

KENAI PENINSULA BOROUGH

EFFICIENCIES

SEPTEMBER 2015

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

The following are highlights of successful efficiencies initiated by borough departments in this last fiscal year. 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 OPERATIONAL CHANGE FOR FY-15

Solid Waste partnered with Alaskans for Litter Prevention and Recycling (ALPAR) to secure free shipping of recycled goods. Shipping recycled goods directly outside and overseas has resulted in an increase in revenue for this material. Shipping directly outside is estimated to be a \$30/ton advantage.

Estimated savings: \$30,000-\$35,000

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: \$279,968 ANNUAL SAVINGS: \$99,968

Quantified Efficiencies Summary			
Department	Item	Estimated Savings	
		One-time	Annual
Solid Waste	ALPAR partnership		\$30,000
IT	Bulk PC purchasing		\$8,500
	Salex tax software migration	\$30,000	n/a
	Assessing/Property Tax Software Migration	\$150,000	n/a
Kachemak Emergency Services	Switch to AmeriGas		\$24,000
	Negotiated vendor prices		\$4,000
	Cost-effective shipping		\$1,000
	Thermostat movement		\$4,200
Human Resources	Manually updated employment posters		\$810
	Switch to internal process for background checks		\$3,050
Risk Management	Reduced insurance deductibles		Variable
	Reduced ADEC requirements		\$1,160
	Negotiated reduction on SPCC plans		\$3,500
Clerk's Office	Changes in voting jurisdictions		\$18,148
River Center	Waste downsizing		\$1,600
Estimated Savings		\$180,000	\$99,968

NON-QUANTIFIED EFFICIENCIES

10 departments reported steps to digitize elements of their operation. Reducing waste, decreasing printing and postage cost, and improving workflow efficiency.

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

2 departments negotiated with vendors or used creative purchasing strategies to reduce overhead costs.

Additional departments also changed staff structures, consolidated trainings, conducted GIS analyses, and streamlined various processes.

**SECTION 2. QUANTIFIED SAVINGS CAPTURED THROUGH
OPERATIONAL CHANGES BY DEPARTMENT
ESTIMATED SAVINGS: \$279,968**

Department: Solid Waste

Estimated Savings: \$30,000

- **ALPAR Partnership**

Solid Waste partnered with Alaskans for Litter Prevention and Recycling (ALPAR) to secure free shipping of recycled goods. Totem Ocean Trailer Express, Matson (formerly Horizon Lines) and Lynden Transport are providing these services. Shipping recycled goods directly outside and overseas has resulted in an increase in revenue for this material. The general manager at WestRock estimated a \$30/ton advantage for shipping directly outside. (Brian Conrad)

Estimated savings: \$30,000-\$35,000.

Department: Information Technology (IT) Estimated savings: \$188,500

- **Bulk PC Purchasing and Establishing Standard Models**

In an effort to reduce PC costs and deployment effort, IT transitioned from a department driven PC purchase cycle to a consolidated PC purchase. In FY14, IT executed 31 separate purchases for PC's, monitors and laptops, with PC cost averaging \$1,029 and laptop cost averaging \$1,309. In FY15, IT executed 2 Bulk purchases and 5 "out of cycle" purchases, with PC cost averaging \$886 and laptop cost averaging \$1,180. With greater model consistency, helpdesk staff was able to "image" PC's rather than building them individually, substantially reducing deployment efforts. (Lance Hunt, Michel Helvie, Ben Hanson)

Estimated savings: \$8,500

- **Sales Tax Software Migration**

IT staff developed a solution to bridge a gap in the SRT Sales Tax software implementation. Harris, the SRT vendor, originally proposed a solution costing \$45,000. Borough IT staff provided a solution which took approximately 4 weeks of developer time. (Mike Crawford, Marv Frederickson)

Estimated savings: \$30,000.

- **Assessing/Property Tax Software Migration**

IT migrated the Thomson Reuters GRM 8.4 system to GRM 8.6. While the version number change appears slight, the migration required a wholesale rewrite of the programming code which maintains Borough assessment and property tax data. This project resulted in more than 10,000 lines of code. Early in the process, IT, Assessing and Finance decided it would make sense for IT to work this project internally, given the Borough's internal expertise with our business practices, property valuation and taxation requirements. While the purpose of the rewrite was to support a software "upgrade", the vendor made clear from the beginning that rewriting those formulas and procedures would require a significant professional services engagement. While they did not solicit a quote from Thomson Reuters, IT estimates the cost may have approached \$250,000. IT dedicated 1 FTE for most of a year, though a considerable amount of developer/support and PM time would have been required whether we had contracted for development or not (Marv Frederickson, Ben Hanson)

Estimated savings: \$150,000

Department: Kachemak Emergency Services**Estimated Savings: \$33,200**

- **Switch to AmeriGas**
KES switched from Suburban Propane to AmeriGas at the Diamond Ridge Station. Monthly fuel costs were lowered from \$3,200 per month to \$1,200 per month.
Estimated savings: \$24,000
- **Negotiated lower pricing with vendors**
KES worked with vendors for firefighting equipment to achieve a deeper discounting structure, from a standard 10% to 20-25%.
Estimated savings: \$4,000-5,500
- **Cost-effective shipping**
KES changed to alternative shipping methods for heavier equipment and supplies.
Estimated savings: \$1,000
- **Thermostat movement**
KES had thermostats moved at Diamond Ridge Station. They were moved from the front of the building next to bay doors, where they were exposed to the outside wind, to the rear of the building, stopping the heaters from cycling every 10 minutes. This lowered electrical and fuel costs by 30%.
Estimated savings: \$4,200

Department: Human Resources (HR)**Estimated Savings: \$3,860**

- **Manually updated employment posters**
Human resources manually updated required State/Federal All-On-One employment posters around the Borough rather than purchasing new ones for minor updates. (Stormy Brown and Dawn Robinson)
Estimated savings: \$810
- **Switch to internal process for background checks**
HR transitioned the applicant background check process for in-state applicants from a paid vendor to an internal process, saving \$19.10 per applicant, and cutting the turn-around time by 50% (average of 1 day instead of 2 days to respond).
Estimated savings: \$3,050

Department: River Center**Estimated Savings: \$1,600**

- **Waste container downsizing**
The River Center reduced their cost of operation by switching to a smaller, much less costly, dumpster size. The River Center now only uses the more expensive large dumpster during fishing season. (Tom Dearlove)
Estimated savings: \$1,600

Department: Risk Management**Estimated Savings: \$4,660**

- **Reduced deductibles**
Risk management worked with the new insurance broker to realize reduced deductibles on leased/rented equipment (from \$50,000 to \$5,000), and on electronic data and contents coverage areas (from \$100,000 to \$500 per location). (Tim Bryner)
Estimated savings: Variable

- **Reduced ADEC requirements**

Risk management obtained approval from ADEC (Alaska Department of Environmental Conservation) for reduced waste water monitoring requirements and reduced coliform requirements at McNeil-Canyon School. (Marie Clore)

Estimated savings: \$1,160

- **Negotiated reductions on SPCC Plans**

Risk management completed the update of the required Spill Prevention, Control and Countermeasures (SPCC) plans for Seward Elementary and the new plan for Bear Creek Fire. The environmental compliance manager negotiated reductions from original quotes of these plans (Marie Clore)

Estimated savings: \$3,500

Department: Clerk's Office

Estimated Savings: \$18,148

- **Changes in voting jurisdictions**

The Clerk's office eliminated voting jurisdictions that, after 2+ years of testing, did not have any registered voters or privately held land. This resulted in fewer ballot styles and a reduction in the cost of printing ballots.

Estimated savings: \$18,148

SECTION 3. NON-QUANTIFIED SAVINGS AND EFFICIENCIES CAPTURED THROUGH OPERATIONAL CHANGES

Moving to digital systems

- Legal took many steps to digitize their systems including:
 - Starting an electronic contract tracking system. (Cheryl Smith)
 - Filing all Bankruptcy case documents digitally. The department now only prints documents for the paper file that are relevant to the borough's claim(s) and reviews everything else online.
 - Issuing the monthly collections report via email. (Lee Salisbury)
 - Continuing the long-term project converting files to a digital format. (Cheryl Smith)
- Planning revised the plat mail-out procedure. Commenting agencies and utility companies now receive e-mail copies instead of a hard copy via mail. (Maria Sweppy)
- Kachemak Emergency Services is now using the ILearn Fire online training program to reduce training costs.
- Property Tax and Collections no longer prints any paper reports; they are all saved electronically.
- North Peninsula Recreation Service Area (NPRSA) Board of Director meeting packets are now delivered electronically. Additionally NPRSA is continuing efforts to implement Point of Sale (POS) software for facilities.
- Central Emergency Services purchased computer software to assist with the scheduling of personnel. CES can contact personnel to fill vacancies automatically. This reduces supervisor time calling each individual down a list. Captains are required to do scheduling for shift changes; in the past, if the Captain went on an emergency call, the process of filling vacancies would not take place until the Captain returned to the station. Now the process continues automatically. Also involved is the interpretation of department policies and contract agreements that have a fiduciary liability. By having a computer programmed in regards to "fill by rule", based on the collective bargaining agreement, and department procedures, the rule is the same each time. This does not allow for human error, which in the past would cost the department undue overtime on mistakes.
- Soldotna Public Safety Communications Center (SPSCC) digitally integrated their "Call-Out" book (containing hundreds of contacts SPSCC is responsible for maintaining) into their computer-aided dispatch (CAD) system. Additionally, they are in the process of researching consolidation of their administrative phone system with their 9-1-1 system. This is a common practice in 9-1-1 centers, enabling the dispatcher to utilize one "device" for call taking purposes. SPSCC's 9-1-1 system has an interface with the CAD system. By adding the administrative phone lines, the interface will eliminate the need for duplicate entries, streamlining work flow.
- The Office of Emergency Management acquired iPad tablets and programmed them for field use in preliminary damage assessment. This is expected to bring greater efficiencies in records management and incident command situational awareness.

- The Road Service Area has acquired two iPad tablets to enable them to collect infrastructure information in the field and input that information into the GIS database. As this program proceeds, information that was previously “anecdotal” or “institutional memory” is mapped and becomes part of a broader, continually updated, knowledge database. In addition to being incorporated into the RSA process of establishing capital improvement and maintenance priorities, the knowledge is available to all RSA employees (i.e., new inspectors, or inspectors covering unfamiliar regions/units) and can also be shared other KPB departments that may need such information.
- The Clerk’s office now scans payables into their digital filing system instead of making copies and manually filing the documents, reducing cost and allowing for quicker retrieval of documents.

Improving energy efficiency

- NPRSA eliminated the north wing of the Nikiski Community Recreation Center, as well as replaced the windows, siding, and roof.
- NPRSA installed timers and more efficient heaters in the rink player huts, reducing consumption during times when the huts are not in use. Insulated doors were also installed on the huts to reduce heat loss.
- KES installed a fan at Diamond Ridge Station and weather proofing at Station 1 to reduce heat loss.
- The Office of Emergency Management replaced aging AV equipment with more efficient and less expensive versions. Prior to these changes, overhead projectors quickly went through bulbs, with replacements running about \$400 each. The older equipment was used regularly over the years, and had become labor intensive to maintain and operate, often disrupting training and other presentations for maintenance. They project that the change will offset the previous operational costs within 24 months.
- Solid Waste established a policy reducing the amount of idle time on the equipment. This reduced fuel consumption, reduced unnecessary fluid and filter changes, conserved warranty hours, reduced unnecessary engine hours, and decreased emissions.
- Maintenance has taken multiple steps to increase energy efficiency in borough buildings. These include:
 - Furnace replacements and structure envelope repairs to aged portables and out-buildings.
 - Flush valve and fixture replacement at Nikiski Middle/High School, Tustumena Elementary, and Sterling Elementary. Reducing the cost of water treatment and consumption.
 - Heating system upgrades such as gas boiler conversions at Homer Flex and Homer Maintenance shop, burner replacements of both Seward High School boilers, and control compressor replacements at North Star, Mountain View, Aurora/Kenai Alternative, Chapman Elementary, and K-Beach Elementary.
- Maintenance is transitioning into large scale replacement of exterior and high bay lighting systems. They are transitioning from high consuming appliances, like high pressure sodium and metal halide, to LED fixtures. LEDs both consume much less

energy and support fast start cycling. In other words, lights can be turned off and on, based on occupation, without the penalty of high consuming and time intensive start cycles. Additionally, LEDs are virtually maintenance free for a long life cycle; no changing bulbs. Project areas include Nikiski Middle/High School and SOHI pool.

Reducing overhead costs

- The Nikiski Fire department successfully used group purchasing organizations that have aggressively priced contracts with fire service and related vendors. These contracts are established through a competitively bid public RFP process that allows members to “piggy-back” on the contract – eliminating the need for member departments to complete an RFP process. NFSA recently used the Fire Rescue GPO to purchase a large amount of fire hose, and numerous thermal imaging units at a reduced cost.
- In the past 12 months, Assessing has continued to schedule as many out-of-town inspections (which require overnight hotel stays) as possible in the offseason to take advantage of lower hotel rates.

Streamlining systems

- Legal, Roads, and Assessing worked to draft ordinances amending the USAD and RIAD codes in a way that simplifies and clarifies the processes, resulting in reductions in staff time and eliminating one of the steps that consumed assembly time (Liz Leduc)
- Legal implemented a new code enforcement process which has resulted in improved compliance, payment of fines, and efficient use of borough resources (Holly Montague)
- Risk Management initiated six proactive and voluntary consultations with OSHA to encourage cooperative compliance within the borough. (Brian Smith)
- After the transition to natural gas, Risk Management inactivated Spill Prevention, Control and Countermeasures plans in the Homer and Nikolaevsk schools and at the District warehouse. Inactivating these plans eliminated the need for daily, monthly, and annual inspections at these facilities and the need to address related compliance actions. This greatly reduced regulatory exposure at these facilities. (Marie Clore)
- GIS developed a custom notice radius tool for platting that saves having to run the program twice.
- Property tax and collections now allows the customer a choice to pay by debit for a flat fee of \$3.95, instead of paying the credit card fee of 2.35% of the total purchase. Making the process easier and saving taxpayers and estimated \$6,000.

Changing staff structure, training, and using volunteers

- Central Emergency Services and Nikiski Fire Service Area have combined to offer joint training, this allows each service area to share costs for instructors. Trainings are also open to other borough fire agencies allowing them to participate at no cost, which helps all borough taxpayers benefit from the cost sharing.

- Central Emergency Services has utilized volunteer program staffing of Funny River and Kasilof, creating a two-tiered response system with volunteers. This allowed the department to reconfigure the staffing model in three of the busiest stations, improving the response time and goal of having an effective firefighting and EMS force on scene for 89% of their emergencies. This also decreased out-of-service time due to having crews paired up, ready to respond to the next emergency.
- NPRSA continues to increase their recruitment bank and utilization of volunteers. This is a direct cost savings in personnel costs; additionally, it allows cost savings for the community by providing low cost, affordable programs.
- The Clerk's office reduced the number of temporary hires in the borough's absentee voting station from 2 full-time temporary positions to 2 part-time temporary positions. Resulting in approximately 50% savings.

Use of GIS analysis to improve delivery

- The Planning Department, as a joint effort between Land Management, the GIS Division, and the Anchor Point Fire Service Area conducted an analysis of the geographic coverage provided by existing service area fire stations to identify target areas to place future fire assets. This analysis allowed the service area to estimate the insurance benefits that its tax payers could receive from investment into properly placed fire response facilities and the economic tax base which support such investments. The analysis also ensured that a minimum number of strategically located sites can provide long-term optimal coverage for the service area. As a result of this analysis, a 7.5 acre parcel at Resch Road was identified for acquisition. This would allow for a low cost investment into a water supply point to serve current needs with additional space available for the service area to invest into longer term capital improvements, eventually a prime location for a future fire station. This effort optimizes the service area's investment, protects against duplication of costs, and minimizes operational costs accordingly. Anchor Point Fire Service Area is the third Borough Fire Service Area to benefit from the utilization of GIS in evaluating response coverage for planning its location oriented capital investments.