

Newcastle Department of Finance
Fiscal Sustainability Plan
Draft Implementation Action Plan

January 2020

Management
Partners



Making the Most of the Draft Implementation Action Plan

Management Partners has developed this draft Implementation Action Plan to assist the City of Newcastle with the phasing and scheduling of the components included in the City's long-term fiscal sustainability plan. The work involved in implementing the recommendations must be integrated into the other work of the departments and positions tasked with their completion, along with appropriate assignments of responsibility and with identification of specific planned completion dates. However, in order to implement the provisions of the fiscal sustainability plan, the work will need to take place in accordance with the recommended timeframes provided in this draft Action Plan.

We suggest that you use this document to prepare a final Action Plan for City Council approval. In doing so, the management team will need to finalize specific target dates for completing implementation. Additionally, you may want to modify the described activities based on internal knowledge of what will be required for completion, or to adjust the assignment of responsibility based on pending or future workload or other considerations. Prudent implementation of most recommendations requires "circling back" after the work of completing strategies has begun and fine-tuning the results based on experience. The step to do that is not spelled out for each recommendation in this document on the assumption that it would be part of your normal management system.

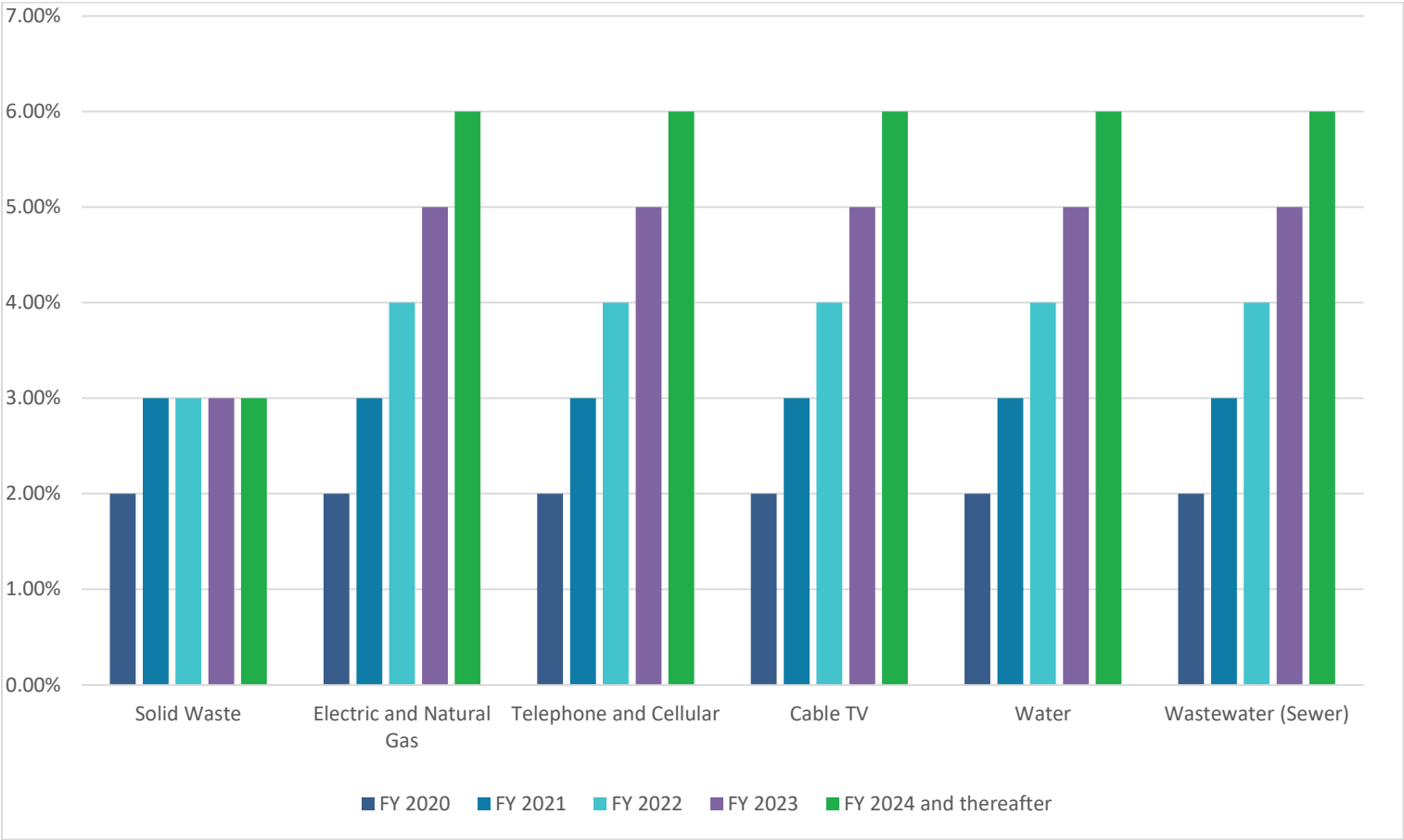
All of the work to implement the recommendations is in addition to the normal work of involved city staff. Management Partners remains available to consult with you in this process in whatever way we can be helpful. Management Partners can provide extra capacity to expedite completion of many of the recommendations. Please do not hesitate to contact Steve Toler at (650) 918-7017 if we can be of assistance. Steve can also be reached by email at stoler@managementpartners.com.

Successful project planning is key to the successful execution of the work ahead. We hope that you find this draft Action Plan useful in that regard.

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
A. Utility Tax (UT)				
A1. Develop a list of all utility providers that would be subject to the UT	January to February 2020	Finance Director		FY 2020 - \$330,000 FY 2021 - \$1,036,000
A2. Meet with each utility provider to discuss the proposed utility tax and revenues that would be subject to the tax	January to March 2020	City Manager	Review pertinent provisions in RCW 35 and peer agencies' municipal codes to determine proper categories of revenues subject to UT	FY 2022 - \$1,370,000 FY 2023 - \$1,705,000 FY 2024 - \$2,043,000
A3. Obtain gross revenue estimates for the past two years from each utility provider broken down by revenue category	February to March 2020	Finance Director		
A4. Finalize projected tax rates based on revenue estimates provided by utility providers to provide the necessary fiscal impact to the City	March 2020	Finance Director		
A5. Present findings and recommended utility tax rates to Finance Committee	March 2020	City Manager		
A6. Draft utility tax ordinance and staff report for City Council consideration	April 2020	Finance Director	Coordination with legal counsel will be necessary	
A7. Present the UT Staff Report and municipal code to Council for adoption (first and second readings may be required)	April 2020 (must be enacted by April 30, 2020)	City Manager	Proper noticing will be required; coordination with legal counsel and the City Clerk will be necessary; enactment of the ordinance must predate collection date by not less than 60 days	

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A8. Develop utility tax reporting forms to be used by utility providers in remitting taxes to City	April 2020	Finance Director		
A9. Update municipal code based on City Council action	May 2020	City Clerk		
A10. Notify utility providers of approved utility tax and implementation date and provide utility tax reporting forms to them	On or before May 1, 2020	Finance Director	Must wait for enactment of the ordinance by City Council	
A11. Implement the utility tax and ensure remittance by utility providers	July 1, 2020	Finance Director	Implementation cannot occur earlier than 60 days after enactment of the ordinance	
A12. Notify utility providers and public of change in tax rates based on tax rates enacted in future years	Not less than 60 days prior to implementation of the new rate	Finance Director	Implementation cannot occur earlier than 60 days after enactment of the ordinance	

Figure 1. Proposed UT Implementation Timing and Tax Rates



Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
B. Cost Recovery for Development Services				
B1. Conduct a user fee study to evaluate the cost recovery levels of the current development-related fees and charges.	April to September 2020	Finance Director	City will likely need to contract with a consulting firm specializing in user fee studies	FY 2021 and ongoing - \$50,000
B2. Establish cost recovery standards based on fiscal sustainability expectations	July to September 2020	City Manager		
B3. Identify fees that require updating and develop new fees and/or fee structures.	August and September 2020	Finance Director		
B4. Prepare staff report to present outcome of user fee study and recommended fee changes	October 2020	Finance Director		
B5. Publish new fee schedule.	December 1, 2020	Finance Director		
B6. Collect fees based on new fee schedule	Starting January 1, 2021	Finance Director/ Community Development Director		

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
C. Merge the Community Activities Coordinator and Communications Coordinator Positions				
C1. Retitle the Community Activities Coordinator job classification to Community Engagement Coordinator include communications duties.	December 2019	City Manager		FY 2020 and ongoing - \$50,000
C2. Integrate the functions of the revised job description for the new duties and support them as they adopt the new responsibilities.	January to June 2020	City Manager		
C3. Terminate the contract for the Communications Coordinator.	On or before January 1, 2020	City Manager		

Figure 2. Overall Timeline of Strategies



¹This task must be completed no later than 60 days prior to the implementation of the new fee. This chart presents an estimate of when notice should be published should the implementation occur on July 1, 2020.