

Kenai Peninsula Borough Efficiencies

November 2016

The identification and execution of strategies that result in efficiencies and cost savings within the departments of the Kenai Peninsula Borough has been a focus of this administration. The employees of the Kenai Peninsula Borough have continued to make great strides in the last year towards that end.

The following are highlights of successful efficiencies initiated by borough departments in fiscal year 2016. These strategies from department managers and borough employees have reduced costs or streamlined processes. Our hope is that by sharing these initiatives amongst ourselves, these resourceful approaches will spark ongoing ideas and discussion for further advances to saving money while still providing excellent service to our citizens.

Most impactful reported change

Capital Projects and Purchasing Consolidation

The Mayor's Office, Human Resources, Capital Projects, and Purchasing worked together to implement the consolidation of the Capital Projects and Purchasing Departments.

Estimated Savings: \$351,000

Section 1. Efficiencies overview

In the past year, Kenai Peninsula Borough departments have continued with efforts to reduce cost and improve workplace efficiency. Efficiencies are reported as quantified (with a cost savings value attached) or non-quantified.

Quantified Efficiencies
Total Estimated Savings: \$999,050
Annual Savings: \$406,700

Quantified Efficiencies Summary			
<i>Department</i>	<i>Item</i>	Estimated Savings	
		<i>One-time</i>	<i>Annual</i>
Mayor, HR, Capital Projects, Purchasing	Purchasing and Capital Projects Consolidation		\$351,000
*Office of Emergency Management	Digitized Training Records and CERT Administration		32 hours
Office of Emergency Management	Improved Tsunami Siren Maintenance		\$3,000
Solid Waste	Partnership with ADOT	\$9,000	Variable
Kachemak Emergency Services	Reduced Specialized EMS Equipment		\$10,000
Finance	South Peninsula Loan Refinancing	\$325,000	
*IT and Finance	Online Travel Authorization Forms		35-70 hours
*IT and Finance	Online Budget Revision Form		90 hours
Central Emergency Services	Fleet Reduction	\$200,000	\$13,200
Central Emergency Services	Reduction in Lab Costs		\$1,800
Central Emergency Services	Standardized Multiple-Vehicle Purchasing	\$58,350	
Purchasing and Contracting	Consolidated Cell Phone Service		\$7,800
Purchasing and Contracting	Online Auction		\$7,900
Clerk's Office	Online Assembly Agenda		\$12,000
Estimated Savings		\$592,350	\$406,700

*All or a portion of this efficiency resulted in man-hour savings that drove a more efficient use of personnel time, not an actual budgetary reduction.

Non-Quantified Efficiencies

9 projects implementing new technology to eliminate numerous inefficiencies were reported.

8 collaborative efforts to reduce costs across departments and work with other public and private entities were reported.

7 projects to digitize elements of department operations and utilize online resources were reported.

5 departments reported repairs, upgrades, and policy changes that improved energy efficiency for their department.

Additional departments also changed scheduling structures, began strategic planning processes, implemented workflow changes, and made other efforts to achieve savings.

Section 2. Quantified Savings Captured Through Operational Changes by Department

Estimated total savings: \$999,050

Department: Purchasing and Contracting

Estimated savings: \$15,700

- **Consolidated Cellular Phone Service**

Purchasing and Contracting combined the cellular phone service for all departments in the Borough to one Vendor. This makes the phone bill management for finance and other departments more efficient and creates approximately \$650/month savings. This cumulates to \$7,800 (approximately 30% cost reduction in cell phone service from the last year).

Estimated Savings: \$7,800/year

- **Implementation of Online Auction**

Implementation of the online auction reduced the cost of the auctioneering services by 3% and saved approximately \$7,900 this year. Savings were made in labor cost for handling materials; there was no overtime required; shifting to advertising focused on radio rather than newspapers achieved larger reach at lower cost; and there was no transportation cost to departments for delivering surplus property. Higher values were also earned on some of the items like the vehicles and IT equipment.

Estimated Savings: \$7,900/year

Department: Kachemak Emergency Services

Estimated Savings: \$10,000

- **Reduced Specialized EMS Equipment**

KESA completed an ROI evaluation of EMS equipment and made the decision to cut specialized EMS Equipment from the FY17 budget. This resulted in \$10,000 of savings.

Estimated savings: \$10,000/year

Department: Solid Waste

Estimated Savings: \$9,000

- **Partnership With Alaska DOT**

Solid Waste requested and received a modification to the CPL ADEC Landfill Operating permit to allow the disposal of waste water generated from DOT maintenance facilities on the peninsula. To date, DOT has not disposed of waste water at CPL. A fee waiver was also granted to ADOT for the disposal of C&D generated from routine operations and maintenance activities. In return, DOT provides in-kind services to KPB solid waste facilities. Most recent examples are as follows; CPL, Grading and application of calcium chloride at (~\$3,500 -) Hydro Axe (~\$2,500) Homer: Asphalt Pot Hole Repair (~\$3,000). To further quantify, in 2015 DOT paid approximately \$5,000 in tipping fees.

Estimated Savings: \$9,000

Department: Finance

Estimated Savings: \$325,000

- **Loan Refinancing**

The finance department worked with the Alaska Bond Bank to refinance some of the South Peninsula Hospital Service Area outstanding debt, resulting in a saving to the South Peninsula Hospital Service Area taxpayers.

Estimated savings: \$325,000

Department: IT and Finance

Estimated Savings: 125-160 hours

- **Online travel authorization request system**

Upon hearing about updated requirements for internal travel authorization(to comply with current labor standards), IT developed a Travel Authorization Request System. This web based system will eliminate the current paper process while dramatically simplifying the process for department submitters. Primary features are fully electronic submission, electronic approval routing and notification, and automatic calculation of OT eligible hours.

Due to the complexity of the new rules for calculating overtime related to travel, and the overall efficiency of electronic approval routing, IT estimates that the web based system will save 15-30 minutes for each travel authorization submitted. KPB processes around 130 travel authorization request per year. The new system is estimated to save 35-70 work hours yearly.

- **Online budget revisions**

IT developed a web based budget revision system that features electronic routing and notification and budget account validation. While the paper process for submitting budget revisions was not particularly time consuming, the time taken for data validation, paper routing, and notification added up. IT estimates that the new system will save an average of 5 minutes per budget revision. With Finance processing an average of 1100 budget revisions yearly over the last 5 years, the new system will save an estimated 90 work hours yearly.

Department: Office of Emergency Management

**Estimated Savings: \$3,000
and 32 hours**

- **Digitized Training Records and CERT Administration**

OEM maintains a large volume of paper training records for Borough employees, volunteers, and partner agencies to comply with requirements of the National Incident Management System (NIMS), and to provide backup documentation for training delivered by the Borough. Records were kept in binders and then keyed into a database unable to interact with other systems, providing limited reporting ability. With IT, OEM migrated data to SharePoint, eliminating paper copy storage and improving efficiency in records research and analysis.

The system is also used to track and record training for the Community Emergency Response Team (CERT) program, eliminating the need for two paper forms and duplicate data entry steps saving about one work day (8 hours) of administrative overhead for each quarterly CERT class delivered.

- **Improved Tsunami Siren Maintenance**

With the IT department, OEM researched and installed a remote monitoring device which automatically resets phone company equipment at each siren site when a connection is lost. Prior to this, a physical visit to each siren was required to restore communications. There are fourteen sirens in the Seward, Homer, Kachemak Bay areas. This year the device was installed and successfully tested at one site. It will be added to most of the other thirteen sirens. The equipment costs less than \$200 per site. This change is projected to save two to three days of travel and staff time per year.

Additionally, annual preventative siren maintenance has been switched from a contractor to in-house staff. This change allows scheduling of maintenance visits around other work orders near sirens, eliminating the need to schedule travel and staff or contractor time specifically for the siren system. This saved approximately \$3,000 a year in travel expenses.

Estimated cost savings: \$3,000/year

Department: Central Emergency Services Estimated Savings: \$72,950

- **Fleet Reduction**

CES removed one ambulance completely from its fleet and moved a second ambulance to reserve use only. The second ambulance is used when other ambulances are mechanically out-of-service. The ambulance is not “fully stocked” with EMS supplies and equipment, reducing the need for EMS supplies and stock, and reducing the reoccurring expiration of unused supplies and medications.

Estimated cost savings: \$13,000 /year

- **Reduction in Lab Costs**

CES is moving away from Quest Diagnostics and will now be using Central Peninsula Hospital for baseline lab tests for responders. This will reduce the cost of baseline labs from \$175 to \$85. On average, there are about 20 physicals a year, resulting in \$1,800 of annual savings from this move.

Estimated cost savings: \$1,800/year

- **Standardized Multiple Vehicle Purchasing**

By standardizing vehicles, CES was able to design the same ambulances and fire engines to reduce staff time both in contracting and CES. Three fire trucks were ordered at the same time. By adding the additional fire engine, three years ahead of schedule, at approximately 3% annual cost increases, \$55,350 was saved. By purchasing two ambulances instead of only one, a cost savings of \$1,500 per ambulance was achieved.

Estimated cost savings: \$58,350

Department: Clerk's Office

Estimated Savings: \$12,000

- **Online Assembly Meeting Agendas**

Through the adoption of Resolution 2016-022 the assembly approved the policy which allowed the Clerk's Office to publish the Assembly meeting agenda on the Borough's website instead of using Newspapers. Notice of the meeting date and time as well as notice of public hearing are still published in the 3 newspapers throughout the borough.

Estimated cost savings: \$12,000/year

Section 3. Non-quantified Savings and Efficiencies Captured through Operational Changes

Collaboration

The KPB has worked throughout the year to identify areas where increased efficiencies can be achieved through improving collaborations both amongst departments and between departments and other public and private entities. A number of departments implemented collaborative initiatives to achieve these goals:

- IT and the River Center worked together to significantly streamline the floodplain development permit writing process, so that almost everything is generated in SharePoint. Permit writing time for the average floodplain permit was reduced by at least 50%.
- CES, KESA, and Anchor Point Fire and EMS started a firefighter 1 class in concert with the Homer Volunteer Fire Department, achieving a reduced cost to all service areas.
- Anchor Point Fire and EMS utilized group purchasing to purchase protective gear, rope rescue equipment, and other firefighting equipment.
- Nikiski, CES, and Anchor Point Fire and EMS worked jointly on an ordinance to be able to purchase fire apparatus through a streamlined cost saving measure.
- The Legal Department and Delinquent Accounts worked more closely with each other to share information regarding collection matters, avoiding duplication of efforts.
- Legal and Planning rewrote the Local Option Zone ordinance to make the formation process more streamlined and user friendly for the public. The process implemented advice tracking, which expedites finding answers to questions that have been previously raised, and aids tracking of ongoing advice on issues that span time.
- CES, IT, and Purchasing and Contracting worked together on a phone audit for all of their facilities. This led to the reduction of numerous landlines and cell phones.
- Multiple departments worked to centralize forestry cooperative agreements. Annually, on behalf of its five Fire & EMS service areas, the Borough enters into cooperative agreements with the State of Alaska for wildland fire response. Until now, five separate agreements were created containing duplicate content, requiring each service area to provide full documents listings of their individual department apparatus, personnel, radio frequencies, and more. OEM and IT set up central databases for these items using SharePoint, creating custom reports to replace the previous duplicate attachments to the contract. This change allowed one master agreement to be created with standard agreement content, eliminating the duplication of routing paper for original signatures, legal approval, and other administrative overhead generated by multiple agreements.

- With the inception of a brand new industry in the State and the Kenai Peninsula Borough, the Clerk's Office was presented an opportunity to explore a pilot program. Through a collaboration with I.T., Finance, Planning and the Clerk's Office a digital workflow was created. The savings are difficult to quantify as this is a brand new process; however, it has proven to be an extremely efficient and streamlined way of conducting business. This pilot project has proven to have borough wide implication on how to automate and streamline workflow processes. The next step is to automate the liquor license process as it is similar in nature.

Using Online and Digital System to Streamline

A number of departments have continued to take steps to streamline processes and workflow by utilizing digital and online tools.

- Purchasing and IT developed a new process for submission of surplus items. Previously, surplus items lists and redistribution were managed via numerous Excel sheets and email correspondence. This process is now completely automated via SharePoint with automatic notifications.
- The Warehouse purchasing team now receives all fax transmissions electronically. This allows purchasing to screen faxes and only print items that need to be printed. This results in a reduction of paper and copier costs and manual paper management, a significant improvement from handling and manually processing dozens of quotations daily.
- CES discontinued purchasing of hard copy NFPA Fire Codes, and now uses the Web based code. This eliminates storage issues and allows multiple users.
- The River Center improved the SharePoint data system to reduce permit review time, and utilized webinars for training opportunities to reduce travel.
- The River Center is currently digitizing and putting all elevation certificates online so that they can be easily accessed by surveyors, the public, and staff. The River Center is also making floodplain determination maps for each subdivision that can be accessed from the same point.
- Planning implemented the use of SharePoint for the material site and marijuana permit application. This generates standard letters, notices, and mailings, and eliminates the need to retype redundant and repetitive information to multiple people.
- Legal began using advice tracking on SharePoint which expedites finding answers to questions that have been previously raised and aids tracking of ongoing advice on issues that span time. Additionally, legal continued their long-term project of converting files to a digital format.
- The Clerk's Office, in collaboration with IT, moved public records requests to an online system. This form allows members of the public to easily complete and submit public records requests. No more printing the form, completing it long hand and then somehow submitting it to the Clerk's Office. It has dramatically increased the efficiency of the

process for the public. The next step is to automate the review and completion process internally.

- The Clerk's office, in collaboration with I.T., automated the public comment process via an online form and eComment. The efficiencies realized from this change are captured both in workflow improvements and a better product for the public. One easy click and the public comment is distributed appropriately and saved in the record.
- The Clerk's office collaborated with I.T. to create online applications for membership to the Board of Equalization and the Board of Adjustment.

Implementing New Technology to Drive Efficiency

In addition to utilizing online and digital resources to streamline processes, many departments have identified and implemented new technology that results in significant efficiency savings.

- CES began using iPads for response mapping. This improves operations for Emergency Dispatchers and clears unnecessary radio traffic.
- CES implemented the Computer Vehicle Inspection and maintenance program. This allows the iPads to be used for fire and ambulance vehicle inspection and allows maintenance work orders to be tracked via computers. This saves on annual paper costs and storage, provides immediate status of maintenance for all emergency vehicles and motorized equipment, and tracks costs related to down time and costs of parts.
- Maintenance employed the use of Variable Frequency Drives (VFD's) on many large motors area wide. The motors can be either slowed to a much more electrically efficient speed, or at a minimum "soft started" reducing peak demand spikes that drastically effect commercial rate changes.
- GIS received training and implemented the ArcMap tool Parcel Fabric editor, and applied the new editor to the Seward area. The use of the automated editor saves hundreds of key strokes and provides a better base layer for parcels in the GIS viewer.
- The SPSCC worked with their CAD vendor, New World Systems, to provide an interface between CAD and the current Alaska Records Management System (ARMS), which both Alaska State Trooper and the Soldotna Police Department currently utilize. This project was motivated by the inefficiencies generated by the duplicate data entries made by both dispatch and law enforcement personnel.
- Solid Waste, at no cost to the Borough, had a product link retrofitted on the Cat 826H compactor. This unit electronically monitors and broadcasts machine performance, fuel consumption, idle time, fault codes, next service schedules, and many other machine systems. This feature reduced the man hours required to physically monitor employee and machine performance. The product link was also installed on the new Cat D8T dozer.
- GIS acquired and configured 10 iPads to allow the field appraisal staff to use on demand GPS mapping for location, which will decrease errors in assigning new structures to property records. They created a web interface to allow appraisers direct access to MLS listings,

property photos, and building sketches. This has eliminated many phone calls to the office from field staff.

- North Peninsula Recreation Service Area implemented Point of Sale (POS) software for facilities. This software includes bar code scanning for memberships and facility punch cards, membership tracking, streamlined invoicing and accounts payable, and electronic archiving of supporting membership documentation and contact information.

Improving Energy Efficiency

Achieving maximum energy efficiencies continued to be a focus of department heads and Maintenance projects.

- The Maintenance Department continued updates to the lighting throughout the Borough and School District. In the last year, the department has transitioned to utilizing LED fixtures almost exclusively. In addition to improving lighting efficiency, quality, and control, this results in a vast maintenance demand reduction. The fixtures have a 10 year minimum element life. Maintenance is working on these projects at 20 schools.
- KESA completed weather proofing on Station 1.
- Maintenance replaced the unreliable 1980 era Andover control in the Seward Elementary HVAC Control System with a new system that mirrors all of the other systems in the Seward Area. The system provides much improved control and monitoring, drastically improving energy efficiency. Using the common system also reduces maintenance costs due to improved reliability and consolidation of training.
- Nikiski Fire Service Area made numerous energy efficiency improvements to station 1. NFSA replaced a 30 year old boiler system with a more energy efficient boiler system; replaced old thermostats with updated programmable thermostats; replaced doors and windows; and replaced the Modine Unit Heater with a baseboard heating system.
- The River Center shut off ineffective heaters in the office during the summer months and also had the light post in the parking lot shut off in the summer.
- North Peninsula Recreational Service Area continued to use the energy audit as a guide for reducing facility energy consumption, and recently replaced outside lighting on the pool facility with LED lighting systems. Additionally, NPRSA made exterior building improvements to the Nikiski Pool, which are likely to reduce energy consumption.

Identifying Cost Effective Workflows and Processes

Numerous departments took measures to streamline processes, saving staff time and reducing duplicate efforts.

- Purchasing improved the processes for routing of project/contract purchase orders for the maintenance department. This removed redundant document handling practices and reduced time spent in processing short form contracts for small services.

- Purchasing expanded the number of items on the Warehouse consumable catalog included in their vendor-managed supply contracts. This reduced the costs of inventory and minimized the amount of time Maintenance staff is required to spend travelling to and acquiring items at local stores.
- Purchasing expanded the number of Maintenance open purchase orders, which significantly improves document management and efficiency for simple purchases.
- KESA constructed a water recirculation system for pump testing at Station 1, which will save on time and effort to test pumps.
- Maintenance performed various system installs/replacements in-house rather than contracting the projects out. These included the Nikiski High Fire Monitoring System and Seward Elementary HVAC Control System.
- The River Center enacted a site visit policy to reduce the amount of staff that inspects properties.
- Planning consolidated notification lists of surveyors, agencies, and utility companies, and assigned one employee to maintain the list. This eliminates duplication for changes of updated information.
- Land Management has implemented a multi-element land planning process aimed at developing efficiencies in its operating structure. Through this project, the department has charted an organizational framework aimed to achieve minimal redundancy and maximum transparency. This project aims to put in place both a 5-year and a 1-year operating plan for the department.

Changing Staff Structures and Training Processes

- KESA decreased the use of volunteer responders to lower insurance rates.
- CES and NFSA standardized the 56-hour schedule, increasing efficiency at all management levels.
- APEMS acquired property with a small house across from the Anchor Point fire station for firefighter training. This keeps responders in the Service Area instead of having to go to Homer to use their training facility.
- The River Center reduced the seasonal employee hours from 5 to 3 days per week.
- NPRSA continued efforts in cross-training staff, and worked to increase the recruitment bank and utilization of volunteers.
- NPRSA continued an ongoing effort to reevaluate facility staff schedules and operations; making adjustments to use temporary employees in the most efficient manner.