security numbers, preparing new hire packets, entering new hire data into JDE HR/Payroll system, reconciling ProCards, assisting new hires on their first day of work (proof of citizenship and other required documentation), processing payment vouchers and reimbursements, Internet postings, entering ICMA and performance measures data(or will need to be done by Finance), calendaring large or significant events, arranging courier service, and downloading website reports. Professional staff completing this required body of work will take them away completing the higher-level aspects of their job, for which they are paid a higher rate. Tasks that will no longer be completed include providing administrative support on miscellaneous projects and handling other behind-the-scenes responsibilities.

1. **Legal:** Simply put, we must comply with records requests, records retention, employment verification, CDL requirements, employment law postings, social security verification, proof of citizenship, and other federal, state, and local law requirements. In addition, we must ensure we are following City code requirements/ policies. However, required timely responses will be compromised or non-legally compliant work will be substantially impacted in an effort to ensure we are meeting compliance requirements.
2. **Customer Impact:** The Senior Office Assistant position is generally the first point of contact for the customer. The elimination of this position will result in the department being less able to assist drop in customers and will likely require appointments. Customer requests and inquiries for data, reports, and information will be significantly delayed or in some cases employees will be directed to get the information elsewhere (i.e., Payroll). There will be less personal contact (face to face or phone) and more email contact, which can create confusion in requests and there is concern HR may receive complaints indicating we are inconsistent, ineffective, or non-responsive.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Labor Relations and Compensation		**Proposal Number:** 080.04NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Jean West, x4581		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

Provide strategic leadership in negotiating collective bargaining agreements and maintaining a competitive compensation program that will allow the City to retain its employees, compete for top talent and support efforts for employee growth and development.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$235,436	$247,810
Other	58,500	59,612
	$293,936	$307,422
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.0	2.0
LTE	0.0	0.0
Total Count	2.0	2.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Labor Relations:

Consists of a 1.0 FTE Compensation & Benefits Manager. Continue to collaborate with City Department leaders in finding innovative strategies to meet work demands without increasing costs, increase work efficiencies, and decrease administrative requirements where possible in our labor agreements. Negotiate terms to ensure that our salaries and benefits remain competitive to retain and attract talent. Collaborate with our labor partners in finding meaningful and cost efficient opportunities that will provide training and professional development opportunities for employees.

Compensation:

Consists of a 1.0 Human Resources Analyst. Continue to utilize all available resources, including comparable cities and organizations, to capture wage and benefit information to ensure that we remain competitive – not leading the market nor underpaying our workforce. Continue to review requests for classifications and reclassifications of positions objectively to ensure appropriate pay for work performed and adjust only where data support the change.

Section 5: Budget Proposal Description

Labor Relations:

Provide strategic leadership in negotiating and administering nine (9) collective bargaining agreements that cover 50% of City's workforce within the Guiding Principles established by City Council. Collaborate with

Department leadership teams in developing economic and non-economic bargaining proposals. Negotiate for changes that are cost efficient, increase work efficiencies and ultimately promote delivery of timely, consistent and predictable service to our customers. Collaborate with our labor partners in identifying cost efficient employee training and development opportunities that will promote an engaged workforce. Oversee interpretation of contract provisions to ensure compliance with our labor agreements. Foster positive working relationships with our labor partners and maintain open communication in resolving grievances and other labor conflicts.

Compensation:

Provide strategic leadership in maintaining a cost efficient competitive wage and benefit package that will retain employees and attract top talent to the City. Keep abreast of innovative pay and benefit ideas/strategies and incorporate where feasible. Gather and maintain salary and benefit data to ensure that our compensation program and pay practices remain competitive and are supported by best practices. Review classification/reclassification requests to ensure that positions are appropriately classified and compensated.

Section 6: Mandates and Contractual Agreements

Existing labor agreements and certain binding past practices for represented employees create legal commitments to provide certain benefits and pay at contractually agreed to rates. These legal commitments must be fulfilled until the parties negotiate a change to these commitments or exhaust bargaining obligations as permitted by law under RCW 41.56 et. seq. For the City's uniformed personnel (fire/police), if the City fails to reach agreement in contract and mediation negotiations, the City may be required to submit unresolved issues to interest arbitration. Arbitration is a costly and time-consuming procedure.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The primary outcome for this proposal is Responsive Government (RG) and supports key RG factors and purchasing strategies as follows:

- Community Connections: promote communication, accessibility and transparency.
- Strategic Leadership: strengthen overall performance & competitiveness; partner with other stakeholders to improve service delivery; and align with Community Vision to meet organizational objectives.
- Engaged Workforce: recruit & retain well qualified and diverse workforce; invest in training that will promote quality service delivery to internal and external customers; foster an environment that encourages innovation; and identify & implement strategies that support employee growth & development.
- Exceptional Service: strive for providing exceptional customer service that is timely, predictable, effective, efficient, and professional based on foundation of respect and courtesy for all our customers.
- Stewards of the Public Trust: promote sound and effective human resource management practices that reduce risk & liability, and maintain an effective process to assess organizational performance against benchmark organizations to ensure adherence to best practices.

A competitive compensation program is essential to maintaining an Engaged Workforce. Competitive wages and benefits are key to retaining a skilled workforce and attracting top talent to the City. These key factors fluctuate due to economic conditions, supply & demand of available workers, and changes in legislation – such as Healthcare Reform. The City's compensation program continuously monitors wage and benefits data in comparative job markets and strategically adjusts salaries as needed to remain competitive. In addition, the compensation program also reviews and classifies newly created positions or selected current positions where their scope of responsibilities has changed to meet service delivery demands.

The primary focus of labor contract negotiations is the wage and benefits package. Labor Relations effectively utilizes market comparables in negotiating our nine labor contracts. Market comparables are especially vital in negotiating with our Police Force and Firefighters where there is interest arbitration (an outside arbitrator makes the final decisions on mandatory subjects of bargaining that the union and the City cannot come to agreement). Chief Negotiator's (Cabot Dow) legal background, experience in negotiating COB labor contracts and institutional knowledge of our labor force, labor agreements and the City is invaluable and critical to City's negotiations team. Comp & HR Manager's expanded responsibilities to manage Benefits (medical, dental, vision, life insurance and EAP) and Retirement Services (DRS, MEBT, 457, Firemen's Pension Plan & LEOFF 1 Disability Plan) dictate that current partnership with Chief spokesperson be maintained. Labor Relations also collaborates with our labor partners during negotiation in finding cost effective opportunities for professional development that benefit both the employee and the City.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

Possible connections with Safe Community (innovation and customer support); and Innovative, Vibrant, and Caring Community (support services; opportunities for interaction).

C. Short- and long-term benefits of this proposal:

Short-Term benefit is in our ability to retain an engaged workforce during this economic climate. We continue to monitor market pay and benefits to ensure our employees that the City remains competitive and committed to our employees.

Long term benefit is in our ability to retain and compete for top talent to the City of Bellevue by offering a competitive compensation package and opportunities for professional development for both represented and non-represented employees in an ever changing environment. This will become more critical in the coming years where it is anticipated that the declining availability of workforce will not be sufficient to meet work demands and fill vacant jobs.

D. Performance metrics/benchmarks and targets for this proposal:

- Compensation: Market competitive wage and benefits.
- Labor Relations: Market competitive pay and benefits in comparable markets. Complete negotiation labor agreements within reasonable amount of time of expiration date of contracts.

E. Describe why the level of service being proposed is the appropriate level:

The 2009 Employee Survey showed a score of 381 in the area of pay, indicating that our employees are pleased with their pay (a score of over 375 indicates an area of substantial strength for the organization).

Given a workforce of 1300 and 9 union labor contracts, we have been successful in maintaining a competitive wage and benefits package and negotiating the labor contracts on a timely basis with 2.0 FTE's. In addition, staff continuously explores innovative pay and benefit options that can better meet the future needs of our work force on a cost efficient basis.

Section 8: Provide Description of Supporting Revenue -N/A

None

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:**

   Labor Relations: With respect to collective bargaining agreements, the common law of contracts requires the City to meet those contract obligations. If the City breaches the terms and provisions of the labor contracts, union/employee challenge is likely with obvious legal consequences.

Compensation: Potential legal costs if pay program not in compliance with Fair Labor Standards Act and Washington's Minimum Wage Act.

2. **Customer Impact:**
   Loss of an engaged workforce: lack of ability to retain or attract talent due to lack of competitive compensation package. Lack of ability to classify positions in a changing work environment on a timely basis – leading to poor employee morale. Inability to negotiate labor contracts on a timely basis and without the desired strategic outcomes. Deterioration of relationships with labor partners. Potential for increased ULP's.
3. **Investment/Costs already incurred:**
   Contractual obligation to administer and negotiate nine (9) labor contracts. Current compensation program and policies must be administered and maintained.

B. Consequence of funding at a lower level:

The City is legally committed to meet its labor contract obligations. If the City wishes to change any provision, the City has an obligation to bargain the proposed change and either reach agreement with the union or impasse before the change can be implemented. Failure to meet these bargaining obligations could subject the City to an unfair labor practice complaint. Additionally, we will not be able to update our market pay and benefits information on a frequent basis, losing the competitive edge that we need to retain and attract talent.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Retirement Services		**Proposal Number:** 080.05NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Jean West, x4581		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Retirement Benefits is a key component of our compensation package to recruit and retain top talent to the City. We administer four (4) Retirement Programs: Washington Department of Retirement Systems (DRS); Municipal Employees' Benefit Trust Plan (MEBT); 457 Deferred Compensation Plan; and Firemen's Pension Plan. In addition, we also administer the LEOFF 1 Disability Plan. We provide individualized retirement planning sessions and also offer on-going employee educational seminars on a wide variety of financial topics.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$212,150	$223,346
Other	0	0
	$212,150	$223,346
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.0	2.0
LTE	0.0	0.0
Total Count	2.0	2.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Eliminating a vacant 1.0 FTE Retirement Services Manager (G30) will result in a cost savings. Efficiencies have been identified that have resulted in being able to combine the Retirement Service Manager's body of work within the existing retirement services staff's duties. The Retirement Service Manager position will be reclassified to a 1.0 Senior Human Resources Analyst (G24) within the Human Resources Department; this reclassified position will perform no retirement services duties. The difference in classification will result in a cost savings of $32,444 for 2011 and $34,234 for 2012. See Human Resources Staffing Proposal #080.06NA for details.

Section 5: Budget Proposal Description

Retirement Services (RS) consists of two regular FTE Senior HR Analysts who administer the following Plans:
Washington State Department of Retirement Systems (DRS) Pension Plan – a mandatory defined benefit plan administered by DRS: PERS 1, 2, & 3; LEOFF 1 & 2; and PSERS 2; 1400 total participants.
Municipal Employees' Benefit Trust Plan (MEBT) – a voluntary 401(k) plan that has 1700 participants, both current and former employees, with a 97% current employee participation rate

457 Deferred Compensation Plan has 600 participants, both current and former employees, with a 40% current employee participation rate.
Firemen's Pension Plan - for 37 former Firefighters hired before March 1, 1970.
LEOFF 1 Disability Plan – pays for medical claims and long term care coverage for current and retired Firefighters hired before October 1, 1977.

RS provides timely, accurate and individualized information to current and former employees on the above plans. These services are especially critical to those employees who are contemplating retiring or leaving the City. Educational campaigns are coordinated with outside vendors (at no cost to the City) throughout the year to keep employees abreast of current financial planning topics.

RS also ensures that the plans remain in compliance with legal updates, contract regulations, State mandates, and Federal regulations; provides administrative support to six Boards and Committees for these plans; works with LEOFF Disability Board in reviewing and administering disability, long term care and medical claims for LEOFF 1 members; and calculates and processes pension payments for Firemen's Pension retirees and their beneficiaries.

Section 6: Mandates and Contractual Agreements

MEBT – IRC Section 401(k) – Employees voted to adopt MEBT in 1972
457 Plan – IRC Section 457 - optional retirement plan
Firemen's Pension Board – RCW 41.18 - required by the State to provide the difference between LEOFF I and the prior state pension plan
Disability Board – RCW 41.26 - required by the State to provide medically-necessary health care and long-term care for LEOFF I employees; also determine service retirements and duty-related injuries.
DRS: As a participant in DRS, required to administer per RCW 41.50.112.

Existing labor agreements and certain binding past practices for represented employees create legal commitments to provide certain benefits and pay at contractually agreed to rates. These legal commitments must be fulfilled until the parties negotiate a change to these commitments or exhaust bargaining obligations as permitted by law under RCW 41.56 et. seq. For the City's uniformed personnel (fire/police), if the City fails to reach agreement in contract and mediation negotiations, the City may be required to submit unresolved issues to interest arbitration. Arbitration is a costly and time-consuming procedure.

The City participates in the Washington State Department of Retirement Systems and we have contractual obligations in administering and record keeping for PERS 1, 2 & 3; LEOFF Plans 1 & 2 and PSERS 2.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:
The primary outcome for this proposal is Responsive Government (RG) and supports key RG factors and purchasing strategies as follows:

- Community Connections: promote communication, accessibility and transparency.
- Strategic Leadership: strengthen overall performance & competitiveness; partner with other stakeholders to improve service delivery; and align with Community Vision to meet organizational objectives.
- Engaged Workforce: recruit & retain well qualified and diverse workforce; invest in training that will promote quality service delivery to internal and external customers; foster an environment that encourages innovation; and identify & implement strategies that support employee growth & development.

- Exceptional Service: strive for providing exceptional customer service that is timely, predictable, effective, efficient, and professional based on foundation of respect and courtesy for all our customers.
- Stewards of the Public Trust: promote sound and effective human resource management practices that reduce risk & liability, and maintain an effective process to assess organizational performance against benchmark organizations to ensure adherence to best practices.

Our ability to offer excellent retirement benefits is an integral part of our comprehensive compensation package needed to attract and retain a highly skilled and professional workforce. We have to ensure that the plans remain in compliance with various regulations and insurance regulations; communicate with plan participants on plan performance and any changes; and administer the plans in as cost efficient manner as possible and in accordance with best practices.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): N/A

C. Short- and long-term benefits of this proposal: Short-Term and long-term benefits are in our ability to attract talent and retain an engaged workforce with excellent retirement benefits.

D. Performance metrics/benchmarks and targets for this proposal: Compliance with applicable federal and state regulations

E. Describe why the level of service being proposed is the appropriate level:
MEBT **–** Receives an Unqualified "clean" independent audit each year; follows fiduciary "Best Practices"; performs better than benchmark investments; has reasonable fees.
457 **–** Follows fiduciary "Best Practices"; performs better than benchmark investments; has reasonable fees.
Firemen's Pension Board **–** Program compares favorably to other Washington Cities
Disability Board-– Program compares favorably to other Washington Cities, more stringent than other Cities
DRS: Program compares favorably to other Washington Cities; more accurate with proper plan placement and highest level of communication to members.

Section 8: Provide a Description of Supporting Revenue

None

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal:
Firemen's Pension Board **-** Out of compliance with State Law for Firemen's Pension.
Disability Board **-** Out of compliance with State Law for Disability Board
MEBT is a pooled Trust with other Cities, there would be mutual contracts that would need to be negotiated.
DRS: Out of compliance with RCW 41.50.30 could result in penalties and fees assessment.

With respect to collective bargaining agreements, the common law of contracts requires the City to meet those contract obligations. If the City breaches the terms and provisions of the labor contracts, union/employee challenge is likely with obvious legal consequences.

2. **Customer Impact:**
   The City would no longer be providing the level of benefits that would attract and retain employees. Fire and Police retirees would not receive the state mandated benefits required under their retirement plans.

3. **Investment/Costs already incurred:**
   The existing 2.0 FTE Retirement Services staff each have over 10 years of experience with retirement plans; are considered knowledgeable experts to whom employees and departments rely on for plan analysis and recommendations. Retirement plans have complex rules and regulations that require years of training.

B. Consequence of funding at a lower level:

Current proposal has already eliminated the, Retirement Services Manager position. Any further reductions would impact the ability to provide excellent customer service to employees, departments and plan participants, to administer plans on a timely basis, and may affect our ability to remain in compliance with federal and state regulations.

The City is legally committed to meet its labor contract obligations. If the City wishes to change any provision, the City has an obligation to bargain the proposed change and either reach agreement with the union or impasse before the change can be implemented. Failure to meet these bargaining obligations could subject the city to an unfair labor practice complaint.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Staffing Services		**Proposal Number:** 080.06NA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Cathryn Laird, x6817		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This proposal provides day-to-day Human Resources support to employees and managers in the areas of employee relations, leave administration, recruitment and selection, investigations, and compliance oversight. This support is core to the City's ability to attract top candidates, retain exceptional employees, address skills and service gaps, and where necessary improve performance and service delivery. The goal is to foster accountability and enhanced professionalism and responsiveness of employees and management, while ensuring compliance with federal, state, and local laws, in order to efficiently and effectively support the Community Vision.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$318,225	$335,019
Other	0	0
	$318,225	$335,019
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	3.0	3.0
LTE	0.0	0.0
Total Count	3.0	3.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The three Senior HR Analyst positions include two analysts handling employee relations (ER) and one analyst handling recruitment and selection (R&S). (The ER and R&S functions are described in Section 5.) The three positions have established collaborative partnerships with managers at all levels throughout the organization. Specifically, this HR technical expertise is provided to assist managers with their ER and R&S needs in creative and innovative ways while ensuring compliance with federal, state, and local mandates. This partnership with the departments provides the level of support that allows employees and managers to not be consumed by their ER and R&S issues, but rather to quickly resolve the issues so they can refocus on their areas of expertise. Handling ER and R&S internally is considerably less expensive when compared to the cost of outsourcing this body of work, as follows:

Employee Relations: The City is considered a medium-sized organization and vendors contacted indicated a City our size would not experience any efficiency gains or cost savings to outsource all or a portion of the ER function. Outsourcing is more effective for organizations less than 100 or very large organizations that use a call center. Between 2001 and 2009, 1,295 leaves were administered, 389 moderate to significant ER issues were

logged and handled, and many numerous less significant ER issues handled but not logged. Due to consistency in how these issues are handled, it is more cost effective for this body of work to be completed internally.
Recruitment & Selection: Estimates from vendors ranged from $95,000 to $127,000 for outsourcing 25 recruitments. Since 2000, the City has averaged 171 recruitments per year and even with the 2009 hiring freeze, the City filled 55 vacancies that year. Clearly, even in a down economy, the City conducts enough recruitments to show that it is fiscally prudent to conduct R&S internally. Further, in 2008, HR retained a dedicated Limited Term (LTE) recruiter to focus on a more centralized R&S approach. Having a dedicated recruiter means departments can focus on the most important aspects of their recruitment, instead of being distracted by the details. Additionally, a dedicated recruiter maintains marketing efforts to keep the City viewed as a destination employer and enhances regional competitiveness for qualified candidates, so that when the job market improves the City is positioned to quickly source and attract qualified candidates in a competitive job market. This proposal includes the conversion of the R&S LTE to an FTE. In order to fund the conversion, a G30 vacancy in Retirement Services (see Proposal #080.04.NN) will be reclassified to the G24 Senior HR Analyst.

Section 5: Budget Proposal Description

Employee Relations: The ER function provides manager and employee counseling on various situations such as differences between employees and supervisors, employee performance concerns, employee discipline, and other employee-related issues; investigations and reports; leave administration and disability accommodations; civil service process administration; drug/alcohol testing procedures; and compliance oversight of the ER process. (For details of ER, please see Attachment A.)
Recruitment & Selection: The R&S function markets and brands the City as a destination employer; centralized sourcing of qualified and diverse candidates; guidance on screening applications, interview questions; review of the testing process; guidance on reference checking, backgrounding, and deciding who to hire; control of the job offer process; and compliance oversight of the R&S process.

Section 6: Mandates and Contractual Agreements

The City is legally required to comply with federal, state, and local employment laws and regulations. Failure to comply substantially increases the City's risk or exposure of incurring significant fines and penalties, the loss of federal or state funding (if applicable), and/or legal action. Attachment B identifies the various employment laws that directly or indirectly impact the ER and R&S functions.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (WHY)

As explained in Section 4, ER and R&S has a well established partnership with the departments to provide a level of technical HR support that allows employees and managers to effectively and efficiently address their ER and R&S issues. When ER issues are resolved in a timely manner and vacancies filled with qualified hires, employees and managers can more quickly refocus on what they were hired to do, which is provide the best value customer service to meet the needs of the community. This is the essence of the City's Mission, Vision, and Core Values. As a result, the primary outcome for this proposal is Responsive Government (RG) and this proposal supports key RG factors and purchasing strategies as follows:
Community Connections: Promote trust, accountability, and credibility; optimize transparency.
Strategic Leadership: Help realize the community vision; coordinate opportunities that improve service delivery and reduce costs.
Engaged Workforce: Invest in continuous employee development and security; encourage workplace innovation; help employees understand how their jobs support the Community Vision; reduce skill and service gaps and support employee growth and development.

Exceptional Service: Ensure services are provided when needed; effectively respond to planned and unplanned events or conditions; demonstrate collaboration and reduce redundancies in service delivery; enhance professionalism and responsiveness to calls for service.
Stewards of the Public Trust: Manage risk, minimize liability, and provide for accountability; Adaptively respond to improve performance and service delivery at least costs.

In summary, the ER and R&S functions conform to industry standards in all services provided, ensuring value-added to the organization. The analysts remain updated in best practices and compliance changes to ensure information provided to the employees and managers is accurate and timely. A high level of trust with employees and managers is maintained. The ER and R&S functions are ethically responsible for promoting and fostering fairness and justice for all employees and candidates. The interests of the employees and managers are protected and professional integrity maintained by not engaging in activities that create actual, apparent, or potential conflicts of interest. Truthful communications and facilitating informed decision-making is maintained in the acquisition and dissemination of information. Additionally, R&S ensures the best people are hired to carry out the functions of the City. The more effective a person is in their job, the higher the level of service and responsibility provided to the citizens of Bellevue.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
While ER and R&S functions clearly fall within the purview of Responsive Government, it has an impact on optimizing all outcomes with a highly skilled and talented workforce, the ability to "ramp up" as staffing requirements change, to deploy high performing employees, and to timely address ER issues.

C. Short- and long-term benefits of this proposal:
The benefits from these services helps the City maintain centralized ER and R&S functions that directly supports, among other things, the Citywide purchasing strategy of ensuring sound management of resources and business practices. In addition, converting the R&S LTE to a regular FTE will allow the City the continuity of its centralized recruitment efforts, thus allowing managers the ability to rely on HR for their focus on filling positions created as a result of the budget process, projected retirements and resignations with greater efficiencies and subject-matter expertise.

D. Performance metrics/benchmarks and targets for this proposal:

Number of positions filled per year (Volume/Type)
Average number of weeks to fill positions per year (ICMA standard average 8-12 weeks)
Percentage of new hires successfully completing probation (Turnover Analysis)
Trending Data – demographics of employee population, turnover analytics, local labor statistics
Number of employee relations issues handled per year
Percent of grievances resolved
Percent of employees who successfully return to work following FMLA or ADA leave

E. Describe why the level of service being proposed is the appropriate level:
At the end of 2009, the City's benefited employee population was 1,268 employees while the HR department staff was 15. This is a staffing ratio of less than 1:100, which is at or below the industry standard. With this staffing ratio, maintaining three analysts in the ER and R&S functions ensures service levels are not negatively impacted while effectively handling their workload without focusing on other HR services. Additionally, cities facing organizational change such as what the City will be facing in 2011, generally incur higher than normal volumes of separations as a result of retirements and employees seeking job opportunities outside the organization. It is anticipated many budget proposals will involve some level of restructuring which could result in the need to redeploy and/or recruit for special skill sets to meet the specific needs of the departments.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** Due to the ever increasing complexities of legal mandates associated with the hiring process and retention of employees, managers are not versed in employment law nor do they have the experience of issues that arise to know how to effectively and legally resolve the issues. The greatest exposure to the City is when managers unfamiliar with employment laws make decisions or handle situations in such a way that cause the City great risk or exposure from lawsuits or other violations. Without the ER and/or R&S function, it would be difficult to ensure managers do not make legal missteps. It would also be difficult to ensure the City is compliant with the many and ever changing employment laws, as identified in Attachment B.
2. **Customer Impact**: There would no longer be dedicated professionals trained in ER and/or R&S for managers and employees to consult when faced with a difficult hiring, employee, or work place issue.
3. **Investment/Costs already incurred**: The two ER analysts have 4 or more years experience with the City, which has generated excellent continuity and institutional knowledge of HR and the City. Institutional knowledge is critical in HR to ensure consistency in the application of policies and procedures, decisions about exceptions, and understanding of past events that need to be taken into consideration. The R&S analyst has a good understanding of Bellevue's culture/values and business systems, and has significant expertise in recruitment and staffing methods.

B. Consequence of funding at a lower level:

The elimination of one or more of the analyst positions would result in a re-organization in HR. The City and HR would need to prioritize the most important issues to handle and the remaining issues would need to be absorbed by managers throughout the City. This causes the City greater exposure to lawsuits and other claims employees could make against the City if ER and/or R&S issues are not handled in a legally compliant manner. Managers would need to receive extensive employment law training (ie: ADA, FMLA, FLSA, civil rights, etc.) in order to ensure their actions are legally compliant, as they will not have ER or R&S staff to rely upon. In addition, for those services HR is able to support, managers and employees can except longer timelines in completing work and receiving responses to issues.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Training and Development		**Proposal Number:** 080.07A1
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Rudy Lozano, x6108		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This proposal focuses on the services provided by Human Resources Training & Development. Human Resources provides a variety of quality, competency based training opportunities for City employees. Organizations that invest in their people have lower employee turnover, which is associated with engaged employees and exceptional customer service. This proposal provides training programs that focus on the organization's emphasis on employee engagement, leadership development, managerial effectiveness, customer service and addresses compliance training on the Americans with Disabilities Act, Family Medical Leaves, workplace harassment, and discrimination. As a cost savings measure this proposal eliminates tuition reimbursement from the HR Training & Development budget.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012	
Personnel	$126,442	$132,945	
Other (tution reimbursement)	($36,000)	($36,684)	eliminate as a cost savings measure
Other (training programs)	$53,000	$54,007	
	$179,442	$186,952	
Supporting Revenue			
	$0	$0	
LTE/FTE			
FTE	1.0	1.0	
LTE	0.0	0.0	
Total Count	1.0	1.0	

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

In partnership and collaboration with the One City core team additional training workshops may be supported through the One City workforce development efforts. Certified instructors from Human Resources, Development Services and the Police department are able to support scheduling more Franklin Covey 7 Habits and Great Leaders, Great Teams workshops outlined in Attachment A. As a cost cutting measure it is recommended that tuition reimbursement ($36,000) be eliminated as part of the Human Resources Training & Development budget and consider de-centralizing the program into department budgets similar to the Police and Utilities departments.

Section 5: Budget Proposal Description

Training & Development….

The Human Resources Department Training and Development Program support and promote the City of Bellevue's One City, Committed to Excellence mission, vision, and core values. The goal is to improve performance, productivity, effectiveness and efficiencies to department results. This, in turn, allows staff to achieve their full potential and better align individual goals and competencies with performance objectives. The results lead to measurable and sustained improvements for the City of Bellevue.

Tuition Reimbursement Program….recommend that this function be eliminated from the HR budget as a cost savings measure and consider decentralizing this budget into department budgets.

Provides financial assistance to regular employees enrolled in college degree programs, college or technical courses, technical certification programs, or other programs which enhance the employee's ability to accomplish one or more of the following:

1. Learn project organization, management techniques and/or communication or interpersonal skills;
2. Learn new technical skills, acquire cross-training and/or explore new public service-related fields; and/or
3. Stay abreast of new concepts, developments and/or technology, or obtain certificates or college degrees in the employee's general occupational field.

Training and development allows employees to achieve the City's vision and goals as well as learn, grow, and progress within the organization.

Section 6: Mandates and Contractual Agreements

This proposal is legislated by union contracts, personnel policies, and complex employment laws. Compliance legislation and self imposed policies mandate training in areas of harassment, workplace violence, employee development and supervisory/management skills.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The primary outcome for this proposal is Responsive Government supporting the following factors;

Engaged Workforce: Research shows that the more engaged the workforce, the more innovative, productive and efficient the organization. Research continues to show that a well-substantiated relationship exists between employee engagement – the extent to which employees are committed, believe in the values of the organization, feel pride in working for their employer and are motivated to go the extra mile – and business results.

Exceptional Service: Reinforce what we already know about good customer service and through an effective training program move from good to great offering new methods for creating a positive customer service experience for each and every customer.

Strategic Leadership: Today's leaders must be able to see their people as "whole people"—body, heart, mind, and spirit—and manage and lead accordingly. As a result, leaders spend their efforts creating a place where people want to stay, clear direction is present, commitment to excellence and innovation is common practice, and in which they are enabled to offer their best, time and time again.

Stewards of Public Trust: A very real concern today, considering the high profile corruption cases we have seen and the state of our environment. Everyone needs to understand his or her obligations to their employers and to their communities, and how to conduct them in a manner that does not compromise ethical behavior.

"In taking advantage of internal talent one can create a perpetual learning environment where supervisors and managers impart knowledge to create a kind of 'viral' cross-organizational exposure and interaction." (Harvard Business Review, *Spreading Critical Behaviors "Virally",* May 2010*).* The learning function is able to leverage its capabilities using institutional knowledge to ensure employees are competently trained to perform their jobs,

resulting in greater likelihood of satisfaction and a desire to remain with the organization. By creating developmental curriculums, (see attachment "A").

This proposal enables the City to provide employees with the knowledge, skills and abilities to create a progressive and dynamic culture in support of Responsive Government factors. The proposal enables employees to provide high levels of customer service, to competently and safely perform their jobs, as well as understand and be successful in a work environment that is legislated by contracts, personnel policies, and complex employment laws. The program is also a key component of the City's efforts to recruit and retain a highly qualified, committed, and accountable workforce – "*the best and the brightest*".

One such best practice in government is Chesterfield County, Virginia. Chesterfield County is currently in the forefront among governments in creating its own corporate university, Chesterfield University. Centered on the organization's mission, Chesterfield University brings a wide variety of learning opportunities to county employees while enhancing organizational effectiveness. Learning focuses on eight core competencies that enhance career development, reinforce employee performance expectations, drive the business strategy and encourage "learning for a lifetime". Chesterfield County has made learning more efficient, while streamlining the process and maximizing county resources. Chesterfield County has earned international recognition for the fourth consecutive year by placing 12th on Training Magazine's Top 125 for 2010, an annual ranking of organizations leading the way in employee training and development.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

This proposal touches all levels of the organization in meeting the outcomes established by the Budget One Steering Team and endorsed by City Council.

C. Short- and long-term benefits of this proposal:

***Short-term* -** Engaged workforce is exposed to training in general workplace skills that can be demonstrated quickly such as teamwork, customer service, problem solving, etc.

***Long-term* -Productivity**. Effective training enhances the methods that individuals use to perform their jobs, thus improving their productivity.

- **Quality**. Providing the proper training for recognizing quality concerns results in improved quality.
- **Empowerment.** Training that is directed to new methods that can be used on the job adds to employee confidence and enables them to perform more effectively. This also reduces the need for close supervision.
- **Alignment.** Training is directed to align the individual with the organization's objectives. Employees need to know where the organization is heading and how they can best support its goals. Without a clear understanding of what the organization needs, and how to provide it, it is much more difficult for employees to work effectively.
- **Teamwork**. Employees must all learn to work as a team. This ability is never a given. Organizations form teams in varying ways and with varying objectives. Being able to work closely with teammates provides greater flexibility and agility.
- **Liability.** Reducing workplace liability is a function of understanding proper procedures and guidelines, following specific employment rules and regulations and enhancing awareness through training.
- **Professional Development.** Professional development supports employees in gaining a wider perspective in their jobs and in their personal lives. The general goal of continuing education is to bring professionals up to date on current practices and to prepare them for taking effective action in new and unique circumstances.
- **Business Conduct and Social Responsibility.** This is a very real concern today, considering the high profile corruption cases we have seen and the state of our environment. Everyone needs to understand his or her obligations to their employers and to their communities, and how to conduct themselves in a manner that does not compromise ethical behavior.

The overall goal is to develop passionate performance which is achieved when employees are fully engaged—when they demonstrate a strong, sustained intellectual and emotional attachment to their work.

D. Performance metrics/benchmarks and targets for this proposal:

Performance Measures

- Level I; participant reaction to training – *"like it"* –
- Level II; test to measure knowledge before and after learning – *"learn it"* –
- Level III; transfer of learning to work, is the new knowledge acquired put in practice – *"apply it"* –
- Level IV; employee survey results indicating improved trends in employee engagement and customer service deliverables – *"organizational impact"* –
- Baldrige criteria indicating strong results in managerial effectiveness and workforce engagement.
- Customer service feedback indicating level of satisfaction in effectively delivering essential City services.

E. Describe why the level of service being proposed is the appropriate level:

HR Training & Development is able to deliver quality training programs, with minimal outsourcing, to continuously seek ways to best capture organizational learning activities using the proposed budget. In 2009/10 training processes were improved when opportunities arose, ultimately improving services to employees. This budget includes $7500 for HR Large Management Networking Events that did not exist in 2009/10. Internal partnerships continue to be cultivated to create greater efficiencies and centralize learning.

Section 8: Provide a Description of Supporting Revenue

Not applicable.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal:** Employee training and development is legislated by contracts, personnel policies, and complex employment laws. Compliance legislation and self imposed policies mandate training in areas of workplace harassment, workplace violence, anti-discrimination, employee development and supervisory/management skills. Employee tuition reimbursement is a negotiated benefit in union contracts and may not arbitrarily be eliminated without contractual negotiations. Additionally it is outlined in personnel policies.
2. **Customer Impact:** Giving taxpayers the most for their money is key to the city's approach to service. Customer service and organizational leadership has always been, and always will be, our most important job. Neglecting to train our workforce detracts from empowering employees with the tools and skills necessary to deliver the best possible service to taxpayers.
3. **Investment/Costs already incurred:** Dedicated training room for instructor led training. Technology and training materials to support instructor led training, $75,000. Three certified instructors in Franklin Covey and one in the Lominger competencies programs, $27,000.
4. **Other:** If this proposal is not funded, supervisors, managers and employees will not possess the tools necessary to guide employees to achieve City priorities; cultural change to enhance the quality of customer service is unlikely to occur; employees will lack a full understanding of expectations. Employee engagement will decline as evident in the 2009 Gallup poll on employee engagement. "The world's top-performing organizations understand that employee engagement is a force that drives performance outcomes. In the best organizations, engagement is more than a human resources initiative -- it is a strategic foundation for the way they do business. Research continues to show that engaged employees are more productive." *Gallup Management Journal,* May 2009.

B. Consequence of funding at a lower level:

Reducing funding will compromise the City's ability to develop a foundation for the on-going delivery and quality of programs. Efficiencies will be lost as departments will either need to develop their own programs and/or service expectations will need to be reduced. Additionally, training and development that supports organizational change, as well as staff and managers will lose already achieved momentum. Established milestone expectations will take longer to realize. Eliminating tuition reimbursement altogether is a missed opportunity for talent development and may have an impact in already negotiated bargaining agreements.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Computer Management		**Proposal Number:** 090.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: David Kelly, x7195		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** No	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Computer Management (CM) proposal focuses on delivering the most effective acquisition, maintenance and management of computer hardware and software assets used by City staff. Since virtually every City employee uses a computer to perform some portion of their job, this program directly impacts productivity across the workforce.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$661,370	$696,310
Other	132,841	135,180
	$794,211	$831,490
Supporting Revenue		
	$174,300	$182,481
LTE/FTE		
FTE	6.0	6.0
LTE	0.0	0.0
Total Count	6.0	6.0

21.95% of expense is covered by Enterprise fund/restricted revenues

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal is a $72K annual reduction over prior budgets, including a $53K reduction in professional services. In the last few years ITD has increasingly used automated tools to assist with upgrades and troubleshooting, resulting in more productive CM staff. Additionally, increasing levels of hardware reliability along with stable software applications have reduced support calls. This has reduced the need to use vendors to assist with installations and large upgrades.

ITD's research included performing a cost-benefit analysis (provided upon request) of new "Virtual Desktop" technology with potential for significantly decreasing computer hardware costs, reducing CM staff, and improving remote access capabilities. The analysis did not demonstrate savings due to large infrastructure investments that would be required. However, the technology will mature rapidly over the next two years and implementation costs will decline. A pilot project started in 2010 will likely lead to an investment proposal for the 2013-2014 budget.

The Office suite (Word, Excel, PowerPoint, Access) is currently installed on almost all computers. A web version (also known as Cloud Computing) will be available from Microsoft in the near future. Google also has a web suite with similar capabilities. Over the next 2 years we anticipate moving large numbers of computers to a web

version of the office suite to reduce our staff costs for periodically deploying new versions and improving staff access to their documents and spreadsheets. Based on our preliminary comparison of both products we've selected the Microsoft suite (based on integration with other applications and stability). However, pricing hasn't been released so this proposal does not include potential costs savings and the decision isn't final.

In 2011 CM will move forward with a managed printing initiative. Several vendors offer full service plans for color and black/white printers including toner replacement, repairs, and usage reporting. There is a small savings (about $8K across all departments), however usage reporting will provide a larger opportunity for departments to review their overall use and potentially reduce the number of printers. This service will be included as a requirement in the RFP for the master copier contract to be issued in 2011.

Additionally, an analysis of PC leasing found no financial savings at this time.

Section 5: Budget Proposal Description

Services included in the CM proposal include: development of hardware/software standards; purchase and installation of new computers and printers; security patching; deployment of software upgrades; computer account maintenance; resolution of advanced computer problems; asset tracking; installation and maintenance of phone equipment (desktop, cellular, and Smartphones); conference room and City Council AV support. Network and server hardware is in a separate proposal.

Staffing includes 6 FTE's (an IT Manager also responsible for the *Help Desk and Training Services proposal*, two support staff –level 2, and three support staff – level 3). This proposal also includes $30K for repair of Council chamber and conference room audio/visual equipment. This was previously located in the budget for Graphic Services, but is more appropriately placed in this proposal because CM staff support this equipment.

Section 6: Mandates and Contractual Agreements

None.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Community Connections - ***Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making*** — CM support (upgrades, security patching, and resolving problems) is critical to the reliability of all automated systems, which are vehicles for citizen and staff access to City services and information. ***Optimize transparency and openness of the processes and results achieved from government action*** — CM staff support the City Attorney's Office and City Clerk by performing records searches to support major litigation, discovery and public disclosure requests (6 requests in the last year, on average about 30 hours per request. Lack of responsiveness to records requests can result in significant fiscal liability, for example late release of public records requests can result in fines of $5 - $100 per document per day.

Strategic Leadership - ***Identify and foster cross jurisdictional partnerships*** *and* ***Coordination opportunities that improve service delivery and/or reduce cost*** - CM works with NORCOM to provide support for public safety applications. Dispatching and records management systems are supported by NORCOM, but reside on about 200 City computers. This group supports those applications on City computers. Ongoing cooperation with NORCOM is particularly important as these applications are new and just being introduced. CM also supports ARCH (A Regional Coalition for Housing).

Engaged Workforce - ***Invest in continuous employee development, training, wellness and security*** and ***Identify and implement strategies to reduce skill and service gaps and support employee growth and development*** – In the all-City survey two questions reflect on staff's perception about having the right equipment and tools to do

their job, which would include computer hardware/software. "I have adequate resources and equipment to do my job" with a score of 3.85 (above 3.75 is an area of strength). "Information systems are in place and accessible to me to get my job done" with a score 3.58 (average). One area of needed focus is mobile computing, where field staff is inadequately equipped with automated tools. In the fall of 2010, ITD will engage in an enterprise needs assessment for mobile computing, and staff in this proposal will be heavily engaged in that effort. ***Encourage innovation in the workplace*** and City-wide strategy ***Are innovative and creative*** – This proposal includes research on advances in technology: virtual desktops, cloud computing, and managed printing. CM regularly works with customers to identify creative solutions to business problems. A recent example is using small "ruggedized" wireless laptops that allow mechanics to enter data in Maximo without leaving their work area. ***Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service delivery*** – ITD has a performance monitoring program and results are posted monthly and reviewed so processes can be adapted to address opportunities for enhanced operational efficiency, see Section D.

Exceptional Service - ***Ensure services are provided when needed and/or expected; and processes are timely and predictable*** and ***Enhance professionalism and responsiveness to calls for service*** – The ITD Service Level Agreement (SLA) with departments lists specific targets for timely resolution of repair calls and service requests. Results are regularly posted and reviewed. Currently ITD is exceeding targets by 12%. See Section D. Overall satisfaction with CM services is high at 93% good or better. ***Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions*** - CM services are wholly focused on this strategy by equipping and properly maintaining approximately 1,500 computers, 100 printers, and 800 cellular and Smartphones. These tools and technology are foundational to staffs ability to provide service to the public. Examples: Permit staff relies on properly functioning computers and printers to provide timely response to new development and building permit requests; inspectors rely on cell phones to efficiently respond to conditions in the field and provide critical assessment information in an emergency. Additionally, CM provides on-site support for the EOC in emergency situations.

Stewards of the Public Trust **- Manage public funds and assets in a responsible and fiscally sustainable manner** and Citywide strategies ***Provide the best value in meeting community needs,*** and ***Consider short- and long-term financial impacts*** – Similar services (PC installs, repairs, software upgrades) are priced at $75 per hour through the State contract compared to CM's burdened cost of $62 per hour. Selection of hardware/software standards impacts long term costs and reliability. For instance, it is possible to get cheaper computers, but the long term reliability associated with slightly more expensive models lowers support costs and has allowed the City to move from a 3 year useful life to 4 years, resulting in significantly lower costs over the long term. ***Acquire, develop, and maintain publicly owned assets that support high performing government*** and Citywide strategy ***Ensure sound management of resources and business practices*** –Computer equipment is purchased through State contracts to ensure compliance with competitive purchasing policies. Hardware standards are reviewed and modified on an annual basis to ensure that equipment can properly support current business applications, and to achieve the highest value possible. ITD is implementing an industry best practice, the creation of "user profiles" to ensure that staff gets the equipment that is most appropriate in terms of cost and function to perform their job function. ITD has a comprehensive replacement and reserve program to ensure that assets are replaced when required to avoid operational disruption. Assets are retained past the designated useful life if performing properly.

Other Citywide Purchasing Strategies - ***Provide for gains in efficiency and/or cost savings and ensure that services are "right sized"*** – CM staffing levels are aligned with industry benchmarks. *"Typical staffing ranges (ratio of PCs to IT personnel), Desktop Level 2 = 200 to 400:1"* (Gartner, Sept 2009, #G00171197). Our ratio is 294:1. The effective use of automated tools and reliable hardware/software standards has resulted in a cut of $53K in professional services. ***Consider best practices*** - ITD has embraced the Information Technology Infrastructure Library (ITIL), a set of best practices that are widely adopted in the IT industry. A long-term

project was created to incorporate ITIL standards into operations. Specifically ITD has implemented ITIL standards related to incident management and are moving forward with standards related to problem and configuration management. ***Promote environmental stewardship*** – Power conservation efforts include: standards that require Energy Star compliance; automated shut down of computers at night; and use of "sleep" mode on monitors. Other efforts include: EPEAT Gold standard for green computers; increased designated useful life on equipment from 3 to 4 years and using equipment well beyond the designated useful life if warranted. CM is currently working with the Resource Conservation Manager to change computer configurations that will save 119,500KWH, 48.6 metric tons of CO2 emissions and $10K per year.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s): This proposal supports all 7 outcomes by providing direct support to all staff engaged in delivering services related to those outcomes.

C. Short- and long-term benefits of this proposal: Minimize staff downtime from computer related problems; efficient use of resources; cost savings (short and long term); improved access for staff.

D. Performance metrics/benchmarks and targets for this proposal:

- % of repair targets met – 2010 YTD = 92%, target=80%
- % of service request targets met – 2010 YTD = 91%, target=80%
- Overall customer satisfaction % – 2009 = 94% Good or Excellent, target = 85%
- Customer satisfaction related to quality % - 2009 = 92% Good or Excellent, target = 85%
- Customer satisfaction related to timeliness % - 2009 = 94% Good or Excellent, target = 85%

E. Describe why the level of service being proposed is the appropriate level: Staffing levels are consistent with industry benchmarks, see 7A, and are sufficient to achieve high levels of customer satisfaction. Additionally, the Help Desk & Training Services proposal includes a recommendation to eliminate the IT Trainer position. Some of that workload will be transferred to CM staff.

Section 8: Provide a Description of Supporting Revenue

This proposal is funded 21.95% by Enterprisefund/restricted revenue.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all: Customer Impact: Will create a cost shift to department operating budgets for third party assistance at higher cost. Negative impacts to employee productivity as some staff try to perform these functions themselves. Increase in security risk from computers not properly patched if left to individuals (just ask us about past history prior to automated tools). Loss of control of hardware/software standards over time results in increased costs and compatibility conflicts. No assistance or economies of scale in procuring and using cellular and Smartphones, which is becoming increasingly important to our customer base.

B. Consequence of funding at a lower level: The recommended proposal includes a reduction of 8.3%. Additional cuts would result in less timely response to problems and requests, negatively impacting productivity and satisfaction. Departments would also need to contribute funds for installation of new and replacement computers.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Help Desk & Training Services		**Proposal Number:** 090.02NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: David Kelly, x7195		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Services in this proposal include the Help Desk and the information technology training program. Help Desk staff respond to questions and resolve problems with computer applications and equipment, purchase and install new computers, and assist with upgrades, thereby decreasing staff downtime and increasing productivity. The training program assists City staff in maximizing their productivity and effectiveness with computer applications and tools.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$284,053	$299,279
Other	133,578	134,216
	$417,631	$433,495
Supporting Revenue		
	$91,655	$95,136
LTE/FTE		
FTE	3.0	3.0
LTE	0.0	0.0
Total Count	3.0	3.0

21.95% of expense is covered by Enterprise fund/restricted revenues

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Training program - A new approach to maximize the effectiveness of this program and to gain efficiencies is being proposed. A survey of staff indicated a desire for a wide variety of training methods to accommodate different learning styles and work situations. The proposal includes the following major changes:

- Eliminate the IT Trainer position but retain $50K for contracted trainers and/or curriculum, resulting in a net savings of $48K per year. Vendor cost is $92 per hour of training in our facilities. The City's costs are at least that much when all costs are accounted for including class preparation and curriculum development. Additional benefits include: trainers that are more specialized with specific products resulting in a better training experience; and custom developed curriculum that provides a tighter link between the materials and the classroom experience. A survey of Washington State cities and counties revealed that no respondents had dedicated IT training staff.
- Develop and utilize a wider variety of learning options to include: classroom, on-line, computer labs, brown bag sessions, tip sheets, demos, webinars, and one-on-one consulting.
- The following functions performed by the IT Trainer position would be dispersed among existing staff: 1-on-1 consulting, program admin, tip sheet development, open labs, and demos. Collective responsibility for this function along with utilization of staff's unique skill sets will bring a high level of energy and quality to the

training function. Capacity to handle the additional duties has been achieved from the use of automated computer management tools and reduced calls to the Help Desk as a result of increasing levels of reliability in both computer applications and equipment.

- Expand training access to 24x7 and all shifts of staff by providing a wider curriculum of on-line training options.

Help Desk – Several efficiencies and innovations were researched to improve Help Desk operations:

- Outsourcing this function was researched. Responses from two vendors showed a potential savings of $27K per year. An added benefit would include the ability to expand hours of service without additional costs. There is an inherent risk, however, to the quality of service in making a change to an outsourced provider, particularly with municipal operations that have a wide variety of applications and systems. Existing staff have a high level of history, experience and knowledge of City systems, operations, and personnel. Overall satisfaction with this function by City staff is currently 93% good or better. Based on limited savings and high levels of current performance, this option is not being proposed (see attachment).
- Develop a self-help system for staff to find answers to common problems without having to contact a Help Desk agent. Good templates for this have been developed in SharePoint, and work on this will commence in 2010 without requiring additional funding.
- The next upgrade to our call tracking system will include the ability for staff to submit and track requests to the Help Desk online, wherever they have access to the internet.

Section 5: Budget Proposal Description

Staffing for this proposal includes 3 FTE's (one support lead and two support staff – level 1) and a student intern. Please note that the Lead assists with the supervision of staff in the *Computer Management proposal* and that this staff is managed by the IT Manager assigned to that same proposal. This is a reduction of one FTE (the IT Trainer position). Currently there is an additional 1040 position supporting the Help Desk, and those hours will be included in the duties of a new full time position being requested in the *Network Services & Support* proposal.

Other elements of this proposal include monies for third party training and three computer training rooms. All calls and emails to the Help Desk are recorded in a call tracking application. This assists in providing a high level of customer service by: ensuring that all calls are tracked and completed; maintaining a history that helps identify trends; and creating and maintaining meaningful performance metrics.

Section 6: Mandates and Contractual Agreements

None.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Strategic Leadership - ***Identify and foster cross jurisdictional partnerships*** and ***Coordination opportunities that improve service delivery and/or reduce cost*** – Support our internal partners and NORCOM through the use of the computer training rooms. Over half of the use of the training rooms is department-led training to support specific business functions and outcomes. ITD regularly shares information with other cities and counties to improve operations, including support for the eCityGov Alliance with training and consultation on the use of SharePoint to improve communication among partners. ITD pursues opportunities to reduce training costs by sharing classes with eCityGov partners.

Engaged Workforce - ***Invest in continuous employee development, training, wellness, and security*** and ***Identify and implement strategies to reduce skill and service gaps and support employee growth and development*** -

The computer training program is focused on supporting employee skill development. The recommendations in Section 4 will save $48K, improve the quality of classroom training, and improve the breadth of training options. With the latest upgrade to the Microsoft Office Suite we added online training options which have been well received particularly by shift workers in Fire and Police. ***Encourage innovation in the workplace*** and Citywide strategy **Are innovative and creative**. – The computer training program, with formal classes and one-on-one consultation along with advice regularly provided to staff through the Help Desk, facilitates awareness and use of tools that are available to staff that can be used to drive innovation and creativity. For example, ITD regularly offers classes on how to understand and utilize SharePoint, and also regularly consults with staff to help them use SharePoint to solve specific business issues. SharePoint has significant potential to drive innovation. "*SharePoint with its intrinsically collaborative framework provides a truly robust and adaptable platform for driving innovation in the Enterprise. … With the necessary customizations to tailor to the individual enterprise's business context and needs, it becomes virtually the enterprise knowledge nerve center, and the key innovation enablement medium. Add to that its bouquet of capabilities in forms and workflow automation, document management, collaboration among others all provided in a flexible self service framework, and you have a holistic platform driving innovation in your enterprise"* (Optimus BT web site). ***Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service deliver***y - ITD has a performance monitoring program, and results are posted monthly and reviewed so processes can be adapted to address operational deficiencies. See Section D below.

<u>Exceptional Service</u> - ***Ensure services are provided when needed and/or expected; and processes are timely and predictable*** and ***Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions*** and ***Enhance professionalism and responsiveness to calls for service*** - City staff have a high level of satisfaction with Help Desk and Training services (93% good or better, compared to 2008 ICMA average of 90.5%) based on our latest annual survey. Our ongoing surveys of calls to the Help Desk show 97% of staff Agree" or "Strongly Agree" that the service was timely and responsive. First call resolution is 55% YTD, which matches our industry benchmark target. Our Service Level Agreement (SLA) with departments lists specific targets for timely resolution of repair calls and service requests. Results are regularly posted and reviewed. Currently we are exceeding these targets by 12%. See Section D below.

<u>Stewards of the Public Trust</u> - ***Manage public funds and assets in a responsible and fiscally sustainable manner*** and Citywide strategies ***Consider short- and long-term financial impacts*** and ***Provide for gains in efficiency and/or cost savings and ensure that services are "right sized"*** – This proposal recognizes the need to make improvements to the training program which will enhance the effectiveness of that program and reduce costs by $48K annually. Additionally, we did substantial research to demonstrate that the operation of the Help Desk is competitive with third party alternatives while providing a high level of customer satisfaction. "Fully outsourced Help Desks have 15% higher costs and 9% lower quality levels than organizations that provide Help Desk support in-house" *(Corporate Executive Board, "Selecting an Optimal Support Model", March 2010)*. Staffing ratios are lower than industry benchmarks: Help Desk staff as a % of IT staff is 9.0%, while ours is 7.2% *(Gartner, Jan 2010, #G00173877)*. ***Acquire, develop, and maintain publicly owned assets that support high performing government*** – In addition to resolving computer problems, Help Desk staff assist departments with purchasing new computers, security patching, and hardware/software upgrades. The ability of staff to perform these functions has facilitated the recommendation in the *Computer Management proposal* to reduce $53K in professional services.

Other Citywide Purchasing Strategies - ***Consider best practices*** - ITD has embraced industry best practices from the *Information Technology Infrastructure Library (ITIL)* which are the most widely adopted "best practices" for the IT industry. ITD created a long-term project to incorporate ITIL standards into our operations. Specifically we have implemented ITIL standards related to incident management and are moving forward with standards related to problem and configuration management.

B. Factors/Purchasing strategies addressed by this proposal – for the OTHER outcomes*:* This proposal supports all 7 outcomes by providing direct support to all staff engaged in delivering services related to those outcomes.

C. Short- and long-term benefits of this proposal: Minimize staff downtime from computer related problems; improve staff efficiency through educated use of computer systems and applications; improved staff retention; and cost savings through reduction of staff.

D. Performance metrics/benchmarks and targets for this proposal:

- Calls to the Help Desk = 12,581 in 2009, lowest call volume in the last 6 years
- First call resolution – 2010 YTD = 55%, target 55% *(Industry benchmark, Ivy Meadors – High Tech High Touch Solutions Inc)*
- % of repair targets met – 2010 YTD = 92%, target=80%
- % of service request targets met – 2010 YTD = 94%, target=80%
- Overall customer satisfaction % – 2009 = 93% Good or Excellent, target = 85%
- Customer satisfaction related to quality % - 2009 = 92% Good or Excellent, target = 85%
- Customer satisfaction related to timeliness % - 2009 = 94% Good or Excellent, target = 85%
- Help Desk , Response to call was timely and responsive – 2010 YTD = 97% Agree or Strongly Agree
- Average Hold Time – Future measure, to be implemented in 2010.
- Training class effectiveness survey = 92% Agree or Strongly Agree

E. Describe why the level of service being proposed is the appropriate level: The proposed staffing level cannot be reduced further without reducing hours of operation, which are currently 7AM to 5PM, Monday through Friday. Even now, there are times during the day when there is only one agent to answer calls. Customers have often requested expanded hours of operation, which cannot be achieved with current staffing levels. In short, we evaluated outsourcing as well as adjusting programs and find that we are positioned to compete positively with the private sector as well as provide good service to our partners in the organization while lowering costs.

Section 8: Provide a Description of Supporting Revenue

This proposal is funded 21.95% by Enterprise fund/restricted revenue.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:- *Customer Impact:* Loss of employee productivity, high levels of frustration, and ultimately a cost shift to department operating budgets to obtain third party assistance in resolving issues and to obtain training. Loss of productivity for IT staff, as employees try to garner help from their "favorite" IT person. Elimination of all technology training in the enterprise.

B. **Consequence of funding at a lower level:** Reduced hours of operation for the Help Desk, resulting in higher levels of employee downtime. Proposal for the training program already includes a substantial cut.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Software Development Services		**Proposal Number:** 090.03NA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Chelo Picardal, x6106		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Software Development Services build and maintain web applications for all City departments who have needs that cannot be effectively filled by existing or purchased applications and for the eCityGov Alliance (Alliance) as noted in the *eCityGov Alliance proposal.* Over 30 web applications have been developed since 2001, with half the applications being public facing, enabling citizens to get information, transact business and request services at anytime and anywhere.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$802,862	$844,341
Other	172,882	174,519
	$975,744	$1,018,860
Supporting Revenue		
	$214,140	$223,605
LTE/FTE		
FTE	6.06	6.06
LTE	0.00	0.00
Total Count	6.06	6.06

21.95% of expense is covered by Enterprise fund/restricted revenues

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

ITD provides software development services for both Bellevue and the Alliance. For Bellevue, software development has produced numerous products that allow regional partners to work together on projects and issues, such as a SharePoint collaboration site for NORCOM or a plant database for Bellevue Botanical Garden. These citizen-facing applications are also needed by other cities, and through collaboration with the Alliance since 2002, ITD has been able to share the costs and develop award-winning applications that serve the regional, as well as local, community and support regional economic health and development. The work that the ITD software development team performs improves services to Bellevue citizens and neighboring cities and counties. See Attachment for list of developed and supported applications.

ITD has a history of implementing process improvements, investing in tools to increase development capacity and improve product quality, and staying current in the latest industry developments. ITD achieved $15K efficiencies in this proposal by reducing software maintenance costs through the elimination of duplicate web content management systems. The Software Development Team efficiently supports many needs. Please see the *eCityGov Alliance*, *Business Tax and License System*, *Performance Measures System* and *Environmental Stewardship Initiative* proposals which rely on the software development function to achieve their goals.

Section 5: Budget Proposal Description

The ITD Software Development Service produces applications for the City at the best value because these applications cannot be easily purchased or would cost significantly more if contracted out. Software development is working or has worked closely with department and regional customers to define and develop a wide variety of applications, including:

- Bellevue citizen-facing web applications and websites (10 applications) - The primary web vehicle for communicating to citizens is the City website. From this information-laden site, citizens can access interactive applications to view real-time traffic flow, report problems or request services through the citizen relationship management (CRM) portal, view projects happening in their neighborhoods, search crime maps and statistics, among others.
- Bellevue intranet applications (18 applications) – The City intranet is full of reference information for staff to use. It also has many internal web applications to enhance productivity, including the City's map browser (Mapster) for access to geographical and map data, the land information system (LIS) for the central property and address database, business tax and license system for Finance, Parks landscape inventory, a mediation tracking system for Planning and Community Development, a public defender tracking system for City Attorney's Office, a customer assistance system for Development Services, and the motor pool reservation system for Civic Services. Automating internal business process has allowed departments to streamline work, increase productivity and capacity.
- eCityGov Alliance web applications and sites (8 applications) – The ITD Software Development Service built the Alliance web site and seven cross-boundary applications that allow citizens to apply for a job, look for recreational programs, and view property data across many cities. It allows business constituents to apply for permits, look for sale or lease properties, and respond to bids for many cities.

This proposal includes web developers (4.56 FTEs), a project manager, half of an assistant director, who serves as the manager over this division, and software tools needed by a development team to produce web sites and applications from the beginning to end (please note that while all developers are managed as one group, the *eCityGov Alliance proposals* shows the cost and revenue for developing applications for the Alliance). A position was shifted from the Cable Franchise fund to better meet the City's project demands. The development team also provides on-going maintenance, upgrades and enhancements for all the applications it builds.

Section 6: Mandates and Contractual Agreements

This proposal is a companion proposal to eCityGov Alliance proposal. The City provides software development services to the Alliance under the "Interlocal Agreement Establishing the eCityGov Alliance" (Resolution #7238).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal responds directly to the Citywide purchasing strategies, with particular emphasis on:

- *Provide the best value in meeting community needs* by creating citizen-facing web applications serving Bellevue and neighboring cities and counties through our Alliance work. The City Website received 1,029,121 visitors in 2009. MyParksandRecreation is the highest visited Alliance web application, and it received 128,788 visitors in 2009. MyBuildingPermit has the largest financial transactions at $3,949,772 total for 2009. Providing these services and others online saves citizens trips to City Hall and provides consistent and predictable service delivery. Research by the Pew Research Center's Internet and American Life Project shows that citizens are searching for information in unprecedented numbers, with 82% of online adults having gone to a government website to get information or complete a transaction.
- *Provide for gains in efficiency and/or cost savings and ensure that services are "right sized* by reviewing outsourcing rates for software development, and finding ITD's loaded $147/hour rate compares well with the average hourly rate of $151/hour for developers based on recent responses to an RFP for the Land

Information System development effort. An in-house team also has the advantage of drawing on its knowledge of the City's business needs and on a reusable code library to jumpstart new applications.

- *Are innovative and creative* by creating web applications that have been recognized by external organizations, such as Washington Technology Industry Association (WTIA). Four applications, MyBuildingPermit, MyParksandRecreation, SharedProcurementPortal and GovJobsToday, have been finalists in the WTIA Best Use of Technology in the Government, Non-Profit or Education Sector award.
- *Consider best practices* by using a variety of recognized software development best practice methods, and applying the appropriate processes for requirements, design, development, and deployment to achieve successful projects that are on time, on budget, and meet needs . We also follow the Information Technology Infrastructure Library (ITIL), a set of IT best practices, for change management, problem resolution, and problem response.

This proposals responds directly to ***all*** the Responsive Government factors/purchasing strategies:

- Community Connections *'engage the Community in a variety of ways'; 'increase opportunities for the community to understand its government'; 'optimize transparency and openness'*: The City Website and its applications provide a variety of information through the web, really simple syndication (RSS) feeds, social media feeds and email alerts. The website offers the latest information to citizens and holds a large volume of reference materials on a wide range of subjects. Citizens are able to see real-time traffic flow and request service or report problems through the CRM portal.
- Strategic Leadership *'enhance our regional competitiveness'; 'communicate with the right people at the right time'; 'foster cross jurisdictional partnerships':* The multiple awards from WTIA enhances Bellevue's reputation as a technology leader. The ten partner cities in the Alliance and 38 subscribers regularly see the results of the City's software development efforts. Developers also present at regional forums, like the Local Webmasters Group and ESRI's Northwest Users Group for GIS, and national forums, like the National Association of Government Webmasters.
- Engaged Workforce *'help Bellevue attract and retain highly qualified employees'; 'encourage innovation in the workplace'*: The Software Development Team built the GovJobsToday recruitment and hiring portal for Bellevue and then licensed its use to the Alliance. This award-winning application is regularly praised by applicants for its ease of use and gives candidates their first experience of the City's innovative work environment, which is critical for effective recruitment in this high-tech region.
- Citywide *'eliminate low-value added activities'* and Exceptional Service *'services are provided when needed and/or expected and processes are timely and predictable'; 'demonstrate collaboration and reduce redundancies in service delivery'; 'enhance professionalism and responsiveness to calls for service*': Web applications are available when citizens want to conduct business with the City, saving them time and effort in accessing City services. Half the application portfolio are productivity enhancing internal applications, such as mediation tracking. Information is readily available in a variety of forums.
- Stewards of the Public Trust '*Manage risk, minimize liability'; 'solicit and analyze performance feedback'*: All software built for the City containing critical data or financial transactions goes through rigorous security vulnerability screening and code reviews. In 2010, developers created a performance measure site of ITD metrics that allows the City to view ITD's performance on the City intranet.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

This proposal achieves the goals desired in the following Secondary Outcomes and factors (and their associate purchasing strategies):

- Safe Community: '*put an emphasis on innovation and customer support that encourage community engagement and partnerships'* – The City website provides public safety information to citizens via our crime map and allows citizens to report problems in the community through our graffiti reporting site.
- Improved Mobility: *'increase potential users' awareness of the full range of travel choices available to them'* – The City website provides transit and mobility information and provides real-time traffic flow.
- Innovative, Vibrant and Caring Community: '*reduce barriers to involvement and interaction'* – The City website posts events, opportunities to provide input on decisions, and ways to report problems.
- Quality Neighborhoods*: 'strengthen the sense of community'; 'involve partnerships for community building'* – The City website is an invaluable resource for neighborhood associations and residents on issues impacting

their streets and neighborhoods. The software development team also built the Projects in My Neighborhood application so that citizens can see how they are impacted by projects.

- Healthy and Sustainable Environment: *' education programs and materials to enhance the community's awareness and understanding of choices'* – The City website provides tips and tricks and educational material on environmental stewardship and the online services saves many citizen trips to City Hall, which saves on community vehicle miles travelled and greenhouse gas emissions.
- Economic Growth and Development: *'outreach to, and or develop partnerships'; 'market the City and region's unique qualities and attributes'; 'help make the City of Bellevue organization known for its second-to-none customer service'* – The ability to provide sophisticated websites and applications for the City's business constituents is important to branding the City as a leader in this high-tech region.

C. Short- and long-term benefits of this proposal:

Please see benefits noted above in section 4 (Cost Savings/Innovation) and section 5 (Description). The immediate benefit of this proposal is maintaining existing service levels and project commitments to customers.

D. Performance metrics/benchmarks and targets for this proposal:

- Customer Satisfaction - ITD's annual Customer Satisfaction Survey shows 86% of responders reporting a Good or better rating for Applications Services, which includes software development services.
- Mean Time to Repair (MTTR) – Year to date in 2010 shows that problem calls for software development applications take on average 16 hours to resolve. Most of these calls are low priority, and the volume (5 calls) is still too low to show any trends.
- Application Uptime – To be implemented in a future phase of ITD Performance Measures system.

E. Describe why the level of service being proposed is the appropriate level:

The demand for software development services regularly exceeds available capacity. An annual work plan is developed each year based on organizational priorities. A backlog of projects waiting in the queue is a constant, such as Mapster replacement, enhancements to the CRM portal or City website, etc. This proposal maintains existing capacity and assumes that demand will continue to exceed capacity and that we will focus on priority projects that are already in progress while maintaining and enhancing existing applications. It does not include staffing capacity for new major application development.

Section 8: Provide Description of Supporting Revenue

The Alliance pays full cost recovery of web development services provided to the regional partnership. See the eCityGov Alliance proposal for more details. Proposal is funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: None.
2. Customer Impact: In-house developed applications would not be enhanced and problems would not be fixed, unless a more expensive outsource service provider was engaged. This could result in work disruptions and citizen complaints since these applications are highly visible and heavily used.
3. Investment/Costs already incurred: We are heavily invested in web-based applications. Over 30 web sites and applications have been built by the software development team since 2001.
4. Other: Bellevue cedes it technology leadership role in the region by eliminating a program that has gained recognition and respect for its innovation and the benefits achieved by Bellevue and partners.

B. Consequence of funding at a lower level: depending on magnitude of reduction, maintenance on existing applications would be reduced to allow us to finish projects in progress, back-logged projects would remain unaddressed, some existing but un-started needs such as replacing Mapster could result in the loss of that functionality until capacity is available to replace the application. All of this would result in a range of impacts to multiple areas of service delivery in the City. Productivity would decline as well as user and community satisfaction levels with service.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: IT Security Program		**Proposal Number:** 090.04NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Gary Clesson, x6899		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

This proposal provides IT security services necessary to protect the City's critical information (e.g., credit card numbers and social security numbers, law enforcement data, etc.) and the IT infrastructure and applications from cybercrime attacks, viruses, and other threats. It also enables the city to meet legal and regulatory requirements related to housing critical data. Keeping this information safe is a fundamental component in protecting the City's reputation and ensuring that we live up to the trust that citizens have placed with us.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$370,478	$389,776
Other	273,121	273,455
	$643,599	$663,231

Supporting Revenue		
	$141,246	$145,555

21.95% of expense is covered by Enterprise fund/restricted revenues

LTE/FTE		
FTE	2.5	2.5
LTE	0.0	0.0
Total Count	2.5	2.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Significant research has been conducted to ensure that this proposal provides IT security services as efficiently and effectively as possible. This proposal uses in-house staff for some services and outsources others where it is cost effective. It includes money for projects currently funded in the Security – Payment Card Industry Mandated CIP thereby eliminating the need for that CIP. This proposal includes $13,200 in savings annually by reducing security consulting hours based on historical usage of this service.

In developing a program to achieve compliant security processes, procedures and policies, ITD partnered with Finance and Parks department to meet the Payment Card Industry (PCI) mandate, with Police to meet the Criminal Justice Information System (CJIS) security requirements , and with Human Resources to meet the Health Information Privacy and Accountability Act (HIPAA)requirements.

Section 5: Budget Proposal Description

IT Security Services include development and enforcement of security policies and procedures, staff security training and awareness, anti-virus protection for all computers and servers, spam blocking on all emails, firewall services for all internet traffic, patching of IT systems, monitoring security logs and alerts to be ever vigilant, laptop encryption, responding to security events in a timely and comprehensive manner, documentation, and

other work required for regulatory compliance. This proposal includes half of an assistant director, who oversees this program, an IT manager in charge of security, and a security technician.

The risk to critical data is real. According to a March 2010 report from Symantec, a leading security services firm, Seattle is the 'riskiest cybercrime city', leading in nearly every category, including risky behavior, cyber attacks and potential infections. In 2009 alone, over 220 million personal computer records including social security numbers, medical records and health records were breached in the U.S. The list of organizations suffering breaches since 2006 includes Boeing, Starbucks, King County DOT, Seattle School District, Port of Seattle, and Group Health. The resources requested in this proposal are specifically intended to reduce the risk of a data breach. The City has never experienced a data breach and our goal is to keep it that way.

Section 6: Mandates and Contractual Agreements

Because the City stores critical information, the City is required to meet the following regulations and standards:

- Payment Card Industry - Data Security Standard (PCI-DSS) to prevent credit card fraud and compromise. Not meeting this standard could result in fines of up to $50,000 per month and the removal of the City's ability to process credit card transactions.
- FBI Criminal Justice Information System (CJIS) security policies to protect law enforcement data. Non-compliance with the CJIS security polices could result in the Washington State Patrol disallowing our use of applications such as ACCESS and NCIC which are used by Police to run license plates, access want and warrant information, and obtain other critical law enforcement information.
- Health Insurance Portability and Accountability Act (HIPAA) to protect health and medical information. Non-compliance with HIPAA could result in significant fines and/or lawsuits.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Citywide - Provide the best value in meeting community needs **and** *Are a catalyst for increasing citizen participation and support* **and** *Community Connections - Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making:* The community's thirst for easy access to information continues to increase. We provide a great deal of valuable information online and process many online financial transactions. Citizens need to be confident that the information they get from the City's online presence has not been tampered with and that our site has not been infected thus posing a threat to them. The IT security program does this by ensuring that we develop secure web pages, scanning those pages for infections or vulnerabilities, and continuously monitoring our sites. In 2009, we securely processed over 148,000 credit card transactions with a value of about $15.3M.

Citywide - Leverage collaboration or partnerships with other departments and/or external organizations ***and*** *Strategic Leadership - Identify and foster cross jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost:* The City's IT security program is in constant touch with other jurisdictions concerning the latest cyber threats and defenses against those threats. ITD recently took part in a regional cyber exercise involving counties, cities, and private companies. We are involved in a regional project to analyze information from multiple agencies looking for directed cyber attacks against those agencies.

Engaged workforce - Invest in continuous employee development, training, wellness, and security **and** *Encourage innovation in the workplace:* The IT security program provides security awareness training for employees. We have trained over 700 employees and provide training to all new hires. In this program employees are informed that the City embraces innovation and technology and are trained on how to use the Internet and technology safely.

Citywide - Ensure sound management of resources and business practices **and** Exceptional Service - *Ensure services are provided when needed and/or expected; and processes are timely and predictable* **and** *Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions:* Providing computing and network security helps ensure that services are provided when needed and/or expected. The City's IT security program includes a security incident response plan for dealing with unplanned security events. This helps ITD to respond to such events efficiently ensuring the least possible impact on productivity. Last year, the City had no successful network intrusions, blocked 623,396 spam emails, and detected and blocked 7,873 viruses. This protection ensures that City staff can continue to productively use IT systems, email and the internet.

Citywide – Consider best practices **and** *Stewards of Public Trust – Manage public funds and assets in a responsible and fiscally sustainable manner* **and** *Manage risk minimize liability, and provide for accountability:* ITD provides security services for less than it costs most government agencies, and the IT security program is a smaller percentage of the total IT budget than most agencies. According to the Gartner Group , an IT research firm, in its paper *2010 Update: What Organizations are Spending on IT Security,* the average government agency spends about $671 per employee on security. This proposal provides an IT security program at a cost of about $478 per employee. Gartner also reports that the average government IT shop spends 5.9% of its budget on security. This proposal is only 5.0% of the total ITD budget.

Our primary goal is the reduction of risk in an efficient and effective manner. Providing defenses against cyber attacks in a cost effective manner reduces the risk to the City's critical information. Citizens expect government to be safe. Having secure systems where the public can feel safe visiting our web page and/or performing financial transactions is a key component of public trust in the City of Bellevue. The IT security program utilizes security industry best practices in the implementation all our services.

Reducing the risk of data breaches has a fiscal impact by avoiding costs from a breach and lessening the City's financial liability. The average cost of a data breach is now estimated at $6.6 million, and the estimated cost of data loss is now $202 per record lost, according to the Ponemon Institute, a security research firm. Washington State has a security breach notification law (RCW 19.255.010) which requires organizations to notify individuals of any security breach where personal information was or is reasonably believed to have been acquired by an unauthorized person. In 2008, security risk assessments for Finance, Parks, Police and Utilities were performed and found about 130,000 critical records containing credit card numbers, social security numbers and bank accounts. A data breach consisting of these records could cost the City over $2.6 million, not including costs from lawsuits.

Citywide – Are innovative and creative **and** *Stewards of public trust – Acquire, develop, and maintain publicly owned assets that support high performing government:* The IT security program invests in innovative new technologies for the protection of City data. As an example we are working with vendors to implement a firewall that includes new features which eliminates the need and cost for other devices on our network. This has resulted in a one-time savings of $21,000 and ongoing savings of $20,000 per year.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

The IT Security Program proposal also supports the following Outcomes and their factors:

- *Safe Community – Prevention. "… a key area in allowing citizens to 'feel safe' involves prevention of harmful or dangerous incidents."* by protecting against cyber threats and safeguarding citizen information.

- *Economic Growth and Competitiveness – Infrastructure. "The City – and its infrastructure partners – have a responsibility to continue to enhance the infrastructure necessary to speed information, goods and services quickly and safely throughout the City. "* by protecting citizen's online transactions with the City.
- *Economic Growth and Competitiveness – City Brand. "The City's reputation is only partly a result of marketing and communication. By and large, the City's reputation develops over time as the City demonstrates excellent service…"* by minimizing the risk to the City's reputation from public notifications of data breaches.

C. Short- and long-term benefits of this proposal:

The short term and long term benefits of this proposal are the same. This proposal allows the City to keep critical information safe and secure in both the short and the long term at a good value.

D. Performance metrics/benchmarks and targets for this proposal:

Performance measurement is a key component of maintaining an effective and efficient security program. A security program's performance is typically measured by things that do not happen versus what does happen. A lack of data breaches, virus outbreaks, and security incidents are all signs of an effective program. Several measures are mentioned above. Additionally, the following are all indicators of a successful program:

- Successful completion of a CJIS audit – found fully compliant in March 2009
- Completion of the annual self assessment questionnaire for PCI-DSS – completed February 2010
- Annual completion of documentation to remain HIPAA compliant – completed in April 2010

E. Describe why the level of service being proposed is the appropriate level:

The level of service provided here is a fiscally prudent level to allow the City to continue its efforts to put in place security best practices and systems to remain compliant with several information security mandates. A lower service level would not allow the City to accomplish this goal. While a higher level would lower the risk more, the proposed level allows higher priority risks to be addressed in a responsible manner and puts in place a program to continue to tackle risks on an ongoing basis.

Section 8: Provide a Description of Supporting Revenue

This proposal is funded 21.95% by Enterprise fund/restricted revenue.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Not funding this proposal would result in the City being unable to meet and maintain compliance with any of the mandates mentioned in section 6.
2. Customer Impact: ITD's customers expect their information to be kept safe. Not funding this proposal would make it impossible to do so. The result would put citizen and staff data at risk.
3. Investment/Costs already incurred: The City has invested about $276,000 in security hardware, software and services.
4. Other: Not funding this proposal would increase the risk of a data breach. If the City were to lose citizen or staff data resulting in financial loss for those individuals, law suits would inevitably follow **along with damage to the City's reputation.**

B. Consequence of funding at a lower level: Funding at a lower level would reduce our ability to comply with the mandates in section 6. It would result in increased risk to our critical digital information and expose the City to greater liabilities in the event of security breaches.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Department Management & Support		**Proposal Number:** 090.05NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Rick Berman, x4890		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

ITD Management and Support provides strategic technology leadership within the organization and region, aligns strategic technology decisions with Council and Departmental business vision, manages and/or provides oversight over the operation of all business lines noted in other Information Technology Department's (ITD) proposals in a manner that ensures the following are met: (a) the direction of the City Council and City Manager; (b) the goals of each Department proposal; and (c) adoption and application of core values and leadership philosophy at all levels of the organization.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$634,662	$667,608
Other	219,820	224,383
	$854,482	$891,991
Supporting Revenue		
	$322,254	$333,291
LTE/FTE		
FTE	4.5	4.5
LTE	0.0	0.0
Total Count	4.5	4.5

21.95% of expense is covered by Enterprise fund/restricted revenues

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Department management is responsible for ensuring all ITD services are performed to agreed-upon service levels, projects and work plans are developed and coordinated, and standards for all services and business lines are developed and updated based on best business practices for IT. The results of partnerships and effectiveness efforts are spread across all ITD proposals and achieve a 6% savings in operations, eliminate CIP expenditures, and create significant savings in Equipment reserves (see ITD proposals for specifics). Efforts described in the *Regional Services Attachment* and *eCityGov Alliance Proposal* bring in revenue used to reduce customer rates (see Revenue Section below). The business operations function was responsible in the last year for the redesign of the asset management database (and associated business processes), the design of the new ITD performance measure program, and the redesign and implementation of eCityGov Alliance financials.

Section 5: Budget Proposal Description

***Department Management* (DM)**: Technology leadership and Department management consists of the Director (Chief Information Officer for the City, or CIO), and an Assistant Director (the Chief Operations Officer, or COO). DM is responsible for developing strategic and tactical plans and policies to effectively meet the short and long-term goals of the City including regional efforts to build partnerships that leverage sunk investments and/or

defray internal City ongoing costs, complying with federal , state and city code, and ensuring that efficient and effective professional standards, internal controls and policies/procedures are met. More specifically:

- The CIO is responsible for aligning technology and business strategy as well as the direction for existing and future lines of ITD business; all internal/external partnerships across the city, region, and country; Council-related activities; and Leadership Team initiatives.
- The CCO is responsible for staff administration; all aspects of customer service/service level agreements; oversight of Client Services, GIS, and Application support; business process improvement; financial stewardship; the One City initiative; and emergency management.

The CIO, COO and the Chief Technical Officer (CTO, see *Security Services and Software Development Proposals*) collaboratively work together to monitor long-term strategies, IT governance, strategic planning for business line development, and to determine and select technologies based on the enterprise architecture and citywide business strategies. Included in this is the development of region-wide strategies and coordination of initiatives such as the eCityGov Alliance, Eastside Fiber Consortium, data center leasing, and NORCOM (*please see the Regional Services Attachment and eCityGov Alliance proposals for more info).*

Business Operations Services: The Business Operations component of this proposal provides financial and administrative support in the areas of operations, CIP, and replacement reserves. It consists of a fiscal manager, a senior financial analyst (please note that this proposal includes a re-class for this position – from a financial analyst), and 50% of an administrative assistant (*please see the eCityGov Alliance proposal for the other 50%).* The fiscal role of Business Operations includes budget development and monitoring, financial planning, forecasting and analysis, rate modeling, accounts payable, and billing.

Section 6: Mandates and Contractual Agreements

There are interlocal agreements covering the eCityGov Alliance (a separate proposal) and the Eastside Fiber Consortium (see attachment). Contractual agreements exist with data center leasing customers and grants associated with the fiber consortium.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

- *Citywide-Provide the best value in meeting community needs* **and** *Citywide-are a catalyst for increasing citizen participation and support:* As the City's representative for the eCityGov Alliance and Fiber Consortium, DM seeks to eliminate redundant systems, create cross-boundary services that increase citizen participation in a streamlined manner, and add value through cost-sharing or revenue-generating relationships. The CIO serves as Chair of the Alliance Operations Board. See Alliance proposal for metrics.
- *Provide for gains in efficiency and/or cost savings and ensure that services are "right sized"* **and** *Leverage collaboration or partnerships with other departments and/or external organization* **and** *Strategic Leadership - Identify and foster cross jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost:*
  - Evidence for these strategies is evident in all ITD proposals. Our work, both internally and with regional partners, is designed to lower the total cost of service for Bellevue and provide unparalleled levels of service for citizens in the region. Examples include: a) ITD Budget One proposals, including efficiencies in equipment replacement reserves, technology business systems, network services, and help desk/training will reduce costs by 6% or over $1 Million in 2011-12. (please see those proposals for more information); and (b) external initiatives such as the Alliance, Eastside Fiber Consortium, and data center space leasing (please see those proposals for more information).
  - ITD is a leader in the use of cross jurisdictional partnerships to achieve the goals of the City and the Region. In support of that, ITD is a founding member of the eCityGov Alliance and the Eastside Fiber Consortium. ITD is one of the few jurisdictions on the Eastside to provide data-center leasing to others.

- ITD use of a strategic plan to guide the City's technology future is a best practice (72% of ICMA respondents use this tool-*ICMA comparative data, 2008*)

- *Citywide-Are innovative/creative* **and** *Engaged Workforce (EW) - Encourage innovation;* **and** *(EW)-Foster organizational learning by communicating effectively* ***and*** *(EW)- Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service delivery* ***and*** *(EW)- Invest in continuous development, training, wellness, & security* ***and*** *(EW)- Identify and implement strategies to reduce skill and service gaps and support employee growth and development* ***and*** *Exceptional Service-Enhance professionalism and responsiveness to calls for service:*
  - *ITD's mission is Inspire, Innovate, and Deliver! We take communication very seriously and utilize newsletters, staff meetings, surveys, and organizational development efforts to engage staff within the department and partners throughout the City to redesign process, plan future strategic and tactical efforts, and mine ideas for research and innovation. Examples include the development of our "core competencies" program and the IT Strategic Plan. We go out of our way to recognize innovation and creativity via our employee-driven recognition program.*
  - *Competency-based evaluation processes are aligned with an aggressive training program to methodically align tools, skills and professional development efforts within the department to support strategic* initiatives within the City as well as maintain currency with technology trends and best practices.
  - *DM supports participation in professional organizations (a list can be supplied upon request). According to a CIO Executive Board report (From High Performance to High Potential*, 2006), talent development is in the top 3 of the 11 IT organizational attributes that impact high performance.
- *Citywide-Ensure sound management of resources and business practices* ***and*** *Citywide-Consider short- & long-term financial impacts* ***and*** *Citywide-Consider best practices: ITD has adopted ITIL* (Information Technology Information Library – akin to business-side accreditation) as a best practice *framework (34% of ICMA respondents have adopted ITIL - ICMA comparative data, 2008) . A 2007 ITIL assessment identified the technology governance structure within COB as one of the strongest* and most mature in the public sector. This consists of an interdepartmental IT Governance Committee (ITGC) that collaboratively directs and manages policy *and the investment portfolio* (66% of ICMA respondents have a technology governance committee), and an operational advisory board which coordinates short and long-term tactical impacts of technology changes. While there is no accreditation available, ITD employs industry best practices to ensure sound mgmt practices for program-related activities and Governmental Finance Officers Association standards for our financial practices are followed.
- *Citywide-Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making* **and** *Exceptional Service - Demonstrate collaboration and reduce redundancies in service delivery:* These strategies are supported through the design of the eCityGov Alliance portals, line-of-business "customer facing" applications, and Bellevue's webpage. Additionally, through oversight of our graphics and BTV functions, ITD services support the community's ability to understand government and access city of Bellevue services. A guiding principle in working with our partners is to engineer best practices into our efforts and reduce ineffective processes. According to Gartner (a leading IT research firm) in their case study on the Alliance (*July, 2009*), a key finding is that "shared online service platforms have reduced the administrative burden on constituents….providing easier access to update information." These results have been greatly influenced by ITD's leadership.
- *Exceptional Service - Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions:* DM ensures that staff is equipped with appropriate technology in support of citywide services and for the appropriate amount of reserves to fund equipment replacement in the future. The current total value of IT assets is $8.6 Million. As the stewards of technology for the city, we look outward to anticipate trends, analyze them, and work with our partners in making future decisions. ITD is a leader in the use of enterprise architecture planning (only 38% of ICMA respondents use this tool) and asset management plans (65% of ICMA respondents use this tool).
- *Stewards of the public trust - Manage public funds and assets in a responsible and fiscally sustainable manner:* As an internal service fund, ITD must balance expenditures with resources. We are accountable to a number of oversight bodies, including the CMO, finance department, the ITGC, and the state auditor. Fund policies ensure that we properly manage rates, including refunds when necessary. ITD has successfully

passed all audits and financial reviews. Research from Gartner in their *IT Spending and Staffing Report, 2010* report shows that ITD manages funds responsibly:

2009	Multiple Industry Avg	Government Sector	ITD
IT Spending as a % of expenditures	4.4%	6.5%	3.1%
IT Spending per Enterprise Employee	$12,718	$11,028	$8,447

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Safe Community (Response and Planning & Preparation) **and** *Improved Mobility (Existing & Future Infrastructure):* by providing a strategic direction to ensure our infrastructure is designed to withstand disasters and by managing an emergency management program within the Department (54% of ICMA respondents have an emergency management plan).

- *Healthy and Sustainable Environment (Clean Air):* through ITD's work on its green data center, server virtualization and extended equipment lifecycles.
- *Economic Growth and Development (People & Partnership; Infrastructure)* **and** *Innovative, Vibrant, and Caring Community (Support Services; Opportunities for Interaction):* we partner with Parks to ensure connectivity at Community centers; through wireless services, such as Bellevue Connect, and fiber projects through the Eastside Fiber Consortium, we "enable" business and community connections.

C. Short- and long-term benefits of this proposal: Continued strategic leadership within the organization and region; alignment of strategic technology decisions with Council and Departmental business vision, management and/or oversight over the operation of all business lines noted in other ITD proposals in a manner that ensures the following: (a) the direction of the City Council and City Manager; (b) the goals of each proposal; and (c) adoption and application of core values and leadership philosophy at all levels of the organization.

D. Performance metrics/benchmarks and targets for this proposal:

- customers who rate the quality of IT services as excellent or good: 90%
- customers who rate the timeliness of IT services as excellent or good: 95%
- customers who rate the overall satisfaction with IT services as excellent or good: 94%

E. Describe why the level of service being proposed is the appropriate level:
Based on our strategic plan, service level agreements, and all other ITD proposals, this is what will be required.

Section 8: Provide Description of Supporting Revenue

Data center leases bring in $110,236 in 2011 and $112,287 in 2012 (which pays for costs associated with leasing, equipment replacement, and overhead). The Land Purchase Revolving Fund houses revenue from fiber leases for the purpose of future fiber projects and adds $30,000 in 2011 and $30,570 in 2012. Revenue from interest is $32,371 in 2011 and $33,342 in 2012. Proposal is also funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: None
2. Customer Impact: For the DM section, there will be no staff available to manage the Department goals and objectives stated above. For Business Operations, there will be no staff available to develop and/or maintain the business operations goals and objectives stated above.
3. Customer Impact: Investment/Costs already incurred: See other ITD proposals
4. Other: None

B. Consequence of funding at a lower level: Please see customer impact (above)

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Geographic Information Systems (GIS) Services		**Proposal Number:** 090.06NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Ann Boyd, x6053		**One-Time/On-Going:** On-Going
Fund: IT	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Geographic Information Systems (GIS) Services provide geographic analysis, mapping, and data management in support of programs and services city-wide for citizens and staff. GIS products support communication, planning, and key operational and strategic decision making for Council and all City departments.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$559,503	$588,647
Other	103,971	323,535
	$663,474	$912,182
Supporting Revenue		
	$145,608	$200,192
LTE/FTE		
FTE	5.0	5.0
LTE	0.0	0.0
Total Count	5.0	5.0

21.95% of expense is covered by Enterprise fund/restricted revenue

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

GIS investigated outsourcing, but we found it to be more expensive. Efficiencies in the intern program (three part-time interns) enable us to respond quickly to urgent mapping requests and data maintenance while freeing up the GIS analysts for complex analytical tasks. Also, the Parcel and Address Coordinator streamlines and institutionalizes the process of address assignment, street naming, and related data maintenance. Previously these activities were spread across staff in multiple departments resulting in poor quality address information and integration issues. Partnerships create much efficiency. We share costs for aerial imagery and citizen-facing mapping applications with eCityGov Alliance and King County. Internally, collaboration with other departments yields many benefits and provides do-it-yourself tools for customers (e.g., staff in Parks and Transportation use GIS tools to manage their own geographic data). GIS has identified process improvements - available upon request.

Section 5: Budget Proposal Description

GIS Services can be broken down into three categories: **(1) data acquisition and maintenance, (2) maps and analyses, and (3) geographic software applications.** GIS Services includes the personnel, data purchases, and consultant expertise needed to provide these mapping services to all City departments and customers. This proposal includes all existing staff (1 Lead, 3 GIS Analysts, and 3 interns) and funds the Parcel and Address Coordinator (currently a LTE) as an ongoing FTE.

Data acquisition and maintenance is the foundation of all GIS services. Without complete and accurate data, all analyses and conclusions are suspect. Geographic data maintained in-house by the GIS Services team includes addresses, parcels, tax account information, comprehensive plan and zoning, districts and boundaries (e.g. city limits, police, fire, maintenance, and storm basins), parks and natural resources, and transportation (e.g. street signals, lights, signs). The full list is long and can be supplied upon request. These datasets cannot be purchased and instead rely on specialized knowledge and collaboration with City subject matter experts. Of special note is the GIS Team's responsibility for address assignment and maintenance. This critical data shows up in most critical business systems and is a primary communication element between staff and citizens.

Some datasets are purchased because they rely on specialized equipment and expertise that do not make sense for the City to retain on staff. This proposal includes $9k in 2011 to acquire Pictometry (a specialized imagery) and $179k in 2012 for aerial imagery, contours, building footprints, impervious surfaces and vegetation.

Mapping and analyses relates to visualizing, understanding, and synthesizing data. Examples include a site map to help Council understand the location of a proposed project or a complex integration of disparate data (e.g., defective water pipes and streets to be paved for efficient operational planning). Mapping and analysis projects provide the visuals and data that planning and operations staff rely on to complete their work using sound, data-based methodology that can be presented in a way that is easily understood. In 2009, GIS Services provided over 6600 hours of mapping and analyses to the City.

Geographic software applications, such as the city's internal map browser, Mapster, are created for fast, easy access to the wealth of geographic data available. Specialized applications such as the Right-of-Way Permit manager and the ADA (American with Disabilities Act) viewer are created for use by a small number of staff experts. These mapping applications get information to more people, more quickly than any other method. This proposal includes $50,000 in 2012 for GIS consulting needed to enhance maintenance tools and to assist with the Mapster replacement.

Section 6: Mandates and Contractual Agreements

This proposal is not mandated but supports mandates in customers' proposals, including the National Pollutant Discharge Elimination permit, Americans with Disabilities Act, and FEMA Disaster Mitigation rules.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. **Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

GIS Services supports the **Community Connections** factor, in that it *engages the community*, *increases the opportunities for the community to understand its government and access information*, and *optimizes transparency and openness*. "A picture is worth a thousand words" defines the value of GIS as a communication tool. The community's need for information is handled efficiently using maps and applications, because location is a commonly understood perspective. Maps communicate to the public exactly where the proposed light rail might travel, and which roads will be paved this summer. Dozens of on-line maps plus NWMaps.net, the Traffic Map, and the Crime Map websites get information directly to the public without involving City staff. Web maps provide methods for citizens to provide input back to City staff, for example, on the proposed pedestrian and bicycle facilities during the Ped/Bike Master Plan update process. The City's geographic data is downloadable from the City's web site for use by commercial entities, universities, and citizens who need it for their work or personal use.

GIS supports **Strategic Leadership**, specifically with respect to carrying out the *Community Vision through informed decisions*, as well as through *cross-jurisdictional partnerships that improve service and reduce cost*.

Geographic analyses help leaders visualize the future by combining many layers of factual information into a common picture. For example, demographic information such as income and race combined with proposed new park property and travel distances can provide numbers on whether the proposed plan will be equitable to a diverse population. Mapping fire response times can drive a decision on where to locate a new fire station. Combining proposed roadways or transit lines with sensitive environmental areas illuminate issues of environmental impact. Measuring change of impervious surfaces and tree canopy over time indicates trends related to environmental health. All of these rely on accurate data and educated analysis. Previously in Section 4, the cost savings of partnering with regional jurisdictions was noted.

GIS supports an **Engaged Workforce** because it provides a launching pad for *innovation*. For example, rather than create a hefty document of sidewalk defects required by ADA (Americans with Disabilities Act) program, one which will immediately become out of date, a web map browser was created which immediately reflects updates, is easier to disseminate and use, and is a better environmental choice. Solving problems in innovative ways abound with GIS because the technology's inherent ability to combine information from disparate sources together into one visual display. During a natural disaster, shelters being set up by the Parks Department can be displayed on the same map as roads being closed by Transportation, thus guiding City staff to open shelter in locations that are accessible. GIS provides the data and tools City staff need to do their job well and to turn in work they are proud of. As GIS evolves, for instance into 3-D modeling, staff is inspired to adapt to a changing world and a technology-aware constituency which expects government to use tools with which they are familiar.

Exceptional Service – defined by *services that are timely and predictable*, an *organization with the information, tools, and technology to effectively respond*, *collaboration and reduced redundancies*, and *enhanced professionalism and responsiveness* – once we relied on people knowing it all "in their heads", but is now critically dependent on accurate GIS data, analysis, and applications. Public Safety staff relies on accurate addresses so they can respond quickly. Police rely on aerial photography to plan SWAT actions. Development Services staff rely on parcel-level information such as address, zoning, ownership, sensitive areas, and development restrictions so they can issue permits quickly, correctly, and follow up with inspections. (Previous to hiring the Parcel and Address Coordinator, errors such as the Bravern not being addressed correctly and therefore missing from Mapster were a problem). Planning staff rely on geographic analysis to supply Council and decision makers with comprehensive information quickly and based on data. Mapping applications such as Mapster and NWMaps.net efficiently communicate information that would be difficult to explain in words or require trips to the field. This reduces the amount of staff time necessary to communicate to each other and to citizens. In a recent survey of 204 staff, 87% said they used aerial imagery at least every week, and 56% said they would need to go out into the field at least every week if they did not have access to aerial imagery in Mapster. (Mapster is used by 800 staff annually. NWMaps.net has 100 daily visitors.) This is all achieved in a highly efficient manner: based on research of cities in Puget Sound, the ratio of GIS staff to total City staff is the lowest (.3%) and well below the average of all cities measured (.6%).

GIS supports **Stewards of the Public Trust** in that it helps *manage assets in a sustainable manner*, and *manage risk, minimize liability, and provide for accountability*. Most assets are tied to a location. GIS provides the means for staff to query and manage these assets. For example, Asset Management System (Maximo) users can precisely locate assets (pipes or trees) and coordinate work orders. GIS maps convey to decision-makers the location and status of the City's assets. Maps can be critical in legal proceedings. For example, the recent Coal Creek/Weinstein litigation relied heavily on a set of maps showing the sediment mitigation projects implemented by the City as well as the destruction of the wetland on the private property in question. And maps can be used to respond to Federal mandates for operational improvements and reporting, such as those in

the NPDES and the ADA. GIS risk analysis is a necessary component of the hazard mitigation plan required by FEMA in order to receive Federal funds during a natural disaster.

B. **Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

GIS also performs projects that promote the goals in Safe Community; Improved Mobility; Innovative, Vibrant and Caring Community; and Healthy and Sustainable Environment, as well as the City-wide purchasing strategies of "Provide the best value in meeting the community needs", "Leverage collaboration or partnerships with other departments and/or external organizations", "Are a catalyst for increasing citizen participation and support", "Are innovative and creative", "Promote environmental stewardship", and "Ensure sound management of resources and business practices." Due to space limitations, more information can be provided upon request and the justification is described above. GIS is particularly important to the "**Promote environmental stewardship**" strategy. In addition to the benefits GIS analysis can provide to decision makers as described above, the purchase of datasets such as vegetation which is used to monitor tree canopy increase or loss, and aerial imagery which is used to map impervious surfaces, are critical input into the City's environmental stewardship initiative projects.

C. **Short- and long-term benefits of this proposal:**

In the short term, this proposal continues a successful program of providing mapping to the organization on a daily basis. In the long term, this proposal strengthens the database and tools with standards and best practices that will support better business solutions.

D. **Performance metrics/benchmarks and targets for this proposal:**

- Percent of customers rating overall satisfaction with GIS Services as Good or Excellent: 85%
- Percent of customers rating timeliness of GIS Services as Good or Excellent: 85%
- Percent of customers rating quality of GIS Services as Good or Excellent: 85%

E. **Describe why the level of service being proposed is the appropriate level:**

This proposal does not meet the demand for GIS Services. In 2009, an estimated 1000 additional hours were asked for by internal customers. While GIS Services are in greater demand than resources allow, this proposal offers a fiscally prudent level of service that allows higher priority needs to be addressed.

Section 8: Provide a Description of Supporting Revenue

This proposal is funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: None
2. Customer Impact: Customers would rely on less accurate and appropriate mapping services such as King County's iMap or Bing Maps. Business applications would not receive data updates or support. Groups desiring GIS analysis and services would purchase from external consultants at significantly higher cost.
3. Investment/Costs already incurred: Sunk costs in data, software, hardware, and personnel of this 30-year program are hard to quantify, but are certainly large.
4. Other: None

B. Consequence of funding at a lower level: Reduction in quality/accuracy of supported programs and services.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Multi-Media Services		**Proposal Number:** 090.07NA
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Chelo Picardal - 6106		**One-Time/On-Going:** On-Going
Fund: Multiple	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

This proposal offers professional quality multimedia services to create streaming video, web graphics, video services, print design and publications for the city. Using state-of-the-art equipment, multimedia services produces videos that communicate information to residents, businesses and visitors in Bellevue and across the world. The information is available via the Internet and the city's government access cable channel - Bellevue Television, Channel 21. Multimedia services also produces print publications, presentation, marketing materials, displays, posters and banners for all City departments. At the request of the Results Team, this alternative proposal provides additional cost savings by reducing service levels.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$306,087	$322,291
Other	187,020	191,646
	$493,107	$513,937
Supporting Revenue		
	$56,676	$59,274
LTE/FTE		
FTE	3.0	3.0
LTE	0.0	0.0
Total Count	3.0	3.0

21.95% of IT fund expense is covered by Enterprise fund/restricted revenues

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal reduces costs by eliminating an IT Manager position as a result of workload declines in other areas and the ability to make minor organizational adjustments. The reduction from staff is $158,906 per year. ITD worked closely with the Communications Group in the City Manager's Office to refine the appropriate level of services in this proposal to respond to baseline priority needs. In response to a Results Team request for additional reductions, ITD has cut $132K in 2011-12 from this proposal. These cuts, amounting to an additional 12% cost reduction, are not recommended by ITD because of the impact to customer service. The cuts come from eliminating a 1040 position in Graphics and accelerating contract payments resulting in one-time reductions that need to be restored in the 2013-14 budgets. The Graphics position cut will result in a 20% capacity reduction to respond to department requests for print media.

Section 5: Budget Proposal Description

This proposal provides multimedia programs that include graphic and video services. Every department in the City has requested graphics and video products to achieve its communication and public outreach goals. Specifically, these services include:

- **Graphics Design and Visual Communications** - Materials developed by Graphics are used by

departments to increase the community's understanding of what the City does and are vital communication tools used to promote community awareness, participation and engagement.

- **Video Services/BTV** – BTV enhances communications through producing and streaming televised Council meetings, video segments about various aspects of the City, training videos for staff, and other promotional videos. The Communications Director in the City Manager's Office provides direction from an enterprise perspective to prioritize the work of this group.

Section 6: Mandates and Contractual Agreements

The City has an interlocal agreement with Bellevue College (current agreement Resolution #7944 expiring Oct 2015) which provides studio facilities and access to student resources in exchange for $360,000 toward capital equipment funded through ITD operations.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

The proposal for Graphic Design and Visual Communications responds to the Responsive Government's purchasing strategies.

- **Citywide** *'leverage collaboration or partnership with other departments', 'are a catalyst for increasing citizen participation'* and **Community Connections** *'engage the community',' increase opportunities for the community to understand its government', 'optimize transparency and openness'*: BTV and Graphics specifically address Community Connections and its associated purchasing strategies of All-Way Communications, Accessibility, and Transparency by creating and providing professional quality communication materials, videos, televised Council Meetings and videos that allow departments to connect with the community in a way that increases their understanding of government programs and initiatives. Bellevue has an interlocal agreement with Bellevue College to share expenses associated with video productions. The interlocal agreement creates a number of benefits for all parties: both organizations share in studio and equipment costs; the college has a "real world" training ground for their students, improving their reputation as a high caliber program; and the City has access to broadcasting students for lower then industry standard costs.
- **Engaged Workforce** *'foster organizational learning by communicating effectively', 'identify and implement strategies to reduce skill and service gaps'*; Graphics and BTV specifically address Engaged Workforce by producing tools that enable departments to effectively deliver information and promote awareness about the City's attributes as a place to live, work and play. BTV is responsible for creating training videos for departments to increase internal training that is customized to meet staff needs. Over the years, our relationship with Bellevue College has fostered long-term relationships with talented former students with historical knowledge of the City that we have used at a continued lower cost.
- **Citywide** *'provide best value in meeting community needs'* and **Exceptional Service** *'ensure services are provided when needed and/or expected', 'equip the organization with the information, tools, technology', 'enhance professionalism and responsiveness to calls for service'*: Graphics and BTV addresses Exceptional Service by providing professional service and exceptionally high quality products at the lowest possible cost in the most effective and efficient manner.
    - **Timeliness and Predictability:** The Graphics survey rated timeliness as 94%. Both BTV and Graphics have the skill set and tools produce messages within a few hours when necessary. BTV has been able to set up and push out to the organization such programming as making the Budget One training available on line so those that could not fit in the Council Chambers could watch it from their desks live and it then became an online reference.
    - **Efficient & Effective Delivery:** In 2009, the in-house cost for graphic production averaged $80/hr. If outsourced, the average hourly rate ranges from $85 to $120 per hour. Television production is priced on a product or episode basis: Council meetings produced in-house cost the City $300 per meeting,

while the outsourced rate would be $3,500 per meeting. Graphics spent 3,389 hours in 2009 and BTV spent 2,693 hours to create 744 jobs and 188 videos to aide departments in furthering their communications. For a few examples of the quality products created for departments see attachment. The per episode cost for It's Your City (our monthly magazine program) is $3,822, with a portion outsourced. If outsourced completely the average cost is $45,000. The ability to contain the City's video production costs is due in large part to the City's long term relationship, beginning in 1995, with Bellevue College. Showing good stewardship, the City estimated in 2003 that it would cost approximately $2M to build a studio plus ongoing expenses, and opted instead to continue the interlocal agreement for $450,000.

- **Professionalism:** Professionalism and respect are conveyed in both what you communicate and the presentation of your message. BTV, a community partnership, and Graphics, an internal service provide all departments professional support to effectively communicate their programs and services through presentations and videos that are professional, effective, clear and that present the City in the best possible light. The recognition of the quality of our staff and products has been recognized by external organizations. The Graphics group received an award for their contributions to the successful Recreation and Parks national conference by the Washington Recreation and Park Association. The BTV group has been recognized for their It's Your City program which has won Best Magazine format program 2006, 07 & 09 at the National Association of Telecommunication Officers. The group has also received other awards for individual segment and training videos.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

BTV and Graphic support the Citywide Purchasing Strategies through innovative and creative print and video products in collaboration with our customers. BTV and Graphics produce products used by and created for every department in their direct efforts to achieve the purchasing strategies.

- **Safe Community Outcome Purchasing Strategies:** Graphics and BTV directly support the City's Public Safety departments in 2009 through the generation of the informational, educational, training and communications materials used to promote responsible behavior and safety, encourage community involvement, and create the community awareness necessary to achieve this outcome.
- **Improved Mobility Purchasing Strategies:** BTV and Graphics support by producing projects that inform staff and citizens of mobility programs and initiatives (One Less Car, Commute Trip Reduction, Bicycle Safety brochure, etc.) that "increase potential users' awareness of the full range of choices available to them."
- **Innovative, Vibrant, Caring Community Outcome Purchasing Strategies**: The long term interlocal agreement between the City and Bellevue College is an innovative way to produce programs for the City. It also allows the City to support an organization that promotes growth and education of our own community.
- **Quality Neighborhoods Outcome Purchasing Strategies** – Graphics and BTV have created a large volume of videos and print graphics outlining neighborhood and community programs (Connections - parks program flyer; Code Compliance Pamphlet; Home Maintenance Guide; Aging Services full page ad) that help provide prevention education for public safety, emergency preparedness and public health, contribute to clean and well-maintained commercial /residential properties, and promote community use of public spaces.
- **Health & Sustainable Environment Outcome**: Graphics and BTV produce print and video communications that provide public education and community outreach, educate citizens on the value, importance, and availability of nature and the environment, and contribute to the conservation of natural resources.
- **Economic Growth & Competitiveness Outcome:** Council meetings (produced by BTV) on our website and our television channel create a transparent element into the provision of government. The variety of programs on the website and channel illustrate the success in the City's live, work and play branding efforts to improve the City's potential to draw new businesses.

C. Short- and long-term benefits of this proposal: This proposal continues a valuable internal service and community partnership that is integral to programs and services delivered to every department. An internal

graphic design service is able to store materials produced for the city in a central location and recall these materials at a later date, making effective and efficient use of its time. Through the continued use of internal staff and broadcasting students to produce videos the City saves a substantial per program cost and provides for additional availability to produce products on the same day if needed. This proposal ensures continuity of service and avoids disruption of using more expensive outside vendors that are unfamiliar with the City.

D. Performance metrics/benchmarks and targets for this proposal: Graphic Design performance measures target customer perceptions of quality, timeliness, and overall satisfaction:

E. Graphic Design	**Target**	**Actual**	
Level of Satisfaction with the Quality of the graphic design job	80%	96%	
Satisfaction with the Timeliness	80%	94%	
Overall Satisfaction with Graphic Design *(% rating excellent or good)*	80%	95%	

BTV performance metrics:	**2009**
Total hours of new videos	600
# of new videos created	188
You Tube video views	9,000

F. Describe why the level of service being proposed is the appropriate level: The demand exceeds capacity for this service. However, a fiscally prudent step was to reorganize this function and realign BTV and Graphics under Client Technology Services and the Franchise Administration under IT Business Operations. As a result ITD was able to eliminate one IT Manager (G33) position while still retaining production capacity to support the City's needs.

Section 8: Provide a Description of Supporting Revenue

The City currently has three Cable Franchises: Comcast, Broadstripe and Qwest. As part of their agreements they remit to the City a 5% franchise fee of their gross receipts, resulting in approximately $1.7 M in revenue each year. Franchise Administration and Cable Operations are funded through this revenue and the remaining balance is transferred to general revenues. The Cable Operations portion of this proposal is $276,359 in 2011 and $286,124 in 2012. IT fund portion of proposal ($216,747 in 2011 and $227,812 in 2012) is funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal**: The City currently has an interlocal agreement with Bellevue College that requires paying into reserves for the purchase of equipment. The City may terminate this agreement with 90 days notice as long as it has paid its obligation for the year. This proposal includes an accelerated payment of this responsibility through 2012, thus alleviating the cost in the 2011-2012 budget cycle.
2. **Customer Impact**: Departments would have to either internally create print graphics or hire external designers. In the area of videos, departments would have the option to hire outside consultants at a higher cost per program.
3. **Investment/Costs already incurred**: BTV has more than $500,000 invested in studio and Council conference room video equipment. The City has also spent many years working with the College to develop a student training program that aides the quality and timeliness of products.
4. **Other**: None

B. Consequence of funding at a lower level: Demand currently exceeds capacity and further reductions would visibly impact communications with citizen. Depending on the level of reduction, lowering the funding more may result in elimination of either the video or print media communications functions included in this service.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: ITD Network Systems and Services		**Proposal Number:** 090.08A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Chelo Picardal x6106		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Network Systems and Services provide and manage the core technology infrastructure for the City, including network, servers, systems and services. The City depends on a high performing and reliable IT infrastructure to conduct operations, provide services and communicate with the public. The infrastructure must operate 24 hours a day, 7 days a week and have the appropriate level of resiliency and protection to withstand disruptions and disasters so the City can provide services when most needed. At the request of the Results Team, this alternative proposal provides additional cost savings by accelerating the sourcing transition plan.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$930,624	$978,979
Other	1,386,665	1,154,293
	$2,317,289	$2,133,272

Supporting Revenue		
	$508,559	$468,174

21.95% of expense is covered by Enterprise fund/restricted revenues

LTE/FTE		
FTE	7.50	7.50
LTE	0.00	0.00
Total Count	7.50	7.50

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The Network Systems and Services proposal includes efficiencies to reduce costs for the long-term yet still maintain current service levels. The cost for this service reflects several strategic technology decisions made over time that have collectively resulted in an environment that is simpler and less expensive to manage. As a result, we believe we can now in-source server and system management work that has been outsourced at significant cost for several years. ITD began outsourcing these services in 2001 because of the need for higher-end engineering skills and the inability to retain qualified personnel at that time. In-sourcing this work results in an additional ongoing savings. The table below shows how the shift from outsource to in-source impacts this proposal's overall cost and staffing level.

In addition, ITD has shifted costs from the CIP by eliminating its Network Resiliency project and moving funding for 0.5 FTE from the Transportation Intelligent Transportation (ITS) project. ITD is sharing funding for staff with the Transportation Department to build the ITS by providing the network engineering skills to successfully implement and effectively maintain this critical system. A total of $194K has been shifted from CIP in 2011-12 and $72K thereafter.

	Baseline [1]	2011	2012
Total Cost	$2.37M	$2.33M [2]	$2.15M
Outsource Service Cost	$616K	$375K[3]	$150K[4]
Staffing Level	5.0 FTEs	7.5 FTEs[5]	7.5 FTEs

Explanation of the cost savings and shifts:

1. Baseline cost is what we pay today for this service. There is also 1 FTE on the team (not included in the staffing total) that is currently fully covered by the ITS CIP.
2. This proposal shifts costs from the CIP for one-time and on-going expenses thus saving the CIP $100K in 2011, $94K IN 2012 and $72K ongoing.
3. A transition period mixing in-source and outsource allows an overlap and orderly transition from outsourced services during 2011. This requires adding staffing in 2010 to mitigate a cost impact in 2011.
4. Outsourcing and associated costs would stop in October of 2011 to create the ongoing net savings of $130K annually thereafter. Some small functions would continue to be outsourced for key skill sets.
5. Staffing level increases by 2.5 FTEs in 2011 through: 1) a shift of 1 FTE with a classification downgrade from the Technology Business System proposal's staff reduction; 2) hiring 1.0 FTE to take on the server and system duties that are now outsourced, and 3) shifting 0.5 FTE ($50K) from the Transportation ITS CIP. The Transportation ITS proposal retains the other 0.5 FTE position.

In response to a Results Team request for additional reductions, ITD achieves $252K more in savings in 2011-12 through an accelerated transition plan that lessens the cost burden in 2011. These cuts, amounting to an additional 10% cost reduction, involve more risk and requires exceptions to the current hiring freeze. The transition plan is broken into two phases:

- Phase I entails $72K savings in 2011-12 from eliminating redundancy in our internet connectivity and pre-paying maintenance contracts that are up for renewal. The maintenance prepayment results in one-time savings that needs to be restored in 2013-14. The internet connectivity delays our planned efforts to eliminate single points of failure in the network and with service providers.
- Phase II entails $180K savings in 2011-12. By getting the full IT staffing in place immediately, we can reduce the network outsourcing contract during annual contract true-up in the fall to move more responsibilities in-house starting Jan 2011. Successful transition requires having the appropriate staffing levels in place, with the right skill sets and the necessary time to carry out knowledge transfer.

Section 5: Budget Proposal Description

ITD provides the network systems and services function for the City at great value given the size and complexity of the City's needs. The IT infrastructure includes wired and wireless networks to enable the City's systems to connect and communicate, connectivity to external service provides for phone and internet, phone system infrastructure within City facilities, data center facilities that house the IT infrastructure equipment, servers that run all major applications in the City, databases that contain critical information for all departments, and communications systems, such as email, voicemail and remote access. Without this infrastructure, the City cannot function to efficiently or effectively provide services to citizens. See Attachment for more details.

This proposal includes costs for maintenance and support contracts for infrastructure hardware and software, an outsource provider contract for network and databases, service contracts for internet and local and long distance phone, and network/system administrator staffing.

Section 6: Mandates and Contractual Agreements

No mandates or contractual agreements exist that requires the City to perform network services, but several laws, regulations and standards obligate the City to protect critical data that resides in its IT infrastructure,

including: Health Insurance Portability and Accountability Act (HIPAA) for protecting health and medical information; Payment Card Industry (PCI) standards for protecting credit card information; Federal Rules for Civil Procedures for discovery and disclosure; FBI's Criminal Justice Information Services (CJIS) standards for protecting law enforcement data; Revised Code of Washington (RCW) 40.14 for the preservation and protection of public documents; and Washington Public Records Act (RCW 42.56) for public disclosure. Contractual agreements for data center co-location with City of Kirkland, Overlake Hospital and NORCOM have been signed.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal responds directly to the following **Citywide** purchasing strategies:

- *Provide for gains in efficiency and/or cost savings and ensure that services are "right sized* through extensive system monitoring of performance, growth and capacity. ITD also monitors staffing benchmarks, such as Gartner, an IT research firm, "Staffing the Enterprise Network". For network devices, the Gartner ratio ranges between 1 staff for 450 to 1200 devices and ITD's ratio is 1:508. For servers, the Gartner ratio is 1 staff for 12 to 60 servers, and ITD's ratio is 1:59.
- *Consider best practices* by following standards such as PCI for the protection of credit card data and IT Infrastructure Library (ITIL), a set of industry best practices for change management, problem response and problem resolution. ITD also regularly engages vendors and consultants to perform health-checks on the City's primary systems, such as network storage, email and databases to optimize performance (see Attachment).
- *Promote environmental stewardship* through ITD's Green IT efforts to reduce energy use, extend equipment lifecycles, storage consolidation and server virtualization. The City's main data center at City Hall has a Power User Effectiveness (PUE) calculated measure of 1.6, and a best-in-class data center has a PUE rating of 1.5 with a global average between 2.0 and 2.5 according to a Gartner whitepaper, "How to Use DCiE and PUE Metrics". We also apply best practices from Uptime Institute and Green Grid in the configuration of the data center to optimize cooling and airflow.

This proposal responds directly to the following **Citywide** and **Responsive Government** purchasing strategies:

- **Citywide** *'are a catalyst for increasing citizen participation'* and **Community Connections** *'engage the community', 'increase opportunities for the community to understand its government', 'optimize transparency and openness'*: ITD provides a variety of ways for the community to connect with the City through web, wireless, email and phone. Our public wireless service regularly sees over 2,000 users per month. The City receives over 888,000 calls and 2.9M emails each year. The applications, such as financial, permitting, etc., we support with this infrastructure handle millions of transactions annually.
- **Citywide** *'leverage collaboration or partnerships with other departments and/or external organizations'* and **Strategic Leadership** *'communicate with the right people at the right time', 'identify and foster cross jurisdictional partnerships':* ITD provides application hosting services to the eCityGov Alliance and data center co-location services to City of Kirkland, Overlake Hospital and NORCOM. The revenue from these hosting and co-location services covers all operational costs and is used to defray ITD overhead and rates. ITD plays a strong leadership role in numerous regional coalitions, including the Eastside Fiber Consortium, to leverage investments and share ongoing costs.
- **Citywide** *'are innovative and creative'* and **Engaged Workforce** *'invest in continuous employee development', 'encourage innovation in the workplace', 'support employee growth and development'*: ITD is a technology leader among its peers by encouraging innovation, continued training and development in its staff. Staff is encouraged to pursue professional certifications to stay current and to try out ideas as pilot projects that can expand into full deployment, such as server virtualization did. Staff regularly gives tours of the City's data center to discuss energy efficiencies, present at seminars and conferences, and have been cited in articles in industry publications, such as On Magazine.

- **Citywide** *'ensure sound management of resources'* and **Exceptional Service** *' ensure services are needed and/or expected', 'equip the organization with the information, tools, technology', demonstrate collaboration and reduce redundancies', enhance professionalism and responsiveness to calls for service'*: Internet bandwidth usage, wireless traffic, storage capacity and other resources are regularly monitored to ensure that City services are not impeded. This monitoring data is shown in the ITD network operations center monitors so that they are highly visible to IT staff to ensure faster response. Growth statistics, such as network storage growth at 30% annually and internet traffic growth over 35% annually, are evaluated for overall capacity planning and provisioning to ensure the City has what it needs immediately and long-term (see Attachment for monitoring data). Responses to problems follow ITIL best practices for incident management to reduce impact.
- **Citywide** *'provide the best value in meeting community needs', 'consider short and long-term financial impacts'* and **Stewards of the Public Trust** *'manage public funds and assets in a responsible and fiscally sustainable manner', 'acquire, develop and maintain publically owned assets that support high performing government'*: ITD shows good stewardship with regular review and evaluation of equipment lifecycles and standards while ensuring no reduction in reliability. All infrastructure equipment has sustainable replacement funding, per financial best practice. ITD increases resiliency whenever cost effective during each replacement cycles to support high levels of expectations.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

This proposal achieves the goals desired in the following Secondary Outcomes and factors (and their associate purchasing strategies):

- Safe Community: by providing a resilient network able to withstand disasters and wireless in the community with Bellevue Connect to connect citizens and city workers.
- Improved Mobility: by partnering with the Transportation Department to provide network engineering to build the ITS, which expands the City network into the street intersections
- Healthy and Sustainable Environment: through ITD's work on its green data center, server virtualization and extended equipment lifecycles. Green data center efforts deployed outside air cooling to take advantage of our temperate climate, improved airflow for optimal cooling of equipment, and raising data center room temperatures to reduce energy draw.
- Economic Growth and Development: through wireless services, such as Bellevue Connect, and fiber projects through the Eastside Fiber Consortium connecting anchor institutions in the region.

C. Short- and long-term benefits of this proposal:

Short-term benefits include maintaining the current service levels with no impact to City services. Long-term benefits include reduced costs from 2012 (ongoing) due to the shift in sourcing strategy.

D. Performance metrics/benchmarks and targets for this proposal:

- Customer Satisfaction - 94% reporting a Good or better overall customer satisfaction rating for Network Services (vs. an average 92% rating of comparable cities reporting through ICMA), and a 91% Good or better overall satisfaction rating for Telephone Services (vs. an average 88% from the ICMA survey) .
- Mean Time to Repair (MTTR) – Year to date in 2010 shows that problem calls for network services take on average 6.8 hours to resolve with 100% of target met.
- Network Uptime –100% network uptime for 1Q2010, with target of 99.98% availability for 24x7 operations serving both internal and external customers according to Uptime Institute.
- Application Uptime – To be implemented in future phases of ITD's Performance Measures initiative.

E. Describe why the level of service being proposed is the appropriate level:

The service level in this proposal meets the needs of the City's critical services. Many City services are 24x7 (e.g., police and fire), infrastructure must reliably operate (e.g., water and waste systems), and citizens want information anytime and anywhere with 24x7 access to convenient online services. This proposal maintains

a 24x7, resilient IT infrastructure. As good fiscal and technology stewards, resiliency has been built in over time as opportunities arise with new projects or replacement cycles. Staffing levels, capacity, performance and growth are monitored to ensure that the IT infrastructure is sized appropriately to meet the City's critical needs (see Attachment for examples of monitoring data).

Section 8: Provide Description of Supporting Revenue

See the companion *Department Management* proposal for details on data center co-location revenues from City of Kirkland, Overlake Hospital and NORCOM. Data center co-location revenues could not be collected without this companion Network Systems and Services proposal. Proposal is funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all.

1. Legal: Must terminate three (3) data center co-location contractual agreements that bring in over $100K in revenue each year.
2. Customer Impact: Severe. All applications and connectivity used by staff could not function.
3. Investment/Costs already incurred: Total sunk costs in the IT infrastructure is over $4M, with $1.14M for servers, $630K for network and $630K for storage.

B. Consequence of funding at a lower level:

Increased risk of service disruption from technology outages and failures, reduced response to localized events (e.g., power outages and storms) and region-wide emergencies (e.g., earthquakes). Increased risk of longer down time from equipment failure, reduced ability to respond to problems, and decreased vendor support by shifting to pay-as-you go support without the service levels for response and escalation needed to support an infrastructure of this magnitude and complexity. Lowered service levels, possibly going to business hours only support (Monday to Friday, 8am-5pm) for some services.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Technology Business Systems Support		**Proposal Number:** 090.09NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Carole Harper, x6905		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Technology Business Systems (TBS) Support provides technical services (purchase, implementation, and ongoing technical support) to departments for their applications used in delivering service to the citizens and/or their customers. Without these services, departments cannot fully realize the benefit of their business application investments.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$1,441,844	$1,516,996
Other	719,393	746,154
	$2,161,237	$2,263,150
Supporting Revenue		
	$474,312	$496,682
LTE/FTE		
FTE	12.0	12.0
LTE	0.0	0.0
Total Count	12.0	12.0

21.95% of expense is covered by Enterprise fund/restricted revenue

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Efficiencies include the reduction of 3 FTE's and reduced costs in maintenance contracts totaling $505K. Added to this proposal from the G-59 CIP are one FTE and professional services totaling $206,753. Application maintenance monies were shifted from various departments ($112,988) so they could be centrally managed. Overall net savings after additions totals $179,516.

Information Technology Department (ITD) and Finance partnered to identify efficiencies for supporting the JD Edwards (JDE) system with fewer resources and reduced contractor support, resulting in CIP G-59 savings of approximately $800K.

Additionally, the TBS team reengineered roles and responsibilities to reduce staffing and create opportunities for cross-training staff and provide depth and shared knowledge to support the City's application portfolio.

Section 5: Budget Proposal Description

TBS provides the backbone services that keep the production applications going with minimal downtime. Responsibilities include day-to-day maintenance and upgrades, technical troubleshooting and resolution, coordinating vendor support, system documentation and disaster recovery. Having these functions centralized allows for consistent technical support of critical systems by implementing and maintaining best practices for applications, cross training opportunities for staff, and backfill. This team also provides support in the purchase and implementation of new software and systems, developing system purchase and maintenance contracts and ongoing vendor management.

Resources required - one IT manager, two team leads, two project managers, and seven systems analysts (one of which is a reclassification from an application developer position). Please see the attachment of a list of applications maintained by TBS.

Section 6: Mandates and Contractual Agreements

Maintenance Contracts with software vendors. Payment Card Industry (PCI) Compliancy. WAC 434-662-030-Retention scheduling and disposition of electronic public records. 434-662-040-Agency duties and responsibilities. Health Insurance Portability and Accountability Act (HIPAA) HIPPA. ERP Financial System provides fund accounting as required by GAAP for compliance with GASB.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:
Community Connections (CC) Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making *and* (CC) Optimize transparency and openness of the processes and results achieved from government actions *and* City-wide (CW) Provide best value in meeting community needs *and* (CW)Are a catalyst for increasing citizen participation and support. TBS supports multiple applications that provide community access to city services. The Customer Relationship Management (CRM) web portal allows citizens to report issues and ask questions of city staff. My Utility Bill (MUB) web site accesses information from the Utilities Department Customer Information System (CIS) and allows citizens to view and pay utility bills. My Building Permit (MBP) web site accesses information from the Development Services AMANDA application and allows citizens to apply for permits and schedule inspections. Over the past year these online systems have been visited numerous times demonstrating they are used and valued by our community: CRM-18,839 hits; MUB– 72,861 hits; and MBP – 250,753 hits.

Strategic Leadership (SL) Use the Community Vision as a basis for strategic planning in order to communicate with the right people at the right time, and to make informed decisions, investment choices, and resource allocations for the short and long term. Gartner, a leading IT research firm, recommends the use of an Application Portfolio Management (APM) approach, a best practice, for managing applications. The APM, currently being developed, allows us to maximize the applications by leveraging existing investments, defining total cost of ownership, and managing them through their life cycle.

(CW) Provide for gains in efficiency and/or cost savings and ensure that services are "right sized." 1) Through research and responses to a Request For Information (RFI), ITD and Finance have been able to design a new approach to managing JDE, which resulted in reduction of staff and ongoing support costs. 2) Workload analysis was performed to evaluate the current capacity for maintenance and projects of existing applications. It showed the ability to reduce staffing by one. 3) According to Gartner's *IT Key metrics Data 2009: Key Industry Measures: multi Industry Spending Overview, G00163959*, 39% of IT spending is on applications. With the reductions noted in this proposal, spending for TBS Support is equal to 31.5% of the total ITD budget.

Exceptional Service (ES) Demonstrate collaboration and reduce redundancies in service delivery *and* (CW) Leverage collaboration or partnerships with other departments and/or external organizations. 1) TBS consults with business owners on use of their applications with the intent of gaining the most efficiencies with every change. In 2010, TBS worked with departments to bring four disparate maintenance management systems into one for an upgrade to MAXIMO. This project used the concepts of *One City* for reengineering processes and technology to gain efficiencies. 2) A governance and collaboration approach is used which includes the Information Technology Governance Committee (ITGC) and Customer Advisory Board (CAB) and TBS coordinates the application decisions and workload through these groups. 3) TBS staff participate in user groups such as JDE

User Group (local chapter) where one member recently served as president. Participation creates learning opportunities with other organizations and provides a chance for input with vendors to appropriately address the technology needs of our organization which results in improved service delivery as well as reduced cost.

Engaged Workforce (EW) Invest in continuous employee development, training, wellness, and security. Understanding the latest in technology is critical, requiring continual technical learning and is reflected in the TBS budget accordingly. TBS also supports flex schedules and telecommuting for staff. By showing a commitment to work/life balance and continual education, as well as fairly compensating individuals as identified in the ITD job family research, TBS recruits and retains excellent employees. In addition, staff are engaged in creating systems that track employee development such as the Employee Training System, currently in redesign to track training in the organization.

(EW) Encourage innovation in the workplace and (CW) Are innovative and creative. TBS encourages staff to look for opportunities to consolidate and/or leverage existing technologies for multiple purposes. Last year, two staff members spoke at *Collaborate* (JDE User Group national conference) regarding their work on the Myself Service application – which allows employees to manage their time, personal information and financial information online. In addition, the project management group has worked together to structure and organize project templates in a central location allowing more standard deployment of projects.

(EW) Foster organizational learning by communicating effectively, reflecting on results, adapting, and responding to optimize performance and service delivery and (CW) Consider best practices. 1)Through ITGC and CAB, TBS communicates to the organization any upcoming work that will impact customers and proactively identifies maintenance that needs to be performed on IT systems. Staff uses best practices from the Information Technology Infrastructure Library (ITIL), such as incident management to ensure effectiveness in restoring service, and incident debriefs to evaluate performance and identify possible improvements. 2) The Project Management Institute's (PMI) best practices are followed for development and deployment of projects allowing for more effective outcomes, as well as applying lessons learned to future projects. 3) Project Overview Statement are used (a PMI standard) for scoping a project and determining its value. 4) The ITD Project Activity Reporting (PAR) system tracks the progress on milestones of projects and provides information to CAB and ITGC on project status.

(ES) Ensure services are provided when needed and/or expected; and processes are timely. Proactively managing the applications is critical to keeping them running for the business customer as well as controlling costs in the organization. According to North American Systems International (NASI), a leading IT consultant, organizations are growing more dependent on applications for day-to-day business operations and the cost of downtime has increased. Using the formula from NASI , a 1 hour downtime of the JDE system would result in a loss of $2,950. To reduce downtime, maintain vendor support and provide the latest technology and business functionality, applications are upgraded on a regular basis.

(ES) Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions. The ITD emergency response plan supports emergency situations where there may be a need for employees to work remotely. In 2009, a Pandemic Flu Standard Operating Procedure was developed to provide guidance during an emergent situation. TBS supports the application which allows up to 200 concurrent employees to access business applications and stay connected during emergencies. In addition, disaster recovery plans are kept for each system so that downtime is minimal.

Stewards of the Public Trust (SPT) Manage public funds and assets in a responsible and fiscally sustainable manner *and* (SPT) Acquire, develop, and maintain publicly owned assets that support high performing government *and* (SPT) Manage risk, minimize liability, and provide for accountability *and* (CW) Consider short- and long-term financial impacts. 1) TBS follows the City's procurement process for selection of vendors

to ensure it's done in a competitive manner. 2) Applications are owned by leading technology firms who invest significant revenue to continuously improve their applications with best business practice functionality. 3) PMI best practice for projects includes risk analysis to identify, and provide opportunities to mitigate possible future issues causing a project to be unsuccessful.

B. **Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s);** This proposal meets all other outcomes since these applications are the foundation from which departments run their business and technical support of these systems is critical. See attachment for applications and associated outcomes.

C. **Short- and long-term benefits of this proposal:** To sustain current service levels and continue receiving a return on the organizations significant investments in applications.

D. **Performance metrics/benchmarks and targets for this proposal:** ITD Customer Survey – Overall satisfaction– 81%-target = 85% ; Application Mean Time to Repair (MTTR) for incidents – 5 hours - target 4 hours. Application MTTR non-incidents – 11 days -target 5 days; Projects completed on budget -100% - target 85%. Application Uptime – currently developing to complete in 2011. Reassigning roles and responsibilities within TBS increases the collective knowledge-base of the team and creates a larger pool of available staff to respond to incidents in a more timely manner thereby positioning the team to better meet these targets.

E. Describe why the level of service being proposed is the appropriate level: A workload analysis was performed to determine the appropriate level of support. There is an estimated 11,641 hours required to support the City's business applications which equates to a body of work that supports 7 FTE's. By reengineering roles and responsibilities, significant efficiencies were gained in staffing and maintenance dollars. Twelve technology projects are scheduled for the 2011/12 timeframe requiring project management oversight. **An exception to an alternative level of services has been granted for this proposal. The recommended level of services meets the criteria for proposing efficiencies in the existing services while still meeting the intended outcome. Additional levels of service describing the impacts to operations may still be requested.**

Section 8: Provide a Description of Supporting Revenue This proposal is funded 21.95% by Enterprise fund/restricted revenues.

Section 9: Consequences of Not Funding the Proposal

A. **Consequence of not funding the proposal at all:**

1. Legal: Maintenance contracts with various software vendors would need to be renegotiated.

2.Customer Impact: Applications are foundational to the business who uses them. Absent strong technical support, systems would not function correctly thereby directly impacting our partners ability to provide service to their customers. Absent effective project management, project budgets increase, implementation could be delayed and/or final product may not provide anticipated customer benefit.

3. Investment/Costs already incurred: All applications had initial purchase cost for the software licenses and installation of the systems.

4. Other: N/A

B. **Consequence of funding at a lower level:** Funding at a lower level would result in lack of project oversight, longer response times for support of critical applications and reduce customer's productivity.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: eCityGov Alliance Fees and Services		**Proposal Number:** 090.10NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Rick Berman, x4890		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

Bellevue is a founding partner in the eCityGov Alliance (Alliance), an inter-local agency with a mission of providing Web-based services to constituents. There are two parts to this proposal. First, as a partner, we pay fees to the Alliance on behalf of the City and in return we own 29% of the Alliance intellectual property and assets and receive use of all Alliance services. Second, under the Alliance inter-local agreement, Bellevue is the IT and fiscal host for the Alliance. The Alliance pays for all support services provided by Bellevue.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$570,130	$597,565
Other	201,773	209,215
	$771,903	$806,780
Supporting Revenue		
	$771,903	$806,780
LTE/FTE		
FTE	3.50	3.50
LTE	1.25	1.25
Total Count	4.75	4.75

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

At the close of 2005, the Alliance was serving 15 subscriber cities and one county reaching a population of about 900,000 - by 2009 the Alliance was serving 38 cities and agencies with a total population of almost 1.5 million. Subscriber fees are used by the Alliance Executive Board to either defer costs (thereby reducing partnership fees), enhance existing services or invest in new applications/portals. Future plans include increasing the subscriber base, enhancing portal functionality, driving cross-boundary process improvements and alignment, and adding new applications to the portfolio. The Alliance has not only successfully improved customer service and shared services in Washington State, but it also serves as a model to other regions and is written about in case studies from Gartner Research and Microsoft and in books, such as *Extraordinary Groups* by Bellmand and Ryan. In doing so, the Alliance model provides constituents with convenient, user-friendly services in a way that is cost effective for each jurisdiction. In other words, the Alliance uses technology to drive good government.

ITD creates multiple efficiencies and cost savings by managing the services to the Alliance (listed below) as part of on-going Departmental operations. Please see the *Software Development, Department Management & Support, and Technology Business Systems Proposals* for discussions on effectiveness and efficiencies.

Section 5: Budget Proposal Description

The Alliance was formed in 2002 by a number of cities in the Puget Sound region to provide cost-effective Web-based services. The Alliance has developed a unique business model by creating portals that are branded by service area and deployed as cross-jurisdictional web services. The service-specific portals include: *MyBuildingPermit.com; MyParksandRecreation.com; NWMaps.net; NWProperty.net; SharedProcurementPortal.com; GovJobsToday.com; and HSConnect.net* . Bellevue is a founding member .

Partnership Fee: As a partner, the City pays an annual flat fee to use and support all Alliance service portals. Annual fees are set proportional to population and Bellevue's portion is 29% of total partner fees. The partnership fees are $171,328 in 2011 and $174,583 in 2012. This represents an increase of 0% in 2011 and 1.9% inflationary increase in 2012. To reduce the impact on department rates, this fee is paid for by revenues generated by ITD's sale of services to the Alliance (see below). Partnership in the Alliance is no small thing. The City co-owns the Alliance infrastructure and intellectual property and also has a vote (based on our ownership percentage) on how to distribute or invest additional Alliance revenue. The City receives the benefit of the portals listed above at a significantly reduced cost (as compared to what the cost of individually developing and maintaining similar service– estimated at between 40-60% savings). In addition to the 10 Partner cities, the Alliance provides access to the web portals through subscriber agreements.

Services to the Alliance: The inter-local agreement between the partner cities allows ITD to provide support and technical services to the Alliance. Additionally, Bellevue is the Fiscal Agent for the Alliance and hosts their financials. These services are provided to the Alliance based on full cost recovery. We charge them for all salaries, benefits, M&O, and overhead. The total expenditures for the "Services to the Alliance" component are $609K in 2011 and $643K in 2012. Revenues are collected for these direct expenses as well as Department overhead (applied to the Fee) and replacement, as noted above. The total FTEs are 3.5 and the total LTEs are 1.25. This proposal also calls for a re-class of an employee from a business analyst to a project manager .
The services Bellevue provides to the Alliance are as follows (more information can be provided upon request): the Alliance Executive Director (ED) and 50% of an administrative assistant; software application development and maintenance; project management; fiscal management, financial planning, budgeting, and accounting transactions. Please see the *Department Management and Support Proposal* for more information.

Section 6: Mandates and Contractual Agreements

The "Interlocal Agreement Establishing the eCityGov Alliance" was established in accordance with the Interlocal Cooperation Act, Chapter 39.34 of the RCW was passed by resolution in 2002 and revised in 2005 (Resolution #7238). This revenue is restricted to the extent that it must pay for services to the Alliance.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

- *Citywide (CW)-Provide the best value in meeting community needs:* This is done by eliminating redundant systems and creating seamless, cross-boundary web services. The goal is to provide users with convenient and consistent service, regardless of which city is responsible for providing it.
- *CW-Provide for gains in efficiency and/or cost savings and ensure that services are "right sized* **and** *CW-Leverage collaboration or partnerships with other departments and/or external organization:* Utilizing the Alliance partnership provides Bellevue the benefit of lower costs and access to more services than it could otherwise afford on its own. Essentially, Bellevue pays 29% of the cost to develop and maintain alliance applications, but receives 100% of the benefit.
- *CW-Are innovative and creative* **and** *Engaged Workforce - Encourage innovation in the workplace:* The multiple awards the Alliance has received from organizations like the John F. Kennedy School of Government at Harvard University, Association of Washington Cities, Alliance for Innovation and the Washington Technology Industry Association are evidence that these services are clearly innovative. Since

ITD provides the software development for the Alliance, these awards are another indicator that ITD fosters an environment of innovation in our workplace.

- *CW-Ensure sound management of resources and business practices* **and** *CW-Consider short- and long-term financial impacts:* The Alliance has a multi-level governance structure in place to ensure that strategic initiatives are achieved. Day-to-day operations are managed through committees associated with each program area. The ED and Alliance project managers staff the committees which operate using a consensus-based decision making model. The business committees are made up of staff from both Partner and Subscriber member agencies. At the business and technical level, Partner cities staff an Operations Board. The Alliance Executive Board is made up of the chief executive officers of the Partner members and is the ultimate decision making body for the Alliance.
- *Community Connections (CC)-Promote trust, accountability, and credibility with the community through fair and equitable processes* **and** *CW-Increase opportunities for the community to understand its government and access city services, information, facilities, processes, and decision-making* **and** *Exceptional Service - Demonstrate collaboration and reduce redundancies in service delivery:* The Alliance portals are more than just software applications. Associated with each offering is an extensive process reengineering and alignment which occurs in a highly collaborative environment, led by business owners from the member agencies. The structure ensures that the end product is streamlined and cost effective to the jurisdictions and is fair and equitable to citizens who use them. This customer-centric process design, together with the "one-stop shopping" for citizen services , work to deliver trust and credibility. When citizens use these services through a central main portal, they immediately see they have access to many other city services.
- *CC-Optimize transparency and openness of the processes and results achieved from government actions*: By using the Alliance portals and business processes, citizens experience transparent and open business processes. A few examples include: MyBuildingPermit.com which provides on-line permit status and history; HSConnect.net (Human Services) which provides a level playing field for service agencies requesting grant funds; MyParksandRecreation.com which not only presents policies that govern the use of facilities, but has also aligned many of these policies across the member cities; and SharedProcurementPortal.com which provides online vendor and contractor services at no cost. See section D for more information.
- *Strategic Leadership - Identify and foster cross jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost:* Together with the evidence already stated, the Alliance clearly meets this purchasing strategy. There are currently 10 Partners across the Puget Sound and another 38 subscriber members using one or more Alliance services.
- *CW-Manage public funds and assets in a responsible and fiscally sustainable manner* **and** *Stewards of the public trust - Acquire, develop, and maintain publicly owned assets that support high performing government,* **and** *Exceptional Service- Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or condition,* **and** *Exceptional Service- Ensure services are provided when needed and/or expected; and processes are timely and predictable:* By partnering with the Alliance, we manage our resources in a manner that produces the best return on our investment. The performance measures below, especially those indicating cost savings, provide that evidence. Bellevue is a 29% owner of the Alliance assets. Additionally, many of the tools are used by staff and have created a number of efficiencies. See performance metrics comments below for more information. These assets are available 24x7 for citizens and staff. See section D for more information.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Secondary Outcomes and factors (and their associate purchasing strategies) that the Alliance Proposal benefits are Economic Growth and Competitiveness (People and Partnerships; Community Policy, Planning & Development; Infrastructure; and City Brand), Innovative, Vibrant, and Caring Community (Support Services and Opportunities for Interaction), Quality Neighborhoods (Facilities and Amenities) and Healthy & Sustainable

Environment (Clean Air). Due to space limitations, ITD was not able to provide evidence on these secondary Outcomes but will certainly do so upon request.

C. <u>Short- and long-term benefits of this proposal</u>: Please see benefits noted above in section 3 (offsetting revenue), section 4 (efficiencies), and section 5 (Alliance Services).

D. Performance metrics/benchmarks and targets for this proposal(*supplied by the Alliance*):

- Since inception in August 2002 to date (4/7/2010), MyBuilidngPermit.com has issued 48,417 permits online and taken in $4,044,844, growing 15% annually. Assuming that each online permit saves the contractor/homeowner an average of 1 hour of time @ $100 per hour the total estimated savings is $4,841,700. It is estimated by the Alliance that 65% of Bellevue over-the-counter permits are submitted on-line.
- Since 2005 there have been over 2,000,000 permit status inquiries through MBP.com. The duration of the average visit is 12 minutes. Direct access to information saves customer and staff time.
- In 2008, HSConnect.net (human services portal) took in over $6,000,000 in human services grant requests
- In less than 18 months of operation, GovJobsToday.com has amassed over 25,000 applicant profiles. This application creates significant efficiencies for customers and staff throughout the region.

Additional performance statistics for other portals can be supplied upon request

E. Describe why the level of service being proposed is the appropriate level:

Contractual as part of inter-local and because of the offsetting revenue and service benefits.

Section 8: Provide Description of Supporting Revenue

The Alliance is charged a fully "burdened" rate for services, which in turn pays for the Partnership fee (which provide services that benefits many Departments and their customers and would need to be financed using other revenue sources if this source wasn't available). Any additional revenue is used to offset customer rates. An additional $16,163 per year is collected from the Alliance for the purposes of equipment replacement reserves (not shown in the revenues above). Please note that Alliance revenues are based on ITD costs and may change based on final budgetary decisions as part of the Budget One process.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Our participation is governed by the inter-local. Please also note that the agreement requires a lead time to "quit" the Alliance and we are past the point of "notice" for 2011.
2. Customer Impact: Not belonging to the Alliance means no citizen or staff access to all their services and the city would have to either not provide these services or invest in new ones at a considerable cost. Not supplying services to the Alliance means the city will have to identify a new funding source for the partnership fees.
3. Investment/Costs already incurred: the City's sunk investment is approaching $1 million.
4. Other: None

B. Consequence of funding at a lower level: a lower level of funding in services would result in the need to offset Partnership fees and some department overhead from other revenue sources.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Franchise Administration		**Proposal Number:** 090.11A1
Outcome: Responsive Government		**Proposal Type:** Reduction of Service
Staff Contact: Chelo Picardal, x6106		**One-Time/On-Going:** On-Going
Fund: Franchise 1260	**Attachments:** No	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

This proposal funds the City's cable franchise administration function, which includes resolution of citizen/subscriber issues, analysis of cable infrastructure effectiveness, satisfaction survey of citizens, bi-annual audits of franchise fees paid and annual rate analysis of basic cable through the use of professional services. The City's video streaming service, which allows the City to video stream live, replay all council meetings and other video products, is also included. This alternative, offered by the Department, reduces the overall cost of the proposal by $40K. This is a combination of a one-time cost reduction and a reduction in service level.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	61,800	69,689
	$61,800	$69,689
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.00	0.00
LTE	0.00	0.00
Total Count	0.00	0.00

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal has removed the Franchise Coordinator position (which has been transferred to the role of project manager and is included in the *Software Development proposal*) due to a reduction in the number of franchises. The remaining work is now accomplished with the use of hourly staff.

In response to a Results Team request for additional reductions, ITD achieves $40K more in savings in 2011-12 in this proposal through reductions in legal consulting services for $20K and a one-year acceleration of the video streaming maintenance agreement for $20K. These one-time reductions, amounting to an additional 24% cost reduction, involve more risk, especially with the franchise renewal negotiations currently in progress.

Section 5: Budget Proposal Description

This proposal is to fund the City's franchise administration functions. The proposal includes one 1040 position, legal professional services, professional services funding for franchise oversight and software maintenance.

A breakdown of these areas:

- Video Streaming - includes annual software maintenance of the Granicus video streaming system that provides for citizen and staff access to public videos and staff access to training videos.
- Cable oversight – includes biannual audits of franchise fees paid, resolution of citizen/subscriber issues, analysis of cable infrastructure in public rights of ways, satisfaction survey of citizens, assessment of future needs for franchise negotiations, and annual rate analysis of basic cable services.
- Outside Legal Expertise – This funding is to assist the City Attorney's Office in the negotiation of franchise agreements and if necessary issue resolution, such as disagreement over the amount of franchise fees due.

Section 6: Mandates and Contractual Agreements

Mandates associated with this proposal are the Federal Communications Commission's Cable Communications Policy Act of 1984 (47 U.S.C§ 546) which grants the City the rights to manage cable service in its jurisdiction. City mandates include Bellevue City Code Chapter 5.30 - Cable Communications and Chapter 14.20 - Franchise Terms and Conditions which outline – auditing, application processes, insurance and performance bond requirements, damage provisions and fees. Contractual Agreements are in the Franchise agreements themselves: Comcast Resolution #7040; Broadstripe Resolution #7624 and Qwest Resolution # 7664.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal responds directly to the Citywide purchasing strategies, with particular emphasis on the following:

- *Provide the best value in meeting community needs* by providing opportunities to evaluate the provision of current and future cable services, which can only be administered by the City. This proposal also makes available Council meetings on TV and the web providing easy access to the City's decision making process. See section D for performance indicators.
- *Provide for gains in efficiency and/or cost savings and ensure that services are "right sized* by reviewing current staffing levels relative to the diminishing cable franchise workload that has occurred over the past 2 years. We have determined that our use of hourly staff could meet the baseline service level obligations.
- *Leverage collaboration or partnerships with other departments and/or external organizations* by collaborating with the City Attorney's Office for the negotiation process and legal advice.
- *Are innovative and creative* The City has worked extensively with our video streaming software provider to test and evaluate their software application and have customized it to more completely meet the City's needs. Instead of these customizations being unique to the City of Bellevue they have become part of their standard software package for use by other jurisdictions and customers.

This proposals responds directly to ***all*** the Responsive Government factors/purchasing strategy:

- Community Connections: *'engage the Community in a variety of ways'; 'increase opportunities for the community to understand its government'; 'optimize transparency and openness'* – Cable services are very integrated in the City with over 36,000 households receiving cable services (70% of all households in Bellevue). As allowed through the Telecommunication Act the City through the renewal process conducts a multi-year community involvement process to reach these households and more. We engage all citizens, subscriber or non-subscribers, neighborhood groups, non-profit groups, the schools and all departments to determine satisfaction and future needs to create stakeholder requirements as we negotiate the agreement.

- Strategic Leadership: *'enhance our regional competitiveness'; 'communicate with the right people at the right time'; 'foster cross jurisdictional partnerships' - The City's exten*sive work in community outreach in the cable area serves as a model to the Puget Sound area and has been presented to Washington Association of Telecommunication Officers and Administrators (WATOA). The City was also an early adopter of video streaming Council meetings and worked with the vendor to create many customized features that are now used by all cities using this system and mirroring the City's implementation.
- *Engaged Workforce: 'help Bellevue attract and retain highly qualified employees'; 'encourage innovation in the workplace'* – Over the last four years, Franchise Administration worked with the video streaming provider to develop a training module. We became a beta site over a year ago and in the last few months the City has been fully engaged in using this functionality. This training module allows staff to assign training, evaluates tests, and summarizes potential areas of "weakness" in staff training. This has helped staff create a more focused training agenda, track training better and has given staff more ownership in their training. An advantage to creating these customized training videos is that the City is able to use these videos for many years until the procedures change. The training module currently has 61 videos and over the past two years has been viewed 3,125 times.
- Exceptional Service*: 'services are provided when needed and/or expected and processes are timely and predictable'; 'demonstrate collaboration and reduce redundancies in service delivery'; 'enhance professionalism and responsiveness to calls for service'* – This service advocates for 20 individuals or groups to resolve their issues in an average year. With our proposed staffing levels we are able to provide one-on-one attention and a depth of knowledge that allows for a equitable resolution of issues.
- Stewards of the Public Trust*: 'Manage risk, minimize liability'; 'solicit and analyze performance feedback'* – Past Council meetings are posted on the City's internet site and housed in one location, along with agendas and supporting documents. The website and video streaming also makes possible the ability to view videos containing information for over 100 programs through It's Your City and stand alone videos at the nominal cost of $21K a year. In the area of cable franchise, it also provides the community needs ascertainment through audits, surveys and technical assessment that allows the City to achieve a legally responsive franchise agreement process as provided in the Telecommunication Act. Additionally, our on-going audits found $118,000 in unpaid franchise fees (2009).

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

This proposal achieves the goals desired in the following Secondary Outcomes and factors (and their associate purchasing strategies):

- Safe Community: *'put an emphasis on innovation and customer support that encourage community engagement and partnerships'* – The video streaming application is being used in a number of ways to aid in this outcome. The Fire Department used training tools created by the franchise administration team to create emergency preparedness videos in eight languages and the City then made the links available to many agencies, in addition to the City's web site, to increase viewership. By using digital training modules, public safety staff who must respond to an emergency during a training , can return to that training without missing important information.
- Innovative, Vibrant and Caring Community: *'reduce barriers to involvement and interaction'* – The City is able to take advantage of the video streaming application in a number of way. When the Parks Department was seeking innovative approaches to get community involvement in the Meydenbauer Bay project, staff developed a walking tour video which showed existing features. During this "digital" tour, drawings and questions were asked to prompt citizens to think about possibilities. When the video was over they were asked to complete a survey. Without ever leaving their home they were able to consider all the options and give the City feedback.

- Quality Neighborhoods: *'strengthen the sense of community'; 'involve partnerships for community building'* – Through the use of a survey of neighborhood associations (administered by the Franchise team) to determine future needs and concerns, the City is better able to represent the interests of the community in negotiations with cable operators.
- Economic Growth and Development: The provision of Council meetings on the City's web site creates for a more open and transparent government and promotes Bellevue's reputation as a leader in this high-tech region.

C. Short- and long-term benefits of this proposal:
This provision is the lowest sustainable level while ensuring that the City maintains the transparency desired for public meetings, enhanced training options for staff, the needed funding for outside legal expertise in the Cable arena and key monitoring functions to ensure franchise compliance with our cable operators.

D. Performance metrics/benchmarks and targets for this proposal:
Workload measures:

- Council Meetings # added each year : 160 hours in 2009
- Number of citizens viewing City videos online each year: 15,685 unique viewers in 2009

Performance measures:

- Percent of citizen issues solved – 18 cable issues reported in 2009 with 100% resolution

E. Describe why the level of service being proposed is the appropriate level:
At this point in time, requests by new providers to provide cable services in the City of Bellevue has ebbed, and the Franchise Administration has responded by reducing staffing to meet the basic level of services for our citizens/subscribers. Should cable franchise activity increase, ITD retains staff in other proposals (see ITD Software Development proposal) to retain flexibility to respond to needs.

Section 8: Provide Description of Supporting Revenue

The City currently has three Cable Franchises: Comcast, Broadstripe and Qwest. As part of their agreements they remit to the City a 5% franchise fee of their gross receipts resulting in approximately $1.7 M in revenue each year. Franchise Administration and BTV (*see Multimedia proposal)* are funded through this revenue and the remaining balance is transferred to general revenues.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. **Legal**: None.
2. **Customer Impact**: This would leave citizens without an advocate to work with them and the cable provider to reach resolution of issues. Internally, this service provides support for the use of our video streaming software for use as a medium of training videos and questions. The City would also no longer be able to video stream Council meeting or have new meetings on the City's web site, leaving only the option for citizens to catch videos through Bellevue Television scheduled programming on cable television or attend meetings in person. In addition, the City would not be able to audit service providers to ensure appropriate payment due to the City and would lose out on revenue. Audit results have resulted in outright payment of amounts due or been used in the renewal negotiations process to strengthen the City's position.
3. **Investment/Costs already incurred**: The cost of the City's on-going franchise administration program.
4. **Other**: none.

B. Consequence of funding at a lower level: Cable franchises can fluctuate greatly, and the City relies on outside legal and financial services to ensure current knowledge and interpretations of federal, state and local cable franchise regulations. Without this funding the City would put itself at a disadvantage during negotiations and lose revenue opportunities from franchise fees. Reducing the hourly staffing would impact responsiveness to citizens in reaching resolution of issues.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Equipment Replacement - ITD		**Proposal Number:** 090.12DN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Rick Berman, x4890.		**One-Time/On-Going:** On-Going
Fund: ITD	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): 090.12PN Equipment Replacement Reserves-ITD (Reserve Team)		

Section 2: Executive Summary

This proposal covers the purchasing of technology assets, including computers, network equipment, servers, software, and audio visual equipment which have reached the end of its useful life. This equipments' original purchase was approved in other budgets and the replacement funding source is the Equipment Replacement Reserve in ITD. Replacing this equipment in a just-in-time manner reduces staff downtime and helps ensure that services across the city are available to the City's customers and partners.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$0	$0
Other	2,414,463	2,099,174
	$2,414,463	$2,099,174
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0
Total Count	0.0	0.0

There are no personnel expenditures noted for this proposal. For staff time associated with the purchase of this equipment, please see the *Computer Management and Network Services Proposals.*

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal has a direct relationship to the *Equipment Replacement Reserves-ITD proposal* which has been submitted to the Reserve Evaluation Team. The cost savings listed below actually are related to the overall replacement reserve program. The equipment replacement list for 2011-12 is a by-product of this program.

ITD manages equipment replacement as part of a consolidated Asset Management Program. As such, asset replacement costs, replacement schedules and useful life are analyzed every two years to determine updates and/or changes. ITD is recommending the following changes to useful life (UL) and pricing for major equipment categories, which in turn affect 2011-2012 equipment replacement schedules and future revenue requirements (this is a summary and we can supply more detail upon request):

Equipment Category	Old UL (yrs)	New UL (yrs)	Old Pricing Assumption	New Pricing Assumption	Savings Impact per year[1]	Reason
Desktop (PCs) and Portable (laptops)	3	4	PCs: $1,250 Laptops: $1,800 MDCs[2]: $8,000	PCs: $1,100 Laptops: $1,500 MDCs: $6,200	$78K	UL: Increased hardware reliability; benchmarks against other cities; MDC cost for hardware has decreased
Servers (change begins with all 2010 purchases)	4	5	NA	NA	$79K	UL: experience/use trends; Cost: reduced support costs; Hardware more robust and lower failure rates
Printers	3,5,8	5,7	$1,900	$1,100	$17K	
Audio Visual	5	7	NA	NA	$22K	UL: experience/use trends

These numbers are significant over the life of the analysis. All efficiencies represent over $2 Million cumulative savings by 2016 and over $3 Million by 2020.

Section 5: Budget Proposal Description

The proposed list of equipment replacement is summarized below. For the complete list of equipment that is being replaced in 2011-2012, please see the following attachment: *Equipment Replacement-ITD_Attachment.*

ITD Equipment Replacement (2011-2012) - Summary

Class	Class Descriptions	Total Count	2011 Count	2011 Value $	2012 Count	2012 Value $
1	Desktops	589	261	346,076	328	422,071
2	Laptops	278	151	654,358	127	191,135
3	Servers	52	24	296,380	28	435,270
4	Diagnostic Equip/Tools	0	0	-	0	-
5	Printers/Plotters	47	36	45,672	11	33,527
6	Scanners	0	0	-	0	-
7	Storage	2	2	298,018	0	-
8	Telecom/Voice	0	0	-	0	-
9	Video Commuications Equipment	4	3	87,669	1	28,536
10	Network Infrastructure	7	1	22,229	6	585,482
11	Software-lines of business	2	1	81,200	1	41,415
12	Audio Visual	19	5	48,972	14	51,640
13	Software - Utility	2	2	533,890	1	310,098
	Total	***1002***	***486***	***2,414,463***	***517***	***2,099,174***

Due to equipment purchasing delays and the timing of some expensive replacements, the expenditures for both years are over $2 Million. Estimated average expenditure for 2013-2016 is $1.5 Million.
Additional information includes:

- This represent almost all lines of businesses and departments. See Attachment for more information.

[1] Based on a 10 year average
[2] MDCs: Mobile Data Computers

- New investments that involve equipment, purchased by the Departments as part of their budget approval, need to have future replacement costs built into proposals. This proposal does not include new investments.
- In 2011, Police and Fire mobile data computers are scheduled for replacement as part of the laptop asset class.
- The Software-Utility category includes the annual payment for Microsoft software licensing.

Section 6: Mandates and Contractual Agreements

The interlocal with the eCityGov **Alliance** calls for the collection of replacement reserves on their behalf. These monies, if unused, would be returned to them.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

- *Citywide - Provide for gains in efficiency and/or cost savings and ensure that services are "right sized,"* **and** *Citywide- Consider short- and long-term financial impacts,* **and** *Exceptional Service-Ensure sound management of resources and business practices,* **and** *Exceptional Service-Demonstrate collaboration and reduce redundancies in service delivery* **and** *Stewards of the Public Trust-Manage public funds and assets in a responsible and fiscally sustainable manner,* **and** *Citywide- Consider best practices:*
  - Managing equipment replacement in a consolidated and sustainable manner, by categories, is a best practice (The Government Finance Officers Association (GFOA) *Capital Asset Assessment, Maintenance and Replacement Policy (2007 and 2010)*). The GFOA recommends that local governments establish a system for assessing their assets and then appropriately plan and budget for replacement needs.
  - The source of funding for equipment replacement is the *equipment replacement reserve*. Maintaining this source of funding and using it for the replacement of assets has a positive influence on the City's AAA bond rating (Standard & Poor's Summary to the City of Bellevue, 2008)
  - ITD has created an asset management program, including an asset management database as a single source of data to ensure that equipment replacement recommendations are accurate and to continually look for efficiencies (see cost saving section above). This is an IT industry best practice (Information Technology Infrastructure Library (ITIL), version 3).

- *Exceptional Service-Ensure services are provided when needed and/or expected; and processes are timely and predictable,* **and** *Exceptional Service- Equip the organization with the information, tools, technology and personnel to effectively respond to planned and unplanned events or conditions,* **and** *Stewards of the Public Trust- Acquire, develop, and maintain publicly owned assets that support high performing government:*

  - Replacing this equipment in a timely manner at the end of its useful life enables ITD to provide "just-in-time" predictable services to our customers.
  - A replacement program also has a direct impact on reducing maintenance costs, which helps ensure equipment "up time."
  - According to the US Bureau of Labor Statistics (May, 2007), a four-hour computer/network outage affecting 5 computers can cost the organization $2,500.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

This proposal supports all outcomes, factors, and purchasing strategies to the extent that they rely on ITD services, and technology equipment, to deliver their proposals.

C. Short- and long-term benefits of this proposal:

Just-in-time replacement of equipment (at the end of its useful life) maintains operational continuity, which in turn ensures services are delivered seamlessly.

D. Performance metrics/benchmarks and targets for this proposal:
None. Since this equipment supports services and programs from across the city, please see other proposals for their performance metrics.

E. Describe why the level of service being proposed is the appropriate level:
Please see cost savings sections for specifics. Please see the *Equipment Replacement-ITD_attachment* for useful life information. **An exception to an alternative level of services has been granted for this proposal. The recommended level of services meets the criteria for proposing efficiencies in the existing services while still meeting the intended outcome. Additional levels of service describing the impacts to operations may still be requested.**

Section 8: Provide Description of Supporting Revenue

Revenue comes from ITD's Equipment Replacement Reserves, which in turn comes from department rates, interest, and collections from external customers (data center leasing and eCityGov Alliance).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Direct impacts include interlocal agreements with eCityGov and impact to customers who in turn have legal obligations.
2. Customer Impact: For ***equipment reserves,*** replacing equipment in a timely manner impacts support for all services and programs that use this technology. Without a stable funding source, that is in jeopardy. Equipment at end of life that is not replaced in a timely manner experience more problems, which results in unanticipated service disruptions for customers, users, partners and response staff.
3. Investment/Costs already incurred: See Customer Impact above. Many of the programs that this equipment impacts are related to sunk costs. Additionally, we have considerable previous investments in all our equipment and infrastructure.
4. Other: None

B. Consequence of funding at a lower level: Delays to equipment replacement do not yield matching funds for other purposes. These funds will need to remain in replacement reserves with the assumption that they will eventually be replaced. There may be a minimal impact to rate collection (see the *Reserves-ITD proposal*), but that would need to be analyzed separately depending on which equipment were to be replaced. This in turn might also be negated due to inflation and increased maintenance costs, which increase costs over time. Organizational and service disruption costs could be significant (e.g. unanticipated disruption in on-line services would impact contractors and homeowners attempting to conduct business with the City, residents attempting to enroll children in recreation programs, police officers attempting to check warrants, emergency dispatch attempting to respond to 9-1-1 calls, etc).

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Development Services Information Delivery		**Proposal Number:** 110.01PA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Carol Helland, x2724 / Joe Guinasso, x4481		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

The Development Services (DS) Information Delivery function will support the Responsive Government outcome by providing broad access to development services information regarding properties, public and private development projects, development and construction codes and standards, inspection and enforcement procedures, public records, permit processes, timelines, and fees. Service delivery is provided consistent with customer-driven service expectations that focus on quality, customer experience, timeliness, and predictability.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$1,475,730	$1,551,983
Other	117,112	121,062
	$1,592,842	$1,673,045
Supporting Revenue		
	$704,430	$740,783
LTE/FTE		
FTE	12.8	12.8
LTE	0.0	0.0
Total Count	12.8	12.8

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Cost savings associated with this proposal would include elimination of 1 FTE (asst land use prof) and redeployment of those public information duties across the balance of DS staff who deliver information as a component of their jobs. Level of service would not be lost, because *staffing levels have been right-sized* to anticipated demand; and, demand has dropped due to the recession. Innovation in distribution of mandated public notices would save an additional anticipated $35,000 annually in newspaper publication fees through increased reliance on electronic media.

Section 5: Budget Proposal Description

This offer proposes to provide DS information delivery with 12.8 FTEs that would provide expertise in building, clear and grade, fire, land use, transportation, and utilities development disciplines. This service would be provided largely free of charge to individuals who contact the City in person (over 7,300 visits per year), via electronic communication portals, and via telephone. The information delivery function would also offer self assistance through staff developed training materials, bulletins, client handouts and website content that enables the community to help themselves 24 hours a day without direct DS staff interaction. The proposed FTE count represents portions of positions allocated to this proposal from the DS function as a whole. Planners, reviewers, and inspectors who contribute to delivering public information would also continue to be responsible for providing DS related policy development, review and inspection services. Refer to 110.01PA_Attach 1 for the DS Organization Chart.

Section 6: Mandates and Contractual Agreements

The state Public Records Act mandates timely production of public records (Chapter 42.56 RCW). Significant penalties can be levied and the City can be exposed to increased litigation risk for failure to produce documents consistent with these requirements. The Local Project Review Act (Chapter 36.70B RCW) mandates minimum public notice that must be provided for plan updates and project applications.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (*shown in italics*):

This offer would support Citywide purchasing strategies to provide the *best value in meeting community needs for Information Delivery* by utilizing *cross department collaborations* of staff from every review and inspection discipline (including building, clearing and grading, fire, land use, transportation & utilities). DS Information Delivery will advance the Responsive Government outcome through the following factors and strategies.

Community Connections. This offer will *increase the community's understanding of government* by delivering information regarding properties, projects, permit and enforcement procedures, development services, and fees. This offer will provide a range of *opportunities for the community to access* DS Information. The DS Center would be staffed by professionals from all review disciplines and would be a model of *cross department collaboration to provide information* to walk-in customers. Tailored information would be provided via e-mail and telephone, and self help materials would be available 24/7 through a variety of portals.

Strategic Leadership. Partnering with the community is an essential component to realizing the Community Vision. This offer would *foster community partnerships to achieve the Community Vision* by delivering information and education regarding the content of the Comprehensive Plan and the development regulations that translate the City plans into actions at the review stage of the development process.

Engaged Workforce. Experience has shown that staff enhance their own learning by engaging in the education of others. DS staff would *educate the community regarding the Vision* articulated in the Comprehensive Plan, which would *help staff better understand how their jobs support the Community Vision*. By using DS staff to deliver a range of services, their jobs will be more challenging. This variety will support *retention of valued staff*.

Exceptional Service. Delivery of DS Information offered in this proposal will be governed by service expectations developed by staff from all levels of DS *based on customer feedback*. Refer to Attachment B for the Customer Service Definition. Because staff developed the expectations, they will *deliver information consistent with exceptional service ideals* which will *contribute to employee satisfaction and foster innovation*.

Stewards of the Public Trust. This offer will foster community acquisition of knowledge regarding their property, applicable regulatory controls on their property, and the location of city owned infrastructure on or near their property, or in the vicinity of a development project that they are undertaking. As such, the DS information delivery function will *reduce the risk* of inadvertent code violations that can compromise neighborhood livability or create risk for users of structures not built to code. The information delivery function will also help reduce potential of infrastructure damage when development projects are undertaken.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcomes (*shown in italics*):

Safe Community. This offer will deliver timely information to *help prevent non-compliance*. Knowledge of regulations is key to preventing violations before they occur, which reduces reliance on code enforcement and prevents costly investment in resources that may be wasted if expended in violation of applicable codes.

Improved Mobility. The Improved Mobility outcome will be advanced when information is provided to tenants regarding the Commute Trip Reduction program and other *ways to reduce single-occupancy vehicle trips*.

IVCC/Quality Neighborhoods. This offer will support IVCC by *increasing awareness of City services* related to property and development, providing information regarding *opportunities to improve the built environment*, and providing *access to information out in the neighborhoods in order to involve citizens* where they live and work. Information provided regarding minimum property maintenance expectations will advance the Quality Neighborhood outcome by helping to reduce the incidents of code violations in neighborhoods and by helping to *maintain a standard of clean and well-maintained commercial and residential properties*.

Healthy and Sustainable Environment. This offer will provide for information delivery that helps educate the public regarding *stormwater runoff best practices*, *property maintenance*, and the *preservation of critical areas including habitat*. Buildings account for 39% of total energy use. This offer includes creation of a Green Building team that will *provide expertise in low impact/sustainable development* to provide value where is matters most.

Economic Development & Competitiveness. This offer will provide public information to contractors, building owners, tenants, appraisers and other business interests free of charge as a *business-supportive program that fosters development*. Public Information delivered as a component of the DS function will continue to *help brand the City as an excellent place to do business* because its service is fast, predictable, and understandable.

C. **Short- and long-term benefits of this proposal:** This proposal will provide significant short and long term benefits by continuing the DS cross department collaboration to deliver public information consistent with customer-driven service expectations that focus on quality, customer experience, timeliness, and predictability.

D. Performance metrics/benchmarks and targets for this proposal:

- DS Center staff treated me in a helpful, courteous and knowledgeable manner (DS Survey)
- I received the information I needed from DS staff the first time I asked for assistance (New)
- I was given enough information to submit a complete application for review (DS Survey)

E. Describe why the level of service being proposed is the appropriate level: The *level of service has been right-sized* to accommodate service demand consistent with the DS customer service expectations; and DS survey data indicates that staff are currently providing an appropriate level of responsiveness to calls for service. However, in a recent survey regarding tree retention in the Enatai neighborhood, 55% of respondents indicated that the City should do more to "inform residents regarding the value of trees" in their neighborhood, suggesting that there is demand for information to be proactively pushed out to the community. No level of service reductions are recommended, so that any future efficiencies could be used to enhance opportunities to push unsolicited information of community importance out to the public.

Section 8: Provide Description of Supporting Revenue

The $1,445,000 (2011-2012 combined total) of supporting revenue identified in Section 3 reflects $830,000 of fee-based revenue for activity performed by Building Division staff and $615,000 of utility rate revenue. In 2003, the City Council endorsed a set of financial management principles and cost recovery objectives established for the DS function. Those cost recovery objectives dictate that the cost of providing public information performed by Land Use, Fire, Transportation, and Utilities staff is borne by the City and not charged to our clients. As a result $1,872,000 of this proposal is supported through general tax collections.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: The city controls all information regarding zoning and development in Bellevue. The city is required to maintain services to respond to requests for this type of information. Failure to provide easy access to this information would increase demand on the Clerk's Records function beyond staffing resource which could expose the City to penalties under the state Public Records Act (RCW 42.56).
2. Customer Impact: Without the benefit of information, inadvertent violations of development codes will lead to increased code violations, permit submittal quality will decline and associated timelines and fees will rise because applicants will not have the benefit of pre-permit submittal assistance, economic development will be impacted because DS staff will not be available to respond to project feasibility questions, and the Bellevue reputation for fast and predictable development services will suffer.
3. Investment already incurred: The DS Center located on the first floor behind the Service First Desk has been identified as a regional model for information delivery services related to property, projects, permit and enforcement procedures, timelines, and fees. Considerable money was invested in the DS Center space when City Hall was moved to Downtown and staff from the multiple departments providing DS review services were collocated to building areas behind the DS Center to support information delivery described in this proposal. The benefit of this investment would be lost if this proposal is not funded.

B. **Consequence of funding at a lower level:** Funding this proposal at a lower level will have a negative impact on the timeliness and/or amount of public information provided by DS. In 2009, 7,310 customers accessed DS staff at City Hall through the Customer Assistance Tracking System (CATS). Reducing resources assigned

to the public information function of DS will result in longer wait times for customers at the DS Center in City Hall. As an example, a 10% reduction in this program would result in the DS Center being staffed with only one person per discipline and the wait times for customers to speak with these staff people would lengthen beyond the 15 minute standard that we strive for. While we cannot quantify the additional wait time because it will depend on the customer count waiting and the complexity of the issues being dealt with by DS staff, it is safe to say that by reducing the staff assigned to the DS information delivery function, we will not be able to ensure that services will be provided when needed and/or expected based on past practice. This will be especially true as permit levels increase over today's volume, which is projected to occur as the economy recovers in the 2012 timeframe.

In addition, the timeliness of updates to public information such as staff developed training materials, bulletins, client handouts and website content could be delayed as a result of reduced staffing associated with this proposal. It is likely staff will more often direct the customer to boilerplate public information materials due to a lack of time rather than providing a one on one tailored response. Ultimately, the lack of timely information for the customer could affect the quality and accuracy of permit submittals leading to multiple revisions needed to correct errors and longer timelines for approval of permits.

The provision of accurate, timely and effective public information is foundational to delivery of an efficient and effective permit review process (refer to Proposal No. 110.03.PA.A1). Delivery of the public information that applicants need when they need it is essential to successful preparation of a complete permit application. In turn, the preparation of a thorough and complete application directly impacts the timeliness, certainty, and predictability of the permit review process and the satisfaction that our customers report regarding our service.

Based on 2009 DS survey results, 82 percent of our customers agree or strongly agree that they were "clearly informed about the plan and document requirements of all the reviewing departments." This high rating is made possible by the consolidated service delivery model that is deployed in the DS Center to address applicant information needs across all review disciplines (including building, clear and grade, fire, land use, transportation and utilities), and to make staff accessible to respond to customer requests for information and to provide guidance. Additional customer feedback from the 2009 survey indicates that 86 percent of our customers agree or strongly agree that they were "given enough information to submit a complete application for review." A substantive investment was made in the DS Center when City Hall was moved Downtown and the benefit of this investment would be lost if the reductions proposed in the mandated alternative were taken.

In 2005, Price Waterhouse Coopers prepared a report entitled The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues for the American Institute of Architects. The economic implications of year over year budget cuts that impact the effectiveness and efficiency of development review are clearly stated. Delays in local permit processes are costly and frustrating for architects, engineers, developers, general contractors, local government officials, and building occupants. The report went on to find that budget cuts and institutional constraints are barriers to maintaining permit processing effectiveness, and that steps taken to reduce permitting times will encourage economic development and can permanently increase local government revenues. A reduction in staffing resources will compromise DS staff ability to deliver public information at the level and within the timeframes required by developers for them to be successful.

Overall, reducing the Public Information Delivery proposal funding will affect direct services to customers and will undermine the trust and confidence that the community has in the DS function. In turn, DS Public Information Delivery improvements and accomplishments that foster the Bellevue brand as a good place to do business and to develop property would be lost over the budget period. A 10% reduction would impact economic development at a particularly inopportune time because the building sector is anticipated to regain momentum in 2011-12. Reductions at this point would substantially undercut the purchasing strategies identified as important in the Economic Growth and Competitiveness Outcome. Reductions also affect the end user, because the increased cost of development would be passed on to tenants and residents. This would further impact opportunities to realize an economic recovery and would increase the cost of housing inconsistent with the IVCC Outcome.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Policy Implementation, Code Amendments and Consulting Services		**Proposal Number:** 110.02PA
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Carol Helland, x2724 / Joe Guinasso, x4481		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #:** N/A
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

The Policy Development function of Development Services (DS) would support the Responsive Government outcome because it implements adopted City plans (e.g., Bel-Red Corridor Planning Study) and federal and state mandates (e.g., Federal Clean Water Act NPDES program) by processing amendments to codes, standards, and procedures; and it aligns locally and regionally significant projects (e.g., Regional Jail) with organizational objectives by providing development related consulting advice. Delivering on policy development commitments made to the community based on their priorities is essential to maintaining public trust.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$1,317,687	$1,385,908
Other	86,622	88,576
	$1,404,309	$1,474,484
Supporting Revenue		
	$464,817	$488,603
LTE/FTE		
FTE	10.4	10.4
LTE	0.0	0.0
Total Count	10.4	10.4

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This offer would eliminate $30,000 of annual consultant contract dollars. Level of service would be maintained by using expertise of DS staff to provide research/drafting needed to support policy implementation and code development. A $50,000 annual revenue enhancement would be generated by fees for optional pre-application consulting services that are currently provided for free. This service is directly related to private development that should pay for the cost of service provided by DS staff consistent with Council-adopted fee recovery policy. A $10 surcharge on the $30 business licensing fee is also proposed, and would cover the cost of DS staff review of land use and zoning information contained in license applications. This service is essential to ensure that businesses locate consistent with applicable use codes to protect the community from impacts, and to avoid wasted investment when proposed uses are not permitted. Bellevue has one of the lowest business license fees in the region and does not charge an annual renewal fee. 110.02PA_Attach 1 provides comparison information.

Section 5: Budget Proposal Description

This offer proposes to support the DS Policy Development function with 10.4 FTEs that would provide technical expertise in the building, clear and grade, fire, land use, transportation and utilities development review disciplines to respond to Council and community priorities by amending codes, standards, and procedures, and by providing consulting services on projects of regional and local significance to achieve desired results. The proposed FTE count represents portions of positions allocated to this proposal from the DS function as a whole. Refer to 110.02_Attach 2 for a DS Organizational chart. Planners, reviewers, and the consulting attorney who contribute to the Policy Development work program would also be responsible for providing related DS information delivery and review services. In addition to being related to the broader DS function as a whole, this proposal is related to major City-wide initiatives. Where City-wide Budget One proposals include estimated policy development support needed from DS, the FTEs and costs have been included in those proposals (e.g., Eastlink Overall and Tunnel). If the City-Wide proposals are funded, identified DS personnel needs would be met with new staff. The proposed 2011-12 Policy Development Work program is provided as 110.02PA-Attach 3.

Section 6: Mandates and Contractual Agreements

A significant component of the DS Policy Development Work program includes mandated code amendment projects such as the Critical Areas Update (2006), building and fire codes updates (required every three years), and Federal Clean Water Act mandates (NPDES). The Growth Management Act (GMA) mandates Comprehensive Plans and development regulations undergo continuous review and evaluation. RCW 36.70A.130. The annual Comprehensive Plan amendment docket processed by PCD also generates DS code amendment demand, because GMA requires consistency between the Comprehensive Plan and DS codes. RCW 36.70A.040(4)(d).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (shown in italics):

This offer would support Citywide purchasing strategies to provide the *best value for meeting community needs* by *leveraging cross department collaborations* to draft codes, standards and processes *to achieve organization objectives and realize the Community Vision*. Code development work provided by consultants and attorneys ranges in cost from $300 to $400 per hour, while code development undertaken by DS staff can be provided at a lower cost and with *greater efficiency* because DS staff are familiar with codes and plans. DS Policy Development advances Responsive Government through the following factors/strategies.

Community Connections. This offer would *foster engagement by soliciting input* in varied ways (e.g., meetings, mailings, blogs, commission review, web posts) to develop the DS Policy Development Work program ultimately *endorsed by Council according to citizen priorities*. Code amendments would be accomplished using *processes accessible to stakeholders* and *fair because they are open* when the community is available to participate.

Strategic Leadership. Policy implementation is the essential deployment step needed to translate adopted City plans into concrete actions. The Bel-Red Corridor Plan exemplifies a transformational vision adopted for an entire subarea. This offer would provide policy implementation work necessary to translate plans into detailed zoning and development regulations that would then be administered through the permit review process to achieve desired plan outcomes. The DS Policy Development function would *foster alignments* by implementing adopted City plans and mandates to *achieve organizational objectives and realize the Community Vision*.

Engaged Workforce. Policy Development would be accomplished using DS staff. These *in-house experts would be trained* to draft code that is tailored to community needs, effective at achieving desired results, and capable of being administered. Amendment drafting would provide work variety and challenge that *helps retain quality staff*. The process of drafting code that staff will ultimately administer during permit review provides valuable

training that will also *help employees understand how their jobs support the Community Vision*. In this way, s*taff will be empowered* to suggest *innovations* when a code or standard is not achieving its intended result.

Exceptional Service. Exceptional service in the development process is often defined based on consistency and predictability. When DS staff are used to draft the codes, standards, and processes that they will administer, they have a deeper understanding of an amendment and its underlying rationale. This integrated *training approach* will enable staff to provide better service when administering the codes during permit review because they will be *consistent and predictable* in their interpretation.

Stewards of the Public Trust. As a component of this offer, development codes, standards, and processes will be continuously re-examined to *verify that community values are being achieved* and that the *appropriate balance is being struck between competing priorities* of neighborhood livability, public and private asset protection, business vitality, property rights, safety, environmental protection, and the time and cost associated with securing permits. The services offered in this proposal will help ensure that the balance between priorities does not tip inappropriately to any one stakeholder or beneficiary, so that public *trust in government* remains high.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcomes (shown in italics):
Safe Community. Routine review of technical codes (building, fire, utility and transportation) will ensure that losses due to planned and unplanned events are avoided or mitigated through *proper prevention measures*.

Improved Mobility. Routine updates to the transportation codes provide relevant *standards for safe infrastructure design for all users.* Amendments will address emerging ideas such as green building and sustainability best practices that will *incorporate context sensitive solutions* into new code requirements.

IVCC/Quality Neighborhoods. A key policy development priority will be to ensure a close nexus between new codes and impact mitigation to *foster regional competitiveness while protecting the community from impacts*. The *process used to engage the community* in code amendments that affect them will advance the IVCC outcome. The content of the DS Policy Development work program will include amendments that support specific IVCC purchasing strategies (e.g., innovative housing) and that facilitate maintenance and development of Quality Neighborhoods by *protecting existing neighborhood character and providing for long term stability* (e.g., telecommunications regulations and the noise code). Refer to work program included in Attachment C.

Healthy and Sustainable Environment. Routine updates to environmental codes and standards will respond to state and federal mandates (e.g., shoreline update, NPDES), take advantage of emerging scientific knowledge, and respond to evolving community environmental values. In this way, the DS Policy Development proposal will help *ensure surface water quality*, *maintenance of private properties*, and *conservation of natural resources*.
Economic Growth and Competitiveness. Continued efforts to quickly implement new area plans and policies (e.g., Bel-Red Corridor) through code adoptions will help advance economic growth by creating a *favorable and predictable environment for business and development*. Process improvements will be continuously identified and implemented to foster appropriate development, and *advance Bellevue's business supportive reputation*.

C. Short- and long-term benefits of this proposal: This proposal will provide significant short and long term benefits by continuing to provide high quality, cross department collaborations on policy development that will achieve the Community Vision based on community priorities gleaned from robust engagement processes.

D. Performance metrics/benchmarks and targets for this proposal:

- Percentage of code amendments appealed and upheld by the Growth Management Hearing Board (new)
- Percentage of business licenses reviewed by DS within 14 days of receipt of application (new)
- Percentage of mandated code amendments completed within the same year that the annual Comprehensive Plan policy amendment is adopted by Council (new)

E. Describe why the level of service being proposed is the appropriate level:

State and federally mandated elements of the DS Policy Development Work program represent at least half of the staffing levels allocated to the function in any given year. However, it is the non-mandated work that often is the highest priority from a community perspective (e.g., Noise Control), and that provides the greatest contribution to realizing a Responsive Government (Refer to Section 7). The proposed level of service will enable staff to pursue amendments of high priority to the community as well as mandated amendments.

Section 8: Provide Description of Supporting Revenue

Of the $1,054,000 (2011-2012 combined total) of supporting revenue identified in Section 3, $572,000 reflects fee-based revenue for activity performed by Building Division staff and $340,000 of utility rate revenue. $142,000 of supporting revenue reflects review fees for optional pre-application consulting services as well as the proposed business license surcharge. In 2003, the City Council endorsed a set of financial management principles and cost recovery objectives established for the DS function. Those cost recovery objectives dictate that the cost of providing public information performed by Land Use, Fire, Transportation, and Utilities staff is borne by the City and not charged to our clients. As a result $1,871,000 of this proposal is supported through general tax collections.

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: Failure to adopt federal or state mandated amendments to codes and standards would expose the City to liability which could result in lost grant funds, and increased claims and lawsuits.
2. Customer Impact: Codes, standards and processes would not be updated to meet changing citizen values or respond to external events. Code conflicts that reduce predictability and certainty would remain unresolved and could impact Bellevue's reputation as a good place to develop and do business.

B. **Consequence of funding at a lower level:** Because costs associated with this program are in excess of $1 million, an alternative funding level has been provided in a separate proposal. Refer to proposal 110.02PB.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Development Services Department Management and Support		**Proposal Number:** 110.05NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Joe Guinasso (extension 4481)		**One-Time/On-Going:** On-Going
Fund: Development Services	**Attachments:** No	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal provides strategic leadership, management and general support to the Development Services Department (DSD) and the development services line of business spanning four departments. These resources benefit all functions within the department and could not logically be assigned to an individual proposal. Positions included in this proposal are the Department Director, Assistant Director of Business Services, Training and Employee Development Coordinator, and Senior Administrative Assistant.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$466,600	$491,030
Other	113,500	114,500
	$580,100	$605,530
Supporting Revenue		
	$494,363	$516,650
LTE/FTE		
FTE	3.5	3.5
LTE	0.0	0.0
Total Count	3.5	3.5

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

Bellevue Development Services (DS) is managed as a cross-departmental line of business including staff from DSD (Building, Land Use, and Code Compliance), Fire, Utilities, and Transportation departments. Collaboration between the four departments is essential to the successful management implementation of Council land use and development policies, and development review and inspection services provided to our clients. Oversight of the DS line of business is the responsibility of the DSD Director including the management of the cross-departmental training program that provides training opportunities for all DS staff as well as training and facilitation services for staff throughout the City.

Section 5: Budget Proposal Description

This proposal provides strategic leadership, management, and general support for the DSD as well as the Development Services line of business which includes staff from Fire, Transportation, and Utilities.

Resources funded through this proposal will: Provide department leadership, manage department operations, and implement programs/projects to carry out City Council and City Manager policies and direction; Develop plans and policies to meet the City's commitment to deliver fast, predictable, quality, and One-City development services; Provide timely, accurate and relevant information to support the City's decision making process; Assure compliance with State law and City Code; Assure efficient and effective work methods, professional standards, internal controls, and personnel policies/procedures are met; Assure interdepartmental collaboration and coordination to achieve unified One-City results; Provide public information; Coordination of Development Services training program; Provide administrative staff support for department management.

Positions included in this proposal:

Department Director (1.0 FTE): Provides direction, leadership, and general oversight to the DSD and ensures collaboration of all related development services provided throughout multiple departments (e.g. Fire, Transportation, Utilities). Represents the City of Bellevue on regional boards/committees promoting seamless service delivery of development services throughout the region.

Assistant Director of Business Services (1.0 FTE): This position provides direction and oversight of the following business units: Permit Processing (5 FTEs); Administrative Support (4 FTEs); Business Systems (3 FTEs); Financial Services (5 FTEs); Code Compliance (7 FTEs/2 Part-Time positions).

DS Training Coordinator (1.0 FTE): Coordinates employee training and professional development for all DS staff. This position ensures compliance with mandatory training requirements, coordinates training offerings to our customers, manages the professional development program, and coordinates ongoing training for codes, processes, and delivery of exceptional customer service.

Senior Administrative Assistant (0.5 FTEs): Provides executive-level administrative support to the DSD Director and three Assistant Directors. In addition, this position provides day-to-day administrative support to the Land Use Division.

Section 6: Mandates and Contractual Agreements

The DSD Director is ultimately responsible for the ensuring DS provides review and inspection services in accordance with the Growth Management Act; Local Project Review; State Environmental Policy Act; FEMA National Flood Insurance Program; WA State Building Code (RCW 19.27) International Building Code; International Fire Code; National Pollutant Discharge Elimination System (NPDES) clean water acts (RCW 90.48 & Title 33 US Code, Section 1251`et seq – Federal Water Pollution Control Act); Plats, RCW 58.17; Water Resources Act; Shoreline Management Act; National Environmental Policy Act; Endangered Species Act; The Telecommunications Act of 1996; Americans with Disabilities Act (Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act); Water purveyor cross-connection control program (WAC 246-290-490).

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (*shown in italics*):

This offer would support Citywide purchasing strategies by l*everaging collaboration with other departments* through staff from every review and inspection discipline (including building, clearing and grading, fire, land use, transportation & utilities). *Leveraging partnerships with external organizations* such as the eCityGov Alliance (myBuildingPermit.com) as well as *Ensuring sound management of resources* through strong forecasting and response strategies and continuously seeking improvement opportunities that ensure *sounds business* practices.

DSD management and support will advance the Responsive Government outcome through the following factors and strategies.

Community Connections. This proposal will *build upon, participate in and leverage local and regional partnerships and relationships* by continuing membership in the eCityGov Alliance and will m*aximize collaboration to increase efficiency* through a leadership role in the enhancements of the MyBuildingPermit.com web portal for delivery of permits and customer information.

Strategic Leadership. This proposal *helps realize the Community Vision* through facilitating sustainable development in Bellevue through the land use process. The DSD Director has *fostered cross jurisdictional partnerships* through work on the MyBuildingPermit.com web portal operations board.

Engaged Workforce. This proposal will continue *investment in continuous employee development, training, wellness, and security* through the work of the Training Coordinator. Providing DS staff with the tools and training to deliver on transformational and highly visible projects *contributes to positive perceptions of Bellevue as a great place for business and development.* DSD management's vision of paperless permitting, in partnership with the eCityGov Alliance, will *encourage innovation* as processes are re-engineered to become more effective.

Exceptional Service. This proposal will ensure *services are provided when needed and/or expected* by forecasting when the demand for services will change and when resources should be added or reduced to align with that demand. The success was evident by the way the City was able to respond to the fast upswing and downturn of the last development cycle. *Processes will continue to be timely and predictable* and are monitored as part of the day-to-day operations. Weekly and monthly management reports are reviewed to ensure timelines within each discipline remain at acceptable levels. DSD manages services from four departments as a single line of business, *demonstrating collaboration and reducing redundancies in service* delivery (e.g. project management, billing, inspection scheduling). The training and organizational development program not only provides required technical training courses, it also focuses on improving the quality of how staff performs their jobs. Providing clear expectations and training for staff *enhances professionalism and responsiveness* and builds on employees' capacity to handle conflict, communicate effectively, and manage time constraints.

Stewards of Public Trust. This proposal will *manage funds in a responsible, fiscally sustainable manner* through economic forecasting and aligning resources with demand. DSD management *solicits and analyzes performance feedback* in three ways. Customer comment cards are available for all clients to immediately comment on their experience with the permitting process. An annual customer survey is sent out to anyone who had applied for was issued a permit and is analyzed with consistent data dating back to 2002. Beginning in 2010 inspection services customers have the ability to participate in an online survey providing department management with more immediate feedback on performance of inspection staff.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):
Development services also advances several other outcomes because of the services they provide to those who live, work, and play in Bellevue: **Economic Growth & Competitiveness** (partnerships with regional jurisdictions through the eCityGov Alliance, partnering with businesses and associations such as Master Builders Association, and helping build Bellevue's reputation of second-to-none customer service through continuous improvement); Improved Mobility (accommodating growth through implementation of development codes and policies); **Quality Neighborhoods** (protecting the quality and character of neighborhoods through code compliance); **Healthy & Sustainable Environment** (protection of natural spaces and performing inspections supporting NPDES).

C. Short- and long-term benefits of this proposal:

The cross-departmental management of development services was established in 2002. Since that time the oversight of day-to-day operations, policy implementation, and financial oversight has been the responsibility of the Development Services Department management. This proposal ensures ongoing oversight of the development services line of business as well as maintaining the culture of continuous improvement.

D. Performance metrics/benchmarks and targets for this proposal:

- Overall, Bellevue does a good job inspecting projects and reviewing permit applications.
- Bellevue's development review and inspection process compares well with other cities as to efficiency and customer service.

E. Describe why the level of service being proposed is the appropriate level:

The structure of Development Services Department management has been in place since the department was established with the exception of the addition of the Training Coordinator position in 2008. Administrative support was examined during the economic recession and was reduced by one position in 2009. One Administrative Assistant serving the Director, three Assistant Directors, and the Land Use division leaves little room for sick leave, vacation, and training opportunities.

Section 8: Provide a Description of Supporting Revenue

The $1,011,000 (2011-2012 combined total) of supporting revenue identified in Section 3 reflects the portion of department management funded through development fees. Approximately $190,000 of this proposal is supported through general tax collections reflecting the oversight and management of those functions not supported through development fees (e.g. policy development, public information, code compliance).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. **Legal**: Department management is not a mandated function, however, direction and oversight, fiscal stewardship and accountability, and well-trained staff all contribute to minimizing risk and liability.
2. **Customer Impact:** Department management plays a key role in ensuring a first class work force provides development services to the City's clients. The quality of services would be impacted across all lines. Collaboration between departments would be impacted as well.
3. **Investment/Costs already incurred:** This proposal reflects ongoing operating costs. Costs already incurred reflect the ongoing annual cost of department management.
4. **Other:** N/A

B. Consequence of funding at a lower level: Depending on the level of funding approved, direction, planning, and oversight of development services work in Bellevue may be compromised. Staff training may be decentralized, managed by individual managers and supervisors, and availability of training opportunities will limited. Administrative work may be shifted to technical staff increasing costs and/or reducing service levels to customers.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Development Services Financial Management		**Proposal Number:** 110.06NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Joe Guinasso, x4481		**One-Time/On-Going:** On-Going
Fund: 1420	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): none		

Section 2: Executive Summary

The Development Services Department (DSD) Financial Management team has fiscal responsibility for two departments: DSD and the Department of Planning & Community Development (PCD) and the financial oversight of the Development Services line of business. Fiscal management responsibilities include, forecasting, budget and accounting, fee development, and customer billing.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$473,629	$499,011
Other	64,000	65,000
	$537,629	$564,011
Supporting Revenue		
	$457,599	$480,731
LTE/FTE		
FTE	5.0	5.0
LTE	0.0	0.0
Total Count	5.0	5.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The DS Financial Management team collaborates with the departments responsible for development services in Bellevue (DSD, Fire, Transportation, and Utilities) as well Finance, Planning & Community Development, and ARCH to provide a full portfolio of financial services. Ongoing cost savings are realized through developing DS rates/fees with existing city staff.

Section 5: Budget Proposal Description

The DSD Financial Management team is comprised of five staff members who, in collaboration with DS departments, Finance, and Planning & Community Development perform the following primary functions:

Forecasting: **On an annual basis t**he DS Financial Management team develops and maintains a six-year financial forecast comparing projected revenues to baseline costs. This forecast serves as an early indicator of changes in development activity and its impact on DS resources. Preparing a six-year forecast allows DS management to effectively respond to planned and unplanned conditions. Other forecasting tools, focusing more on a two-year timeframe, include major projects/pipeline report and a workload forecast. Information from these forecasts feed into the projections of the six-year financial forecast. The major project/pipeline report tracks permitting

activity of large projects in the City. This assists DS staff in projecting short-term changes in revenue collections as well as assisting the City's Finance Department to project collections of property, sales, and B&O taxes. The workload forecast is prepared, based on projected application levels and the size and scope of major projects. This forecast information is used to indicate when staffing adjustments will be made to respond to changes in development levels ensuring resources are in alignment with demand for services.

Fee Development: The DS Financial Management Team performs an annual cost of service study to ensure hourly rates and permitting fees reflect the cost of providing those services. This is a service that was formerly performed by outside consultants until 2003. Staff research fees from other jurisdictions in the region to ensure that Bellevue's fees remain competitive.

Budget Development and Monitoring: State law (RCW 35A-34) requires development of an annual or biennial budget and requires filing of quarterly reports showing expenditures and liabilities against each budget appropriation and revenues received. The DS Financial Management team develops and monitors the budget for the Development Services Fund, the Department of Planning & Community Development, A Regional Coalition for Affordable Housing (ARCH fund), and the Housing Trust Fund. The biennial budget is developed every two years with technical adjustments made off cycle. Staff prepare a quarterly report (including performance matrix and workload monitoring) consolidating the financial performance of DSD, Fire, Transportation, and Utilities development services. Ad hoc monitoring and financial reports are prepared when necessary.

Accounting and Reporting: The DS Financial Management team is responsible for the billing function of the AMANDA permit system that encompasses all of permit services for the Development Services, Fire, Transportation, and Utilities cost centers. Financial staff process monthly billing for the hourly charges of the four departments and the collection of all fees by cost center that are associated with development activity. Staff also assists in the preparation of the City's Consolidated Annual Financial Report (CAFR) and support the Finance Department during the annual audit by providing financial data for DSD, Planning & Community Development, ARCH, and the Housing Trust Fund.

Section 6: Mandates and Contractual Agreements

RCW 43.09.210 [110.06NN_Attach 1] dictates that separate accounts shall be kept for each department, public improvement, undertaking, institution, and public service industry under the jurisdiction of every taxing body.

RCW 82.02.020 [110.06NN_Attach 2] and related case law, dictates that reasonable fees can be charged to cover the costs (both direct and indirect) of processing permit applications. These costs include staff time, facilities operations, and technology systems. Fees collected for permitting activity cannot be used to fund general governmental activities (e.g. public safety, parks, etc.) or those fees are deemed to constitute an illegal tax.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (*shown in italics*):

This offer would support Citywide purchasing strategies by *collaborating with other department* financial staff in establishing budgets, fees, and monitoring results. *Considering short- and long-term financial impacts* through financial/workload forecasting and budget monitoring. *Ensuring sound management of resources through* internal controls forecasting and response strategies and continuously seeking improvement opportunities that ensure *sounds business* practices. DS Financial Management will advance the Responsive Government outcome through the following factors and strategies.

Community Connections. This proposal will *promote trust, accountability, and credibility with the community* through sound financial management that protects public investment and ensures clients pay for the services they receive. DS Financial Management *increases opportunities for the community to understand its government and access information* by sending out timely billing statements that clearly state the services for which the client is paying. Staff responds to client's questions within 24 hours to resolve any billing discrepancies. Timely and accurate monitoring and reporting *optimizes transparency and openness of results achieved from government actions.*

Strategic Leadership. This proposal *helps realize the Community Vision by* supporting DS's facilitation of sustainable development in Bellevue through the land use process. DS Financial Management assists in ensuring financial resources are available and that staffing levels are adequate to administer the land use process.

Engaged Workforce. This proposal will continue *investment in continuous employee development, training, wellness, and security* by ensuring funding is available not only for training and development for DS staff, but also for the ongoing operations of DS through timely and accurate forecasting.

Exceptional Service. This proposal will ensure *services are provided when needed and/or expected* by forecasting when the demand for services will change and when resources should be added or reduced to align with that demand. The success was evident by the way the City was able to respond to the fast upswing and downturn of the last development cycle. *Processes will continue to be timely and predictable* and are monitored as part of the day-to-day operations. Quarterly management reports are prepared that illustrates financial performance as well as productivity, timeline performance, and economic indicators. DS financial services are managed as a single line of business, *demonstrating collaboration and reducing redundancies in service* delivery (e.g. financial reporting, rate setting, budget development, and billing). DS Financial Management *equips the organization with information and tools to effectively respond to planned and unplanned conditions* through workload and financial forecasting, maintenance of a sustainable financial model, timely and accurate reporting, and knowledgeable staff available to consult DS Staff and clients.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

DS Financial Management also advances several other outcomes because of the services they provide to several departments throughout the City: **Economic Growth & Competitiveness** (supporting the development process, ensuring development fees are reasonable so clients pay for the services they are provided, and supporting the City's ability to track economic conditions); **Safe Community** (financial support of inspection services); **Innovative, Vibrant & Caring Community** (budget and financial management support for ARCH – affordable housing).

C. Short- and long-term benefits of this proposal:

In the short-term, this proposal allows for ongoing timely billing and customer support, financial monitoring, and rate/fee development for several departments throughout the City. The long-term benefit of this proposal is the ability to forecast the demand for service and ensuring resource levels are adequate to respond to planned and unplanned conditions.

D. Performance metrics/benchmarks and targets for this proposal:

- Fees are regionally competitive
- Operating expenditures remain in alignment with revenue projections
- Billing is processed on time by the 10th of each month

E. Describe why the level of service being proposed is the appropriate level:

The DSD Finance team (in PCD at the time) was historically staffed with four people. When development services were restructured and the new financial model was established (resulting in holistic management of the line of business) it became apparent that additional resources were required to manage the cross-departmental budget, workload forecasting, and rates/fee development. The proposed level allows for continuing the successful management of development services citywide, financial support for the Department of Planning & Community Development, and the centralized financial administration of ARCH.

Section 8: Provide Description of Supporting Revenue

The $938,000 (2011-2012 combined total) of supporting revenue identified in Section 3 reflects the portion of department management funded through development fees. Approximately $179,000 of this proposal is supported through general tax collections reflecting the oversight and management of those functions not supported through development fees (e.g. policy development, public information, code compliance, PCD support).

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all

1. **Legal:** RCW 43.09.210 [110.06NN_Attach 1] dictates that separate accounts shall be kept for each department, public improvement, undertaking, institution, and public service industry under the jurisdiction of every taxing body. Accounting, budget, and monitoring would be to be shifted to the City's Finance Department.

2. **Customer Impact:** Eliminating the billing support would result in less revenue (dependant on level of development activity) collected by the City and would impact the ability to respond to customer questions. Eliminating forecasting work would slow the City's ability to respond to changes in development levels putting the City in a reactive position. This would result in insufficient staffing levels to respond to increased application levels during economic upturn. Not being able to identify the impacts of an economic downturn could result in carrying unnecessary costs that would cause a premature draw on reserves. Financial and budgeting services for ARCH would be performed by more costly consulting firms or would be shifted to a different jurisdiction.

3. **Investment/Costs already incurred:** This proposal reflects ongoing operating cost, however, the experienced staff allows for efficient processing of bills and development of rates. These services can be provided from outside vendors but at a cost in the range of $150-$200 per hour. Monitoring and reporting budget variances would need to be shifted to the City's Finance Department.

B. Consequence of funding at a lower level:

Depending on the level of reduction, funding this proposal at a lower level could delay the processing of monthly billing (and related collections) resulting in lower revenue collections for review and inspection services. Forecasting and monitoring efforts would be limited to an annual process reducing the ability to predict changes in the economy and its affect on the demand for DS services. Budget monitoring for PCD and ARCH would be shifted to the City Finance Department.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: Comprehensive Planning Core Services		**Proposal Number:** 115.01NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Paul Inghram, x4070		**One-Time/On-Going:** On-Going
Fund: General	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s): N/A		

Section 2: Executive Summary

This proposal provides the City's foundational comprehensive planning functions in responding to the public, supporting the Planning Commission, carrying out local policy direction established by City Council, and complying with the requirements of the state Growth Management Act. The functions of this proposal develop and advance the over-arching policy framework that guides the City's growth and development toward realization of the Community Vision (see attached).

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$230,709	$242,699
Other	59,720	60,520
	$290,429	$303,219
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	2.0	2.0
LTE	0.0	0.0
Total Count	2.0	2.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

The proposal relies on continuing collaboration with other departments as well as local, regional and state agencies in order to maintain the most cost-effective results of this effort. PCD will continue to partner with local high schools and college planning programs to provide opportunities for students to learn about public policy work and augment some basic staff functions.

Section 5: Budget Proposal Description

The Comprehensive Planning core services are essential for establishing and maintaining the community's compelling vision of Bellevue's desired future, refining that vision and implementing it in the face of continuous change. This proposal includes basic planning services that support the foundation (the *Bellevue Comprehensive Plan* – i.e. the Plan) for envisioning and realizing Bellevue's future. ***Cities that lack a clear vision or disregard that vision waste time and resources reacting to rather than planning for growth and change.***

This proposal provides basic staffing and functions that enable the city to effectively plan for, influence or adapt to those changes in ways that sustain the Community Vision and protect Bellevue's interests, including:

1) maintaining the Comprehensive Plan in a manner consistent with State law, the regional policy framework,

and City Council direction;

2) responding to public requests for information and assistance (e.g. resource to the development community; annual plan amendment applications; policy interpretation);

3) staffing the City's Planning Commission in its advisory role to City Council on multiple issues and interacting with the City Council on those planning-related issues;

4) implementing the Community Vision (e.g. code amendments with DSD; implementation of housing policies);

5) coordinating with other departments, outside agencies and developers to help work toward the Community Vision;

6) representing the city's views and interests in regional planning and decision-making – staff typically support city council members on at least two standing regional committees in addition to serving on 2-4 technical committees per year;

7) supporting other departments (e.g. City Manager, City Council, DSD) in analyzing existing plans and policies relative to state, federal and regional issues and legislation; and

8) engaging in (and often serving in leadership roles on) citywide initiatives (e.g. One City, Budget One).

Section 6: Mandates and Contractual Agreements

Under the Growth Management Act (GMA – RCW 36.70A) Bellevue (and most cities) are required to adopt and maintain a comprehensive plan that coordinates a minimum of land use, transportation, housing and infrastructure planning to accommodate projected growth for the next 20 years. In order to maintain the relevance and effectiveness of those plans, the GMA also requires that cities' plans be consistent with county and regional growth plans and policies, be updated on a regular basis, and provide for citizen requests to amend the Plan. State law also requires annual monitoring of development activity to ensure adequate capacity for projected growth and the production of a report every 5 years.

State law enables creation of a planning commission (RCW 35.63) and City Code (BCC 3.64) mandates specific duties for it. Under city code, the Planning Commission is required to review and recommend actions relating to the adoption or amendment of the Plan as well as land use ordinances and regulations.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

RESPONSIVE GOVERNMENT – This proposal addresses all or part of 4 of the 5 factors/purchasing strategies. The most pertinent is **Strategic Leadership** because the Community Vision is embodied in the Plan and this proposal is about ensuring its realization. The activities of this proposal support strategic actions by the City Council and other departments relying on "informed decisions, investment choices, and resource allocations for the short and long term" by anticipating where growth can most efficiently be accommodated, directing appropriate levels of investments and resources to those areas, and tracking how effective those decisions are. The interjurisdictional nature of this proposal also "foster[s] cross jurisdictional partnerships and coordination opportunities that improve service delivery and/or reduce cost" by influencing federal, state and regional investments that leverage local benefits and reduce local costs.

Community Connections is addressed through the inherent nature of the planning processes contained in this proposal. Virtually all of the activities described in this proposal are either required to go through an open, transparent public process or they do so because of the importance of involving the community in decisions that could affect them. One of the core functions contained in this proposal is staffing the Planning Commission, whose key role is to engage the public on the various issues before them and represent the perspective of multiple community interests. The process "engages the community" by "involving people in decision-making" through mailers, website information, community meetings, Planning Commission and City Council meetings and public hearings.

The proposal contributes to **Exceptional Service** by "equip[ping] the organization with the information, tools…to effectively respond to planned…conditions." Other than the budget, the Plan is the only city document that requires a level of coordination and, on some levels, collaboration of virtually every city department. The very nature of the Plan is to capture the "big picture" of how the city wants to grow and the most efficient way of making that happen.

Stewards of the Public Trust, i.e. the "management of public…assets in a responsible and fiscally sustainable manner," is encompassed in this proposal because the Plan and these core activities that support it are predicated on making conscious choices about the trade-offs between funding and levels of service.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)

CITYWIDE PURCHASING STRATEGIES – 1) **Provide the best value in meeting community needs** by planning strategically for future needs and desires; 2) **Leverage collaboration or partnerships with other departments and/or external organizations** by being comprehensive in the planning effort to maximize efficiencies; 3) **Are a catalyst for increasing citizen participation and support** by engaging stakeholders and general public in a transparent and open process; 4) **Promote environmental stewardship** by disclosing potential impacts of proposals and identifying potential mitigation measures during the public process; and 5) **Consider short and long term financial impacts** through an amendment process that analyzes all proposals in a comprehensive manner to evaluate consistency with the long term vision while addressing short term needs.

IVCC – **Support Services** and **Built Environment** are factors addressed in this proposal through staffing of programs that implement policies regarding the provision of housing (basic need) that is affordable (range of housing types to serve diverse population). There are also policies that address the other basic needs (food and water) and all of the sub-factors of **Built Environment**. As stated above, Comprehensive Plan development, amendment and implementation efforts embodied in this proposal all **Involve Citizens** throughout the process.

ECONOMIC GROWTH & COMPETITIVENESS – Regional planning efforts described in this proposal address 2 sub-factors (Government agencies, local and regional entities) of **People and Partnerships**. The activities in this proposal include ensuring policies are current to address 4 sub-factors (strategic economic planning, community vision and planning, development process, and business-supportive policies) in **Community Policy, Planning and Development.** The RFR states "Strategic…infrastructure development forms the foundation for the City's economic competitiveness…." The proposal helps ensure that through biannual updates of the Capital Facilities Element of the Plan, as part of its maintenance and in support of the **Infrastructure** factor. By the same token, all of the sub-factors of **Quality of Community** are embodied within this proposal as those policies sometimes require amendments through the annual process. Finally, **City Brand** relates to the Community Vision and the image Bellevue projects and the importance the community places on being a well-planned community.

QUALITY NEIGHBORHOODS – **Sense of Community,** specifically the sub-factor on "preserving and enhancing neighborhood character" is addressed through amendments to codes and policies that implement broader policies (e.g. light rail, Bridle Trails tree preservation). As described above, biennial updates of the Capital Facilities Element helps ensure the provision of **Facilities and Amenities**, including those that improve **Mobility** within the neighborhood and access to goods and services beyond.

C. Short- and long-term benefits of this proposal: These core services keep the city moving forward toward achieving the short-term objectives (information requests, staffing Council and Commission) coordinated with long-term goals (plan implementation) of the Community Vision and the Comprehensive Plan.

D. Performance metrics/benchmarks and targets for this proposal:

1. Percent of residents fairly satisfied to very satisfied with job City is doing in planning for the future (Bellevue Vital Signs).

2. Number of people participating in the public process (e.g. providing comments, attending workshops and public hearings, responding to surveys) through the Planning Commission on discrete issues (e.g. Enatai tree preservation, SMP update, Comprehensive Plan amendments).

E. Describe why the level of service being proposed is the appropriate level: This proposal reflects the minimum necessary to carry out all of the activities encompassed in the core services at a level that will not jeopardize the city's ability to effectively meet its responsibilities to the public, support the Commission and Council, and engage in regional planning efforts to protect the City's interests. Most of the core services described in Section 5 are ongoing daily, weekly and monthly activities that require a consistent level of resources to stay current and address issues that only become more complicated and contentious if ignored. Given the level of effort required and the diversity and complexity of the issues, 2 FTE's are the minimum necessary to provide this city-wide core function in an efficient and cost-effective manner. The City Council, Planning Commission and others have relied on PCD for many years to provide these services at this level or above.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: If The Plan is found to be out of compliance with GMA requirements, Bellevue would lose eligibility for some state funding grants and low-interest loans from the Public Works Trust Fund (this could affect transportation, utilities and parks projects that rely on these sources for funding).
2. Customer Impact: Without the ongoing support, analysis and public engagement afforded by this proposal, decision-makers inside and outside of the City would not have all the information they need to make the most efficient, cost-effective decisions to implement the Community Vision.
3. Investment/Costs already incurred: N/A
4. Other: N/A

B. Consequence of funding at a lower level: This core services proposal is at the minimum level necessary to carry out what is a city-wide function. A lower level would jeopardize the ability to respond to public and Council requests for information and assistance, to ensure that the Plan is being used effectively and implemented in accordance with the Community Vision, and to represent and protect the City's interests at the local, regional, state and federal levels.

2011-2012 Budget Proposal

Proposal Title: Demographic and Economic Trends Analysis & Land Use Forecasting		**Proposal Number:** 115.02NN
Outcome: Responsive Government		**Proposal Type:** Existing Service
Staff Contact: Emil King, x7223		**One-Time/On-Going:** On-Going
Fund: General Fund	**Attachments:** Yes	**Enter CIP Plan #: N/A**
List Parent/Dependent Proposal(s): None		

Section 2: Executive Summary

This proposal provides for the central City clearinghouse for collecting, analyzing, and disseminating demographic and economic trends & land use forecasts for all City departments as well as external organizations. Analyzing and understanding the future implications of key City demographic, economic, and land use characteristics is a critical foundational component for City decisions; and also supports private investment decisions in Bellevue.

Section 3: Required Resources

OPERATING

Expenditure	2011	2012
Personnel	$84,102	$88,707
Other	$27,260	$27,660
	$111,362	$116,367
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	1.0	1.0
LTE	0.0	0.0
Total Count	1.0	1.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

This proposal does not include a reduction from the current expenditure level, but does further the continuing advancement of innovative ways to access information in a manner that is most timely and efficient for our customers. The first is a partnership with the existing NWPropertyMaps entity to support the development of an innovative web based user interface that allows access to a core set of demographic and economic characteristics about locations within Bellevue and neighboring jurisdictions. The second example focuses on collaboration and includes development of an improved SharePoint site that provides easy access to demographic, land use, housing and economic estimates, trend analyses, comparisons, and forecasts for city employees in all departments including a section with frequently asked questions.

Section 5: Budget Proposal Description

This proposal encompasses the major work program items of demographic and economic trends analysis & land use forecasting. It is proposed at the 1.0 FTE level and is jointly staffed by PCD's Associate Planner (Chief Demographer) and Strategic Planning Manager. The functions embodied in this proposal have a high degree of "value added". The functions not only advance the many planning initiatives within the city, but more importantly are a resource used by all departments as well as those outside the city on a daily basis.

Demographics analysis includes research, assembly, review, and dissemination of American Community Survey estimates and 2010 U.S. Census data sets. For Bellevue, this work focuses on data such as age, gender, race, household size and type, educational attainment, place of birth, language spoken at home and ability to speak English. Demographic analysis is essential in preparing Bellevue's official population estimate each year. The city's analysis of population growth is used by the Washington State Office of Financial Management (OFM) to determine our official population number. It is essential that Bellevue's population estimate be as accurate as possible to ensure state and federal funding tied to population-based formulas are distributed fairly.

Economic analysis includes understanding the implications relating to: jobs, unemployment rates, wages, and poverty status; business types by sector, business sizes, absorption rates, vacancy rates, tax rates, and rents; and housing prices indices, owner and renter costs, housing vacancy rates, and foreclosure statistics. This proposal compiles and analyzes information from sources such as the American Community Survey, Bureau of Labor Statistics, Bureau of Economic Analysis, Department of Revenue, Employment Security Department, King County Assessor, Puget Sound Regional Council, local brokerages, Puget Sound Business Journal, and InfoUSA. The work embodied in this proposal is essential for major planning efforts across departments as well as work that the city does relating to economic development. The private sector is also a prime customer.

Land use forecasting involves estimating future growth within Bellevue for a series of horizon years. Forecasting includes a base estimate of current conditions and typically goes out in 10 year increments (2020, 2030, 2040), and also includes "build-out" or "capacity" analysis for different geographies. These forecasts are key inputs to the city's Transportation Modeling efforts. This proposal also helps ensure the proper review and feedback from Bellevue's perspective to the Puget Sound Regional Council on the regional forecast for the 4-county area. This regional forecast is used by local and regional agencies and the state for growth and infrastructure modeling efforts (e.g. Sound Transit modeling, PSRC Vision 2040 modeling, SR 520 and I-405 modeling). It is of utmost importance that these modeling efforts correctly reflect the City's adopted vision for accommodating growth so that infrastructure planning and impact analysis can correctly reflect Bellevue's forecast land uses.

Section 6: Mandates and Contractual Agreements

There is a state mandate included in RCW 36.70A.070 (Growth Management Act) for the cities to have a Comprehensive Plan, and that they include: (1) estimates of future population growth, (2) existing and projected housing needs and make adequate provisions for existing and projected needs of all economic segments of the community, (3) a forecast of the future needs for such capital facilities, and (4) land use assumptions and forecasts of traffic based on the adopted land use plan.

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

PRIMARY OUTCOME: RESPONSIVE GOVERNMENT

Community Connections: This proposal helps increase the community's understanding of government actions by helping to create a strong nexus between services and community priorities. Demographic, economic, and land use data lay the foundation for analyzing current and future demands for services and facilities. They help government "show its work," that impacts to all communities have been taken into account through fair and equitable analyses, and in doing so help to promote trust and credibility in government. In the arena of community engagement, information about Bellevue's demographic characteristics enable city employees to plan effective outreach processes that engage the broad spectrum of Bellevue's diverse stakeholders and thereby instill greater trust and credibility in government processes.

Strategic Leadership: Comparative trends analysis is a key piece that helps City leaders establish, and modify as necessary, the Community Vision for Bellevue and produce effective strategic plans that help realize the Vision. Understanding where we've been and having informed forecasts of future conditions and demands are essential for the City to make decisions about investment priorities and resource allocations over the short and long term.

Exceptional Service: By providing a central clearinghouse for demographic, economic, and land use data, this proposal promotes the delivery of timely, consistent, and predictable information in an efficient, innovative, and seamless manner. It equips City employees with information about the size of populations and their demographic characteristics enabling them to effectively respond to planned and unplanned events or conditions. Examples of our internal and external customers include Council, Boards & Commissions, virtually all City departments, social service organizations, Bellevue Downtown Association, Bellevue Chamber of Commerce, local real estate brokers, Bellevue School District, newspapers, magazines, and radio stations.

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

SECONDARY OUTCOME: ECONOMIC GROWTH AND COMPETITIVENESS

People and Partnerships: This proposal leverages regional, state and federal partnerships to acquire demographic and economic data. This enables the City to analyze trends, forecast demands for future services and facilities, and compare itself with other neighboring and comparable jurisdictions as well as to those of the county, state and nation. It also facilitates the work of collaborating economic development organizations such as the Bellevue Chamber of Commerce and Bellevue Downtown Association by providing them with measures of Bellevue's economic strengths. By maintaining connections with Bellevue's largest employers and local commercial real estate brokers, this proposal also enables the City to access information about business trends.

Community Policy, Planning & Development: This proposal tracks employment trends and forecasts economic changes facilitating effective strategic planning for Bellevue's employment centers. By understanding subarea trends, the City is also better able to plan for and develop implementation strategies that further economic health of specific areas such as downtown, employment centers, and neighborhood business centers.

City Brand: The work accomplished in this proposal helps substantially in portraying the Bellevue brand to potential investors and developers. Much of Bellevue's uniqueness can be found by analyzing trends relating to economic growth, our strong demographics, make-up of local businesses, and market forecast for continuing growth. These all help contribute to positive perceptions of Bellevue as a great place for business and residential development.

SECONDARY OUTCOME: INNOVATIVE, VIBRANT & CARING COMMUNITY

Built Environment: This proposal contributes to the built environment in Bellevue by providing demographic, land use, and housing forecasts enabling planners to develop effective and appropriate plans to accommodate future population growth and development.

Involve Citizens: This proposal helps city employees understand the demographic diversity of the city's population (i.e. all ages, ethnicities, citizenship status, and physical abilities) enabling them to involve a diversity of residents in their programs. By providing information about different languages spoken at home within certain areas of the City, this proposal helps employees proactively inform and involve residents early in planning processes.

CITYWIDE PURCHASING STRATEGIES

This proposal also most closely addresses the following citywide strategies.

Provide the best value in meeting community needs: Having a centralized location for population and employment data within City government reduces duplication of effort between departments and fosters greater expertise and thereby greater accuracy and depth of knowledge of data sources and methods of analysis. A central location provides the best value in meeting the community's need, and also fosters greater collaboration with outside partners in terms of data and knowledge sharing.

Provide for gains in efficiency and/or cost savings and ensure that services are "right sized": By producing accurate forecasts of population and employment growth, this proposal (in a citywide manner) helps ensure

future infrastructure and services are "right sized" to accommodate future demands (many of which are based on these inputs).

Are a catalyst for increasing citizen participation and support: By providing citizens with the information about how Bellevue compares with other jurisdictions and how different segments of Bellevue's population compare with one another, this proposal acts as a catalyst for increasing resident participation and support for programs that work to address Bellevue's shortfalls or needs.

C. Short- and long-term benefits of this proposal:
This proposal has day-to-day relevance as well as critical thinking that extends 20 + years out. In both the short and long-term, this proposal provides timely, professional analysis of key trends that affect our City planning and delivery of services, regional planning efforts that often involve major service or infrastructure investment, and locational choices for potential new residents, businesses and development.

D. Performance metrics/benchmarks and targets for this proposal:

- Number of focused demographic/economic reports developed by the City
- Feedback from internal and external customers of availability, timeliness, and quality of work

E. Describe why the level of service being proposed is the appropriate level:
Staffing this proposal at the 1.0 FTE level is commensurate with the level of complexity of our issues as well as the demands on PCD from within the City and from our external customers. Trends analysis and forecasting are important functions for the City to perform. Bellevue has a very dynamic economy, with significant investment from both within and outside the region. Bellevue is also a very diverse city. Understanding Bellevue's diverse constituency lays the foundation for effective city initiatives that integrate our large immigrant and second generation populations, address future population needs in a sustainable and efficient manner, and create and preserve affordable options for older adults and workforce families. The Brookings Institute recently wrote in the *State of Metropolitan America: On the Front Lines of Demographic Transformation* that understanding who we are and who we are becoming is a critical step toward building constructive bridges before they become impassable divides.

Section 8: Provide a Description of Supporting Revenue

N/A

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: GMA requirements related to Comprehensive Plan (see Section 6).
2. Customer Impact: This function could not occur at a lower funding level. This would lead to a loss in trends data and forecasts for both internal and external customers.
3. Investment/Costs already incurred: The City has been closely tracking demographic and economic trends for a number of years. Expertise has been developed in PCD not found elsewhere in the City.
4. Other: N/A

B. Consequence of funding at a lower level: The 1.0 FTE allocation for this function is the minimum necessary to undertake the outlined work program. A drop in the investment dedicated to this proposal would mean that the work could not be undertaken. No one else in the city does this body of work. City departments rely on this information. External customers would also be impacted if this function were to go away.

2011-2012 Budget Proposal

Section 1: Proposal Descriptors

Proposal Title: One City		**Proposal Number:** 150.02NN
Outcome: Responsive Government		**Proposal Type:** Enhancing an Existing Service
Staff Contact: Ann McCreery, x6837		**One-Time/On-Going:** On-Going
Fund: Miscellaneous Non-Departmental	**Attachments:** Yes	**Enter CIP Plan #:**
List Parent/Dependent Proposal(s):		

Section 2: Executive Summary

This proposal supports the continuing work of the One City Initiative. Established in 2007, with the goal of supporting the creation of a high-performance organization, One City has evolved to become the defining framework for directing and managing change in the City.

Section 3: Required Resource

OPERATING (see Attachment 1, Core Team 2-Year Budget)

Expenditure	2011	2012
Personnel	$0	$0
Other: trng & dev	88,870	98,870
	$88,870	$98,870
Supporting Revenue		
	$0	$0
LTE/FTE		
FTE	0.0	0.0
LTE	0.0	0.0

Section 4: Cost Savings/Innovation/Partnerships/Collaboration

One City is not requesting discrete FTE, but will instead draw its workforce from all departments that contribute employee time and effort to the Core Team, sub-teams, committees, training, and development. Beginning in 2010, the work will be coordinated by the Organization Development specialist located in the City Manager's Office (see proposal #040.04NN.) In addition, system measurements that support and inform change management will be achieved by collaboration with the Performance Management function in the Budget Office, and the Improvement and Assessment sub-team. Consistency and common goals for training and development will be achieved by collaboration with One City's Education sub-team, as well as with other departments that provide these functions, e.g., Human Resources, Development Services, IT, and others. (See Attachments 1 and 2.)

Section 5: Budget Proposal Description

The One City philosophy includes valuing customers and employees, increasing trust and respect, enhancing shared decision making at all levels, supporting learning, creativity, and innovation, improving communication, and making timely and participative decisions consistent with the Vision and Core Values of the City. Sub-teams were created to address education and outreach, assessment and improvement, and to develop and maintain a project plan, or "roadmap." In addition, a number of internal initiatives currently in progress were modeled on the One City principles, (e.g., Budget One, Environmental Stewardship.) An employee survey was established and has produced two years of comparative data that are used to guide improvements throughout the organization. Lean/Six Sigma

has been introduced to the organization, a core group of eleven staff have been trained, and pilot projects are underway. The effort will be widely disseminated through training and applied projects in 2011-2012. Comparative results from the *Employee Engagement Survey* (2008 to 2010) show changes that suggest the One City Initiative is making progress. Following a strong start, much work remains to be done. Change management is about dealing with unanticipated consequences and helping to bring order to chaos during the transition phase. The energy devoted to this process must be continually recharged in order to sustain it and produce a positive, cumulative effect on organizational performance. Change management is about momentum—a process of keeping motivation, energy, and spirits high, especially when resistance is high and the work does not move as quickly as desired. Major areas for concentration that will be needed to move the process forward include:

1. Review the Core Team and sub-teams, reorganize membership and structure as needed, and identify ways to re-energize and move the initiative forward following the completion of the Budget One process.
2. Develop specific work plans to ensure dissemination of the work identified by the education and outreach team, lean/six sigma training and implementation, and other measurement efforts currently under way.
3. Ensure there are links between the internal One City efforts and the needs of citizens, as measured and addressed by the Performance Management Function.
4. Support wide-spread training and education in conjunction with the COB Goals and Objectives. (See Att. #1.)
5. Support implementation of the Leadership Philosophy, supporting Core Values and the Community Vision.
6. Support strategies to address communication and other areas measured by the employee survey. While many areas show improvement, others will require deliberate attention and continued assessment of progress.
7. Revitalize the Baldrige efforts (currently on hold) to address Criteria for Performance Excellence by 2012.
8. Support strategies to align the City's systems and functions to support the goals and objectives of One City. Systems and functions may include alignment of leadership and structure, communication, results measurement, organization performance management, team dynamics and synergy, consistency of actions and messages throughout the organization, reward systems, links to other training and development efforts.
9. Finally, the 2011-12 budget process currently anticipates loss of staff and restructuring to maximize efficiency, effectiveness, and responsiveness to citizens. Following this process, no matter how well it is implemented, the potential for organizational disruption exists. Teams will need to reform and develop in a way that brings them together and allows them to be productive. Morale will need to be addressed. Restructured teams and processes may require lean/six sigma support. A re-energized One City initiative can help to address these dynamics through its work.

Section 6: Mandates and Contractual Agreements

Not applicable

Section 7: Proposal Justification/Evidence (may insert charts, graphs, tables, etc.)

A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome (See Attachment 3.)
Citywide: Organization research and development principles and methods have been proven to support the achievement of many of the purchasing strategies. By identifying the values, setting goals and objectives, and developing leaders and employees to achieve them, One City supports strategies to **gain efficiencies and cost savings**, **consider best practices** and **financial impacts**, **eliminate low value-added activities**, **ensure sound management of resources and business practices**, and **promote innovation and creativity**. Specific means to achieve these strategies include lean/six Sigma training and projects, team building, leadership and other training and development, and WSQA and Baldrige processes (Bolman and Deal, *Reframing Organizations*, Jossey-Bass, 1997.) Benchmarks, such as the Coral Springs Baldrige process, show work of this type in cities leads to increases in employee engagement, productivity, and enhances outcomes (www.coralsprings.org/baldrige/index.cfm.) In order to achieve these aims in a turbulent financial and social environment, hyper-competition, and related internal activities, the City must manage change effectively (Illinitch, D'Aveni, and Lewin, *ASQ*, 1996). One City will help the

organization to perceive and respond to changes in the environment, create a new internal environment, learn from our experiences, and be stronger going forward.

Community Connections and **Exceptional Service:** One City will result in engaged, satisfied, and productive employees who are known to add value to customer service. When trained and developed to the high-performance model, they will be knowledgeable and motivated to give excellent customer service, make sound decisions, provide good information, and overall to increase citizens' confidence and satisfaction with the City's services and its employees (Pasmore and Woodman, *Research in Organizational Change and Development,* JAI Press, 1997.)

Strategic Leadership: One City has focused a large part of its efforts on translating the principles of the Comprehensive Plan and Community Vision into action, developing the Leadership Philosophy to support Core values, and encouraging collaborative partnerships across departments to decrease isolated actions and decisions. The Core Team has come to understand that the work of leadership is as important as individual task and management functions. The most significant force in keeping this change effort moving is unwavering commitment to the change process. The One City Initiative represents the City's commitment to change which must continue in order to meet its original goal of higher performance (Commonwealth Consulting Group, 2009.)

Engaged Workforce: One City encourages innovation, provides a framework for realizing the Community Vision and Core Values, and promotes individual and organizational learning through the One City curriculum. (Bolman and Deal, *Reframing Organizations*, Jossey-Bass, 1997.) One City has also established measures of engagement through the *Employee Engagement Survey*, based on University of Texas' research on best practices, and advises departments on how to address the findings. Two employee surveys (2008 and 2010) have included questions related to engagement. Areas that show statistically significant improvement include feeling their efforts count, supporting work-life balance, knowing how work impacts others, increasing diversity, participating in goal setting, expanding decision making, making work processes more effective, creating a feeling of teamwork, and managers recognizing good work, giving people the opportunity to do their best work, and practicing the core values. While work remains to be done, this improvement is widely attributed to changes stimulated by the One City initiative. (COB *Survey of Employee Engagement Report*, 2010.)

B. Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s)
The City's engaged workforce lies at the center of community connections, leadership, stewardship, and service. A well-developed, cohesive workforce has been proven to do its work more effectively and efficiently, with limited turnover. As such, employees in all areas benefit by a successful One City outcome, and the benefits will be passed on in the form of a safer community, better assessment and investment in infrastructure, better decision making and problem solving in all areas, caring and enthusiastic interaction with communities and neighborhoods, and innovative support and compliance with sustainable environments (Pasmore and Woodman, *Research in Organizational Change and Development,* JAI Press, 1997.)

C. Short- and long-term benefits of this proposal: Short-term benefits of continuing and strengthening the One City initiative are to continue to provide an established and well-recognized framework to take the City of Bellevue employees to the next level of leadership and high performance. **Long-term**, if successful, it has the potential to strengthen the City's workforce, leadership, structure, and processes in a way that will enable it to respond to the turbulent internal and external contingencies that arise in coming years.

D. Performance metrics/benchmarks and targets for this proposal:

- A high % of citizens and other customers continue to report satisfaction with the City's services and functions, as well as with ROI. (Performance Management metrics, Budget Office)

- Increase over 2008 and 2010 in % of employees who agree or strongly agree with measures of engagement, satisfaction, and customer service, measured through the *Survey of Employee Engagement* repeated in 2012.
- The City's Vital Signs continue to show strong outcomes at all levels.
- The City plans to create a dashboard of KPIs that roll up from each of the departments, services, and functions in the organization as a result of this budget process. This set of indicators will be used during 2011-2012 on a regular basis by One City leadership to monitor their internal activities.
- Baldrige Criteria indicate strong results in all seven areas of performance excellence by 2012. The scores continue to improve in subsequent years over the baseline established in 2008.

E. Describe why the level of service being proposed is the appropriate level:
Support for training and development is the minimal level needed to move the work forward. It will be appropriate and effective due to the high level of commitment and energy already devoted to this work throughout the City. In addition, coordination and support for the effort will be provided by the OD consultant funded by the CMO's office. The goals and objectives will be achieved, as it has in the past, through the energy and commitment of many in the organization, and coordination using OD principles and methods proven to be effective over the past 3 years and in similar types of organizations.

Section 8: Provide a Description of Supporting Revenue

Not applicable

Section 9: Consequences of Not Funding the Proposal

A. Consequence of not funding the proposal at all:

1. Legal: N/A
2. Customer Impact: Internal Customers, the staff and managers of the City of Bellevue, have come to believe that One City is an important guide for their behavior, interactions, and structure going forward. While much good work has been done, not all of it has been realized. To lose the potential to train and develop staff and managers in the One City way may be demoralizing and discouraging, leading many of them to become cynical or abandon hope for change. External: Disengaged employees tend to have higher turnover, use more sick time, and may provide poorer service, all of which result in reduced services or increased cost.
3. **Investment/Costs already incurred:**
   - Multiple hours of coordination and leadership contributed by employees and managers in the City.
   - One City training and development (approximately $50,000 + investments by departments)
   - Employee Engagement Surveys, 2008 and 2010 ($20,000)
   - External consultants: 2008 = $80,000 (Tanya Rhone and Baldrige Consulting); 2009 = $38,000 (Tanya Rhone consulting)

B. Consequence of funding at a lower level: The One City work can go forward, but the training and development that supports the One City leadership, as well as managers and employees will move more slowly. Benefits will take longer to realize, and employees may be discouraged by the slow rate of change. Uncertainty has a negative impact on employee commitment to the organization. Depending on the magnitude of the change, we may begin to see an upward spike in employee attrition and diminished indicators of productivity (Likert, 1968.)