

City of Seward
Post Office Box 167
Seward, Alaska 99664-0167

August 22, 2008

To: Seward City Council

Dear Council Members,

This letter transmits the Efficiency Study for the City of Seward. Section 1 of the study addresses the challenges and constraints we face in our environment and the services and functions of the City. The information in the first section of the study establishes the framework for a discussion of efficiencies and human resource requirements. Section 2 addresses efficiencies and Section 3 addresses human resources. Sections 1 and 2 are complete and part of this initial document. Section 3, Human Resources, is not complete but will be made available prior to the Council Work Session on September 2, 2008.

Sections 1 and 2 of the Efficiency Study were completed by Mr. John Bird. He provides discussions, recommendations, advantages, and disadvantages for 56 areas of City government where efficiencies are possible. When feasible, he addresses potential costs and savings for initiatives.

My guidance to Mr. Bird did not place constraints on his considerations. As a result of that approach, there will be areas where I may not fully support all recommendations. My guidance also directed Mr. Bird to conduct a top-to-bottom review of the organization. Because of that approach and the breadth of his considerations, some initiatives will require further research.

A team of individuals on the staff, led by Ms. Kirsten Vesel, are conducting the human resource assessment. The assessment is founded on the current approaches to administration and operations of the City. This approach seeks to identify where human resource changes are appropriate. It also establishes a baseline of information for future human resource changes as a result of decisions concerning functions, services, and efficiencies.

Phillip E. Oates
City Manager
City of Seward

Enclosure as stated

Efficiency Study

City of Seward

August 22, 2008

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SECTION 1

CITY OF SEWARD SERVICES, CHALLENGES AND CONSTRAINTS

This section of the study provides information to facilitate discussions about the functions and services that the City of Seward should provide to the community. The section contains a number of lists that establish the following baseline of information: (1) challenges and efficiency constraints faced by the City of Seward; (2) core functions and services of city governments; (3) unique functions and services of the City of Seward; (4) current outsourcing and contracting activities; (5) functions and services that could be outsourced; (6) functions and services that could be sold or leased; (6) functions and services that could be eliminated; and, (7) volunteer, committee, and partnership activities.

Efficiency Constraints and Challenges for the City of Seward

- **Isolation (distance from Anchorage and cities on the Kenai Peninsula)**
- **Monopolies (fuel, food, etc.)**
- **Demographics (older and declining population that impacts schools)**
- **Population fluctuations (year round 3000 – summer up to 30,000)**
- **Fewer numbers of competitors for outsourcing**
- **Weather impacts**
- **High cost of living and inflation**
- **Aging infrastructure**
- **High proportion of government and non-profit entities**
- **High reliance on fossil fuels and increasing costs of energy**
- **Frequency of natural disasters**
- **Imbalance between summer/winter activities and business opportunities**
- **Past decisions to establish enterprise or business activities (SMIC, electric utility, harbor, parking, campgrounds)**
- **Amount of affordable housing**
- **Low-income housing (both advantage and disadvantage)**
- **Amount of developable land**
- **Growth of businesses and residents outside the city limits (that use and take advantage of city services without fully paying for those services)**
- **Increasing number of property owners who are not year-round residents**

Core Services and Functions of City Governments

- **City Administration**
 - Human Resource Management**
 - Budget/Finance**
 - Contracting/Contract Administration**
 - Internal Controls**
 - Risk Management/Safety**
- **Community Development**
 - Code Enforcement**
 - Planning**
 - Floodplain Management**
- **Safety & Protection**
 - Police**
 - Fire**
 - Emergency Management**
- **Public Works**
 - Roads**
 - Sewer**
 - Water**
- **Parks & Recreation**
- **Library Management**
- **City Clerk**

Unique Services and Functions of the City of Seward

- **Electric Utility**
- **Harbor**
- **Hospital and Long Term Care Facility**
- **Parking**
- **Campgrounds**
- **SMIC**
- **DMV Operation**

Services and Functions Currently Outsourced or Contracted

- Hospital and Long Term Care Facility
- Shellfish Hatchery
- Alaska SeaLife Center
- Shipyard
- Marketing (Chamber of Commerce)
- Paving
- Animal Control
- Legal
- Electric Meter Reading
- Snow Removal (limited)
- Software Programming (laserfiche, accounting, utility billing)
- Professional Services (property appraisals, project management, engineering, officiating, diving, environmental)
- Collections
- GIS
- Electrical, Plumbing, Heating (work and repairs)
- Utility Engineering and Construction
- Lobbying
- Audit
- Elevator Maintenance
- Restroom Maintenance (harbor area)
- Custodial Services (TYC and AVTEC)
- Small Engine Repair
- Website Design
- Summer Garden Maintenance
- Waste Management (garbage collection)

Services and Functions where Sale or Lease is Possible

- Hospital and Long Term Care Facility
- Electrical Utility Service
- Parking Operation
- Campground Operation
- SMIC Upland Boat Operation
- Travel Lifts
- Electric Utility (Sell or establish electric cooperative)

Services and Functions that are Candidates for Outsourcing

- Harbor Operations
- Building Inspections
- Snow Removal
- Street & Road Maintenance (Includes street lighting)
- Equipment & Vehicle Maintenance
- Management Information Systems
- Website Maintenance
- Conference Center Management
- Janitorial & Building Maintenance Services
- Campgrounds
- Parking
- Lease Vehicles (instead of purchasing)
- Cemetery Maintenance
- DMV
- SMIC Upland Boat Operations
- Waste Oil Collection
- Grant Writing

Services and Functions to Consider for Elimination

- Jail
- Boards & Commissions Support
- Driveway Clearing
- SMIC Upland Boat Operation

Volunteer, Committee & Partnership Opportunities

- Library
- Museum
- Teen & Youth Center
- Sports & Recreational Activities
- Animal Control
- Parks & Recreation Projects
- Cemetery
- Flower gardens
- Parks Clean-up & Small Projects (community service sentencing)

SECTION 2

EFFICIENCY & COST REDUCTION STUDY FOR THE CITY MANAGER

IMPLEMENTATION CONSIDERATIONS CITY COUNCIL SHORT TERM < 6 MONTHS

1. Attorney expenses (City Attorney)

Discussion: The 2008 City Budget estimates City lawyer fees to total \$135,000 this is down over \$100,000 from 2006 actual expenses and projected to be \$25,000 less than 2007 (this does not include legal fees of the Electric Utility attorney). The contract specifies a minimum of two years between renegotiations with the last being executed in 2005. In this contract the fee schedule is dependent upon whether a lawyer or paralegal is used and examining 2.5 years of billings reflect less than .2% of the billings involve the much less expensive paralegal (\$85/Hr. vs. \$175 /Hr). The contract further specifies that the City attorney monthly attend a City Council Meeting. Over the past two plus years the average travel expense to attend City Council Meetings is \$279.24 and preparation and attendance cost averages \$964.56 for a total cost of \$1243.80 per meeting. Through 29 April 2008, approximately 45% (\$24,711.75) of City's total legal services (\$54,915) billings were attributed directly to the City Manager or City Clerk. While this does not necessarily mean the City Manager did not or would not have approved the individual from contacting the City Legal Office, savings could be possible by restricting direct contact to only the City Clerk and City Manager, without prior approval of the City Manager.

Estimated Potential Annual Savings (Travel): 12 x \$279.24 = \$3,350.88

Estimated Potential Annual Savings (City Council Meetings): 12 x \$964.56 = \$11,574.72

Estimated Potential Total Annual Savings: \$14,925.60

RECOMMENDATION/S: *Renegotiate the legal contract with one change revising the monthly City Council Meeting attendance to only as required or via conference call. Further, restrict City's direct contact with the City Attorney Office to the City Clerk and City Manager; unless contact is authorized by the City Manager.*

Advantages

Reduces annual travel expenses up to \$3,350.88

Reduces annual legal services cost up to \$11,574.72

Greater validation that legal services are required

Tightens control over legal services and expenses

Greater use of paralegal support reduces attorney costs

Disadvantages

Delays in receiving legal support

Attempt to reduce legal fees possibly increases legal exposure

2. Minimizing Paper Requirements

a. Paperless Meetings

Discussion: *The City provides approximately 65 packets (90 to 100 pages each) on a monthly basis for City Council Meetings, PACAB, Planning and Zoning, etc. The City Manager's Report is provided at the City Council Meetings (10 copies at 5 pages per copy). The Agenda papers are also distributed during weekly City staff meetings (12 copies at 4 pages per copy). This information is available on the City Website for review prior to meetings and can be presented electronically during the meetings. Providing these copies equates to 120,096 pages at \$.02/page totaling \$2,401.92 annually. The cost to provide video projection in the two conference rooms is estimated to cost \$20,000 (\$10,000 maximum each room).*

Estimated Potential Annual Saving: \$2,401.92

RECOMMENDATION/S: *City ceases printing and distributing paper packets at City Council and Commission meetings and instead provide via the City Website and video projection at the meetings. Reduce hard-copy printing of annual budget and comprehensive financial reports, and have those documents available online. Hardcopies can be made available in the library or purchased at a set fee schedule.*

Advantages

Saves approximately \$2,401.92 annually
Amortizes under 10 years (maximum)
Demonstrates City commitment in reducing cost
Supports paperless initiatives
Conserves natural resources
Included in City's Automation/Communication Initiative

Disadvantages

Attendees will not have copies provided by the City
Initial cost \$20,000 (maximum)
May require non open software (Power point)
City website not fully operational, but web management could be outsourced
Not all residents have computers

b. Paperless newsletters

Discussion: *Quarterly, Parks and Recreation prints and distributes 700 copies of a 28 page color newsletter. The Parks and Recreation Quarterly printing is contracted costing approximately \$1000/quarter or \$4000/annually. Hardcopies can be provided upon request upon request at City cost.*

Estimated Potential Annual Savings: \$4000

RECOMMENDATION/S: *City ceases printing and distributing paper newsletters and provides via the City Website and via email address book and reproduces internally only enough copies for Activity Bulletin Boards. Recommend sending out newsletters electronically to reduce copy requirements.*

Advantages

Saves approximately \$4,000 annually

Demonstrates City commitment in reducing cost & protecting the environment

Supports paperless initiatives

Conserves natural resources

Disadvantages

Citizens and, especially visitors may not be informed

Attendance maybe impacted

3. Insurance

a. Vehicle and Property Insurance.

Discussion: The City's 2009 insurance coverage carries \$10,000 deductible on 46 vehicles, \$10,000 and \$25,000 deductible on property and \$10,000 on mobile/contractor's equipment. The cost for this coverage is as follows:

Automotive Liability - \$22,824

Property - \$121,421

Mobile Property - \$10,967

By eliminating Comprehensive & Collision coverage on all vehicles whose replacement value is under \$100,000 would reduce the City's annual insurance premiums \$7,638. Raising Property deductible to \$100,000 would reduce annual insurance premiums \$29,791. Eliminating Property coverage on all mobile/contractor's equipment valued under \$100,000 would reduce the City's annual insurance premiums \$1,442. The annual savings should be pooled and invested to create a self-insurance fund.

Estimated Potential Annual Savings: \$38,871

RECOMMENDATION/S: Eliminate Comprehensive & Collision coverage on all vehicles, except for fire and ambulance vehicles that are insured at actual replacement value, when a 6 month fund reserve balance is attained.

Advantages

Annual cost savings of \$7,638 on Auto C/C

Annual cost savings of \$29,791 on Property coverage

Annual cost savings of \$1,442 on mobile equipment coverage

Annual savings applied to City insurance fund

Disadvantages

City assumes total risk on vehicle replacement

City assumes larger risk on all property

City assumes total risk on mobile equipment replacement

Insufficient financial reserves make it difficult to eliminate comp and collision on essential vehicles (fire, police, streets)

Vehicle damage claims are not uncommon (winter equipment, driving)

The City currently does not budget for claims within the deductible

It may be very difficult to protect insurance reserves from 'raiding'

b. Health Insurance

Discussion: The City's health insurance program 2008 budgeted cost is \$922,188. This cost could be reduced by creating a self-insurance health insurance fund for the City. A levy would be assessed toward each department based on the number of employees to create a Health self-insurance fund for

the City. No savings would be incurred until sufficient funds were accumulated so as to reduce coverage, thereby lower premiums.

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: City aggressively works with government agencies and organizations on health care reform legislation. Research partnering opportunities with Providence to reduce insurance costs to the City.

Advantages

Potentially Reduces insurance cost

More equitable - based on departments' personnel strength

Disadvantages

Reserve subject to be diverted

City risk increased

The City's historic claims experience may make self-insurance extremely risky.

Reduced pension benefits and competitiveness of City salaries are already straining ability to hire

4. Purchasing authority (City Manager and Directors)

Discussion: The City Manager's current financial authorization limit is \$10,000 and Department Chiefs \$1000, regardless whether the contract or purchase is included in the City Council approved City budget. For contracts or purchases specified in the approved City annual budget the City Manager should be authorized to commit the funds not to exceed the budgeted amount without resubmission to the City Council for approval. For emergency contracts or purchases the City Managers authorization level should be raised from \$10,000 to \$50,000 with select Department Chiefs (DPW, SFD, Harbor & Electrical) limit raised to \$5,000. The administration could provide report to Council for all purchases between \$10,000 and \$50,000 to ensure transparency. Requires changes to the City Purchasing Code.

Estimated Potential Annual Savings: Unknown - significantly improves efficiency

RECOMMENDATION/S: Increase the City Manager and Select Department Chiefs' financial authorization limit to \$50,000 and \$5,000, respectively. Further, for contracts and purchases specified in the approved City annual budget the City Manager should be authorized to obligate the funds not to exceed the budgeted amount without resubmission to the City Council for approval.

Advantages

Eliminates delays in executing contracts and purchases

Reduces administrative time and costs in processing resolutions

Reduces administrative time in obtaining new bids or quotes

Brings approval authorities in-line with similar Municipalities

Eliminates effort duplication by City staff and Council

Cost saving through rapid response - purchase right equipment at right price (eliminates purchasing unneeded accessories)

Disadvantages

Increases perception of less transparency in spending

5. Driveway snow removal

***Discussion:** Snowplowing leaves berms in driveways which the City crews remove utilizing dump trucks and front end loaders. This berm clearing is performed by the same crews clearing and sanding the streets utilizing straight and overtime. The driveway clearing operation estimated cost is \$50,000 - \$75,000 per year.*

Potential Estimated Annual Savings: \$50,000 - \$75,000

***RECOMMENDATION/S:** Eliminate driveway snow removal service.*

Advantages

Annual cost reduction \$50,000 - \$75,000

Releases snow removal crews earlier or to perform other functions

Disadvantages

Eliminates a service to residents

6. Library Hours

***Discussion:** The Seward library hours of operation are the same year round Monday – Thursday 10AM to 8PM, Friday – Saturday 10AM – 6PM and Sunday 1PM – 6PM. To operate these hours the library's 2008 personnel budget for 4.5 regular full-time equivalent employees at a total salary and benefits of \$269, 047. Changing winter operating hours during the week to coincide with ending school hours (Monday – Friday to 1500 – 2000 from 1 September through 30 May) would reduce total annual operating hours by 25%.*

Estimated Potential Annual Savings: \$67,261.75

***RECOMMENDATION/S:** Change library operating hours from 1 September through 31 May to 3PM -8PM Monday – Friday.*

Advantages

Reduces annual cost \$67,261.75

Aligns winter opening with end of school day hours

Disadvantages

Reduces library hours for non-school users

Impact on staff and services

7. City Event Insurance Requirement

***Discussion:** Kayak symposiums, bicycle symposiums, wooden & other boat shows, mountain climbing, extreme skiing, RV jamborees, etc. attract manufacturers and vendors for marketing their products and customers who can see many products and test before purchasing products. Film festivals and similar events have also been effective in attracting visitors. City requires sponsors of events to purchase insurance with the high cost potentially stopping event sponsors dead in their tracks.*

Estimated Potential Annual Revenue: Unknown

***RECOMMENDATION/S:** City provides insurance coverage for events.*

Advantages

Potential to increase Seward's visibility (manufacturers & businesses)

Potential to attract more visitors at times other than 4th July & Derby

Potential to increase City revenue (sales/bed tax, camping, etc.)

Disadvantages

City provides insurance cost
Increased revenue may be delayed
Seward's remoteness

8. Vehicle Support to Teen/ Youth Center

***Discussion:** The City provides two vans during the winter and three in the summer in support of the TYC and its programs. The purchase price for these three vans [1991 (fair condition/mileage 47,500 miles), 2000 (fair condition/mileage 42,990 miles and 2002 (good condition/37,204 miles)] was \$53,573 with annual average total mileage, fuel consumption and fuel cost at 16,351 miles, 1,090 gals of gasoline at a cost of \$5,450.*

***Estimated Potential Annual Savings:** \$5,340*

***RECOMMENDATION/S:** City works with other organizations to obtain some vehicle support to TYC (KPB area schools, Laidlaw, Senior Center, volunteer groups, etc.).*

Advantages

Reduces annual gasoline cost \$5,340
Reduces annual gasoline consumption 1,190 gals
Potentially reduces City vehicle fleet
Potentially reduces City vehicle service and maintenance cost
Demonstrates City commitment in reducing energy consumption, cost & protecting the environment
Reduces greenhouse emissions

Disadvantages

Eliminates city service
Impacts teen and youth activities
Impacts teen and youth participation in out-of-Seward events
Potentially less transportation for delegate tours, City Council, etc.
Could impact other budgets & programs

9. Non-profit funding

***Discussion:** The City 2008 approved budget contains \$173,085 for non-profit contributions (\$155,285/Chamber of Commerce, \$10,000/Senior Citizen Center/\$4,800 & \$1000/Nordic Ski Club). The Chamber of Commerce is specifically funded by the City from the bed tax (see item 32). The other non-profit organizations also receive funding through other sources, e.g., corporate, business and individual contributions. Certain organizations may also duplicate City funded programs, i.e., Teen & Youth Center programs. Many other funding requests are received after the budget has been developed and approved by the City Council.*

***Estimated Potential Annual Savings:** \$17,800.*

***RECOMMENDATION/S:** City considers not providing funding support to non-profit organizations other than the Chamber of Commerce. Further, if funding is provided it be based on a yet to be identified revenue source and allocations be determined by the Seward Community Foundation.*

Advantages

Potentially reduces budget
Reduces un-programmed budget items

City/City Council provided justification
Potential for alternative funding

Disadvantages

Non-profit organization may need to reduce services
City may be viewed as non-supportive
Non-support may impact City residents

10. Library Usage Fee

Discussion: *The City library current charges no user fee, by adding an annual and daily user fee the Library could obtain additional funds to expand services to residents and visitors. The library active cardholder totals 4891 [4374 cardholders with 99664 Zip Code and 517 cardholders have something other than 99664 (120 are Moose Pass Zip Code 99631 and 53 Temporary Cards for seasonal people)] and by charging a \$25 annual fee and \$1 daily charge the Library could conservatively generate about \$172,275 (4891 x \$25 + 50,000 x \$1).*

Estimated Potential Annual Revenue: \$172,275 (conservative)

RECOMMENDATION/S: *City charge a \$25 fee for an annual library card and a \$1/day user fee charge to non-card holders but no charge for K-12 school children. The City considers offering user fee discounts for all types of user fees to City residents.*

Advantages

Provides annual revenue for the library (\$172,275 conservative)
Potentially frees revenues to be used for other essential City services or improve library services
Library users, including visitors, help fund the library
Provides funds to improve library

Disadvantages

Adds another City cost
Increases library workload & management

11. Summer Hire (John Bird)

Discussion: *City has hired a temporary hourly employee person for the past two summers to assist with special projects at an annual cost of approximately \$15,000.*

Estimated Potential Annual Savings: \$15,000

RECOMMENDATION/S: *City ceases hiring the special projects summer hire.*

Advantages

Reduces annual personnel cost \$15,000
Demonstrates City's commitment to reducing cost
Reduces annual non-city fuel consumption 450 gals
Reduces greenhouse emissions

Disadvantages

12. Snow removal utilizing overtime versus on-call

Discussion: *Snow removal can be accomplished utilizing City staff or on-call drivers, or a combination of both. However, in years when on-call drivers have been used, there have been costly damages to City equipment. This creates a preference for using existing staff, but results in weekend and*

evening overtime. Hiring seasonal part-time help may help alleviate overtime costs but also minimize damage caused by employees not familiar with equipment.

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: Hire seasonal part-time help for snow removal.

Research training and using other city employees to augment street department during the winter.

Advantages

Cost reduction

Opportunity to train seasonal staff to minimize equipment damage

Coverage on nights and weekends, without overtime

Disadvantages

Employee turnover is costly if seasonal employees do not return

May cause increase in unemployment costs

13. Hiring part-time administrative staff

Discussion: *Some departments need additional staff to perform work which is not being accomplished, to alleviate department burnout, and/or to reduce overtime. In some cases, such as DMV, the part-time staff person could generate the revenue to pay for the position. This additional help could enable departments to implement efficiency measures which are currently not being done due to insufficient staff. Part-time employees could do work currently performed by higher-paid staff, resulting in more efficient use of higher paid staff.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: Hire part-time employees where workload dictates.

Advantages

Improve employee morale

Reduce overtime

Assist overloaded departments

Improve ability to implement efficiency measures which require up-front time commitment and research

Frees up higher paid staff to be more cost effective

Foregoes benefit costs associated with full-time employees

Disadvantages

Additional staff and corresponding costs

Increased turnover generally accompanies part-time or temporary staff, resulting in higher training costs

14. Meter reading

Discussion: *Currently, linemen are utilized to read meters when customers are moving into or out of locations. This is very inefficient. Because linemen are too highly paid to do this work, plus this work takes them away from focusing on the more important work required by the small four-person crew.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: Contract out the daily reading of meters for customers moving in and out of locations (when connect or disconnect is not necessary), rather than to utilize linemen.

Advantages

Substantial cost savings

Free linemen to do maintain electrical service

Disadvantages

Need to ensure legal sufficiency of this recommendation

Because a precedence has been established, negotiations with the union may be necessary

**IMPLEMENTATION CONSIDERATIONS
CITY COUNCIL
LONG TERM > 6 MONTHS**

15. Communications (PBX/Voice Over IP (VOIP))

***Discussion:** The City's current conventional phone service provider is TeleAlaska and cell phone service provider ACS totaling approximately \$90,000 annually. For their phone services the hospital spends approximately \$60,000 annually with the LTC forecasted to spend approximately \$40,000 annually. The estimated annual cost for the VOIP service is \$82,500 annually for all three organizations. VOIP also includes video streaming capability and Internet access saving the City an additional \$8,000 plus annually. Long distance charges for the three organizations is not included. Total estimated annual savings: $[(\$90,000 + \$60,000 + \$40,000) - \$82,500] + \$8,000 = \$112,800$*

Estimated Potential Annual Savings = \$112,800

Estimated Cost = \$290,000 (amortization 2.6 years)

RECOMMENDATION/S: Convert the City's Communications System to VOIP.

Advantages

Estimated annual cost savings \$112,800

Includes Internet access

Provides video streaming capability

Facilitates wireless connectivity

Supports paperless initiatives

Additional savings for Hospital & LTC

Disadvantages

Initial equipment cost approximately \$290,000

Some current ACS cell phones still required outside area coverage

Reliability is dependent on power source and up-time of servers

16. Outsourcing

***Discussion:** Cities are outsourcing operations not only as a cost saver but also to reduce backlog or execute quicker. For example Chicago has totally outsourced City parking operation and Sandy Springs, GA has outsourced virtually all its City operations, while depending on the County to provide core services; police and fire. When the last snow has been cleared the City streets must be prepared for summer and the influx of tourist. The streets need to be sweep and cleaned, streets and crosswalks marked, potholes repaired, etc. and while the City Street Shop is capable of executing, the small crew size can not always meet the City's time table. Outsourcing certain operations may not result in savings, but could better meet the City's timeline. Other areas where outsourcing may improve efficiency and/or reduce costs is parking and camping fee operations and small boat harbor operations.*

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: City increases outsourcing, especially in the area of street maintenance. Investigate contracting out or selling operations such as parking.

Advantages

Potentially reduces City personnel & cost
May expedite technology improvements
Transfers technology cost to contractor
Transfers operational risk to contractor
Tasks accomplished sooner
Increases efficiency through reduction in tasks

Disadvantages

Lack of local competition could result in higher costs
Responsiveness may not be 24/7 as it is now
Once trained staff is lost, difficult to re-build capacity if unsuccessful
Reduction in City personnel
Theft potential increased
Availability of competent contractors

17. Contracts and leases

Discussion: The City is currently leasing office space in Petro Plaza and the Electrical Office at a combined annual cost of \$51,867. Simultaneously, the City is renting space in City Hall to other operations with an annual income of \$48,000. Half the City Hall basement houses the jail, which could be used for secure storage and offices with the other half used as office space.

Estimated Potential Annual Savings: \$51,867 (minimum)

RECOMMENDATION/S: City encourages State to relocate to other facilities. The City redesigns spaces to reduce annual lease costs.

Advantages

Minimum annual savings \$51,867
Consolidates City operations
Improves service to city residents and businesses

Disadvantages

Potentially displaces some renters
City cannot compel State to move
Relocation costs (Movement & remodeling)
Higher transportation costs for State

18. City's SMIC operations

Discussion: The City operates a boat lift (125lifts per year) and provides out-of- water storage and maintenance opportunities for mid-sized boats at SMIC. The operation is manned only as required. The lack of permanent oversight may result in abandoned boats and ground contamination from leaking or spilled fuel, oil, etc. Unless the City makes significant capital improvements in the area (fencing, pollution prevention, etc.) costing approximately \$1.5million and full-time oversight the operation will continue to be an environmental and legal problem for the City. The operation could be either contracted or shutdown and the boat lift sold or leased.

Estimated Potential Annual Savings: \$39,455 (operating cost only)

Estimated Compliance Cost = \$1,500,000

RECOMMENDATION/S: Contract the SMIC small boat lift and storage operation and if no bidders then close the operation.

Advantages

Eliminates losing operation (\$39,455)

Eliminates capital improvement cost (approximately \$1.5M)

Frees area for other uses

If leased, lesser assumes environmental hazardous risk

If eliminated, potential environmental hazard also eliminated

Projects an environmental friendly image

City no longer competes with private businesses

Disadvantages

If contracted, qualification of lift operators & liability issues

If closed, eliminates larger boat out-of-water storage/maintenance area

If closed, impacts small and medium boat repair businesses

Could be detrimental to local tour boat companies

Could be detrimental to Seward's economy

19. Property tax exemptions and City Services

Discussion: Exempt property tax organizations' (Federal, State and Borough government agencies; religious and other non-profit organizations) real estate assets within the City limits exceeds 4,500 acres and with improvements are valued in excess of \$138 million. The City forfeits approximately \$430 thousand property tax revenue while providing City Services (e.g. police, fire, street maintenance, flood mitigation, etc.) to these exempted organization, at the expense of non-exempt tax payers. Additionally, these organizations are also exempted from the .5 mil assessment for flood mitigation, totaling approximately \$68,959, that currently going to the Seward Bear Creek Flood Service Area.

Estimated Potential Annual Revenue: \$430,304 (see enclosure 4)

Estimated Potential Annual Revenue (exempted organizations): \$68,959

RECOMMENDATION/S: City levee a fee payable by all residents, government agencies, organizations, businesses and property owners within the City limits for City services (police, fire, streets, etc.) currently paid for through property taxes. Further, reduce property tax mill rate to offset this new charge to property tax payers. Request the Kenai Peninsula Borough evaluate all current tax exempt property to validate current use of the property.

Advantages

City revenue increased \$430,304 annually

Flood mitigation revenue increased \$68,959 annually

Government agencies, religious & non-profit organizations share City services cost

Additional funds to maintain and improve City services

Disadvantages

Government agencies, religious & non-profit organizations must pay for City services

Several significant legal issues may impact the viability of this suggestion

20. City property

Discussion: *The City possesses 431.91 acres vacant land/appraised tax value \$7,921,690 (Lowell Canyon 265 acres/\$129,800) earning no property tax. While on the east side of Resurrection Bay the City's possesses 2182.64 acres vacant land/appraised tax value \$8,594,900. Portions of these properties are nature walks, a lagoon and a summer campground. The property could be developed, i.e., lagoon for canoe/paddle boat rental, leased or sold, all of which would earn the City additional revenue, including, if sold, property tax revenue. **Estimated Potential Sell Value: \$7,862,500 (tax & not market value)***

Minimum lease value revenue computation:

$\$7,862,500 \times 10\% = \$782,500$

Estimated Potential Lease Value: \$782,500 (tax & not market value)

Minimum tax revenue computation:

$\$7,862,500 \times 3.12/\$1000 = \$24,531$

Estimated Potential Tax Revenue: \$24,531 (tax & not market value)

RECOMMENDATION/S: *Usable land should be leased (preferred), sold or developed by the City (least preferred) to earn revenue.*

Advantages

Increased annual revenue (leases)

Increased annual tax revenue (sell or lease) \$24,531

Increased one time revenue (sell)

Encourages economic development & growth

Finances operations & maintenance and new projects

Lessee assumes risk

Disadvantages

City loses property & the ability to manage type of development (sold)

City develops – assumes financial risk

City competes with businesses

21. Closing City Jail Operations

Discussion: *The City jail operation employees 6 personnel and in 2007 the total number of detainees was 398 and 1246.5 man days. The City Jail is under contract with the State with 2008 funding amounting to \$449,472 which will not cover the City's forecasted direct and indirect expenses, \$529,090 and \$64,096 respectively. The projected 2008 funding shortfall totals \$143,714. The City of Kotzebue took the State to court last year for the same reason and the court ruled in the City's favor.*

Estimated Potential Annual Savings: \$143,714

RECOMMENDATION/S: *City should require the State to reimburse the jail operation at 100% actual costs and, if not, the City Jail should be closed with the state assuming responsible for detainees arrested by City police for violations of State law.*

Advantages

Annual cost reduction \$143,714

Frees space in City Hall

Reduces City employees
Eliminates financially losing operation
Provides secure storage & potentially reduces Parks & Recreation's fuel cost
Reduced liability to City

Disadvantages

Detainees must be transported to Kenai
Increases accident risk to detainees
Potentially increases City unemployment and population
Eliminates City service

22. Electricity Reduction Incentives & Rate Increase

***Discussion:** Utility providers across the US offer special incentives to businesses and homeowners to reduce electrical consumption by installing or upgrading to Energy Star appliances, weatherizing homes, heat pumps and efficient light bulbs. Neither Chugach Electric or the City Electrical Department, as the electricity provider to City businesses or homeowners, offer special incentives to reduce electricity consumption other than saving on their monthly bills. However, the State does offer an incentive program of up to \$10,000. A City energy saving incentive program, coupled with the State program, would further assist businesses and residences pay for energy improvements that should reduce electrical consumption. To fund this program the City's basic electricity rates should be returned to the rates approved in 1993. For example, the residential rate increase would be \$.0113/KWH (\$.0917/KWH - \$.0804/KWH) with the additional rate funding the energy efficiency program. While lowered electricity demand would decrease revenues, the higher rates would probably exceed the loss and cost of the incentive program, with the additional revenue used for maintenance and capital improvements to the City's electrical distribution system. Rebates up to \$300 could be offered to residential consumers on all Energy Star Equipment (Clothes and Dish Washer, Clothes Dryer, Refrigerator, Water Heater, heat pump and CFL light bulbs) and to commercial businesses and industrial consumers (lighting -T8 fluorescent & CFL bulbs), heat pump, refrigeration and cooking equipment and motors). Reinstating the 1993 approved rates generates approximately \$60,355/month or \$724,261/year revenue. The rebate program and resulting reduced demand for electricity would decrease revenue, with the exception of heat pumps that would increase demand.*

Estimated Potential Annual Revenue: \$724,261

***RECOMMENDATION/S:** The City offer credit incentives to residents and businesses toward the purchase of energy efficient appliances and equipment and issue free (6 per household) CFL bulbs to reduce electricity consumption. (See enclosure 3 for details)*

Advantages

Complements Alaska Home Energy Rebate/Weatherization Programs
Provides additional incentive to businesses and homeowners to install or upgrade to energy efficient equipment or materials

Provides financial assistance to consumers to pay for energy efficient measures
Partially offsets rate increase
Reduces demand for electricity
Demonstrates City's commitment to energy reduction and protecting the environment

Disadvantages

Rebate cost to the City
Administrative challenge to administer
Raises electricity rates
Less personnel in Finance to pick up misc. tasks

23. Rights of Way Fees

Discussion: *A franchise is a privilege granted by a local government to a specific business that allows them to have their facilities on public property. These businesses must have a contract or "franchise agreement," to operate within the City limits. The agreement outlines the conditions of service and terms of compensation for the use of the public right-of-way. Each time the company enters into the public right-of-way to conduct business, the community faces increased direct costs for right-of-way maintenance, improvements, and administration; and indirect costs for increased travel time, loss of access and trade to local business, increased noise pollution, and visual intrusion. As the custodian of these public-rights-of-ways, local government receives compensation for the "intrusion into and use of the limited resources of the public domain." Over a century ago the United States Supreme Court held that cities could charge franchise fees based on the value of the public property used. The Court stated such fees were not a "tax," but rental for the use of the public property. Today, the fee, determined by state and federal law, is calculated as a percentage of gross revenues derived from operations within the boundaries of the local government. Natural gas pipeline, electric utility, solid waste disposal and cable television companies pay an amount not to exceed 5% of gross revenues. After federal deregulation of Telecommunications, these providers are required to pay up to 7% of gross revenues. The City holds public property in trust for the citizens of the community, and collectively, the franchise fees represent a fair and reasonable compensation to the citizens for private industry use of public rights-of-ways. Alaska statute on right of way usage states: "The lease price for a right-of-way lease shall be the annual fair market rental of the state land included in the right-of-way based on the appraised fair market value of the land. The lease price is payable annually in advance on or before the anniversary of the lease. The appraised fair market rental value shall be adjusted at five-year intervals and charges or adjustments shall be based on a reappraised annual rental value. Rental may not be charged for any land acquired by the lessee under AS [38.35.130](#) (b) and conveyed without cost to the state." The Alaska statute applies solely to pipelines; whereas, other Cities apply to all uses of their right of way. Some Cities have opted charges based on linear foot of the City's rights of way occupied, plus a set annual fee*

for each public street crossing, such amounts to be payable in advance of the construction, installation, purchase, use, lease, operation, or control of any facilities in the right of way. Other Cities collect based on percent (%) of the users' gross revenues. Under either method the City holds public property in trust for the citizens of the community, and collectively, the franchise fees represent a fair and reasonable compensation to the City's citizens for private industry use of public rights-of-ways. The City currently does not charge others for the use of its right-of-way, resulting in lost revenue to the City from Tele-Alaska, GCI, and ATT and leading the City to bear the cost for rights-of-way maintenance.

As an example of the potential revenue increase, the City levees the Electrical Department annually an 8% payment-in-Lieu-of-Taxes on gross revenue generating \$700,955. If reduced to 5% and Tele-Alaska, GCI and ATT gross revenue were equal to the Electrical Department the estimated potential revenue would be an additional \$1.31 million annually.

Estimated Potential Annual Revenue: \$1,314,290

RECOMMENDATION/S: City authorized to institute procedures to charge users for use of City's rights of way.

Advantages

Increases revenue \$1.3million

Telecoms help pay for right of way maintenance

Fees cover portion of public works costs

Fees may reduce electric fund contributions toward infrastructure upgrades, since costs will be shared by other utilities

Disadvantages

Potential legal challenge

24. Seward Bear Creek Flood Service Area Property Tax Assessment

Discussion: *Being built on alluvial fans the City is under a constant flood hazard threat, heightened by the accumulation of bed load material. To manage the bed loading problem requires almost an annual accumulation assessment and removal as required. The KPB and City formed the Seward Bear Creek Flood Service Area (FBCFSA) as an organization to aid in planning and management in this important area, with a .5 mil property tax levy against non-exempt property tax payer in the service area to finance . The City non-exempt tax payers' assessment equates to 82%, approximately \$139,000 in 2008, of the total revenue. The FBCFSA 2008 KPB assembly adopted budget has 78% of the 2008 revenues programmed for actual services with 22% directed to personnel and other administrative costs. As noted in item 31, non-exempt organizations are not levied the .5 mil, thereby decreasing the revenue \$68,959 annually. The majority of the FBCFSA efforts have been directed outside the City.*

Estimated Potential Tax Revenue: \$139,000

Estimated Potential Annual Revenue (exempted organizations): \$68,959

RECOMMENDATION/S: City work with KPB to withdraw from the SBCFSA and eliminate the .5 mil property tax assessment to non-exempt property tax payers and levee a fee payable by all residents, government agencies,

organizations, businesses and property owners within the City limits for flood mitigation services.

Advantages

City's revenue used totally to support City's flood mitigation efforts
Flood mitigation revenue increases by \$68,959 annually (if a public safety fee was instituted then government agencies, religious & non-profit organizations would share City flood mitigation services costs)

Disadvantages

Government agencies, religious & non-profit organizations must pay for City flood mitigation services

City withdraws from joint program with KPB

May impact future FEMA funding

This action may require voter approval

25. Marketing & Economic Development

Discussion: Chamber of Commerce receives 50% of the previous year City's bed tax revenue for which some funds are expended toward Marketing and Economic Development. For example, in 2008 the funding amount was based on 2006 revenue totaling \$155,285 (50% x \$310,570). Last year the Chamber of Commerce developed a detailed brochure and improved their webpage; however, current funding only maintains current program levels and doesn't support an aggressive program focused on expanding current and attracting new businesses. PACAB and the City are also both viewed as having a role in economic development. However, there does not appear to be a clear delineation of responsibilities and tasks, with goals and objectives. Attendance at conventions and conference with follow-up meetings toward to entice new businesses to Seward is essential.

Estimated Potential Annual Revenue: Unknown

Estimated Potential Additional Cost: \$100,000 first year

RECOMMENDATION/S: City should decide which organization will lead in economic development, then provide the resources necessary for an aggressive marketing & economic campaign. If it is the Chamber of Commerce, provide up to 100% of the bed tax revenue, based on approved budget submission. If it is the City, then hire an experienced person using the same 50% for expanding current and attracting new businesses to Seward. Under either method it should be incentive based, such that, additional compensation be awarded for each business expansion or new business, that was the result of the individual's efforts. Compensation should be based on the business' estimated increased or new annual revenue or other agreed upon performance factor/s. Further, the City develops incentive parameters (i.e., property tax rate reduction, reduced long-term lease rate, other incentives or combinations thereof) which the representative could initially offer on behalf of the City to current or prospective businesses or companies. Also, the City conducts another Economic Forum this fall to provide feedback on issues from the 2007 forum and identify new issues. Include personnel from the Borough Economic Office, Anchorage Economic Development Corporation, Native Business and other appropriate organization and business leader as invitees.

Advantages

Increases Seward visibility across business world
Provides upfront incentives for expansion of current businesses
Provides upfront incentives to prospective new businesses
Reward based

Disadvantages

May reap no or delayed results
City commitments to incentive program
Incentive program may upset current businesses

26. City Toilets vs. Portable Toilet Rental

***Discussion:** The City (Parks/Recreation) leases approximately 13 portable toilets at 8 different locations throughout the summer months to primarily support its RV/camping operations, sporting programs and special events. The 2008 approved budget expense for these portable toilets and pumping service is \$30,000. The City previously investigated purchasing the equipment to provide this service in house at an estimated cost of \$21,300. There are now manufacturers (ECOJOHN, ELOO, Sweet Smelling Toilet, etc.) that make waterless toilet systems requiring no pumping. The ECOJOHN system, either 12V DC or 120V AC cost \$1,095 each plus shipping and handling. The City would need to have structures build to house these units. The US Park Service has been converting to vault toilets with the most recent conversion by ROMTEC for a 1,000 gal two vault toilet system with erection of a cedar sided/roofed building with covered entry costing approximately \$90,000.*

***Estimated Potential Annual Savings:** \$30,000 maximum for leases*

***RECOMMENDATION/S:** City initiates phased program to purchase its own portable toilets and pumping equipment in certain locations and upgrading to better facilities with vault or waterless systems at higher demand locations.*

Advantages

Reduced annual rental cost \$30,000 (maximum)
Eliminates sole source provider
Enhanced appearance & user privacy (vault or similar system)
Environmentally friendly
Reduced pumping requirements (vault or similar system)

Disadvantages

Initial cost for equipment & buildings
City assumes damage and FWT cost

27. Floodplain Ordinance

***Discussion:** The City's floodplain ordinance has been rewritten requiring higher regulatory standards for developments within a City floodplain or previous flooding area. Through adoption of the higher regulatory standards the City's Community Rate Class can potentially be reduced from a 9 to an 8 or 7, increasing property owners discount from 5% to 10 or 15%.*

***Estimated Potential Annual Savings:** Increases property owners discount from 5% to 10 or 15%.*

RECOMMENDATION/S: *City Council adopts the rewritten floodplain ordinance.*

Advantages

Improves the City Community Rate Class
Increases property owners discount rate
Flood insurance more available to property owners
Results in better flood protection
Improves City's position with FEMA
Improves flood protection

Disadvantages

Increases construction cost
Reduces developable land

28. Hospital Management Contract

Discussion: *The current hospital management contract fee paid to the manager of the hospital and long-term care facility (currently Providence) is not eligible for reimbursement under the Medicaid/Medicare reimbursement methodology, and adversely impacts the financial bottom line of the hospital/LTC facility.*

Estimated Potential Annual Savings: \$700,000.

RECOMMENDATION/S: *Establish a management fee that is reimbursable or eliminate the management fee and replace it with some other mechanism, such as direct cost charges, that is reimbursable within the rates, and which limits the City's total charges for management fees.*

Advantages

Potential annual saving \$700,000.

Disadvantages

Difficulty developing a substitute management fee system meeting City's needs for the hospital contract to be reimbursable
Developing Providence's implementation system while maintaining City's construction bonds tax-exempt status

29. Sell City Shop property

Discussion: *The City Shop and its associated components (sand shed, storage yard, etc. are located on prime real estate. It represents an eye-sore in a highly visible area of town which is one of the most valued locations.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: *The City should relocate the City Shop and sell the existing Shop property for the purpose of encouraging private development (housing, hotel, condominiums, etc.)*

Advantages

Place property on the tax rolls
Encourages development
Enhances utilization of community property
Eliminates eyesore
Improves aesthetics of waterfront area

Disadvantages

Relocation site is challenge

Relocation cost must be addressed

30. Biennial budget

***Discussion:** The City current prepares an annual operating budget and an annual capital improvement plan. The entire budget process consumes approximately 5 months of staff time, and approximately 2 months of City Council time. The City does not spend enough time on long-term planning due to inadequate staff resources. A biennial budget would significantly improve the focus on long-term financial planning, free staff up to pursue grant opportunities, allow for annual thorough review of City Code and tariffs, and eliminate unnecessary duplication of effort.*

Estimated Potential Annual Savings = Unknown

***RECOMMENDATION/S:** Pursue transition from an annual budget cycle to a biennial budget cycle.*

Advantages

- Saves at least 4 months effort every year
- Forces a longer-term focus on financial stability
- Affords more time for long-range planning
- Improves staff efficiency
- May provide greater certainty over taxes and fees
- Reduces Council meetings

Disadvantages

- Perceived loss of budget flexibility
- Introduces greater uncertainty when forecasting revenues
- May require more frequent budget adjustments

31. Remote-read meters

***Discussion:** The City currently hires a contractor to read electric meters manually each month. The data is input into a handheld device and then downloaded into the computer system for billing. New technologies allow for remote meter reading, which would allow meters to be read during the winter (when snow typically makes it difficult to reach and read some meters), plus eliminate the need to manually walk to every meter to read the meter reading.*

Estimated Potential Annual Savings = \$45,000 plus

Estimated Total Cost = \$500,000 (11 year amortization)

***RECOMMENDATION/S:** Replace all electric meters with remote-read meters when funding is available.*

Advantages

- Eliminate \$45,000 per year in meter reading contract
- Increased functionality of meter information
- Better information for customers to identify problem electrical issues
- Ability to read meters which are inaccessible or far away
- Eliminates liability associated with remote areas, dogs, etc.
- Eliminates need for hand-held meter reading equipment and annual maintenance costs (approx. \$3,000 annual cost savings)
- Automatically download data into billing system, saving time
- Turn meters on/off from the utility counter
- Final bill can be generated while customer is at the utility counter

Consistent bill cycle (days between readings)

Disadvantages

Higher costs of replacement over current meters

Total cost (\$500,000)

32. Grant writer

***Discussion:** The addition of a full- or part-time grant writer position would have the potential to increase grant revenues at a time when State oil revenues have increased, and to pay for itself through those added revenues. For example, if a position cost \$60,000 including benefits, at the typical overhead rate of 10%, the City would need to generate \$600,000 in additional grant revenues to pay for the position.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: Hire a grant writer.

Advantages

Develops a mechanism to pay for needed staff

Potential generates capital projects & deferred maintenance funding

Potentially prevents rate hikes or user fees

Grants are good for funding critical infrastructure

Disadvantages

Adds to City staff size

Increases payroll

May not raise funds

**33. Vehicle parking, RV camping and boat launching operations
(see item 10)**

a. Automate operations with Reservations & Payment Internet Capability

***Discussion:** Parks and Recreation currently operates and collects money for camping and parking with different personnel while the Harbor collects boat launching fees. These separate fee collections result in confused and disgruntled patrons and duplicates effort. It can also result in an overnight stay costing the user a minimum of \$50 (\$30 RV camping (full service), \$10 boat launching fee and \$10 for boat trailer parking). Cities are transitioning to computerized automated parking systems capable of accepting cash, credit cards, payment online or even via cell phones. Additionally, Cities' Parks and Recreations, include United States Park Services are transitioning to automated and on-line reservation and fee collection systems. There are numerous manufactures and businesses providing automated equipment, systems and management services (GMG Systems Parking Technologies, Standard Parking Systems, Worldwide Parking Solutions, TCS International, MITI, Federal APD, Smartpark, Cale, Digital Payment Technologies, Ganis Systems, ACS, Amano McGann, Reino, Parkeon, etc.). MITI has equipment (Iron Ranger) that could be probably be used for camping, parking & boat launching operations with an approximate cost of \$30,000/unit or \$240,000 for all sites. Electricity would also be required.*

Estimated Potential Annual Savings: Unknown

Estimated Potential Initial Cost: \$30,000/site (minimum) and \$240,000/8 sites

RECOMMENDATION/S: Short-term combine collection operations and long-term begin converting all to automated systems, including on-line reservations and payment. To reduce initial cost the system could be phased.

Advantages

Improves customer service

Reduce operating cost

Earn additional revenue through credit card user fee or reduce City's current costs paid for accepting credit cards

Enhance management through automation

Operation in step with modern business practices and younger generation

May require fewer staff, so cost savings

Disadvantages

High initial cost

Potential employee reduction

Learning a new system

Maintenance costs of new system

Service response times and cost

b. *Eliminate 2 hour free parking*

***Discussion:** City parking lots allow two hour free parking but then charge either \$10 for 24 hours or \$10 for the third hour depending on the parking lot. This results in no revenue for vehicles parking less than two hours and creates confusion with some users. Maximum potential revenue from the Center Lot (100 spaces based on charging \$2.00/hour 15 May – 30 September from 6AM until Midnight) would be (18 hours x 139 days x 100 parking space x \$2/hour) = \$500,400. With full time attendants earning \$15/hour the personnel cost would be \$37,530 (\$15/hour x 18 hours x 139 days). Even reducing the charge to \$1/hour and paying full time attendants, the maximum potential revenue \$212,670 (\$250,200 - \$37,530) is only \$50,000 less than the estimated 2008 revenue (\$262,820) for all the parking lots.*

Estimated Potential Annual Revenue: \$212,670

RECOMMENDATION/S: Eliminate two hour free parking starting with the center lot.

Advantages

Generates additional revenue (maximum \$212,670)

Eliminates confusion

Eliminates lost revenue

Disadvantages

Requires automated system or full-time attendants

Potentially discourages patrons

Potentially unpopular with businesses

**IMPLEMENTATION CONSIDERATIONS
CITY MANAGER
SHORT TERM < 6 MONTHS**

34. Office equipment (computers, copiers, etc.)

a. Purchase only Energy Star equipment & use sleep mode

Discussion: Equipment must meet a certain Federal Efficiency Standard to receive an Energy Star rating. The payback in reduced energy savings exceeds the generally higher initial cost. Energy Star rated electronic devices reduce energy cost from at least 10% to as much as 60%. For example an LCD monitor annual savings over a CRT monitor is 123KWH/year and an Energy Star rated monitor annual savings over a regular LCD monitor is 109 KWH/year. Additionally, placing equipment in sleep mode can reduce electricity consumption and cost from 40 to 60%.

Estimated Potential Annual Savings: Varies with equipment

RECOMMENDATION/S: *The City purchase only Energy Star rated equipment and place all equipment in sleep mode.*

Advantages

Reduces operating cost

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Reduces greenhouse emissions

Disadvantages

Higher initial cost

Sometimes lost efficiency resulting from wait time due to sleep mode

b. Purchase laptop or energy saving desktops vs. desktop computers

Discussion: Operating a computer 8 hours/day, 5 workdays/week, 52 weeks/year equates to 2080 hours/year (HR/YR). A desktop computer average consumption is 235 watts/hour (W/HR) while an average lap top computer consumes 45 watts/hour. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

Cost comparison and potential savings:

Desk top computer: $235\text{W/HR/Computer} \times 2080\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$65.37/\text{Year/Computer}$

Lap top computer: $45\text{W/HR/Computer} \times 2080\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$12.52/\text{Year/Computer}$

Estimated Potential Annual Savings: \$52.85/Computer or \$2642.50 for 50 laptop computers

Estimated Potential Total Cost (Dell Computers) = \$56,161.30 (could be reduced 50% or more)

RECOMMENDATION/S: *Replace desk top computers with laptop computers when funding is available.*

Advantages

Annual energy savings per computer approximately \$52.85

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Employees' office computer available for official meetings, conferences, training, etc

Facilitates wireless connectivity

Simplifies maintenance

Self contained battery backup (these can be very costly to replace)

Eliminates multiple wires and ancillary equipment

Current desktop computers could be donated to schools, nonprofit organizations, etc.

Disadvantages

Initial cost \$56,161.30 (could be significantly reduced)

Smaller screen

More susceptible to theft

35. Open source software (Open Office, Linux, Sun, etc.)

Discussion: The City currently pays \$30,000/Microsoft Office site License upgrade for a site license, by converting to open source Software, Open Office, this expense can be eliminated with some degradations of capability.

Estimated Potential Annual Savings = \$30,000

RECOMMENDATION/S: City converts to open source software and cease paying for Microsoft Office site license upgrades.

Advantages

Saves estimated \$30,000/upgrade approximately every 2-3 years

Short learning curve

Program upgrades coincide with Microsoft

Targets all similar programs (LOTUS, WORD PERFECT, etc.)

Built-in PDF generator saves approximately \$200/computer (\$10,000)

Disadvantages

May require reformatting or revising some documents

May not interface with KPB, State and Federal Agencies, or other external parties

36. Energy (heating systems, lighting, etc.)

Discussion: The City's 2008 approved utilities budget expense is \$316,650, increase of \$25,207 over 2006 actual and \$1,150 over 2007 budgeted expense. The City has inefficient lighting (interior and exterior) and equipment (boilers, water heaters, etc.; older energy inefficient buildings and has not instituted comprehensive energy conservation practices.

a. Lighting (see Enclosure 1 for itemization, detailed discussion and analysis)

Discussion: Approximately 40% of electricity cost is expended in lighting. Changing to higher efficient longer life T8 fluorescent bulbs, CFL bulbs, LED office, flood and street lights will not only reduce electricity consumption and cost, but reduce replacement and maintenance cost. Also, by utilizing motion detector sensors consumption and cost can be further reduced. The 2008 City Operating Budget forecasts utility charges to be \$316,650 and 40% would be \$126,660. By installing state of the art lights the City's electricity cost could be reduced by at least \$50,664 (40% x \$126,660).

Estimated Potential Annual Savings: \$50,664

RECOMMENDATION/S: Short term – Replace all T12 fluorescent bulbs and magnetic ballasts with T8 bulbs and electronic ballasts. Replace all street, parking and directional lights with LED lights and all security lights with LED lights activated via motion detector sensors. Retrofit all exit signs with LED lights. Turn off City Hall hallway lights during daylight hours and install IR motion detector sensors in the hallways and bathrooms. Long term - Resource lighting study, including procurement and installation, to upgrade lighting, including fixtures, for most efficient and economical lighting to meet requirements. Also, investigate LED fluorescent style bulbs available in September 2008 from LED Smart, Inc.

Advantages

Reduces annual electricity cost approximately \$50,664

Reduce City's energy consumption

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Longer life

Reduced Maintenance Cost

Disadvantages

Initial Purchase Cost

Installation cost

b. Boiler replacement & setting office temperature at 65F during winter months

Discussion: The City recently upgraded the City Hall heating system with a high efficiency boiler. Other City boilers efficiency ratings are probably 55%, if replaced with 85 % rated Energy Star boilers the estimated savings would be \$35 for every \$100 spent on energy. Additionally, for every degree thermostats are turned down reduces heating cost approximately 2%. If temperature is set at 70F then reducing to 65F the estimated annual cost savings would be: $\$52,200 \times (5 \times 2\%) = \$5,220$

Estimated Energy Star boiler cost savings would be: $\$52,200 / \$100 \times \$35 = \$18,270$

Estimated Potential Annual Savings: \$23,490

Estimated Cost = \$68,000 (3-year amortization)

RECOMMENDATION/S: City continues replacing older inefficient boilers with Energy Star rated boilers and sets thermostats at 65F. If new buildings are constructed install electrical heat pumps.

Advantages

Estimated annual cost savings \$23,490

3-year amortization

Reduces City's fuel oil consumption

Reduces greenhouse emissions

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Disadvantages

Initial boiler cost approximately \$68,000

Potential occupant discomfort

Potential use of inefficient space heaters
May require significant investment in energy-saving windows to
reduce heat loss resulting from lowering thermostats

c. *Make all new building construction green*

Discussion: The City has old energy inefficient buildings and while lighting upgrades, boiler replacement programs, and other improvements will reduce energy and heating cost they will continue being costly energy drainers (windows, insulation, etc.). Given technology advances in materials and constructing methods; buildings, even maintenance facilities are not only aesthetically pleasing but energy and cost savers. Green buildings on average cost 2 to 3% more than conventional buildings, but save between 25 to 35% in annual energy cost.

Estimated Potential Annual Savings: 25 to 30%

Estimated Potential Cost: 2 to 3%

RECOMMENDATION/S: All new buildings be designed and constructed under the Green Building Program.

Advantages

Estimated annual cost savings 25 to 35%
Reduces heating fuel consumption
Reduces greenhouse emissions
Demonstrates City commitment in reducing energy consumption, cost & protecting the environment
Reduces water and waste consumption
Reduces operations and maintenance cost
Enhances occupant productivity and health

Disadvantages

Average construction cost 2 to 3% higher
Increased architectural & engineering design time
Increased modeling cost
Increased time integrating sustainable building practices

d. *Water heater replacement*

Discussion: The City has older energy inefficient storage tank electric water heaters with an average life expectancy of 13 years. High efficiency Energy Star electric tank-less (on demand) water heaters (average life expectancy 20 years) are now available with energy savings vs. minimum standard systems between 24 - 34% using < 41 gallons/day, 8 - 10% around 86 gallons/day and 27 - 50% if installed at each hot water outlet. Storage tank systems save 10 to 20% vs. minimum standard systems. One storage tank electric heater (Marathon) offers a lifetime warranty and GE will be releasing an electric storage tank water heater 4th quarter 2009 that will reduce electric consumption by 50%. A \$649 on demand 3.7 gal/minute 95% energy efficient water heater can provide hot water for one shower or two sinks simultaneously, while a \$218 99% energy efficient .75 GPM system can provide hot water for one sink. A Marathon 50 gallon storage tank water heater with a 94% energy rating and lifetime warranty costs \$742.53 while a

50 gallon 92 % energy rating Whirlpool with a 9 year warranty costs \$350.54. Energy cost saving comparisons:

50 gal Storage tank 90% energy efficiency: $365\text{days/year} \times 12.03/.90 \times \$1.133737/\text{KWH} = \$652.48/\text{year}$

50 gal Storage tank 92% energy efficiency: $365\text{days/year} \times 12.03/.92 \times \$1.133737/\text{KWH} = \$638.30/\text{year}$

50 gal Storage tank 95% energy efficiency: $365\text{days/year} \times 12.03/.95 \times \$1.133737/\text{KWH} = \$618.14$

On demand system providing 50 gal/day with the minimum energy savings of 24% would save \$156.60/year, \$153.19/year and \$148.35, respectively over the above storage tank systems. On demand system provided at each sink would reduce cost even more.

Estimated Potential Annual Savings: Varies depending on system
Estimated Potential Cost: Varies depending on system

RECOMMENDATION/S: Replace water heaters with either high efficiency on demand or storage systems depending on the amount of hot water required.

Advantages

Minimum estimated annual energy savings \$34.34/water heater

Reduces City's energy consumption

Reduces greenhouse emissions

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Longer life

Reduced maintenance cost

Disadvantages

Higher purchase cost

Potential lost temporary loss of hot water

37. Travel

a. Eliminate use of POVs for travel

Discussion: In 2007, employees were reimbursed \$24,548.05 (\$.505/mile for 48,610 miles) for utilizing their personal vehicle for travel. If the City provided safe vehicles averaging 20mpg for travel the cost would be approximately \$11,178.00 for fuel ($(48,610\text{miles}/20\text{mpg} \times \$4.95/\text{gal}, \$256.90$ for oil changes (labor not included & based on 5,000mile service schedule), plus \$317 liability insurance coverage)) the total estimated cost would be of \$12,604.88. The IRS rate as of 26 June 08 was raised to \$.585/mile which would increase the annual cost to \$28,436.85. At this new rate the annual savings would be approximately \$15,831.98 and if only one fuel efficient all wheel drive vehicle were procured for approximately \$30,000, the purchase would be amortized in 1.9 years. If fuel efficiency is increased to 30mpg the total estimated savings would be \$19,842.30 and the vehicle purchase would amortize in 1.5 years.

Estimated Potential Annual Savings: \$15,831.98

RECOMMENDATION/S: Procure at least one fuel efficient all wheel or front wheel drive vehicle for employees to use for business trips outside Seward.

Advantages

- Reduces travel cost
- Reduces fuel consumption
- Demonstrates City commitment in reducing energy consumption, cost & protecting the environment
- Reduce greenhouse emissions
- Provides employees safe fuel efficient vehicle for travel

Disadvantages

- Initial cost of vehicle
- Increases maintenance workload
- Increases City's fuel cost & consumption
- Sometimes a vehicle may not be available when needed

b. Reduce travel

***Discussion:** The City's 2008 approved operating budget included \$114,165 for travel/subsistence, of which approximately \$25,000 POV is travel reimbursement and \$48,650 for education and training, both increased over 2007. Additionally, the Mayor/City Council 2008 approved operating budget includes \$17,000 for travel/subsistence and \$1,700 for education/training. Reducing travel and education/training by 20% would save \$32,563 in the City and \$3,740 in the Mayor/City Council budgets. The City may also be able to take advantage of the new video conferencing equipment at Providence and AVTEC. It is prudent to discern between training and conferences.*

Estimated Potential Annual Savings: \$36,303

***RECOMMENDATION/S:** City reduces travel and education/training to only those that are mandatory and/or can not be accomplished via distant learning or correspondence, tele and/or video conferencing..*

Advantages

- Reduces travel cost approximately \$36,303
- Reduces education/training travel to minimum essential
- Exploits technology
- Reduces vehicle maintenance & cost
- Reduces fuel consumption and greenhouse emissions

Disadvantages

- Reduced training or education quality
- Sterile training environment (No interface with other students)
- Employee development may be impacted
- Does not eliminate Alaska Municipal League costs
- New technology requires training
- Most clerk travel is entwined with certification and re-certification

- 38. Vehicle replacement (fuel efficiency, standardization, lease vs. purchase, etc.).** Vehicle replacement cost figures are based on manufacturers retail price and are therefore higher than actual cost through municipal discount or when purchased state procurement program. The study also does consider trade-in or sell value, in that, in most cases the vehicles are kept until of virtually no value.

a. Vehicle replacement eligibility criteria

Discussion: The Alaska State general replacement eligible criteria is dependent upon the availability of funds, vehicles and equipment will be replaced when they are at the end of their economic life, no longer safe to operate, not reliable enough to perform their intended function, or there is a demonstrated cost savings. The primary criteria to initiate review for replacement eligibility:

- (1) Age in years
- (2) Usage in hours or miles
- (3) Cost of maintenance
- (4) Overall condition: mechanical, operating, safety, or appearance

Specific class life schedule:

Trooper – 100,000 miles – 4 to 10 years – typical life 5 years

Light general purpose – 100,000 miles – 2 to 15 years – typical life 7 years

Medium trucks – 100,000 miles – 5 to 20 years – typical life 10 years

Backhoes, road maintenance – 5,000 hours – 10 to 20 years – typical life 15 years

Graders – 15,000 hours – 10 to 20 years – typical life 15 years

Dozers – 10,000 hours – 10 to 20 years – typical life 15 years

Financial savings on a case-by-case basic, but would allow for bulk ordering and with only options that are required, instead of paying for unneeded options based on dealers current inventory.

Estimated Potential Annual Savings: Unknown, but could reduce cost through bulk purchases – would simplify budgeting and justification for equipment replacement.

RECOMMENDATION/S: The City adopts the State vehicle replacement eligibility criteria by ordinance

Advantages

- Provides justification basis for replacement
- Simplifies budgeting vehicle replacement
- Improves replacement forecasting
- Ordering only required options vs. dealers' inventory

Disadvantages

- Lack of political will to replace equipment timely
- Raiding of motor pool reserves impacts annual operating budget stability

b. Replace with most fuel efficient vehicle meeting mission requirement

Discussion: Even with rapidly escalating fuel prices it isn't cost effective to replace vehicles solely for more fuel efficient vehicles. (Example 1) However, as a vehicle approaches the City's replacement parameters (higher maintenance cost, age or mileage criteria) the replacement should be the most fuel efficient vehicle meeting mission requirements. Example 2 is replacing a vehicle with the identical type vehicle with the replacement being a hybrid model. The third example is replacing a larger type vehicle with a smaller hybrid. The fourth example is purchasing the same vehicle with a smaller engine (V6 vs. V8). The computations are based on the City's average annual

SUV mileage of 7,401miles, \$5.00 regular unleaded fuel price on 22 July 08 and mileage is all City miles:

Example 1:

2001 Ford Explorer, 2 wheel drive, 6 cylinder, automatic

City/Highway MPG – Emission (Tons/Yr) – Rating

15/20 - 10.8 – 1 (1 worst 10 best) (Trade-in Value: \$3734)

8,261miles/year / 15mpg x \$5.00/gal = \$2,753

2008 Ford Escape Hybrid, front wheel drive, 4 cylinder, automatic

34/30 – 5.8 – 8/9.5 (MSRP: \$27,445)

8261miles/year / 34mpg x \$5.00/gal = \$1,215

Estimated Potential Annual Savings/Vehicle = \$1,538

Amortization (\$27,445 - \$3734)/ (\$1538) = 15.4 years

Example 2:

2008 Ford Escape Hybrid, front wheel drive, 4 cylinder, automatic

34/30 – 5.8 – 8/9.5MSRP: \$27,445

8,261miles/year / 34mpg x \$5.00/gal = \$1,215

2008 Ford Escape, front wheel drive, 4 cylinder, automatic

20/26 – 8.7 – 2 MSRP: \$20,140

8,261miles/year / 20mpg x \$5.00/gal = \$2,065

Estimated Potential Annual Savings/Vehicle = \$850

Amortization (\$27,445 - \$20,140)/ (\$850) = 8.6 years

Example 3:

2008 Ford Escape Hybrid, front wheel drive, 4 cylinder and automatic

34/30 – 5.8 – 8/9.5 (MSRP: \$27,445)

8261miles/year / 34mpg x \$5.00/gal = \$1,215

2008 Ford Explorer, 2 wheel drive, 6 cylinder and automatic

15/20 – 11.4 – 7 (MSRP: \$26,495)

8261miles/year / 15mpg x \$5.00/gal = \$2,754

Estimated Potential Annual Savings/Vehicle = \$1,539

Amortization (\$27,445 - \$26,495)/ (\$1,539) = .62 years

RECOMMENDATION/S: Vehicles should not be replaced solely for improved fuel economy; however, when replacement vehicles are procured they should be the most fuel efficient vehicle meeting the requirement.

Advantages

Projects environment friendly message

Reduces fuel costs

Reduces greenhouse emissions

Disadvantages

May negate fleet standardization

Inability to service locally

Service in Anchorage requires employee mileage or towing costs

c. Right size & equip vehicle for the mission

Discussion: The City's general purpose fleet consist of 21 Pickups, 7 Vans, 6 Sedans and 8 SUVs. Is each vehicle the right type, size and equipped to meet the intended usage? For example, when purchasing a pickup truck what size and style truck will meet the normal daily tasks. What size cab is required and is 4 wheel drive necessary? The following prices for the basic model Dodge 2500HD, Chevrolet 2500HD and Ford F250 Super Duty illustrates the costs associated with these options.

	Dodge 2500HD	Chevrolet 2500HD	Ford F250HD
Crew Cab	\$35,490	\$29,165	\$26,575
Extended Cab	\$29,180	\$27,715	\$25,215
Regular cab	\$26,190	\$24,370	\$22,895
4 WD	\$2,895	\$3,150	\$2,975

The savings based on cab size range from a high of \$9,300 to a low of \$1,360 and the addition of 4 WD averages an increase cost of \$3,007.

Estimated Potential Savings/Vehicle: \$4,360 to \$12,307

RECOMMENDATION/S: City purchases properly equipped vehicle to meet the daily requirement not the occasional need.

Advantages

Reduces initial cost
Potential annual fuel cost savings

Disadvantages

Vehicle to meet requirement not immediately available
Potential lost time obtaining vehicle
Employee perception of travel safety may change
Inability to gain efficiencies from lack of standardization (maintenance)

d. Diesel verses gasoline engines

Discussion: Trucks equipped with diesel engines fuel economy on average is 6 to 8 mpg better than comparable gasoline engines (Unleaded gas engine average 11mpg/Diesel 17 to 19mpg). Given the current price difference, as of 22 July 2008, between diesel (\$5.75) and unleaded fuel (\$5.00) should the City purchase the more expensive diesel engine vehicles. The City's annual average miles per pickup truck is 6,360 miles.

	Dodge 2500HD	Chevrolet 2500HD	Ford F250HD
Diesel Engine	\$7675	\$7195	\$6895

Unleaded fuel 6,360 miles/year / 11 mpg = 578 gals/year x \$5.00 = \$2,890

Diesel fuel 6,360 miles/year / 17 mpg = 374 gals/year x \$5.75 = \$2,151

Diesel fuel 6,360 miles/year / 19 mpg = 335 gals/year x \$5.75 = \$1,926

Estimated Potential Annual Savings/Vehicle (17 mpg) = \$739

Estimated Potential Annual Savings/Vehicle (19 mpg) = \$964

Diesel Engine Amortization 6,360 miles/year:

Dodge 2500HD at 17/19 mpg \$7695/ \$739 = 10.4 years or

\$7695/\$964 = 8 years

*Chevrolet 2500HD at 17/19 mpg \$7195/ \$739 = 9.7 years or
\$7195/\$964 = 7.5 years*

*Ford F250HD at 17/19 mpg \$6895/ \$739 = 9.3 years or
\$6895/\$964 = 7.2 years*

***Estimated Potential Total Annual Savings: (17/19mpg): 20 trucks x \$739
= \$14,780 or 20 trucks x \$964 = \$19,280***

***RECOMMENDATION/S: Replacement pick up trucks should be equipped with
the higher priced but fuel efficient diesel engine.***

Advantages

Annual fuel cost savings/truck (\$964 to \$739)

Annual fuel consumption reduction/truck (204 to 243 gals)

Reduces greenhouse emissions

Greater HP & torque for equivalent gasoline engine

Longer life

Disadvantages

Initial higher cost

Service costs greater (uses more oil)

Idling diesel engines in the winter may eat up fuel cost savings

e. Electric Vehicles

Discussion: The City is currently using gasoline powered pickup trucks and sedans to transport personnel and minor loads to manage and maintain recreational areas, parking and facilities. These vehicles average approximately 12 mpg city driving, whereas a small electric car or truck average 3.714 miles/KWH. At \$5.00/gal for unleaded fuel and electricity at \$.133737/KWH the electric vehicle cost/mile is \$.036 while the truck is \$.417/mile, for a savings of \$.381/mile. The cost for an electric truck is approximately \$10,000 vs. \$20,000 for a standard pickup truck. Current electric vehicle manufacturers are Zap (trucks & cars), GEM (GSA contract trucks & sedan type vehicles), ZENN (cars), etc.

***Estimated Potential Annual Fuel Cost Savings/Vehicle: 6,360 miles x
\$.381/mile = \$2,423***

Estimated Purchase Cost Savings/Vehicle: \$10,000

RECOMMENDATION/S: Purchase two electric vehicles for Parks and Recreation.

Advantages

Annual fuel cost savings/vehicle (\$2,423)

Annual fuel consumption reduction/vehicle (530 gals)

Estimated purchase cost savings \$10,000/vehicle

Minimal service & maintenance costs

Technology continually improving, especially battery life

No waste oil or antifreeze

No greenhouse emissions

No noise pollution

Disadvantages

Lithium or lead acid batteries for disposal

Currently no 4 or all wheel drives available

Limited manufactures
No local dealers
Cost of batteries
May be limited to summer usage

f. *Lease general purchase vehicles (Open lease or Closed lease)*

Discussion: *The City exclusively purchases general purpose vehicles, but has used lease and lease/purchase to obtain higher priced equipment (e.g., fire trucks, construction equipment, etc.) While leasing is more expensive there are other advantages for leasing verses purchasing vehicles.*

Lease vehicles (Open lease)

RECOMMENDATION/S: *The City initiates a pilot leasing program (36 month).*

Advantages

Lower upfront financial outlay
Obtain more vehicles with equivalent funds
Generally pays less per month than closed lease
Earlier response to technology improvements
More flexibility to requirement changes
Frees funds for other uses
Vehicle totally under warranty
Reduced maintenance cost

Disadvantages

Higher cost over three years
City assumes depreciation risk
Increased cost if miles exceed cap (12K to 15K)
Higher insurance cost (lower deductible)
City liable for FWT cost at lease end
City never owns vehicle
Warranty service outside of town

Lease vehicles (Closed lease)

Advantages

Lower initial cost
Obtain more vehicles with equivalent funds
Earlier response to technology improvements
Lower deductible insurance requirement
Minimizes City risk over open lease (no FWT at lease end)
Frees up capital for more vital capital improvements
Depreciation risk assumed by lessor (City owns lease end)
Walk away convenience
Reduced maintenance cost

Disadvantages

Higher cost over three years
Increased cost over closed lease

g. *Replacement Police Cars and SUVs be Chevrolet Impala and Ford Escape Hybrids*

Discussion: The Police Department squad car fleet is comprised of the Ford Crown Victoria (EPA 15/23mpg). Only two other Police Package Vehicles are available the Dodge Charger (EPA 15/23mpg) and the Chevrolet Impala (EPA 18/29mpg) and of the three, the Impala is the most fuel efficient and is only one front wheel drive equipped which should improve handling during the winter months. The base vehicle prices are \$26,535 (Dodge), Ford (\$23,475) and Chevrolet (\$24,355). Ford is now offering the Escape Hybrid (FWD 34/31mpg & AWD 29/27mpg) as police vehicle with a base price \$30,055. Potential annual fuel cost based on City's average annual mileage is:

Ford Crown Victoria & Dodge Charger: 6,360 miles/vehicle / 15mpg city x \$5.00/gal = \$2,120

Chevrolet: 6,360miles/vehicle / 18mpg city x \$5.00/gal = \$1,767

Current SUVs: 8,261miles/vehicle /15mpg x \$5.00/gal = \$2,120

Ford Escape FWD: 8,261miles/vehicle /34mpg x \$5.00/gal = \$1,215

Ford Escape AWD: 8,261miles/vehile/29mpg x \$5.00/gal =\$1,424

Estimated Potential Annual Savings: \$353/police car

Estimated Potential Annual Savings: \$905/FWD & \$696/AWD

RECOMMENDATION/S: The police department purchases the more fuel efficient Chevrolet Impalas and Ford Escape Hybrid.

Advantages

Annual fuel cost savings \$353/sedan

Annual fuel consumption reduction 71 gals/sedan

Annual fuel cost savings \$905/FWD SUV & \$696/AWD SUV

Annual fuel consumption reduction 308gals/FWD & 266gals/AWD

Reduced greenhouse emissions

Disadvantages

Smaller interior

Mixed fleet

Policeman received no front wheel drive vehicle training

Adequate winter capabilities to service mission

Safety rating in snow and ice conditions

h. Initial Vehicle Plan (enclosure 2)

Discussion: The City has 7 general purpose type vehicles exceeding recommended age (10 years), mileage (100,000 miles), condition (poor) or a combination of these replacement criteria and . Considering the above vehicle efficiency/cost reduction ideas the vehicle plan combines disposing of 13 vehicles (5 without replacement) purchasing 11 vehicles (2 electric vehicles, 3 Ford Ranger 4WD Pick up Trucks, 4 Hybrid 4WD Ford Escapes, 1Cargo Van & I diesel full size Pick up or 2 diesel full size pick ups) as replacements, transferring overmatched vehicles to better satisfy mission requirement and creating an initial pool to be dispatched to meet requirements including business travel. The City Manager's new fuel efficient vehicle's priority will also be for business travel. The cost and cost savings with this approach (Unleaded Fuel price \$5.00/gal, vehicle prices are MFR base prices & trade-in or resale value of eliminated or replaced vehicles not included):

Estimated Potential Annual Fuel Savings (Efficiency): \$13,545

Estimated Potential Savings (Purchase Cost): \$41,075

Estimated Potential Savings (Fleet Reduction): \$130,815

Estimated Potential Savings (Vehicle Transfers): \$54,000

Total Estimated Purchase Cost: \$255,925

Total Potential Estimated 1st Year Cost: \$16,490 (See enclosure 2 for computations)

RECOMMENDATION/S: Approve the initial vehicle plan to dispose of 13 vehicles (5 without replacement), 4 transferred (1 without replacement) either to departments to better satisfy mission requirements or to establish a motor pool, one vehicle shared and purchase 11 vehicles (1 to motor pool).

Advantages

First year cost only \$16,490

Annual fuel savings \$15,751

Annual fuel reduction 2,975 gallons

Reduces maintenance burden & cost

Modernizes City fleet

Reduces fuel consumption

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Reduces greenhouse emissions

Provides employees safe fuel efficient vehicles for travel

Disadvantages

Personnel lose dedicated vehicle

Time lost in receiving/dispatching vehicle

Diminished vehicle capability (towing & carrying)

i. Vehicle coolant or air heaters

Discussion: During the winter months police vehicles, snow removal equipment and other essential vehicles are started early or left running for long periods of time to warm up the cab, melt snow and ice or prevent window fogging. With snow removal equipment the engines are also started early and left running to bring the engine and hydraulics to operating temperature to prolong engine life and prevent damage. Idling diesel vehicles burn approximately 1 gallon/hour and automobiles .156 gallon/hour. Devices are now available to heat the interior or heat the interior plus engine burning approximately .06 gallons/hour.

At 1 gallon/hour for diesel and \$5.75/gallon a \$1,695 device would amortize in 295 hours and if a vehicle idled that number of hours the annual savings per vehicle would be $(1 \text{ gal/hr} - .05 \text{ gal/hr}) \times \$5.75/\text{gal} \times 295 \text{ hrs} = \$1,611/\text{vehicle}$. Reducing run time to 180 hours/year the annual savings would be \$983.25/diesel vehicle. At .156 gallon/hour for gasoline and \$5.00/gallon a \$1,695 device would amortize in 339 hours and if a vehicle idled that number of hours the annual savings per vehicle would be $(.156 \text{ gal/hr} - .05 \text{ gal/hr}) \times \$5.00 \times 368 = \$195/\text{vehicle}$. Reducing run time to 180 hours/year the annual savings would be \$95.40/gasoline vehicle.

Estimated Potential Annual Savings: \$983.25/diesel & \$95.40/gasoline vehicle

RECOMMENDATION/S: *City purchase vehicle coolant and/or air heaters for police vehicles, snow clearing equipment and other City vehicles and equipment to reduce fuel consuming air polluting engine idling.*

Advantages

Reduces fuel consumption and cost
Reduces greenhouse emissions
Demonstrates City commitment to energy and environmental Conservation
Improves employee working environment

Disadvantages

Initial cost
Doesn't eliminate fuel consumption and cost
Doesn't eliminate greenhouse emissions
Hydraulic fluid not to operating temperature

39. Vehicle operations (motor pool & dedicated vehicles)

a. Motor pool

Discussion: *Currently each City department controls the usage of vehicles resulting in employees using privately owned vehicle to conduct City business and disparity in miles accumulated on same age vehicles. Numerous vehicles are specified as rapid response vehicles and as such authorized to be used to and from an employees residents. Non-specialized general use vehicles except police, fire & or other vehicles designated by the City Manager not meeting mileage or hour requirements should be considered for either elimination or consolidation at the DPW shop and available for dispatch. Initial fleet would be comprised of two Full-size Pick-up Trucks and a Ford Escape.*

Additionally, while not dispatched from the City Shop, the City Manager's vehicle would be available for employees traveling on business trips.

Cost Savings: *See above, plus vehicle study at Enclosure 2.*

RECOMMENDATION/S: *Establish small general purpose vehicle fleet from which employees could draw from and use for business, with priority based on greater distance to be traveled. Also, several pick up trucks should be pooled and drawn as required.*

Advantages

Better utilization of retained vehicles
Saves capital cost of replacing eliminated vehicles
Provides vehicles employees to use

Disadvantages

Time lost obtaining vehicle
Time lost dispatching vehicle

b. Take home vehicles

Discussion: *Currently, on average 14 vehicles (8 police, 2 fire, 2 harbor, 1 City administration and 1 public works) are driven between work and home five days/week with 5 on most weekends. If the average distance is 2*

*miles for those living in the city and 6 miles for those living outside the city and the average vehicle gas mileage is 14 mpg the annual cost would be:
[(3 vehicles x 4 miles/day + 3 vehicles x 12 miles/day) x 5 days/week + (4 vehicles x 12 miles/day + 4 vehicles x 4 miles/day) x 4 days/week] x 52 weeks/year / 14mpg x \$5.00/gal = \$9,211.43*

Estimated Potential Annual Savings: \$9,211.43

RECOMMENDATION/S: City Manager develops new take-home vehicle policy to validate requirements and reduce the number of take-home vehicles. A final report should be given to the City Council.

Advantages

Annual cost saving potential - \$9,211.43

Annual vehicle mile reduction potential – 25,792 miles

Annual fuel reduction potential – 1,839 gals

Eliminates sore point with some City residents

Reduces City greenhouse emissions

Reduces vehicle maintenance cost

Disadvantages

Police/fire department personnel emergency response time reduced

Employee benefit lost

May increase insurance rates based on longer response times

Partial crime deterrent potentially lost within City

By law, police cannot use private vehicles as emergency vehicles

Police officers may be unable to respond if their personal vehicle is not available

Increases time spent by employee to clean off vehicle, during the work day rather than on their own time prior to coming to work

Increases response times to events such as fuel spills, downed power lines

Limited parking in the harbor for personal vehicles

40. Maintenance operations (supplies, repair parts, etc.)

a. Maintenance Shops and Outside vehicle storage

Discussion: *The City has virtually no covered storage for its vehicle and heavy equipment which hastens deterioration due to the extreme weather conditions in Seward. The extremely wet coastal climate and severe winter temperatures stressing lubricates and components and stimulates rusting and metal fatigue thereby increasing wear and tear on the City's equipment fleet. This lack of covered storage increases fuel consumption and increases nonproductive man-hours as snow and ice is removed. Additionally, the City has limited maintenance bay space decreasing efficiency and adversely impacting services and repairs, especially when vehicles or equipment are awaiting part/s. A vehicle or service may require rescheduling or the inoperative vehicle or equipment moved to free the bay and then returned upon receipt of the required part/s.*

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: City new maintenance facilities include at a minimum outside covered storage and sufficient maintenance bays.

Advantages

Reduces exposure to & deteriorating effects of wet cold coastal
Reduces nonproductive time moving deadline vehicles
Reduces rescheduling services or repairs
Reduces fuel consumption
Reduces nonproductive time clearing snow and ice
Reduces cost of replacing due to deterioration
Extends vehicle life

Disadvantages

Increases construction cost
Shop size increased

b. Extend vehicle services

Discussion: Maintenance services were being performed on City general purpose vehicles (Pickup trucks, sedans, SUVs and vans) every 2000 miles, this is being extended to the manufactures recommended service for 2000 Models or later vehicles. This extension will reduce cost and oil & oil filter consumption and disposal.

Potential Cost Savings (labor costs excluded):

Cost for oil/filter change every 2000 miles $\$25.54 \times 2.5 = \63.85

Cost for oil/filter change every 5000 miles $\$25.54 \times 1 = \25.54

Cost Savings extending oil/filter change to 5000 miles = \$38.41/vehicle

Based on the current general purpose vehicle fleet the estimated annual oil consumption, filter replacement and costs will be reduced 109.375 gallons, 62 filters and \$960.25. Savings will increase as older vehicles are replaced.

Estimated Potential Annual Savings: \$960.25

RECOMMENDATION/S: *The DPW continue performing vehicle services in accordance with the manufacturers recommended scheduled.*

Advantages

Estimated annual savings \$960.25
Reduces oil consumption
Reduces dispose of hazardous material (oil filter)
Reduces cost

Disadvantages

Vehicle not seen as often by mechanic

c. Burning waste motor oil in City heating furnaces

Discussion: It takes 42 gallons of crude oil to generate 2.5 quarts of lubricating oil, the same amount can be generated from only one gallon of used motor oil. The City has been collecting waste oil at the Small Boat Harbor, DPW and Electric Department Maintenance Shop, filtering out anti-freeze and water so it can be burned in the City heating furnaces. In 2007, 9,145 gallons of waste oil were reclaimed (City 6,005 gals and Non-City Businesses 3,140 gals) not only saving the City from procuring this amount of heating oil, but also saving the disposal cost of \$6.50/gal plus 21% fuel surcharge ($\$7.865/\text{gal}$). The operation estimated savings in 2007 were $9,145 \text{ gals} \times \$4.50/\text{gal} + 6,005 \text{ gals} \times \$7.865/\text{gals} = \$91,229.33$. Also, through 13 May 2008 the City has reclaimed 3,830 gals (City 3,130 gals and Non-City

Businesses 700 gals) saving the City heating oil procurement cost of 3,830 gals x \$5.26/gal = \$20,145.80 and disposal cost of 3,130 gals x \$7.865/gal = \$24,617.45. City businesses are providing in-kind services to the City equal to the disposal cost savings. At the national level it would be better for the City to have the oil refined; however, financially it is better for the City to mix it with heating fuel.

Total Estimated 2007 Savings = \$91,229.33.

Total Estimated Savings January - 13 May 2008 = \$46,763.25

Total Estimated Annual Savings: \$92,000

Approximate upgrade costs include: Fencing for Tanks: \$5,800.00; Building Fence: \$7,000.00; Cofferdam: \$5,000; Pipe/Valve/Clamps: \$1,570.00 plus fire code improvements that will be identified later.

RECOMMENDATION/S: Continue collecting and disposing of waste oil by burning it in City furnaces. If continued, investment in operational improvements including fencing around the site, leak proof containment under the storage tanks and waste water disposal is required. Oil excess to the City should be sold to the highest bidder/s.

Advantages

Saved \$91,229.33 in 2007

Saved \$46,763.25 through May 2008

Reduced 2007 fuel oil consumption – 9,145 gals

Reduced 2008 through 13 May fuel oil consumption – 3,830 gals

Conserves natural resources

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Disadvantages

Potential for environmental contamination and remediation to comply with state and federal regulations

Facility & security improvements cost approximately \$19,500.00 plus fire code improvements that will be identified later

d. Collect antifreeze for disposal

Discussion: City operations generate waste antifreeze in its maintenance shops and at the Small Boat Harbor. There is no collection point for this waste antifreeze, except a quarterly disposal transfer at the City Dump. Given the infrequency of disposal transfers, antifreeze is probably being dumped in waste oil containers, increasing the waste oil filtration time, and potential for disposal in a non-environmentally friendly manner. Preliminary discussions with antifreeze recycling firm disclosed the City would pay \$3/gal but receive a gallon of recycled antifreeze for every used gallon.

Estimated Potential Savings/Gallon: \$14.29 - \$3 = \$11.29

RECOMMENDATION/S: Establish collection sites for used antifreeze and enter into recycling operations with recycling firm. Request landfill begin a monthly hazardous materials collection, rather than quarterly.

Advantages

Potentially saves \$11.29/Gallon

Potentially eliminates anti-freeze dumping in waste oil collectors

Potentially eliminates disposal in non-environmentally friendly manner and danger to wildlife

Demonstrates City commitment in protecting the environment

Decreases waste oil filtration time

Meets nationally recognized performance specifications for new coolant

Disadvantages

Cost of containers of approximately \$15,000 (contractor may provide at no cost)

e. Contract vehicle services with local shops

Discussion: *The City Shop is authorized two mechanics (one diesel & one gasoline engine) with only the gasoline engine position filled. Terry Tires charges approximately \$90 for a diesel engine and \$45 for a gasoline engine oil and filter change and \$17/tire to balance and install 17 inch snow tires or vice versa, \$16/tire for 16 inch, etc. No Sweat Auto initially quoted \$120 for a diesel engine and \$60 for a gasoline engine oil and filter change. Prices could probably be reduced if all general purpose vehicles (sedan, pickup trucks, SUV, van) were under a service contract.*

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: *The City contract general purpose (sedan, pickup trucks, SUV, van) vehicle services with local automotive shops. In conjunction with this initiative, the City should consider purchasing extended warranties, leasing and replacing vehicles and equipment earlier.*

Advantages

Reduces City authorization two positions (1 position unfilled)

Reduces City personnel cost for a position

Increases business with local repair shops

Reduces waste oil, anti-freeze, etc. disposal

Reduces maintenance related cost (training, tools, etc.)

Disadvantages

Loss of employees

Other tasks of position must be assumed by other employees

Could increase equipment non-availability

Impacts motor pool operation

41. Transfer Slip Electrical Billing & Payment to Harbor

Discussion: *Harbor electricity service fees are currently based on actual consumption plus a premium, requiring monthly meter readings. These readings are provided to the Finance Department where billings and payments are handled. This procedure is used for both permanent and transient slips and is especially time consuming and inefficient concerning transient vessels. When a transient vessel docks the meter is read plus a \$100 deposit is collected by Harbor personnel, then transferred to the Finance Department. Upon departure, if known, another meter reading is taken by Harbor personnel and passed to the Finance Department where the final billing is prepared and forwarded to the address provided by the boat owner. Final payment may be delayed awaiting the boat owner return to home port or home of address. Final payment may also be delayed if the boat owner*

challenges the amount of electricity used. If challenged Finance seeks confirmation from the Harbor, resulting in testing and re-reading of the meter and passing the information back to Finance to provide to the owner. The current system is inefficient, time consuming and is definitely not customer oriented. Consolidating billing and payment at the Harbor and instituting flat rate fees for electricity would eliminate deposits, duplication of effort inefficiencies, payment delays and definitely improve customer support through one-stop service. The Harbor spends on average \$8,000 to \$10,000 annually for electric meter servicing and repairs, the majority of which require a contractor to repair.

Estimated Potential Annual Savings: \$8,000 to \$10,000 (When combined with other items could negate the requirement to hire an additional finance employee - \$60,000)

Total Estimated Potential Annual Savings: \$70,000

RECOMMENDATION/S: Electrical billing and payment be transferred from the Finance Department to the Harbor. This should be combined with item 42 (Flat Rate Electrical Charges) to further simplify billing and payment system for both the City and customers, especially for transient customers.

Advantages

Potential personnel cost avoidance of \$60,000/year
Annually saves up to \$10,000 in servicing meters
Provides one stop service to customers
Speeds up payments & fewer bad debt write-offs
Minimizes wasted time verifying data
Reduces Finance Department workload 8 hours/week
Harbor open on the weekends
Frees harbor crew up from meter reading

Disadvantages

Potential for inappropriate charges (under or over)
Increased training for harbor staff & Marina system setup
May increase salary levels of some employees

42. Flat Rate Harbor Electricity Fees

Discussion: Harbor electricity service fees are currently based on actual consumption requiring monthly meter readings. These readings are provided to the Finance Department where billings and payments are handled. This procedure is used for both permanent and transient slips and is especially time consuming and inefficient concerning transient vessels. When a transient vessel docks the meter is read plus a \$100 deposit is collected by Harbor personnel, then transferred to the Finance Department. Upon departure, if known, another meter reading is taken by Harbor personnel and passed to the Finance Department where the final billing is prepared and forwarded to the address provided by the boat owner. Final payment may be delayed awaiting the boat owner return to home port or home of address. Final payment may also be delayed if the boat owner challenges the amount of electricity used. If challenged Finance seeks confirmation from the Harbor, resulting in testing and re-reading of the meter and passing the information back to Finance to

provide to the owner. The current system is inefficient, time consuming and is definitely not customer oriented. Consolidating billing and payment at the Harbor and instituting flat rate fees for electricity would eliminate deposits, duplication of effort inefficiencies, payment delays and definitely improve customer support through one-stop service. The Harbor spends on average \$8,000 to \$10,000 annually for electric meter repairs, the majority of which require a contractor to repair.

Estimated Potential Annual Savings: See 43

RECOMMENDATION/S: First phase: Institute flat rate electricity charges similar to other Alaska Harbors with live-aboards paying actual usage charges. Combine with item 43 (transferring billing and payment to the Harbor) to further simplify billing and payment system for both the City and customers, especially for transient customers. Second Phase: Institute credit card metering system; thereby, eliminating billing and collection requirement at an approximate cost of \$200/meter.

Advantages

- Potential payroll cost avoidance of \$60,000/year
- Annually saves up to \$10,000 in servicing meters (contracted out)
- Eliminates billing disputes
- Provides one stop service to customers
- Speeds up payments & fewer bad debt write-offs
- Minimizes wasted time verifying data
- Reduces Finance Department workload 8 hours/week
- Eliminates harbor staff reading of meters; approx. 8 hours per month

Disadvantages

- Potential for inappropriate charges (under or over payment)
- Increased training costs & Marina software system upgrades
- May increase salary levels of some employees

43. Electronic Requisitioning & Bar Coding

Discussion: The City currently utilizes an inefficient time consuming manual paper requisitioning system. Purchase requests (requisitions) are manually prepared at the requesting level and forwarded for signature approval (<\$1000 Department Chief, >\$1000 <\$10,000 City Manager & Finance Chief, >\$10,000 City Council. Upon signature approval the request is manually entered into the finance & accounting program for purchase. With an electronic requisitioning system with bar code printing and reading capability the entire process requisition preparation, approval, forwarding to the vendor, receipt processing and inventory management could be done electronically. When combined with other items could negate the requirement to hire an additional finance employee - 60,000/year.

Estimated Potential Annual Savings: See 42

RECOMMENDATION/S: The City purchase and utilize an electronic requisitioning program with bar code capability.

Advantages

- Potential payroll cost avoidance of \$60,000/year
- Reduces paper consumption & cost

Reduces & speeds processing time & cost
Streamlines approval process (virtually eliminates lost requests)
Simplifies receipt processing & accountability
Improves accountability & inventory management

Disadvantages

Program & hardware cost of approx. \$10,000
Training requirement

44. Electronic Time Sheets

***Discussion:** The City currently utilizes an inefficient time consuming manual paper for time sheets. Time sheets are manually prepared by each employee and forwarded for signature approval. Upon approval the time sheets are forwarded to and again manually entered into the City payroll system. With an electronic time sheet program the time sheet information could be entered in once and electronically submitted for approval and entry into the City payroll system. When combined with items other items it could negate the requirement to hire an additional finance employee - \$60,000/year*

***Estimated Potential Annual Savings:** See 42*

***RECOMMENDATION/S:** The City purchase and utilize an electronic requisitioning program with bar code capability.*

Advantages

Potential payroll cost avoidance of \$60,000/year
Reduces paper consumption & cost
Eliminates redundant manual data entry
Reduces processing time & cost
Streamlines approval process

Disadvantages

Program cost
Training requirement

45. Credit Card Convenience Fee

***Discussion:** In 1996 MasterCard, Visa and American Express began allowing governments, including local, to charge a convenience fee for residents' online credit card payments. In November 2007 and March 2008, MasterCard and American Express, respectively, with Visa expected before year end to expand the convenience fee to residents in face-to-face credit card transactions. If the City takes advantage of the convenience fee, the additional annual revenue would be approximately \$61,000/year (\$42,000 electricity, \$14,000 harbor and \$5,000 general fund).*

***Estimated Potential Annual Revenue:** \$61,000*

***RECOMMENDATION/S:** The City begins charging a convenience fee for all credit card transactions.*

Advantages

City's costs decreased \$61,000 annually
Additional funds to maintain and improve City services

Disadvantages

Addition expense for residents & visitors

46. Cost Savings Suggestion Program

Discussion: Effective employee suggestion programs from the Federal Government to local governments and corporate giants to small businesses have resulted in huge cost and efficiency savings. (See Enclosure 6, Draft Suggestion Program Policy & Enclosure 7, Draft Suggestion Form)

Estimated Potential Annual Saving: Unknown

RECOMMENDATION/S: *The City institute an employee suggestion program.*

Advantages

Reduces cost & improves efficiency
Improves customer and job satisfaction
Improves motivation and morale
Low risk, high payoff
Builds organizational trust & leadership

Disadvantages

Unbudgeted cost
Developing & implementing the program
Can bear no savings if not supported

47. New Copier Contracts

Discussion: The City of Seward recently packaged the replacement of five City leased copiers, and achieved annual cost savings of more than \$13,000 through consolidation. In addition, the new copiers have color capabilities and networking scanning capabilities, improving the ability to produce documents for electronic distribution.

Estimated Potential Annual Savings = \$13,000

48. Offer time-off without pay without overtime increase

Discussion: Allowing employees to take leave without pay reduces the City's salary costs, so long as it does not result in higher overtime costs associated with coverage. Some employers offer leave without pay.

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: *Initiate a test letting employees to take leave without pay.*

Advantages

Potential cost savings if employees take advantage of offer
Less employee burnout
Job flexibility
Work/life balance for employees

Disadvantages

May result in increased overtime
May encourage mandatory shorter work week which causes serious employee morale problems
No Pers credit for leave without pay (potential disadvantage to employee)

49. Offer voluntary 36-hour work week

Discussion: Some employers are offering employees a shorter work week in order to save money and improve work/life balance.

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: *Give the employees an option to work a 36-hour work week.*

Advantages

Potential cost savings if employees take advantage of offer

Less employee burnout

Job flexibility

Work/life balance for employees

Disadvantages

May result in increased overtime if results in short staff coverage

May encourage mandatory shorter work week which causes serious employee morale problems

Scheduling issues – who's working, what hours, what days, etc.

50. Hiring recurring unemployment claimants

Discussion: *The City of Seward hires a number of seasonal employees and summer-time temporary employees. Many of these employees collect unemployment during the winter, which substantially increases the City's personnel costs. The City may choose not to rehire someone who repeatedly collects unemployment, based on the justification that the total payroll costs are higher for one individual over another.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: *Develop a policy not to hire employees who work seasonally and choose to claim unemployment on a recurring basis.*

Advantages

Reduce personnel costs

Curb recurring abuse of benefits

Disadvantages

Potentially lose seasoned employees

Higher training costs

Must survive legal sufficiency challenge

51. Direct deposit

Discussion: *Most businesses now require direct deposit of employees pay checks. Currently, 14 employees receive paychecks in the winter and 31 in the summer.*

Estimated Potential Annual Savings = Unknown

RECOMMENDATION/S: *City requires all future employees to receive pay through direct deposit as a requirement of their employment.*

Advantages

Increases efficiency in the payroll function

Reduces costs of purchasing check stock

Eliminates need to distribute paychecks

Eliminates time taken by staff to pick up pay checks

Disadvantages

Summer hires may not want to open a local bank account

Eliminates employee benefit

52. Add bar code printing to utility bills

Discussion: The City does not currently have the ability to print bar codes on the utility bills due to insufficient time to address programming requirements and printer issues. Adding bar codes to the utility bills will enable the Post Office to sort bills by bar code, saving in both postage and saving staff time in sorting the bills which must be sorted by hand in box number order, before being delivered to the Post Office.

Estimated Potential Annual Savings = \$2,400

RECOMMENDATION/S:

Advantages

Annually saves approximately \$2,400

Disadvantages

Requires staff time to be able to address this issue

53. Retread tires and recondition batteries or purchase retread tires, reconditioned batteries & re-refined oil

Discussion: DPW has begun purchasing recapped tires at a cost savings of \$140 verses \$400/tire. Additional savings are possible through battery recycling and purchasing re-refined oil.

Estimated Potential Annual Savings: 30 to 50%/ tire

RECOMMENDATION/S: The City purchase retread tires meeting Federal Specification ZZ-T-381, "Tires, Pneumatic, Vehicular (Highway) (New and Retreaded), reconditioned batteries and/or enter into a service contract with a vendor/s specializing in tire retread (Anchorage vendors: Alaska Tire Recycling); lead acid battery reconditioning (Anchorage vendors: Alaska Battery Manufacturing, Battery Specialist of Alaska or Auto Electric); and re-refining oil (Anchorage vendors: Alaska Motor Doctor or Alaska Energy Recovery).

Advantages

Reduces tire cost 30 to 50%

Reduces oil consumption & energy to retread (new tire requires 22 gals - retread tires 7 gals)

Keeps tires out landfills

Re-refined oil cost 25% less

1/3 less energy to re-refine oil

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Disadvantages

Misinformation on retread & re-refined oil performance

Perception of compromised safety

**IMPLEMENTATION CONSIDERATIONS
CITY MANAGER
LONG TERM > 6 MONTHS**

54. Early Retirement Program

Discussion: Given the State of Alaska manages personnel retirement program, including local government, the City must await the State's window openings for early retirement.

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: *The City should encourage the State to open the window and when opened take full advantage of the program.*

Advantages

Reduces annual personnel cost

Supports personnel upward mobility program

Opens up new job opportunities

Brings new ideas and concepts

Disadvantages

First year cost

Loss of expertise & historical knowledge

55. Library Automation

Discussion: The library provides at no charge 6 computers for users to surf the Internet. This places the Library in unfair competition with Internet coffee shops and also increases the City of Seward's electricity consumption and cost. Amazon and other companies have begun selling electronic books readers with current costs between \$200 -\$400. Amazon's proprietary wi-fi version provides the user access to over 140,000 books, plus several newspapers, magazines and other media. The Sony model is not wi-fi capable; however, publishers are beginning to release books non-proprietary downloadable formats compatible with Sony's Reader Digital Book plus it can read Adobe and 3rd party electronic books, PDF documents and libraries. E books availability is currently with new releases and generally Estimated annual energy cost: $[(10\text{hours/day} \times 4\text{days/week} + 8\text{hours/day} \times 2\text{days/week} + 5\text{hours/day} \times 1\text{day/week}) \times 52\text{ weeks/year}) \times ((235\text{ watts/computer} \times 6\text{ computers})/1\text{KWH}/1000\text{watts})] \times \$0.133737/\text{KWH} = \$598$

Amazon electronic book prices are approximately 40% hardback books with Sony's approximately 26% cheaper

Estimated Potential Annual Savings: \$598(electricity)

RECOMMENDATION/S: *The City stops providing computers for Internet access at the library and consider purchasing E book readers to increase its book selection. Additionally, the library advisory board assumes a more active role in book, CDs, etc. selections for the library.*

Advantages

Reduces annual energy cost \$598

Eliminates unfavorable competition with private businesses

Increases book selection

Allows library to provide electronic documents from other libraries

Electronic books 26 -40% less

Disadvantages

Eliminates free service to users

Initial cost

Legal issues

56. Combining City and Borough Services

Discussion: The City and KPB are providing some of the same services, e.g., animal control, garbage, emergency (fire), road repair, etc. There could be cost savings through staff reductions and changing requirements for vehicles, personal equipment, and maintenance.

Estimated Potential Annual Savings: Unknown

RECOMMENDATION/S: Further research is necessary before initiating meetings with KPB to discuss combining services.

Advantages

Potentially larger volunteer force

Cost savings

Smaller staff

Disadvantages

Elected board to manage

Lessens City control

Certain tasks would need to be reallocated within the City Staff

Section 3

Human Resources

ENCLOSURE 1 LIGHTING INITIATIVES

(1) Replace T12Flourscent lights with T8 Fluorescent lights/high frequency ballasts

Discussion: Using lights 8 hours/day, 5 work days/week, 52 weeks/year equates to 2080 hours/year (HR/YR). A 4 light 40WT12 light dual ballast fixture consumes 192 watts/hour (W/HR) while a 4 light 32WT8 single ballast light fixture consumes 112 watts/hour. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

Cost comparison and potential energy savings:

T12: 192W/HR/Fixture x 2080HRS/YR / 1000W/KWH x \$.133737/KWH = \$53.40/Year

T8: 112W/HRx2080HRS/YR / 1000W/KWH x \$.133737/KWH = \$31.16/Year/Fixture

Cost for 30 bulb pack of 4 foot T8 bulbs is \$35.70 or \$1.19/Bulb and a energy saving electronic ballast for bulb fixture is \$13.99. Total initial cost per 3bulb fixture 3x\$1.19 + \$13.99 = \$17.56

Estimated Potential Annual Savings/4Bulb Fixture: \$22.14 Savings would also be realized when replacing single and two bulb T12 fluorescent light fixtures with appropriate equivalent T8 fluorescent bulbs.

Estimated Potential 1st Year Savings/3bulb light fixture: \$4.58

RECOMMENDATION/S: Upgrade all T12 Fluorescent bulbs and magnetic ballasts with equivalent T8 Fluorescent bulbs and electronic ballasts. At a minimum upgrade as required.

Advantages

Amortizes in less than 1 year

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Provides more light for City employees

Longer life from some T8 fluorescent bulbs

Reduced Maintenance Cost

Disadvantages

Upfront cost (approximately \$17.56/ 3 bulb fixture)

(2) Replace incandescent lighting with CFL lights

Discussion: Using lights 8 hours/day, 5 workdays/week, and 52 weeks/year equates to 2080 hours/year (HR/YR). A 75W Incandescent light bulb consumes 75 watts/hour (W/HR) while a CFL 23 Watt light bulbs consumes 23 watts/hour. An 8 pack Incandescent Bulbs (life 750 hours/bulb) cost \$1.98 or \$.25/bulb and a CFL 23 Watt light bulb (life 8000 hours/bulb) cost \$5.98. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

Cost comparison and estimated potential energy savings:

ENCLOSURE 1 LIGHTING INITIATIVES (Cont)

75W Incandescent bulb: $75\text{W/HR} \times 2080\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$20.86/\text{Year/Bulb}$

23W CFL bulb: $23\text{W/HR} \times 2080\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$6.40/\text{Year/Bulb}$

Total First Year Cost Savings $\$14.46 - (\$5.98 - 3 \times \$.25) = \9.23

Estimated Potential Annual Savings/Bulb = \$14.46

Estimated Potential 1st Year Savings/Bulb = \$9.23 Additional savings incurred when replacing other wattage Incandescent bulbs with appropriate equivalent CFL bulbs.

RECOMMENDATION/S: Replace all incandescent light bulbs with CFL bulbs. At the minimum as bulbs fail and incandescent bulbs stocks are exhausted, purchase and replace with only CFL bulbs.

Advantages

Amortizes in first year

Reduces greenhouse emissions

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Provides more light for City employees

Reduced maintenance cost (1 to 11 bulb replacement)

Longer life (8000 hours vs. 750 hours)

Quick payback with minimal impact and cost

Disadvantages

More expensive per bulb (\$5.98 vs. \$.25)

Hazardous material (Mercury)

(3) Replace exit lighting with LED lights

Discussion: Exit lights are used 24 hours/day, 365 days/year equating to 8760 hours/year (HR/YR). A Incandescent Exit Sign consumes between 24 – 40 watts/hour and 8 pack Incandescent Bulbs (life 750 hours/bulb) cost \$1.98 or \$.25/bulb while an LED Exit Sign consumes less than 1 to 5 watts/hour and LED Exit Sign Retrofit Kit (life 50,000 hours/bulb) cost \$18 to \$20. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

Cost comparison and energy potential savings:

Incandescent Exit Sign consuming 24W: $24\text{W/HR} \times 8760\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$28.12/\text{Year/Exit Sign}$

Incandescent Exit Sign consuming 40W: $40\text{W/HR} \times 8760\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$46.86/\text{Year/Exit Sign}$

LED Exit Sign consuming 1W: $1\text{W/HR} \times 8760\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$1.17/\text{Year/Exit Sign}$

LED Exit Sign consuming 5W: $5\text{W/HR} \times 8760\text{HRS/YR} / 1000\text{W/KWH} \times \$.133737/\text{KWH} = \$5.86/\text{Year/Exit Sign}$

Exit Sign Retrofit cost \$18 to \$20.

ENCLOSURE 1
LIGHTING INITIATIVES (Cont)

*Total First Year Savings from \$45.69 – (\$18 -67x\$.25) = \$44.54/exit sign
to \$26.95 – (\$20 – 67x\$.25) = \$23.70/exit sign*

Estimated Potential Annual Savings/Exit Sign = \$26.95 to \$45.69.

Estimated Potential 1st Year Savings/Exit Sign = \$23.70 to \$44.54

***RECOMMENDATION/S: Replace all current Incandescent Exit Signs bulbs
with LED retrofit kits.***

Advantages

Reduce City's energy consumption

Demonstrates City commitment in reducing energy consumption, cost &
protecting the environment

Potential annual energy cost saving of \$26.95 to \$45.69/Exit Sign

Longer life (50,000 vs. 750 hours)

Reduced Maintenance Cost (1 to 67 bulb replacement)

Life Cycle minimum cost savings approximately \$345/Exit Sign

Increased safety through increased bulb life

Disadvantages

Initial Purchase Cost (Retrofit kits \$18 to \$20)

Installation Cost

(4) *Replace office lights with LED*

Discussion: LED lights are currently the premier energy efficient longest
life state-of-the art light available. When compared to fluorescent (T8)
and incandescent bulbs they use 35% and 85% less energy, and life
expectancy is 32,000 hours verses 8,000 and 750 hours, respectively.
Unlike, CFL bulbs LED lights can be dimmed and are excellent
directional lighting.

*Cost comparison and potential energy savings: Using lights 8 hours/day,
5 workdays/week, and 52 weeks/year equates to 2080 hours/year (HR/YR).
A 100W Incandescent light bulb consumes 75 watts/hour (W/HR) a
comparable CFL 23 Watt light bulbs consumes 23 watts/hour and LED
12watts/hour . The City electrical charge as of 30 April was
\$.133737/Kilowatt Hours (KWH).*

*75W Incandescent bulb: 75W/HR x 2080HRS/YR / 1000W/KWH x \$
.133737/KWH = \$20.86/Year/Bulb*

*23W CFL bulb: 23W/HR x 2080HRS/YR / 1000W/KWH x \$.133737/KWH
= \$6.40/Year/Bulb*

*12W LED light: 12W/HR x 2080HRS/YR / 1000W/KWH x \$.133737/KWH
= \$ 3.38/Year/light When combined with the long life expectancy the life
cycle cost for first 8 years would be:*

LED - \$59

CFL - \$200

ENCLOSURE 1
LIGHTING INITIATIVES (Cont)

Incandescent - \$900

Estimated Potential Annual Savings/Bulb = \$17.48 over Incandescent or \$3.02 over CFL.

RECOMMENDATION/S: City should contract with a lighting company to determine, purchase and install the most efficient and effective lighting combination in each building and worksite

Advantages

Lowest energy consumption & largest annual energy cost savings

Longest life and lowest maintenance cost

Reduce City's energy consumption

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Disadvantages

Not currently adaptable to current fixtures

Highest initial cost

(5) *Replace current street light, parking and security lights with LED bulbs*

Discussion: LED lights are currently the premier energy efficient longest life state-of-the art light available. When compared to current street lights they consume about half the wattage with a life expectancy of 50,000 to 100,000 hours (13-20 years) verses 4000 -10,000 hours (2-3 years). Cost comparison and potential energy savings: Estimated annual street light usage is 4000 hours/year. A 120W LED street light is equivalent to the 250W High Pressure Sodium. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

250W High Pressure Sodium Street Light: 250W/HR x 4000 HRS/YR / 1000KWH x \$.133737/KWH = \$133.74/YearLight

120W LED Street Light: 120W/HR x 4000HRS/YR / 1000 KWH x \$.133737 = \$64.19/Year/Light

At a cost of \$1400 (most expensive) for an LED street light and given HPS bulbs require replacement every 3rd year (\$280 parts and labor), the LED street light would amortize in 6 years. Lower cost screw- in replacement bulbs are also available further reducing amortization. (St. Lights \$0.1188/kWh) (Parts \$11.00, labor \$100.00)

Estimated Potential Annual Savings/Light = \$69.55

RECOMMENDATION/S: Purchase and install several LED street lights and bulbs as a test.

Advantages

Reduces energy consumption 520 KWH and cost \$69.55/light

Demonstrates City commitment in reducing energy consumption, cost & protecting the environment

Long life (50,000 to 100,000 vs. 4000 to 10,000 hours)

ENCLOSURE 1

LIGHTING INITIATIVES (Cont)

Low maintenance cost (1 to 10 bulb replacement)
Requires no ballast (Instant on)
Improved visibility and security (coupled with motion sensors-instant turn-on)
Bright white light
No hazard material (mercury or lead)

Disadvantages

Limited adaptability to current fixtures
High initial cost
May not be DOT approved as a replacement bulb
Doesn't extend life of the photo control (4-5 years)

(6) Install occupancy activated light sensors in City Hall Bathrooms

***Discussion:** City Hall bathroom lights generally are on 24hours/day 365 days/year. There are 3 fixtures in each bathroom (2 with 2 75W and 1 with 4 75W Incandescent Bulbs) with 4 bathrooms in the building. Motion detector sensors installed in bathrooms could significant reduce energy consumption and cost. Current 24 hour operation costs and savings by utilizing IR activated motion sensor detectors are as follows: A 2 75W bulb fixture consumes 150watts/hour while a 4 75W bulb fixture consumes 300 watts/hour. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).*

Current estimated cost 24 Hour Operation: $((150W/HR/Fixture \times 8,760HRS/YR / 1000W/KWH \times \$.133737/KWH \times 2 \text{ Fixtures/Bathroom}) + (300W/HR \times 8,760HRS/Year / 1000W/KWH \times \$.133737/KWH \times 1 \text{ Fixtures/Bathroom})) \times 4 \text{ Bathrooms} = (\$351.46\text{Year/Bathroom} + \$351.46\text{Year/Bathroom}) = \702.92

Cost for RAB motion detector sensors vary from \$30 to \$100 which can handle up to 2400W at 120V or 4800W at 277V

Estimated Potential Annual Savings = \$702.92/Bathroom

(7) Replace outside lights with motion activated LED lights

***Discussion:** Current outside lights burn continuous during the hours of darkness consuming energy approximately 4,000 hours/year and providing light over a wider area. By replacing outside lighting, especially security lighting, with motion LED results in energy savings. LED lighting is currently the most energy efficient (35% better than fluorescent and 85% better than incandescent lights). LED lights also have an 8 to 10 year life, significantly reducing maintenance costs. LED lights are directional and therefore not wasting lighting by illuminating unneeded areas and minimizing light pollution. Adding motion detector capability enhances the surprise element increasing deterrence, virtually eliminates light pollution and energy costs and further extends bulb life. A 5W LED flood light (50,000 hour life) is equivalent to a 45W Halogen (6,000 hour life). If*

**ENCLOSURE 1
LIGHTING INITIATIVES (Cont)**

continuously on during hours of darkness the energy savings would be:

$(45\text{W/hour} \times 4,000\text{hours/year} / 1000\text{W/KWH} \times \$1.33737) - (5\text{W/hour} \times 4,000\text{hours/year} / 1000\text{W/KWH} \times \$1.33737/\text{KWH}) = \$21.33/\text{floodlight}$

At a cost of \$29.95 for a 5W LED floodlight and \$9.19 for a 45W halogen floodlight the LED would amortize in one year and with a 50,000 vs. 6,000 hour life additionally save: $50,000\text{hours}/6,000\text{hours} \times \$9.19/\text{halogen floodlight} - \$29.95/\text{LED floodlight} = \54.96

Total savings over LED life = $\$54.96 + 8(\$21.33) = \$225.60$

Estimated Potential Annual Savings/floodlight = \$21.33

Total Estimated Potential Savings = \$225.60

(8) *Turning off hallway lights in City Hall during daylight hours and utilizing IR activated motion detector sensors at night*

Discussion: City Hall hallway lights are currently on 24 hours/day 365 days/year. There are 28 4 bulb 40WT12 fixtures in the hallways plus 2 2 bulb 60W incandescent fixtures in the stairwell. Current 24 hour operation costs and savings by turning off these lights during the day and utilizing IR activated motion sensor detectors during hours of darkness are as follows: A 4 light 40WT12 light dual ballast fixture consumes 192 watts/hour (W/HR) and a 2 60W bulb incandescent fixture consumes 120 watts/hour. The City electrical charge as of 30 April was \$.133737/Kilowatt Hours (KWH).

Current estimated cost 24 Hour Operation: $(192\text{W/HR/Fixture} \times 8,760\text{HRS/YR} / 1000\text{W/KWH} \times \$1.33737/\text{KWH} \times 28 \text{ Fixtures}) + (150\text{W/HR} \times 8,760\text{HRS/Year} / 1000\text{W/KWH} \times \$1.33737/\text{KWH} \times 2 \text{ Fixtures}) = \$6298.18/\text{Year} + \$351.46 = \$6,649.64$

Estimated cost with lights off during daylight & using IR activated motion sensors at night: $(192\text{W/HR/Fixture} \times 730\text{HRS/YR} / 1000\text{W/KWH} \times \$1.33737/\text{KWH} \times 28 \text{ Fixtures}) + (150\text{W/HR} \times 730\text{HRS/Year} / 1000\text{W/KWH} \times \$1.33737/\text{KWH} \times 2 \text{ Fixtures}) = \$524.85/\text{Year} + \$29.29 = \583.43

Cost for RAB motion detector sensors vary from \$30 to \$100 which can handle up to 2400W at 120V or 4800W at 277V

Estimated Potential Energy Savings/Year = \$6,066.21

**ENCLOSURE 2
VEHICLE STUDY**

Unit #	Year	Vehicle	Total Miles	Miles/Year	Condition	Current Office	Disposition
301	1992	Chevy Blazer	112,000	7,467	Poor	General Services	Dispose no replacement
255	2001	Ford Explorer	95,000	15,833	Poor	Police	Dispose purchase Escape
155	1987	Ford Flatbed	93,321	4,666	Poor	DPW	Replace w/appropriate vehicle
257	2001	Ford Explorer	72,000	12,000	Poor	Police	Dispose purchase Escape
514	1982	Chevy Van	61,000	4,067	Poor	Electric	Replace w/appropriate vehicle
120	1988	GMC Flatbed	42,706	2,512	Poor	DPW	Dispose replacement 453
256	1997	Ford Expedition	89,000	8,900	Fair	Police	
254	1999	Ford CV	82,000	10,250	Fair	Police	
222	1984	Ford Van	80,722	6,209	Fair	P & R	Dispose no replacement
216	1998	Ford PU	75,200	8,356	Fair	P & R	Dispose Replacement 465
202	1999	Dodge PU	72,900	9,113	Fair	P & R	Dispose no replacement
214	1998	Ford PU	69,000	7,667	Fair	P & R	
131	1992	Chevy Flatbed	62,000	4,133	Fair	DPW	
221	1995	Ford PU	59,941	4,995	Fair	DPW	
122	1991	GMC Van	56,229	3,514	Fair	DPW	
213	1991	Ford Van	47,500	2,969	Fair	P & R	
211	2000	Ford Van	42,990	6,141	Fair	P & R	
502	2003	Dodge PU	30,000	7,500	Fair	Electric	Motor pool purchase Ranger
354	1981	Chev Van	21,870	841	Fair	Fire	
		Ford					

118	1988	Flatbed	79,688	4,194	Good	DPW	
462	1995	Chevy PU	77,000	6,417	Good	Harbor	
119	1993	GMC PU	73,074	5,220	Good	DPW	
304	1992	Chevy Blazer	70,000	4,667	Good	Floater	Dispose purchase electric for P&R
457	1999	Ford PU	58,000	7,250	Good	Harbor	
303	2000	Ford CV	56,000	8,000	Good	General Services	Dispose Purchase Escape
456	1999	Ford Flatbed	56,000	7,000	Good	Harbor	
260	2002	Dodge Durango	39,000	7,800	Good	Police	
218	2002	Chevy Van	37,204	7,441	Good	P & R	
305	2001	Ford Escape	39,000	6,500	Good	Bldg. Insp.	Dispose no replacement share Jeep
201	1999	Ford Taurus	39,000	4,875	Good	P & R	Dispose purchase electric for P&R
121	2004	Dodge PU	30,371	10,124	Good	DPW	Motor Pool purchase Ranger
156	2004	Dodge PU	29,407	9,802	Good	DPW	
453	2004	Dodge PU	28,000	9,333	Good	Harbor	Replace 120 No replacement
258	2004	Ford CV	27,000	9,000	Good	Police	
220	2002	Dodge PU	25,520	5,104	Good	P & R	
465	2003	Dodge PU	25,000	6,250	Good	Harbor	Replace 216 Purchase Ranger
158	2006	Ford PU	11,495	11,495	Good	DPW	
353	2006	Dodge PU	8,047	8,047	New	Fire	
252	2007	Ford CV	5,700	5,700	New	Police	
513	2006	Chevy PU	5,000	5,000	New	Electric	
367	2005	Jeep Wrangler	3,100	1,550	New	Fire	Fire & Bldg Insp share
251	2007	Ford CV	1,200	1,200	New	Police	
					New	Motor Pool	Purchase Escape

The cost and cost savings with this approach (Unleaded Fuel price \$5.00/gal & vehicle prices are MFR base prices):

Estimated Potential Annual Fuel Savings (Efficiency):

Electrics vs. PU: $(6,360\text{miles}/12\text{mpg}) \times \$5.00 \times 2 = \$5,300$

Ranger vs. PU: $(6,360\text{miles}/12\text{mpg} - 6,360\text{miles}/19\text{mpg}) \times \$5.00 \times 3 = \$2,925$

Escape AWD vs. Explorer: $(8,261/15\text{mpg} - 8,261/29\text{mpg}) \times \$5.00 \times 4 = \$5,320$

Total Estimated Potential Annual Fuel Savings (Efficiency): \$13,545

Estimated Potential Purchase Cost Savings:

Electric Truck vs. Full size PU: $(\$10,995 - \$27,000) \times 2 = (-\$32,010)$

4WD Ranger vs. Full size PU: $(\$19,905 - \$27,000) \times 3 = (-\$21,285)$

AWD Hybrid Escape vs. Full size PU: $(\$30,055 - \$27,000) \times 4 = +\$12,220$

Total Estimated Potential Purchase Cost Savings: \$41,075

Estimated Potential Cost Savings through Fleet Reduction:

Blazer (1 x \$26,495) + Vans (2 x \$25,160) + Full size PU (2 x \$27,000) = \$130,815

Total Estimated Potential Cost Savings through Fleet Reduction: \$130,815

Estimated Potential Cost Savings Vehicle Transfer:

Full size PU: $(2 \times \$27,000) = \$54,000$

Estimated Potential Cost Savings Vehicle Transfer: \$54,000

Estimated Purchase Cost:

Electric truck (2 x \$10,995) + Ranger (3 x \$19,905) + Escape (4 x \$30,055) + (1 Van & 1 Full Size PU or 2 Full Size PU $(2 \times \$27,000) = \$255,925$

Total Estimated Purchase Cost: \$255,925

1st Year Potential Estimated Cost Saving:

\$13,545 + \$41,075 + \$130,815 + \$54,000 - \$255,925 = -\$16,490

Total 1st Year Potential Estimated Cost: \$16,490

ENCLOSURE 3
ENERGY STAR REBATE

2009 Residential
ENERGY STAR[®] Appliance \$50 Rebate Coupon


*Please
Print*

Qualifying \$50 Appliance Rebates: visit www.energystar.gov for info on ENERGY STAR[®] certification.


ENERGY STAR[®]

Washing Machines, Refrigerators & Dishwashers

All appliance rebates submitted in 2009 must use this form. This 2009 rebate offer expires 12/15/09.

*****Appliances must be installed ***Itemized receipts showing payment in full must be attached ***  card must be attached*** Incomplete &/or ineligible rebate forms will be returned.**

Please check all that apply:

1. ☐ I am currently a City of Seward Electric customer.
2. ☐ * An electric water heater is in use at the service address listed below.*
3. ☐ * I do not use a gas dryer at the service address listed below.*
4. ☐ The below appliances are now installed at the Seward Electric service address listed below.
5. ☐ I've attached copies of itemized receipts and the  card for each appliance.
6. ☐ The below appliances were purchased "new." *Required for washing machine rebates.

Please circle one appliance per line: WM = Washing Machine DW = Dishwasher RF = Refrigerator (Please Print)

WM RF DW	_____	_____	_____	_____	_____
	Brand Name	Model #	Serial # or UPC #	Date Delivered	Date Installed
WM RF DW	_____	_____	_____	_____	_____
	Brand Name	Model #	Serial # or UPC #	Date Delivered	Date Installed
WM RF DW	_____	_____	_____	_____	_____
	Brand Name	Model #	Serial # or UPC #	Date Delivered	Date Installed

I certify that the above appliance(s) qualify for this rebate and that they were purchased new and are now installed for use at the below service address. I will allow a representative of the City of Seward Electrical Department to verify the installation of the ENERGY STAR[®] appliance(s) at the service address listed. (Please Print)

Name on Utility Account Service Address Where Installed City Zip Code

Name of Rebate Claimant Signature of Recipient Phone # City Electric Account #

☐ Check if
Same

Rebate Recipient's Mailing Address City State Zip Code

Please return this form with required attachments to the City of Seward Electric Department Administrative Office or to City of Seward Electric Department, POB 167, Seward, AK 99664-0167

ELECTRIC DEPARTMENT USE ONLY

I hereby certify under penalty of perjury that to the best of my knowledge, the materials have been furnished, the services rendered or the labor performed as described herein, and that the claim is a just, due and unpaid obligation against PUD #1 of Clallam County, and I am authorized to authenticate & certify said claim.

Approved: _____
Date: _____

Voucher No.
Warrant No.
Fund:

Expense Distribution:

Washer Rebate \$ _____

Dishwasher Rebate \$ _____

Refrigerator Rebate \$ _____

Total: \$ _____

2009 Residential Conservation Incentives and Rebates for Households within the City of Seward Electric Department Service Area

*****2009 Rebates/incentives become effective 1/1/09 cannot exceed actual costs and may be modified or discontinued at any time*****

*****Rebates, rebate forms and purchases from previous years are invalid*****

*****Allow 3 – 6 weeks for processing*****

Site-built Residential Heating Measures

\$2,500 Ground Source Heat Pump: Existing Homes (*Must meet City of Seward Electrical Department standards*)

\$2,000 Ground Source Heat Pump: New Construction (*Must meet City of Seward Electrical Department standards*). *Home building permit must be dated 1/29/09 or later.*

\$1,500 Air Source Heat Pump: Existing Homes (*Must meet City of Seward Electrical Department standards*)

\$1,000 Air Source Heat Pump: (*Must meet City of Seward Electrical Department standards*). *Home building permit must be dated 1/29/09 or later.*

\$50 ENERGY STAR[®]/Energy-efficient Appliance Rebates for 2009: (*Expire 12/15/09*)

\$50 ENERGY STAR[®] Qualified Clothes Washer: *requires electric water heater & electric clothes dryer*

\$50 ENERGY STAR[®] Qualified Dishwasher: *requires electric water heater*

\$50 ENERGY STAR[®] Qualified Refrigerator

High Efficiency Water Heating: Minimum water heater size: 2.5KW. Water heater must have R-16 manufacturer insulation or equivalent. Applies to both new or replacement units. Plastic or stone lined with a lifetime warranty. Water heaters qualify for multiple rebates.

Qualify for up to three of the following rebates:

\$25 Lifetime or GCHP Desuperheater:

\$25 Electric to electric replacement:

You may also qualify for the following

\$200 Energy-efficient 50⁺ Gallon Water Heater: energy factor = 0.93⁺ for 50-79 Gallons & 0.91⁺ for 80⁺ Gallons

\$500 Units 30 gallons or larger with a LIFETIME Warranty

\$220 Shower drain wastewater heat recovery system.

ENERGY STAR[®] Lighting Fixtures: *2009 free lighting & rebates expire 12/15/09.*

ENERGY STAR[®] Compact Fluorescent Light

Come to City Hall Payment Desk to receive your 6 free Compact Fluorescent Light Bulbs (Limit 6 per all active Seward Electric Department customers, except harbor)

\$2.50/lamp/fixture ENERGY STAR[®] Qualified linear fluorescent fixtures (*note: T-12's are ineligible*)

Solar Incentives

\$500 Solar Electric Systems (per kW) – Maximum \$2000

\$500 Solar Water Heater (40 sq ft collector)

Electric Thermal Storage (Size limits to be determined)

\$350 New Electric Resistive Heat Units

\$350 New Electric Thermal Storage units

Incentive must be redeemed within 120 days of purchase

All applicable BPA specifications must be met. Only one rebate per item; tax not included.

Questions? Call City of Seward Electric Department at 907-224-4071.

ENCLOSURE 4
EXEMPTED PROPERTY TAX POTENTIAL REVENUE

Parcel #	Address	Owner	Acreage	Tax Value	Potential Revenue
14906015	301 3 rd	United Pentecostal	.07	\$206,600.00	\$644.59
14906014	208 Adams	United Pentecostal	.07	\$28,500.00	\$88.92
14813029	520 4 th	Resurrection Christian	.28	\$343,600.00	\$1,072.03
14810024	400 3 rd	Resurrection Lutheran	.55	\$956,600.00	\$2,984.59
14903010	335 1 st	Methodist	.27	\$256,200.00	\$799.34
14802001	431 1 st	Methodist	.56	\$2,006,000.00	\$6,258.72
14802002	501 1 st	Methodist	.40	\$128,100.00	\$399.67
14724010	801 4 th	Nazarene Church	.11	\$119,000.00	\$371.28
14724005	811 4 th	Nazerene Church	.46	\$136,700.00	\$426.50
14724009	803 4 th	Nazarene Church	.11	\$32,700.00	\$102.02
14810015	433 4 th	Church of Christ	.07	\$19,200.00	\$59.90
14902021	239 2 nd	St. Peters	.21	\$188,900.00	\$589.37
14804014	437 2 nd	Assembly of God	.21	\$398,500.00	\$1,243.32
14812033	409 5 th	Sacred Heart	.48	\$452,700.00	\$1,412.42
14717014	1001 3rd	Seafare Ministry	.17	\$182,000.00	\$567.84
14403060	2708 Diamond	U of Alaska	160.00	\$206,800.00	\$645.22
14919005	125 3 rd	U of Alaska	6.86	\$1,645,100.00	\$5,132.71
14812028	432 4 th	AVTEC	.14	\$300,500.00	\$937.56
14812029	436 4 th	AVTEC	.14	\$233,200.00	\$727.58
14910001	405 Washington	Sealife	.20	\$83,600.00	\$260.83
14920018	501 Railway	Sealife	.34	\$271,000.00	\$845.52
14902030	223 3rd	Qutekcak Tribe	.14	\$380,500.00	\$1,187.16
14502610	700 Aspen	AL Post #5	2.42	\$361,600.00	\$1,128.19
14815001	400 5 th	AL Post #5	.34	\$495,300.00	\$1,545.34
14502612	306 Coolidge	Seward Lodge	1.00	\$304,900.00	\$951.29
		Pioneers of			

14520615	302 Coolidge	Alaska	.38	\$115,900.00	\$361.61
14520618	302 Coolidge	Pioneers of Alaska	.92	\$209,800.00	\$654.58
14909018	321 4 th	Seward Memorial	.28	\$326,800.00	\$1,019.62
14807008	401 3 rd	Commerce Chamber	.14	\$48,400.00	\$151.01
14506210	2508 Dimond	Hope Community	.90	\$281,800.00	\$879.22
14510424	1707 Resurrection	Hope Community	.20	\$253,300.00	\$790.30
14907008	134 3 rd	Seaview Community	.24	\$104,500.00	\$326.04
14907009	302 Railway	Seaview Community	.31	\$1,431,900.00	\$4,467.53
14801008	202 Lowell Canyon	AK Housing Finance	1.01	\$2,326,800.00	\$7,259.62
14902022	230 Brownell	Pacific Rim	1.16	\$1,199,900.00	\$3,743.69
14902025	230 Brownell	Pacific Rim	.14	\$205,400.00	\$640.85
14902026	230 Brownell	Pacific Rim	.14	\$42,700.00	\$133.22
14502221	2808 Seward	CAP	39.00	\$10,300.00	\$32.14
14815011	507 Madison	USPO	1.36	\$993,600.00	\$3,100.03
14908029	210 3 rd	USNP	.14	\$84,300.00	\$263.02
14908028	212 3 rd	USNP	.07	\$28,500.00	\$88.92
14908005	214 3 rd	USNP	.07	\$28,500.00	\$88.92
14908006	216 3 rd	USNP	.14	\$74,100.00	\$231.19
14910002	411 Washington	USNP	.06	\$283,600.00	\$884.83
14911033	412 Washington	USNP	.28	\$571,500.00	\$1,783.08
14913020	220 5 th	USNP	.34	\$453,300.00	\$1,414.30
14913005	212 5 th	USNP	.21	\$131,700.00	\$410.90
14912009	334 4 th	USBLM	.21	\$285,500.00	\$890.76
14732004	510 A	USBLM	.32	\$266,300.00	\$830.86
14723015	700 4 th	USBLM	.23	\$156,700.00	\$488.90
14723018	701 5 th	USBLM	.23	\$161,500.00	\$503.88
14723019	406 A	USBLM	.02	\$100.00	\$.31
14502139	2000 Swetmann	KPB	51.81	\$31,347,700.00	\$97,804.82
14502621	606 Sea Lion	KPB	17.64	\$13,872,000.00	\$43,280.64
14502622	503 Hemlock	KPB	.43	\$146,800.00	\$458.81
14424004	3200 Diamond	KPB	120.00	\$3,677,600.00	\$11,474.11
14424005	3300 Diamond	KPB	40.00	\$111,500.00	\$347.88
14502301	1907 Swetman	KPB	.17	\$151,800.00	\$473.62
14812035		AK			
14502401	2310 Airport	AKAVN	200.00	\$7,318,100.00	\$22,832.47
14502412	2208 Airport	AKAVN	.53	\$69,000.00	\$215.28

14502217		AKF&G	70.00	\$47,900.00	\$149.45
14814022	601 6 th	AKHSS	.07	\$27,900.00	\$87.05
14814025	603 6 th	AKHSS	.07	\$306,400.00	\$955.97
14721018	1400 Chamberlain	AKHSS	1.10	\$299,700.00	\$935.06
14810006	303 Madison	AKDOT	.14	\$308,700.00	\$963.14
14813007	528 th 4 th	AKDOT	.21	\$57,600.00	\$179.71
14813008	534 4 th	AKDOT	.07	\$19,200.00	\$59.90
14813009	536 4 th	AKDOT	.14	\$38,400.00	\$119.81
14732006	412 B	AKDOT	2.02	\$316,900.00	\$988.73
14510311	303 Resurrection	AKDOT	1.53	\$295,800.00	\$922.90
14502413	2202 Airport	AKDOT	.43	\$70,500.00	\$219.96
14502415	2108 Airport	AKDOT	.34	\$33,900.00	\$105.77
14502416	2106 Airport	AKDOT	.34	\$33,900.00	\$105.77
14502411	Airport	AKDOT	1.10	\$182,000.00	\$567.84
14502405	Airport	AKDOT	.33	\$33,600.00	\$104.83
14502414	Airport	AKDOT	.43	\$42,100.00	\$131.35
14502417	Airport	AKDOT	.34	\$65,500.00	\$204.36
14502418	Airport	AKDOT	.34	\$20,900.00	\$65.20
14733011	1320 4 th	AKRR	.07	\$198,400.00	\$619.01
14733017	1400 4 th	AKRR	.14	\$184,500.00	\$575.64
14733018	1408 4 th	AKRR	.37	\$918,100.00	\$2,864.47
14733020	1406 4 th	AKRR	.11	\$32,000.00	\$99.84
14733022	1412 4 th	AKRR	1.22	\$6,702,900.00	\$20,913.05
14733023	1410 4 th	AKRR	.31	\$26,200.00	\$81.74
14733025	411 Port	AKRR	.51	\$249,400.00	\$778.13
14525020	1608 Seward	AKRR	.17	\$59,600.00	\$185.95
14502508	2006 Leirer	AKRR	21.28	\$1,929,100.00	\$6,018.79
14502504	910 Port	AKRR	7.26	\$576,400.00	\$1,798.37
14502517	2010 Leirer	AKRR	350.60	\$30,026,400.00	\$93,682.37
14502521	1100 Port	AKRR	1.64	\$145,200.00	\$453.02
14502513	1108 Port	AKRR	.57	\$31,500.00	\$98.28
14502223	1600 City Limit REM	AKRR	9.90	\$5,000.00	\$15.60
14502515	2311 Airport	AKRR	2.52	\$208,000.00	\$648.96
14502507	907 Port	AKRR	2.69	\$222,600.00	\$694.51
14502516	2201 Airport	AKRR	7.55	\$595,300.00	\$1,857.34
14424003	2806 Diamond	AKDNR	160.00	\$264,000.00	\$823.68
14811003	519 3rd	AKDNR	3.03	\$7,539,000.00	\$23,521.68
14714008	811 2 nd	AKDNR	1.52	\$5,340,600.00	\$16,662.67
14424002	3400 City Limit REM	AKDNR	320.00	\$352,000.00	\$1,098.24
14403061	1100 City Limit REM	AKDNR	40.00	\$8,800.00	\$27.46

14502220		AKDNR	20.00	\$7,100.00	\$22.15
18902003	908 Lowell PT	AKDNR	1,426.35	\$856,000.00	\$2,670.72
14517003	1827 Nash	AKDNR	.33	\$2,900.00	\$9.05
14531001	2600 W. City Limit REM	AKDNR	424.00	\$468,100.00	\$1,460.47
14532002	1200 E. City Limit REM	AKDNR	1,280.00	\$447,700.00	\$1,396.82
14723017	707 5th	AKDNR	.51	\$154,200.00	\$481.10
14517001	2300 City Limit REM	AKDNR	21.33	\$9,900.00	\$30.88
14502130	1916 Leirer	AKDNR	1.61	\$1,640,300.00	\$5,117.74
14502225	1710 Riverside	AKDNR	20.00	\$7,100.00	\$22.15
		TOTALS	4,860.02	\$137,918,200.00	\$430,304.78

NOTE: Since the above properties are considered tax exempt reassessments are performed less often, thus may be undervalued.

ENCLOSURE 5
CITY PROPERTY POTENTIAL REVENUE

Legal Description	Parcel #	Address	Acreage	Tax Value & Potential Sell Price	Potential Tax Revenue	Potential Lease Revenue	Property Usage
Lot15B, Jesse Lee	14502320	1824 Phoenix	1.66	\$102,300	\$319.18	\$10,230	Jesse Lee Home
Lot15A, Jesse Lee	14502321	105 Benson	1.00	\$77,300	\$241.18	\$7,730	Jesse Lee Home
Lot 1A, Fort Raymond	14502619	300 Coolidge	4.20	\$432,700	\$1,350.02	\$43,270	City Cemetery
Lot 6A-1, Fort Raymond	14502620	605 Sea Lion	10.7	\$209,800	\$654.58	\$20,980	Fort Raymond Sub-Station, Parks & Rec Ball field
Lot 5, Fort Raymond	14502609	702 Aspen	.69	\$210,400	\$656.45	\$21,040	Parks & Rec Warehouse
Lot 7A, Fort Raymond	14502607	2101 Dimond	11.04	\$807,900	\$2,520.65	\$80,790	Air Force Rec Camp
Lot 10A, Fort Raymond	14502608	905 Sea Lion	2.12	\$316,800	\$988.42	\$31,680	Park & Rec Camp grounds
Lot 13, Fort Raymond	14502601	1000 Hemlock	2.64	\$398,400	\$1,243.00	\$39,840	Triangle North of Hemlock, Vacant
Lot 12A, Fort Raymond	14502602	911 Hemlock	11.57	\$846,700	\$2,641.70	\$846,700	Triangle South of Hemlock, Vacant
Lot 11A, Fort Raymond	14502603	2310 Dimond	.77	\$1,454,50	\$4,538.04	\$145,450	Park, Tennis Courts, Across from Rec-Camp
Fourth of July Bench	14532003	700 Nash	1,828.50	\$1,067,50	\$3,330.60	\$106,750	Nash Road Bench & Area behind SMIC
Fourth of July, Tract B	14532004	100 Delphin	15.46	\$1,131,40	\$3,529.97	\$113,140.00	Road to Gravel Pit & 4 th of July Levee
Fourth of July, Tract C	14532005	102 Delphin	56.70	\$741,000	\$2,311.92	\$74,100.00	Gravel Pit
Fourth of July, Tract D-1	14532006	600 Nash	30.02	\$300,100	\$936.31	\$30,010.00	Sewer Pond Sludge Processing/Storage
Fourth of July, Tract	14532007	400 Delphin	65.91	\$1,665,200	\$5,195.42	\$166,520.00	Vacant, access to SCCC, Water-

E							tower, Sewer Pond, Gravel Pit
USS 3294, Lot 1	14533009	1201 Nash	1.33	\$52,100.00	\$162.55	\$5,210.00	Lower Portion of Creek Runoff Canyon Below Nash Road
ATS 1574, Tract B	14533021	3007 Bette Cato	7.23	\$23,600.00	\$73.63	\$2,360.00	Beach & Tidelands
ATS 1574, Tract A	14533022	1103 Nash	59.11	\$128,600	\$401.23	\$12,860.00	Below Nash Road Beach & Tideland
ATS 1574, Tract A	14533023	909 Nash	96.11	\$166,700	\$520.10	\$16,670.00	Below Nash Road Beach & Tideland
4 th of July, Roberts Replat, Tract H1	14533024	1217 Nash	9.40	\$320,400	\$999.65	\$32,400.00	Bench Below Nash Rd, Upper Portion of Creek Runoff Canyon
4 th of July, Roberts Replat, Tract H2	14533026	705 Nash	15.68	\$441,000	\$1,375.92	\$44,100.00	Bluff Below Nash Road
Lot 1, Blk 1 SMIC	14534017	400 Nash	2.03	\$110,500	\$344.76	\$11,050.00	Spring Creek Sub-Station
Remainder of Blk 1, SMIC	14534019	3504 Jellison	7.79	\$295,200	\$921.02	\$29,520.00	AVTEC Fire Training Center Pending lease
Blk 2, SMIC	14534020	3500 Mustang	2.00	\$155,100	\$483.91	\$15,510.00	Vacant
Lot 1, Blk 3 SMIC	14534021	3301 Jellison	.87	\$75,800	\$236.50	\$7,580.00	Vacant
Lot 2, Blk 3 SMIC	14534022	3305 Jellison	2.50	\$136,100	\$424.63	\$13,610.00	Vacant
Lot 3, Blk 3 SMIC	14534023	3405 Jellison	2.00	\$155,100.00	\$483.91	\$15,510.00	Vacant
Lot 4, Blk 3 SMIC	14534024	305 Olga	.31	\$2,000.00	\$6.24	\$200.00	Vacant Leased by Inlet Fish Producers
Lot 5, Blk 3 SMIC	14534025	301 Olga	.31	\$20,300.00	\$63.34	\$2,030.00	Vacant
Remainder of Blk 4	14534027	200 Nash	12.27	\$373,900.00	\$1,166.57	\$37,390.00	City Boat Yard SMIC
Blk 5, SMIC	14534028	205 Delphin	4.28	\$162,200.00	\$506.06	\$16,220.00	Vacant, Seward Racing Lions
Lot 1, Blk 6 SMIC	14534029	103 Delphin	.23	\$3,100.00	\$118.87	\$310.00	Vacant, Seward Racing Lions
Lot 2, Blk 6	14534042	3504 Sorrel	.08	\$42,100.00	\$131.35	\$4,210.00	Vacant, Seward

SMIC							Racing Lions
Lot 3, Blk 6 SMIC	14534043	3500 Sorrel	.60	\$39,200.00	\$122.30	\$3,920.00	Vacant, Seward Racing Lions
Remainder Blk 6	14534044	110 Olga	6.08	\$231,000.00	\$720.72	\$23,100.00	Vacant, Seward Racing Lions
Lot 4, Blk 7	14534047	3306 Morris	15.43	\$410,000.00	\$1,279.20	\$41,000.00	Boat Storage, Rails?, Check w/Harbor
Lot 3, Blk 8 SMIC	14534049	3311 Sorrel	1.77	\$137,200.00	\$428.06	\$13,720.00	Vacant Check w/Harbor
Lot 1A, Blk 9, SMIC	14534050	209 Nash	1.87	\$155,800.00	\$486.10	\$15,580.00	Vacant Check w/Harbor
Tract 3A, SMIC	14534052	?	10.23	\$737,600.00	\$2,301.31	\$73,760.00	This tract is Morris Ave, Mustang Ave, Olga St, & Sorrel Rd.
Tract A, Gateway Subd.	14535001	2120 Unimak Ave	63.83	\$197,900.00	\$617.45	\$19,790.00	Water tower, Upper Japp Creek, Water & View Shed, behind Gateway Subd.
Lot 6, Blk1 Gateway	14535242	1911 Dora Way	.27	\$26,000.00	\$81.12	\$2,600.00	Dora Way Park
Lots 1-7, Blk 24, Federal Addition	14701001	111 D	1.32	\$422,600.00	\$1,318.51	\$42,260.00	Two Lakes Park
Lots 1-7, Blk 23, Federal Addition	14701002	110 D	.65	\$208,100.00	\$649.27	\$20,810.00	Two Lakes Park
Lots 27-40, Blk 2, Laubner Addition	14702201	1000 Kelly	.96	\$307,300.00	\$958.78	\$30,730.00	Two Lakes Park
Lots 1-14, Blk 2, Laubner Addition	14702202	1011 1st	.96	\$307,300.00	\$958.78	\$30,730.00	Two Lakes Park
Lots 1-14, Blk 1, Laubner Addition	14702101	1001 Kelly	.86	\$275,000.00	\$858.00	\$27,500.00	Two Lakes Park
Lots 8-20, Blk 13,	14703101	1103 Kelly	.83	\$265,800.00	\$829.30	\$26,580.00	Two Lakes Park

Laubner Addition							
Lots 21-30, Blk 12, Laubner Addition	14703201	1106 Kelly	.69	\$220,990.00	\$689.49	\$22,099.00	Two Lakes Park
Lots 31-35, Blk 12, Laubner Addition	14703202	1128 Kelly	.34	\$108,900.00	\$339.77	\$10,890.00	Two Lakes Park
Lots 36-38, Blk 12, Laubner Addition	14703203	1107 Hulm	.19	\$60,800.00	\$189.70	\$6,080	Two Lakes Park
Lots 1-8, Blk 11, Bayview	14708001	1601 Harold	.82	\$78,300.00	\$244.30	\$7,830	Vacant, adjacent to Sheffler Creek
Lot 8, Blk 16, Federal Addition	14715010	908 1st	.11	\$9,000.00	\$28.08	\$900	Two Lakes Park
Lot 9&10, Blk 16, Federal Addition	14715011	906 1st	.22	\$70,500.00	\$219.96	\$7,050	Two Lakes Park
Lot 11, Blk 16, Federal Addition	14715012	902 1st	.11	\$35,200.00	\$109.82	\$3,520	Two Lakes Park
Lot 12, Blk 16, Federal Addition	14715013	900 1st	.11	\$35,200.00	\$109.82	\$3,520	Two Lakes Park
Tract B, Ennis, Bernardino, Carlson Replat,	14715027	910 1st	.30	\$3,100.00	\$9.67	\$310	Two Lakes Park
Lot 26, Blk 11, Laubner Addition	14718003	1001 3rd	.17	\$22,400.00	\$69.89	\$2,240	Two Lakes Park
Lot 16, Blk 11, Laubner Addition	14718007	1104 1st	.07	\$22,400	\$69.89	\$2,240	Two Lakes Park
Lot 14&15, Blk 11, Laubner Addition	14718008	1109 2nd	.07	\$44,800	\$139.78	\$4,480.00	Two Lakes Park
Lots	14718012	1111 2nd	.14	\$44,800	\$139.78	\$4,480.00	

27&28, Blk 11 Laubner Addition							Two Lakes Park
Lot 13, Blk 11, Laubner Addition	14718013	1006 1st	.07	\$22,400	\$69.89	\$2,240.00	Two Lakes Park
Tract A, Park Place	14718014	1115 2nd	1.06	\$339,400	\$1,058.93	\$33,940.00	Two Lakes Park
Lot 2-B, Park Place	14718027	1101 Hulm	.22	\$70,400	\$219.65	\$7,040.00	Two Lakes Park
Lots 24&25, Blk 11, Laubner Addition	14718028	1102 1st	.14	\$42,700	\$133.22	\$4,270.00	Two Lakes Park
Tract A, Ennis, Bernardino, Carlson Replat,	14718029	1100 1st	.28	\$2,900	\$9.05	\$290.00	Two Lakes Park
Lots 26-30, Blk 10, Laubner Addition	14719004	1112 2nd	.34	\$108,900	\$339.77	\$10,890.00	Seward Lagoon Park
Lots 31-38, Blk 10, Laubner Addition	14719005	1122 2nd	.51	\$163,300	\$509.50	\$16,330.00	Seward Lagoon Park
Lots 4-10, Blk 10, Laubner Addition	14719008	1121 3rd	.45	\$144,100	\$449.59	\$14,410.00	Seward Lagoon Park
Lot 1, Blk 14, Cliff Addition	14720014	1200 Chamberlain	.22	\$70,400	\$219.65	\$7,040.00	Seward Lagoon Park
Lot 32A, Blk 12, Cliff Addition	14721021	1408 Chamberlain	.20	\$64,100	\$199.99	\$6,410.00	Seward Lagoon Park
Lot 27-29, Blk 6 Laubner	14729001	1007 4th	.21	\$91,200	\$285.54	\$9,120.00	Boulder Stadium
Lot 9&10, Blk 6, Laubner	14729008	1007 5th	.14	\$60,800	\$189.70	\$6,080.00	Boulder Stadium
Lot 6-8, Blk 6, Laubner	14729009	1009 5th	.21	\$91,200	\$285.54	\$9,120.00	Boulder Stadium

Lot 1-5, Blk 6, Laubner	14729010	1011 5th	.34	\$147,700.00	\$460.82	\$14,770	Boulder Stadium
Lots 27-40, Blk 7, Laubner	14729011	1000 5th	.81	\$352,000.00	\$1,098.24	\$35,200	Water Front Park
Lots 9-14, Blk 7, Laubner	14729012	512 D	.16	\$69,500.00	\$216.84	\$6,950	Water Front Park
Blk 1, Oceanview	14733001	1212 Chamberlain	7.74	\$100.00	\$.32	\$10	Seward Lagoon Park
Lot 6, Marathon	14801003	204 Lowell Canyon	.15	\$41,200.00	\$128.54	\$4,120	Vacant, Parcel west of Glacier View Apts
Lot 29, Marathon	14803004	537 1st	.18	\$44,300.00	\$138.22	\$4,430	Jeep Trail to Mt Marathon
Portion of USS 703	14823006	321 Lowell Canyon	265.00	\$129,800.00	\$404.98	\$12,980	Portions of Mt Marathon, Bear Mt. & Lowell Canyon
Portion of USS 931	14823014	1801 Park Ave	45.70	\$30,500.00	\$95.16	\$3,050	400 foot wide Scheffler Creek Drainage
Lot 35-37, Blk 10, OTS	14908011	228 3rd	.20	\$64,100.00	\$199.99	\$6,410	Third Ave Tot Lot Playground
Lot 25, Blk 16, OTS	14912004	308 4th	.07	\$28,500.00	\$88.92	\$2,850	Fire Dept. Parking Lot
Lot 26, Blk 16, OTS	14912005	310 4th	.07	\$28,500.00	\$88.92	\$2,850	Fire Dept. Parking Lot
20 ft of Lot 10, Lot 11-15, Blk 16 OTS	14912012	317 5th	.38	\$154,700.00	\$482.66	\$15,470	North City Hall Parking Lot
Lot 23&24, Blk 16, OTS	14912019	306 4th	.14	\$57,000.00	\$177.84	\$5,700	West City Hall Parking Lot
Lots 1-7, Blk 6, OTS	14917001	711 Adams	.26	\$113,000	\$352.56	\$11,300	Water Front Park
Lots 30-40, Blk 6, OTS	14917002	224 Ballaine	.62	\$269,400	\$840.53	\$26,940	Water Front Park
Lot 2A, OTS	14920019	401 Railway	.29	\$126,000	\$393.12	\$12,600	Hoben Park
		TOTALS	2,706.19	\$19,676,190	\$61,389.71	\$1,967,619	

NOTE: Since the above properties are considered tax exempt reassessments are performed less often, thus may be undervalued.

ENCLOSURE 6

CITY OF SEWARD SUGGESTION POLICY

EMPLOYEE SUGGESTION PROGRAM

DISTRIBUTION : All Departments

SUBJECT : EMPLOYEE SUGGESTION PROGRAM

PURPOSE : The purpose of this policy is to provide the procedures and policies used in the Employee Suggestion Program. This program was created to increase the efficiency of City operations by providing employees an opportunity and an incentive to improve the economy, safety, and quality of municipal work. City Council authorized the program by adoption of Resolution ---- on ----.

PROCEDURES : EMPLOYEE SUGGESTION PROGRAM COMMITTEE

- I. The Employee Suggestion Program Committee shall consist of the following members:
 - A. Assistant City Manager or alternate. (Designated as Chair and Suggestion Program Coordinator);
 - B. Finance Director or alternate;
 - C. Personnel Administrator or alternate; and
 - D. Employee Advisory Committee Chairman or alternate.

Any three (3) members of the Committee shall constitute a quorum. Each member of the committee shall have one vote, and three-fourths affirmative vote of the Committee shall be necessary to pass any matter requiring Committee action. The Committee will adopt rules, as necessary, to conduct the Committees business, provided such rules are not in conflict with this policy. Upon recommendation of City staff, the Committee shall rule on the applicability or implementation of a suggestion and any associated awards. The decision of the Committee shall be final.

II. DEFINITIONS

- A. A "Suggestion" is a written original idea proposed by an employee of the City of Seward to the Employee Suggestion Program Committee that clearly suggests a specific method to do any job or procedure better, quicker, easier, safer, or at less cost; to handle additional work load with the same staff, to produce a more efficient operation with better control, to increase revenue, or to improve the quality of service.
- B. "Net Increase in Revenue" means the estimated first year net increase in revenue resulting from the adoption and implementation of a suggestion. "Net Savings" means the estimated first year net cost avoidance/reduction resulting from the adoption and implementation of a suggestion. The cost of capital expenditures shall be amortized over the useful life of the equipment or a period specified by the Finance Department. Direct labor costs of implementation will be considered first year costs. Indirect or administrative costs of implementation shall be amortized over a three-year period.
- C. "Tangible" means suggestions for which monetary value can be precisely determined.

D. “Intangible” means suggestions involving improvements in working conditions, changes in procedures, revisions of forms, improvement in employee morale, or employee health or safety, for which the monetary value cannot be precisely determined.

III. ELIGIBILITY

It is the responsibility of the Employee Suggestion Program Committee to make the final determination regarding suggestion and suggestor eligibility. Guidance and recommendations from the information contained in the departmental evaluation(s) will provide the basis for this decision.

A. Subject Eligibility

1. All suggestions will be accepted for review.
2. If a suggestion is not implemented, it is not eligible for an award.
3. Suggestions which are directly related to the following subjects are not eligible for awards.
 - a. Personal grievance;
 - b. Matters discussed during collective bargaining;
 - c. Classification and pay of positions;
 - d. Matters previously or currently under study or review by management;
 - e. A duplicate of another suggestion already under consideration;
 - f. Matters which are the result of assigned or contracted audits, studies, surveys, reviews, or research;
 - g. Matters requiring legislative or Court action other than by City ordinance;
 - h. Matters requiring the initiation of routine maintenance activities or adherence to prescribed safety practices. Minor safety problems such as loose carpeting, frayed electrical wiring, etc., should be reported through normal channels:
 - i. Stricter enforcement of already existing rules, regulations, and laws within the City;
 - j. New or newly modified or designed equipment (that part which is exclusively new), systems, procedures or forms shall not be open to suggestions for the first ninety (90) days of actual use, or the warranty period (if applicable) of the equipment, system, procedure or form, etc., in the City operation;
 - k. Suggestions recommending the use or purchase of a specific product brand; or
 - l. Idea awarded cash under a previous suggestion is not eligible for another cash award for a similar application of that idea.
4. To be eligible for a cash award, suggestions must be implemented within one (1) year after approval. Implementation will not include pilot programs or test periods. (Note: Pilot programs or test periods do not include evaluation of cost savings as outlined in Section IV.C.2.
5. The eligibility of unusual or borderline suggestions will be determined by the Committee.

B. Employee Eligibility

All City employees are eligible to submit suggestions. The eligibility for an award, however, depends on factors outlined in this section. Key elements to consider in determining employee eligibility for a cash award are:

1. Is the employee expected or required to make suggestions of the type under consideration?
2. Can the suggestion be implemented by the employee without consulting higher authority?

C. Special Awards

Regardless of other sections of the policy, the City Manager, upon the recommendation of the Committee, can make a special award for a properly submitted, implemented suggestion. Special awards will be considered only in the case of an unusual suggestion which results in superior savings or innovative safety or service improvements.

D. Suggestion Modification

If a department modifies an employee's suggestion and adopts the suggestion in a different form, the employee shall be eligible for an award, if the employee's suggestion was directly responsible for managements taking action. If the final adopted suggestion does not allow for the quantifiable identification of the employee's contribution, then the award will be based on the intangible category.

E. Employee Class

Any City employee whose submitted suggestion is approved by the Committee is eligible to receive a monetary award, with the following exceptions:

1. Members of the City Council, appointed advisory boards or commissions;
2. City Manager;
3. Members and staff of the Employee Suggestion Program Committee;
4. Department Heads or Division Supervisors, unless the provisions listed at Section (III) (B) of this policy are not specifically applicable to the suggestion submitted, (i.e.) a Department Head can make a suggestion not pertaining directly to his department which would result in a tangible savings in another area of the City, which, under Section (III) (B), he has no authority or responsibility to implement;
5. Any employee assigned to a position of conducting research and development, or assigned to a job requiring the solution of specific problems where the suggestion submitted is found by the Committee to be within the scope of such research, development, or problem;
6. Any employee assigned to a board or committee which has a primary function of recommending ideas or suggestions directly to the City Manager (i.e., Employee Advisory Committee, Safety Committees, Health Committee, etc.) if the suggestion is a subject within the scope of the committee of which the employee is a member; or
7. Any eligible employee submitting a suggestion which is placed into effect shall not lose his eligibility for a monetary award by reason of termination of employment or by becoming ineligible subsequent to submission of the suggestion, if the suggestion is implemented within one year of submittal.

F. Time Period Eligibility

A suggestor retains the right to any award during the period in which the idea is being evaluated, plus an additional period of 12 months from the date of notification that the suggestion was rejected. To extend the eligibility period beyond twelve months, the suggestor must complete and submit an additional completed suggestion form. The new suggestion must identify the former suggestion by number and request the extension of eligibility. Failure of the suggestor to resubmit the suggestion by the above procedure will result in an automatic lapse of award eligibility at the end of twelve months.

G. Suggestion Evaluation

The Coordinator, under the policy guidelines set by the Committee, will decide what evaluation process is needed to determine all matters of cost effectiveness or intangible benefits of a suggestion. The Coordinator is responsible for notifying employees of the disposition of suggestions. When requested by the Employee Suggestion Program Committee, departments will conduct a test of a suggestion. During the test period, the department will maintain appropriate cost and/or savings information to allow the Committee to evaluate the merits of the suggestion.

If duplicate suggestions are received by the Committee, the one bearing the earliest date of receipt shall be deemed the one considered eligible for award. Awards will be split equally among eligible co-signers

of a suggestion if more than one individual submits the suggestion. However, the award share of an ineligible co-signer shall not be split with eligible co-signers.

H. Patentable or Non-patentable Inventions

Suggestions which involve patentable or non-patentable inventions shall be eligible for awards.

Awards for inventions shall be determined on the same basis as awards for other types of suggestions. If a suggestion results in patent rights, the employee shall have the rights as long as the City is granted a right or license to use the invention without compensation.

I. Appeal Process

After an Employee Suggestion Program Committee decision rejects a suggestion, additional information may be submitted to appeal the Committee's decision. An employee who wishes to appeal this decision should submit evidence to support his claim. The Committee will review new information and will render a final decision concerning the appeal.

IV. AWARDS AND SAVINGS

If a suggestion is determined to have merit, the Committee will vote on the applicability of an award. Award presentations will be made quarterly.

A. There are four types of awards:

1. Cash Awards;
2. Certificates of Award (Signed by the Mayor and the City Manager);
3. Certificates of Commendation (Signed by the Mayor and the City Manager); or
4. Plaques (Innovator Award)

Certificates of Award will accompany all cash awards. Certificates of Commendation will be issued to employees whose suggestions contain genuine merit, but are not recommended for a cash award. The Innovator Award is a special award given to Management or Supervisory personnel not eligible for a cash award or to other employees to recognize specific achievements, when not eligible under the provisions of Sec. (III) (B). The intangible cash awards are made available from budgeted funds in the Finance Office.

The costs of tangible cash awards are offset by the net savings or revenue increase in the affected operating departments.

B. Determination of Savings

Generally accepted accounting principles will be the guiding influence in determining the savings resulting from the implementation of an employee suggestion. Although each suggestion requires a different approach to determine its financial impact, the following list may be useful in identifying relevant cost elements:

1. Personal Services
 - a. Direct labor cost (use mid-point of range if specific data is unknown);
 - b. Fringe benefits (if applicable);
 - c. Overtime or stand-by costs; and
 - d. Management and administrative costs.
2. Equipment or Capital Costs

These costs will be amortized over the life of the equipment and the first years depreciation is considered as implementation costs, i.e., \$10,000.00 equipment cost with a five year expected life will equal a \$2,000 implementation cost.

3. Energy or Fuel Costs

4. Materials and Supplies:

- a. Materials - the new material or purchased parts comprising a major component of the activity under investigation.
- b. Supplies and tools - items used in order to perform the service, i.e., forms, secretarial supplies, nuts or bolts, tools, etc.

5. Financial Elements:

- a. Interest savings or expense; and
- b. Inflation considerations

6. Miscellaneous Costs:

Some additional elements which might be considered are: Additional or reduced space requirements, Training efforts, Communications (telephone, mail, etc.), Safety and security, Contractual arrangements (rentals, leases, etc.), Transportation costs, maintenance and repairs, Inventory levels and down time for equipment.

C. Payment of Awards

1. Complete payment - If an award is \$200 or less, and the action required to effect the savings has been completed, or a period of one years experience with the implemented suggestion has been completed, the entire payment will be awarded to the suggestor.
2. Partial payment - A percentage of an award will be presented to the suggestor at the beginning of implementation when the award is estimated to exceed \$200 and a complete year of savings has not been verified.

If savings cannot be determined upon implementation, the Committee will determine the length of time necessary to evaluate it, up to a maximum of one year. Upon evaluation of the results, the applicable award will be determined by the Committee. If the first years estimated savings were incorrect, and the error resulted in overpayment to the employee, the employee shall not be required to return any portion of the funds. In all instances where cost/savings data are submitted for review by the evaluator, the Coordinator, on a sample basis will verify the authenticity and reliability of the information. After implementation of the suggestion, the Coordinator will periodically verify the validity of the implementation and its related costs and savings.

D. Taxes

Cash awards made to City employees for their suggestions are considered wages subject to FICA, FIT/EIC, City Retirement, and income tax withholding. It is the policy of the City to recognize these deductions and grant awards where the net amount will be meaningful to the recipient.

E. Amount of Award

1. Tangible suggestion award is 10 percent of the estimated first years net savings or net increase in revenue with a minimum of \$10.00 and a maximum net award of \$1,000.00.
2. Intangible suggestion awards are based on a scale of applicability:

Maximum Award:

- a. One to ten employees - \$25.00 net;
- b. More than ten to a full division - \$75.00 net;
- c. More than a division to a full department - \$100.00 net; or

d. More than one department up to the City - \$300.00 net in general.

F. Group Awards

The amount of an award for a suggestion made by a group of employees shall be determined on the same basis as if the suggestion had been submitted by one employee, and the amount awarded shall be prorated among those employees making the suggestion.

V. SUGGESTION PROCEDURE

Suggestions must be submitted on the currently approved Employee Suggestion Program form, which may be obtained from supervisory personnel or at any of the designated locations within each department.

This form should be submitted to the Employee Suggestion Program Coordinator. All suggestions will be acknowledged. Except in special cases and for the sake of clarifying eligibility, the identity of a suggestor is not revealed outside of the Committee or staff other than for award purposes. The Coordinator will forward the suggestion to the appropriate department head for evaluation. It will be the responsibility of the department to assign one or more technically qualified employees to evaluate each suggestion submitted. These evaluations should be completed within 21 days after receipt. If the evaluation of the idea requires additional review time, the department shall notify the Committee Chairman. All recommendations for adoption or rejection must be signed by the Department Head or Assistant Department Head prior to forwarding to the Committee for disposition. After receipt of the signed evaluation, the Coordinator will review the form for completeness and correctness. The Coordinator will verify at least on a sample basis, the detailed cost savings of suggestions recommended for adoption. A summary of the recommendation will then be completed by the Coordinator and presented to the Committee for evaluation. If the Committee feels that further study is required before a final decision can be made, such study will be conducted by the Coordinator who will report to the Committee. The decision of the Committee will be communicated directly to the suggestor. A letter of recognition for all suggestions reviewed will be forwarded to the department for insertion in the suggestors personnel file.

REFERENCES : City Council Resolution No.-----, dated -----..

RESCISSION : This policy becomes effective -----..

RESPONSIBLE

DEPARTMENT : City Manager

City Manager

Who do you think should evaluate this suggestion? Name: _____

Department: _____

SUGGESTOR IDENTIFICATION:

Name: _____ Job Title: _____

Department: _____ Phone #: _____

JOINT SUGGESTORS:

Name: _____ Job Title: _____

Department: _____ Phone #: _____

Name: _____ Job Title: _____

Department: _____ Phone #: _____

Name: _____ Job Title: _____

Department: _____ Phone #: _____

Name: _____ Job Title: _____

Department: _____ Phone #: _____

I understand that my suggestion will not be considered unless dated and signed prior to submission. By signing the suggestion application, I agree that City Of Seward may use any idea, method, or device covered by subsequent adoption of the suggestion without further permission from me, my heirs, or assigns. In addition, I hereby transfer all rights, title and interest in my suggestion to City of Seward for any use that it deems fit. I understand that the sole consideration or value that I will be entitled to through this agreement or otherwise, because of my suggestion, will be the award, if any, that I receive from City of Seward through its suggestion policy. I hereby warrant that this suggestion was my idea, method or device and not a suggestion, device or method of another.

NOTE: All unsigned suggestions will be returned. They will not be eligible for consideration until signed. (All joint suggestors must sign)

Signature _____ Signature _____

Signature _____ **Signature** _____

Signature _____ **Signature** _____

Send completed & signed form to: *Personnel Administrator, City Hall*