



CITY OF BLAINE

CITY MANAGER'S OFFICE

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MEMORANDUM

Date: October 19, 2020
To: City Council
From: Michael Jones, City Manager
Sam Crawford, City Clerk/Assist. to City Manager
Bob Hammond, Interim Public Works Director
Jeff Lazenby, Finance Director

Re: 2021 General Fund Decision Points – Groundskeeping Services and Government Relations Services

Government Relations Contracting Alternatives for 2021

Background

Since 2017, the City has used Gordon Thomas Honeywell – Governmental Affairs (GTHGA) for government relations services. Every year for the past three and a half years, the cost for these services has decreased due to the scope of these contracts and contract restructuring by the City Manager. For the 2018-2019 legislative session, lobbying for federal funding to address the VACIS/train delay issue occurred which is why the cost is much higher than all of the other years. While GTHGA has a set fee for monthly services, we were able to negotiate a reduced contract due to budgetary constraints. Although GTHGA accepted this reduced overall cost for services, it was made clear that this would not become the status quo moving forward.

Year	Budget	Actual
2017	\$0	\$30,847.00
2018	\$68,000	\$70,273.32
2019	\$50,000	\$36,989.73
2020	\$35,000	\$17,901.28 (YTD 09/30/20)
2021 Proposed	\$35,000	

GTHGA's primary focus was on:

1. Lobbying the legislature to secure funding for the East Blaine Infrastructure Extension project. **(2017-2018, 2018-2019 legislative session)**
2. Lobbying the legislature, the Governor's Office, and state agencies to advance the Exit 274 transportation project. **(2017-2018, 2018-2019 legislative session)**
3. Exit 274 transportation project and potential for grade separation over the VACIS system/BNSF tracks. **(2018-2019 Federal lobbying)**

4. Coordinating with WSDOT, the Governor's Office, and the Legislature to continue to advance the Bell Road Grade Separation transportation project. **(2019-2020 legislative session)**

As of the end of September, the City has spent roughly **\$156,000** on lobbying services since 2017. Through the work of Gordon Thomas Honeywell Governmental Affairs, the City has been appropriated **\$1.7 million** in funding for the East Blaine Infrastructure project, and **\$1.55 million** for the Bell Road Grade Separation/Intersection project, totaling **\$3.25 million** in state investment. This has resulted in opening significant areas of East Blaine to residential development and has set the stage for the City to acquire full funding for a signalized, at-grade intersection at Bell Road.¹

2021 Session and Priorities:

Capital Budget:

Although the State legislature is going to grapple with revenue shortfalls next year due to COVID-19, it's important to remember that the State has three budgets: operating, capital, and transportation. While the operating budget is expected to experience budgetary pressure, the capital budget is anticipated to allocate \$2.5 - \$3.5 billion in funding throughout the State.

Transportation Revenue Package:

In addition to next year's \$2.5 – \$3.5 billion capital budget, the State Legislature is contemplating enacting a transportation revenue package. If enacted, this revenue package will make investments over the next 10+ years. The City can use this opportunity to request that the Legislature provide the City with the authority to impose an additional one-cent gas tax.

Bell Road Grade Separation Project:

The City needs to ensure that the remaining the \$1.1 million for the grade separation project can be reallocated to WSDOT's at-grade alternative approach, which requires the Legislature to grant a change in project scope.

State-Shared Revenue:

Due to budget shortfalls at the State level, there's the possibility of having state-shared revenues decreased. This decrease could negatively impact cities like Blaine who supplement their budgets with this type of revenue. Also, if additional funds are made available through the federal government, it will be beneficial if these funds are dispersed in a way that helps cities address their most important needs (for us that is revenue shortfall, not COVID response).

Options Moving Forward:

Staff Proposal (full year contract):

Under this proposal, the City would continue its agreement with GTHGA for lobbying services. GTHGA would provide a constant (non-partisan) presence in Olympia while working with legislators, the Governor's Office, and State agencies to further the goals of

¹ Currently we are awaiting TIB grant decision on what is expected to be the last piece of funding. This TIB funding is made possible only because of the already acquired state allocation has been used as matching funds.

the City. By hiring professionals whose sole focus is on government relations, the City can utilize their services by tapping into already established relationships with legislative staff and legislators. This history with key individuals allows GTHGA to be able to prepare and deliver valuable messaging and support documents that illustrate the need for vital City projects.

This service comes at a cost. In a year that is projected to require significant General Fund expense reductions, this service, while valuable, is not an essential function of City government. The \$35,000 being proposed in the staff budget can be used to lower the shortfall and/or be allocated to other services.

Council Led Effort/Not Having Professional Government Relations support option:

By going with this option, the City will save money by discontinuing its contract with GTHGA. This savings can be used to reduce the budget shortfall, or to shift towards other Council priorities.

While there is a cost savings to not renewing the contract, there will still be associated costs with having Councilmembers promote City objectives at Olympia. If members of City Council were to frequently drive down to meet with legislative staff and legislators, there would be an increase in travel costs associated with these meetings. Another issue is the lack of established relationships with all of the parties involved. Whether it's legislative staff, legislators, Governor's office staff, or key players in state agencies, a Councilmember will likely not have a longstanding relationship with these individuals (not to mention that agency officials are reluctant to work directly with local elected officials). A Councilmember may also not have the time or expertise that is needed to craft messages and support documents, as well as field and respond to phone calls, emails, and meetings in a timely manner. Under a Council-led alternative, there may be challenges with lobbying a split (Democrat and Republican) legislative delegation, or what could be a fully Republican delegation.

If a Councilmember is unwilling or unable to consistently lobby legislators, and a lobbying firm's services are not retained, there are no City staff members with time or are fully qualified to deliver the range of services needed to promote and acquire state funding for infrastructure projects.

A shorter "in session only" contract option:

While not as an effective option as fully funding a yearlong contract, GTHGA is willing to do a five month contract for lobbying services. This would only be during the legislative session and Governor's review; which would run from the start of session in January through the end of May 2021. This option provides full services during the most active time, but would shift all follow-up responsibilities to staff or Council after the state budget and new bills are adopted/passed.

Groundskeeping Alternatives for 2021

Background

The City has used a local contractor, Klean Cut, for many years. Over time, we've re-bid the contract in some years. And renewed an existing contract in other years. In 2015 and 2016, we had a contract with both Klean Cut and 5 Star Services. We split the work among two contractors. After 2016, the City took over maintenance for the cemetery and chose not to renew a contract with 5 Star. Since 2017, we've re-bid or renewed the contract with Klean Cut annually. In 2020, due to budget constraints, we dropped streetside landscaping from the contract. Each year we evaluate the contract and adjust what we bid for or negotiate changes in what we include in a renewed contract.

Options Moving Forward:

Staff recommendation - No Renewal of Groundskeeping Contract

The existing contract covers parks and public buildings only. There is no street component. Street landscaping was already removed from the contract for cost savings. Contract will expire April 2021 and would not be re-bid or renewed. City crews have picked up about 30-percent of the street-related groundskeeping that was formerly done under contract. This is reflected in a reduced level of service, but we have had few complaints or concerns raised so far.

We have 4.5 FTE's total allocated to streets, parks, public buildings, and cemetery maintenance and operations, which could be deployed to do groundskeeping. Although, we would not use all of those staff resources on groundskeeping, having them gives us flexibility to respond as seasonality changes demand for services. With the conversion to staff-conducted groundskeeping, we would purchase one additional mower. Most other tools and equipment needed are already owned by the City. Under the staff proposal we would work to increase coordination with volunteers for groundskeeping.

Budget Impacts - Parks & Facilities Only – Approximately \$33,000 savings

For fiscal year 2021 there would be about \$45,000 in contract-related savings with an associated \$12,000 increase in staff expenses. The net effect would be \$33,000.

In addition, some first year savings would be offset purchase or rent a second mower appropriate for parks work. If we purchase the mower it would become an asset for future years' use.

Budget Impacts – Streets²

About \$15,000 was already cut out of the current contract related to historical work on street groundskeeping. There would not be additional 2021 budget savings, but if Council decided to return to contracted groundskeeping it would add expense to the street budget.

² Note that street revenue and expense are not included in the General Fund budget. It is discussed here because the groundskeeping contract traditionally crossed over funds. It also is included for a more complete discussion of level of service impacts.

Service Level Impacts Streets

We anticipate another 20-percent service level reduction as compared to historical contract efforts in order to allow crews to address priority parks and facilities mowing and grounds maintenance. This would start to be noticeable to citizens; dirty sidewalk areas, more weeds in sidewalk cracks and curblines, long grass on roadside shoulder areas, etc. Street sweeping level of service would also decline by about 10-percent so crew efforts can be shifted to priority parks and facilities work.

Service Level Impacts Parks & Facilities

Mowing in parks would be done to a lower standard than through the historical contract, meaning less frequently mowed and not as much attention to trimming landscaping. Facility landscaping maintenance would be minimal and addressed primarily from a safety perspective. There may be an increase in noise complaints related to shift work dictating time of mowing.

Status Quo Contract for Same Level of Service

Under this scenario we would contract for the same groundskeeping work, at the same level of service, as in the current contract. The contract would be renewed or rebid in early 2021 to prepare for the April expiration.

Budget Impacts - Parks & Facilities Only

No budget savings compared to 2020 modified budget. This would insert a \$45,000 direct expense increase in the proposed 2021 General Fund budget, a portion of which would be offset by opting not to increase the 0.75 FTE to 1.0 FTE (a \$12,000 cost).

Budget Impacts - Streets³

We could add up to \$15,000 back to the contract to include historical street-related work. Due to constraints in the street budget, the City Manager advises against this option. The limited street budget should be focused on safety and roadway conditions, not roadside landscaping.

Service Level Impacts Streets

If we add back the street work, some of LOS reduction that started in 2020 would be reversed. If we do not add it back, some LOS reduction will start to be more noticeable to citizens; e.g. weeds, no maintenance of City entrance monuments, tree basins/planter wells, etc.

Service Level Impacts Parks & Facilities

No impacts would be anticipated from 2020 levels with this alternative

Peak Season Contract Alternative

We would negotiate a contract renewal that would eliminate shoulder season groundskeeping services. During the shoulder season the work would be done by staff. We would work to cancel services immediately (for 2020) and would re-start contracted work in the spring, creating some 2020 budget year savings. During heavy growth months, contract would include maintenance at the same standard that we contract for now.

³³ This will be discussed during the October 26, 2020 City Council meeting and study session.

Budget Impacts - Parks & Facilities Only

We anticipate a net impact of \$10,000 in savings compared to 2020 expense.

Budget Impacts - Streets

No impact. We would not re-start contracted street landscaping.

Service Level Impacts Streets

There would be some reduction compared to 2020. It is difficult to quantify because it will be a cumulative adjustment over time as the reduced work level begins to show, and because it is impacted by the amount of volunteer work we receive and are able to facilitate.

Service Level Impacts Parks & Facilities

The impacts would be minimal during heavy growth months, which are also heavy use months. They would be fairly noticeable (similar to Alternative 1 impacts) during the shoulder months.