



Monday, November 27, 2017

To: Council; Leadership

Fr: RES

Re: Status Reporting

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Council –

I thought it would be helpful to provide a summary report to follow up the details that were presented last Tuesday at your meeting. Towards those ends, I'd offer the following macro view of the pursuits I have been working on with staff.

Most of the projects presented land in one of three major groups of effort --

- 1. Tourism, Local Economy, Historic Preservation**
- 2. Infrastructure Development, Cultivation of Employment**
- 3. Administrative/Operational Enhancement**

**Group 1** -- In terms of strategy, there is some logic to working with existing factors and missions that already have strength, public support, and positive effect on the local economy. Tourism and entertainment is recognized in Bisbee as a major element of our local economy, and our historic and arts/culture districts leverage that. Historic Preservation is also a meaningful pursuit, in that it supports the tourism and districts, while encouraging property owners to maintain historic properties with a tax incentive. While unfortunate in terms of the loss, the opportunity to work on a recovery effort for the City Hall building presents opportunities that may link that effort to existing historic elements – like finishing the Historic District in Warren, and working on projects that might involve the ballfield, old Bisbee and library.

**Group 2** – The City's infrastructure has some age on it, and the recent recession and financial struggles have diminished the City's investment and maintenance of same. Healthy and growing infrastructures are strongly correlated with local investment and development, which has a major impact on local economies, property values and taxes. Further, strong, operational infrastructure helps protect and support the welfare of people and property, while providing degrees of freedom to property owners (in terms of use of their property). The provision and maintenance of healthy infrastructure is a basic responsibility of a City, and is best accomplished through planned capital investments and responsible development. Cities that are successful in this endeavor create the foundations for a healthy, safe community, and vibrant economy and employment base.

**Group 3** – The operation of the City is perhaps the area where improvements can generate the most immediate positive financial impacts. The use of current management techniques, deployment of technology and software, pursuit of grant funding and incorporation of volunteers and interns in the workforce are a few ways that the City administration can reduce spending while maintaining or increasing productivity and quality of service. With the City administration's move to County facilities, there are additional opportunities to explore intensification of the use of existing, underutilized County resources, rather than the City investing taxpayer dollars to duplicate such resources. Wherever underutilized County resources pair up with needs at



the City, exploratory evaluation needs to occur – if such a relationship benefits the taxpayers and both of the administrations, it is in the interests of both administrations to create joint use/IGAs.

## **Group 1 -- Tourism, Local Economy, Historic Preservation**

**Mine Tour Foundation** – an alternate organizational structure is being evaluated for the continued operation of the Mine Tour, and the mine is employing a consulting group to consider how this might be created, and how such a foundation might help strengthen and enhance local tourism. There is a potential that this approach may help tie the mine tour to other historic/tourism interests as well as old Bisbee, and it is possible that this Foundation may have a role to play in the City Hall fire recovery, as well as the Warren Historic District formation.

**Completion of Warren Historic District** – minor work is left to inventory non-participating properties in the district. A Volunteer has been identified to do the work, and the Architect that was originally involved in the effort is willing to step forward and finish the filing.

**Historic Preservation Roundtable** – an organized meeting of architects and professionals interested in historic preservation. An exploratory discuss with professionals about the City of Bisbee’s historic preservation opportunities, from old Bisbee to Warren and City Hall. Should also cover possible funding opportunities and synergies that pull multiple projects together for maximum impact to historic preservation and tourism. This meeting will precede the public planning process for the city hall fire recovery effort.

**City Hall Fire Recovery Planning** – a public planning process to engage the community and historic preservation professionals, to seek the most appropriate use, and most effective approach to recovering the City Hall building, and bringing it back to productive use. The public planning process will span several public meetings and produce a plan document for Council to consider, possibly revise/amend, and adopt. The plan would be the guiding document for administrative action on the matter from that point forward.

**Old Bisbee Trolley** – We have bandwidth in the City’s bus system to create a trolley run in old Bisbee, and will experiment with a bus to see if ridership will support such a route. It may be possible to have one end of the run be the Mine Tour – and we should check with ADOT to see if land within the interchange exit at the entrance to old Bisbee could be converted to parking. Staff is hopeful that operation of the trolley will increase circulation in old Bisbee, reduce parking, and help tie visitation at the mine tour to visitation in old Bisbee.

## **Group 2 -- Infrastructure Development, Cultivation of Employment**

**Naco/WWTP Improvements** – we may be able to improve our waste water treatment plant with funding from the Fed/NAD Bank, take sewer flows from Naco, recharge the aquifer with treated effluent and be granted recharge credits by the state. The project concept is being considered by BECC and NAD Bank, as well as the EPA and State ADEQ. The City would expect that enhancement of the plant would not require City contribution of funding, and that the resulting plant facility would create several new revenue streams as well as marketable recharge credits.



**Airport Sewer Service/Creation of an Industrial Park** – The City owns 80 AC adjacent to the airport. If the Naco/WWTP improvements move forward, the City may be able to approach the EDA for a grant to provide sewer service to the airport and City property. This could result in the creation of an industrial park and offer an incentive to investors to create business development and employment on the property.

**Acquisition of Jet A fuel at the Airport** – this year the Council assigned the City's FAA monies to Benson, who had an ongoing project and needed additional funding. Next year Benson's funds will come to the City, and we will investigate and deploy Jet A fuel, which would make our airport more accessible to larger aircraft. Future research into FAA funding for air strip improvements is needed, as a better runway would also help our airport secure additional visitation. Staff believes proximity to an industrial park will be beneficial to the airport.

### **Group 3 -- Administrative/Operational Enhancement**

**Cooperative Efforts with the County** – there are a range of cooperative efforts we'd like to explore, that may help us more effectively use our (and the County's) resources, and avoid large outlays of cash. We are engaging the County now on a few concepts:

Motor Pool – If the City had access to the County Motor Pool, we could avoid up front capital costs to procure new vehicles for administrative and public works purposes, and instead, pay for vehicle use on a per mile basis. The County's maintenance of same could be rolled into a cooperative lease where that support is part of the per mile basis. This approach could also be a way that the City secures patrol vehicles for police use.

Voyager Cards and Fuel Depots – If the City had access to the County fuel depots, and was able to use voyager cards, we would see a discount of \$0.25 - \$0.30 per gallon on fuel costs, as well as more choices in terms of physical locations where we could refuel. Voyager cards also work at most major gas stations, and could replace gas/credit cards currently in use by City Staff. The City would also avoid large volume expenditures for fuel, and would be operating on a pay-as-you-go basis.

Heavy Equipment/Operator access – In some circumstances it may make sense for the City to secure heavy equipment and operator time from existing County resources, if an appropriate rate is established.

Procurement – The County may command better unit pricing on some items because of the volume that the County purchases. It may make sense for the City to partner with the County on some of these items.

Development Services – The County is restructuring inspections and permitting to a Development Services footprint. This perfectly aligns with the City's need for planning, permitting and inspections services. It may be possible for the City to secure a rate for such services from the County, which may make sense in areas where the City's demand for same wouldn't justify the employment of a City professional. Further, operational/administrative processes, and the capture/use of property related data may be most effective as a cooperative effort. Any range of cooperative support across these missions would be a positive step, as the City is not staffed for current demand, and technology/tools and processes are lacking.



**GIS Mapping** – The City’s property mapping/zoning mapping is not up-to-date. Coordinating efforts with the County, to use County GIS data, would unify property data and improve accuracy. If such was provided in a web based format to the public, it would be very useful data.

**Interns and Volunteer Corps** – The City and County are exploring the inclusion and use of interns and volunteers to effect meaningful administrative work within the departments and missions of the City. The School District is supportive of the idea and willing to work with the City on the creation of a high school intern program. Departments will receive appropriate training for managing the efforts of high school students, and policy will be formulated to manage the conduct of same. Interns and volunteers will be on-boarded and skillset data managed to enable City and County to assemble skilled teams to tackle projects.

**Infrastructure Mapping** – The City should be locating significant/critical infrastructure and mapping it. Use of Google Earth Pro (free) provides a lat/lon location for features added to the map, and will facilitate navigation to the mapped item. Further, distances, spaces and areas can be measured, notes on materials and current conditions can be associated with the item, and information from the maps can be used for project estimation for improvements. Importation of AutoCad information from engineering drawings is also supported. Inclusion of other infrastructures that are pertinent to City operations (ie mine water facilities) can also be captured. This approach would facilitate more accurate field responses to fires etc., and would help departments maintain and exercise critical infrastructure, as well as pre-plan and create strategy for response. With such information on a map, and in the responding vehicles on a tablet, anyone responding to the event would have the knowledge necessary to respond with effective strategy and get the most out of existing infrastructure. This approach allows the City to decide what it wants to make public, and what it wants to retain as sensitive.

**Fee/Fine/Rates Analysis** – it’s been a significant amount of time since City fees/fines and rates were evaluated. To ensure the City is charging appropriate amounts for services, staff will undertake a review of same, and will report to Council and make recommendations as they are developed. Out of City Fire Department Service charges have already been created, and we are working on similar charges for out of city Police Service charges. The remaining fees/fines/rates that the City charges will likely be organized by department, and will involve 3<sup>rd</sup> party review of proposed charges for a rational nexus to the service being provided. Staff is working to bring recommended adjustments to Council as soon as possible.

**Tax Audit** – The City should consider an audit of the state taxes received and distributed to the City. Further, this information should be crossed with business licensing information. Information in this process will be helpful in ensuring that businesses are securing licenses and paying appropriate taxes.

**Bank Services Review** – There may be additional services from our bank and tools/reports (purchase cards?) that would help the administration. Exploration and possible deployment should begin after the audit is complete.

**IT Risk Assessment and Systems/Hardware/Software Development Plan** – The City needs an organized approach the future growth and development of its hardware and software investments. Further, the City should conduct a risk assessment to identify significant risks and eliminate them. The way software is deployed and how Cities use it is changing, and the same is true for hardware. The City needs to re-evaluate



the investments it is making in hardware and software, to bring the best possible services to the community. Further, it is possible that deployment of software will ease some administrative burdens, freeing up valuable time for personnel to focus on other service tasks.

Noticing Screens – the City will conduct a beta test, to deploy screens in several locations to provide noticing, as well as current information that is of interest to the community.

Payroll Software – the City will seek out and install payroll software to better manage time-keeping and leave accrual/administration. Currently this is entirely manual and very time consuming. Administration of different departmental policies related to time period hours, overtime/on call/vacation/leave request and allocated charges is confusing and requires significant scrutiny for each payroll run.

Personnel Software – The Affordable Care Act now requires more sophisticated time-keeping, and management of that information for an extended period. Further, information pertinent to personnel should be kept in a virtual format, as it was proven to the City that hard copy retention of same is vulnerable. Management of personnel data (as well as volunteer data) is difficult at best if handled on paper, and use of this approach is invaluable to bringing in volunteers and using their expertise to the City's benefit.

Agenda Management Software – the construction and production of multiple agendas, notices and assimilation of packet materials to support items on the agenda is incredibly time consuming, and needs to be delegated to the parties creating the items. Such items need to be routed through multiple departments in short order, to ensure full staff consideration and reporting is provided to Council. Currently this is not possible in an effective, timely manner. Software can create this solution, while also providing a faster virtual packet that is easier for the public to access. Given the committees, boards and Council, a significant amount of administrative support is required to provide service and meet state requirements for public documents across these meetings.

Online Bill Pay – We need to deploy this feature on our website to make it easier for some residents to pay their bills.

Field Technology – It is possible to put tablets in responding vehicles that will allow them to access mapping and planning data in real time, to expedite effective response. Further, such hardware and software can empower field inspectors to conduct inspections and communicate results/documentation in real time, from the inspection site, to the contractor or customer. Facilitation of investment in the community, making it easier for the development sector to construct improvements in the City, will help facilitate improvements and positive impacts to the community.

**Consideration of Policy Amendments** – several of the City's operational policies present difficulties to efficient operation, and staff will bring suggested amendments to Council for consideration and guidance. Among them:

Paid Time Off Cash Out – currently, accrued balances have high limits, and are an unfunded liability in the budget. This means when someone retires with a high PTO balance, the department has to leave that position open, until the accrued leave that was paid to that person at retirement, plays itself out across the schedule of pay periods. This negatively affects staffing and can contribute to overtime balances. A small percentage of the PTO accrued should be held in a line for the purpose of offsetting this liability and allowing the department to pursue immediate hiring for the vacancy. Further, a cash out provision would allow the employee to take one week off, and cash out another week's pay, to



help afford a vacation – this would lower the accrued balances being held across the year. We want people to take vacations, and we need the balances to recede if possible.

Promotion, Internal Positions and Appointment – current City policy does not allow a Department to offer internal competitive positions, or promote from within. This is a common and standard tool available to departments across AZ and the US for the efficient and effective use of manpower and management of mission. Appropriate research and findings will accompany staff's requested amendments for Council to consider allowing management more degrees of freedom in handling positions/openings and departmental skillsets.

PD/Fire/EMS Staffing Strategies – recent developments from PSPRS may lead the City to consider different strategies related to staffing missions and departments. With departmental support, staff will provide suggested alternatives to Council for consideration and guidance. There may be alternate staffing strategy that would be beneficial to the City, its residents and the County, while also being more financially effective in the long run. Research is needed.

Education/Certification Reimbursement – Many positions in the City require certifications or education that must be maintained in order for the employee to remain in active practice – there should be City policy that frames when and how an employee might be reimbursed for the expenses needed to secure such certifications.

Financial Policies – The City began framing financial policies about a year ago, and needs to finish that process. This effort should be undertaken while the City is looking at financial projections and working on a fiscal plan for the next 5 years.

Financial Plan & Projections – Operation of the City should be guided by a financial plan, that provides a well envisioned, yearly progress towards financial sustainability. Council's consideration of this plan and its execution will affect priorities and the delivery of services, as well as the formation of the annual budget. This work will encompass a review of the City's debt structure and opportunities to create relief through same, as well as more refined revenue and expenditure projections (leading to the creation of a cash flow model). Given the effects of PSPRS, we should begin this work now.

Procurement Policy – Staff may bring recommendations to Council for amendment of the procurement policy and Council's authorization of expenditures.

**Customer Service Initiative** – There are a broad range of services that the City provides to external AND internal customers, and after the recession and significant downsizing, current staff are unable to sustain communications and good customer service in the absence of supportive technology and software to help with project management. Further, if volunteers and interns were appropriately tasked and trained with some customer service support roles, the quality of the City's services would improve from the enhanced communications with our customers' I also believe that our customers' opinions of our services would improve from such communications.

Creation of a Volunteer Corps and High School Internship Program – The identification of volunteers, onboarding them and organizing their ranks by skillset will help the City incorporate their efforts in daily tasks and service provision. The incorporation of High School Seniors in the City administration will also help with administrative tasks, while providing valuable workplace experiences to young adults who will soon enter the workforce. We are also working with the County administration to see if there are similar opportunities for interns within the County organization. Since interns would not be employees, the City could offer a reference service to interns, so that their first interviews for





employment out of high school would be supported by a management reference from the City that could speak to their performance and qualities. Bisbee has a wealth of professional retirees who can bring expertise and management experience to the administration as volunteers, making positive impacts on the services we offer our community, while alleviating some of the administrative burdens that our reduced workforce strains to support. Organizing volunteers and interns into a Corps that can be tasked with projects as well as customer service items would further leverage their impact, assisting the administration in the deployment of technology, software and new processes to improve our operation. Creation of this initiative requires minor modification of the organizational chart and approval through Council, and the proposal is being developed for introduction to Council in the near future.

**Administration of Sewer Amnesty Program** – the fire did interrupt our administration of the amnesty program, but the data was saved. Staff is currently re-structuring the data to move forward with administration of the program. This does include timely notice and discontinuation of services to non-paying customers.

**Creation of a Fiscal Strategic Plan** – Bisbee faces a difficult financial future, and PSPRS represents a financial challenge that currently eclipses the City’s resources. Even with other operational improvements and growth within the local economy (as outlined in this report), existing challenges will still exceed available resources. Careful, well thought financial planning is needed to move the City in a sustainable financial direction, and significant expertise should be brought to this effort to ensure that the taxpayer’s dollars are well managed to secure maximum impact against the challenges ahead. A breadth of expertise in municipal finance, which is deeply steeped in Arizona experience, is required to create a solid plan that Council can use to reliably move the City into a self-sustaining operation. Further, the fiscal strategic plan should focus on all facets of financial health – personnel, operations, expenditures, revenues and debt management should all be evaluated to chart a course to long term financial health and stability.

Compensation & Classification Plan – a planned approach to move City compensation into market competitive levels, complete with accurate position descriptions and a step/grade plan that can be maintained. This effort will also require development and rollout of a regular performance evaluation process (requires a change to the personnel policy as well). It may be required that this effort span several financial cycles for the City to fully implement the adjustments.

Cashflow Analysis and Model – financial tools to understand seasonality in revenues and expenditures, which are also updated by existing procurement data/encumbrances, to allow projection of revenues, expenditures and cash/reserves with good accuracy. Will also incorporate the identification and prioritization of critical vendors/service providers, for use if cash flow issues emerge and late payment of invoicing becomes a necessity.

Capital Improvement Schedule – a schedule of normal capital needs, with accurate financial amounts, to help the administration understand what is actually required in order for operations to continue with sustainability.

Budget with Comparative Data – a meaningful budget that departments use for their program year, which also contains some performance information regarding services provided. Such performance information will be comparative, and include similar data/unit cost information from other cities and towns of similar size in AZ.



# Bisbee, AZ

Office of the City Manager

Revenue Manual – an inventory of all revenue sources, and details on how projections are calculated, and where that information is sourced.

Debt Management Strategy – The City should have policy and a plan for managing long term debt, which provides a baseline for Council to consider same and determine if changes to the debt structure are beneficial to the long term sustainability of the City.