



FINANCE & ECONOMIC DEVELOPMENT COMMITTEE
TUESDAY, JANUARY 24, 2023
8:30 A.M.
REMOTE AND IN PERSON ATTENDANCE

The Finance & Economic Development Committee meeting will be conducted remotely and in person.

The public may attend the meeting in person in the Council Chambers at Lacey City Hall, 420 College SE, Lacey, Washington, or you may view or listen to the meeting by using one of the following platforms:

Live through Zoom: <https://us02web.zoom.us/j/85043643367>

Live or as a recording on YouTube: <https://youtu.be/rIEKhsMQflc>

Listen via telephone: (888) 788-0099 or (877) 853-5247 (Webinar ID: 850 4364 3367)

AGENDA

2023 MARKET AT THE DEPOT

WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR
(STAFF REPORT)

TORO SENTINAL SOLE SOURCE PURCHASE

SCOTT DEVLIN, OPERATIONS MANAGER
(STAFF REPORT)



**FINANCE & ECONOMIC
DEVELOPMENT COMMITTEE**
January 24, 2023

SUBJECT: Monthly Market Event Management at the Depot

RECOMMENDATION: None. Briefing on the status and operation of food trucks and events at the Depot

STAFF CONTACT: Rick Walk, Interim City Manager *RW*
Grant Beck, Planning & Development Services Manager *GB*
Wesley Nguyen, Economic Development Coordinator

ORIGINATED BY: Community & Economic Development Department

ATTACHMENTS: None

FISCAL NOTE: \$25,000 for Market Management Services. Approximately \$68,000 remain in the economic development - food truck site fund budgeted in 2022, which will be carried forward to 2023.

WORK PLAN GOAL AND STRATEGY: Vibrant Place to Live, Work, & Play (E-15)
Vibrant & Diverse Economy (G-1)

OTHER POLICY DOC. ALIGNMENT: Comprehensive Plan Economic Element
Depot District Sub-Area Plan

COMMUNICATIONS PLAN: N/A

HOUSING ACTION PLAN: N/A

PRIOR REVIEW: August 24, 2021 Finance & Economic Development Committee

BACKGROUND:

The Community and Economic Development Department, with support from the Parks, Recreation, and Culture Department managed the pilot operation for the past two years and have seen steady growth with 4 regular trucks/trailers and multiple community events.

The 2022 season saw many physical improvements to the food truck court including the addition of electrical outlets, the installation of picnic tables and sun shades with overhead lighting.

The food truck court was open seven days per week during the 2022 peak season, including four regular vendors who were open a minimum of four days a week and three vendors open a minimum of one day per month.

In support of the food truck court, the City sponsored a local event coordinator, Love Local Lacey, who organized four "Sunday Market" events. The City also sponsored the South Sound Mopar car club, who organized three car shows at the Depot. The Love Local Lacey event in October drew over 300 people and 25 vendors. Food truck vendors reported that events typically doubled, and sometimes tripled, daily sales.

It is clear that the events held at the Depot in 2022 were key to the continued growth and success of the food truck court as they provided exposure to the food truck court as well as customers. Hosting more events at the Depot during the upcoming season would be a significant benefit to the continued success of the project.

Management of the food truck court and events impacts staff from both the Community & Economic Development and Parks, Recreation, & Culture Departments from managing vendor contracts and schedules to cleaning after events. Hosting more events will place additional demands on staff resources.

The goal for the 2023 season would be to host two events each month from April through October at the Depot.

To avoid demands on resources and to ensure continued growth of the food truck court program, the City could contract with an event coordinator to create a structured series of events throughout the season, recruit local vendors, organize entertainment, and coordinate event day needs such as increased trash service and additional restroom facilities. A contract could be funded from remaining funds in the 2022 budgeted economic development - food truck site fund which will be carried forward to the 2023 fiscal year.

ADVANTAGES:

1. Supports the continued success and growth of the food truck court pilot program which in turn implements goals of the Council's Work Plan and the Economic Development element of the Comprehensive Plan.

2. Provides public exposure to the proposed Lacey Historic Museum planned for the Depot property.

DISADVANTAGES:

1. Place additional demand on City resources in staff time in both the Community & Economic Development and Parks, Recreation, & Culture Departments, or cost up to \$25,000 from the Economic Development Project fund.



FINANCE COMMITTEE
January 24, 2023

SUBJECT: H.D. Fowler sole source approval

RECOMMENDATION: Motion to forward a Resolution declaring H.D. Fowler Company the sole source of supply for purchasing cellular Toro Sentinel controllers.

STAFF CONTACT: Rick Walk, Interim City Manager *RW*
Troy Woo, Finance Director *TW*
Scott Egger, Public Works Director *SE*
Scott Devlin, Operations Manager *SD*
Jamie Oakland, Parks Supervisor *JO*

ATTACHMENTS: 1. [Sole source verification letter from Toro, Budget RPI](#)
2. [Irrigation Conversion](#)

FISCAL NOTE: Requested approval for \$525,527.58 sole source purchase over the next 4 years. \$175,826.47 approved for 2023 budget. 001-3303-576.31-01.

WORK PLAN GOAL AND STRATEGY: Vibrant Place to Live, Work, & Play: Ongoing Services

OTHER POLICY DOC. ALIGNMENT: Goal - Strategy

PRIOR REVIEW: None

BACKGROUND: In January of 2022, the Parks Maintenance Department was informed that the manufacturer for the City’s 69 irrigation controllers was no longer producing parts to service the existing radio communication controllers for Toro Sentinel. Parks Maintenance was informed that all controllers would need to be upgraded to a new cellular communication version of the controller. To be proactive and to keep our system operational we proposed a 4 year conversion program starting in 2023.

Before we submitted our proposal, we took the time to research additional irrigation controller options. We found 2 possible options with Calsense and Rain Bird’s Maxicom systems. We found that Calsense clocks are equivalent but are considerably more expensive and are not compatible with our current flow sensors. Calsense clocks are roughly 175% the cost of the Toro Sentinel clock. Additionally, Calsense only includes a 5 year cellular plan

whereas Sentinel includes a 10 year plan. When adding the additional cellular costs, additional flow sensing costs and the additional expenses for each clock, it was estimated that converting to Calsense would cost approximately double the cost of a Toro Sentinel upgrade.

Rain Bird's Maxicom system was found to have the same flow sensing capabilities as Toro. However, the system would require the purchase of a specific computer and an annual global support plan where Toro Sentinel provides lifetime support. Additionally, the Rain Bird clocks are more expensive and do not come in the same station configurations as Toro. This would require us to purchase additional clocks to make the retrofit work with our current system.

Changing from Toro Sentinel would require us to install all new cabinets, and some of our pedestal units would need new concrete pads for the conversion. In addition to the installation and the 10 years of cellular data coverage savings, Toro is also offering a buy back credit for each controller, for an estimated savings of \$13,800. When combined with the fact that each new control module will be retrofitted into the existing cabinet, it was concluded that the Toro conversion was the best value compared to the two competitors.

Having determined that the City would stay with Toro Sentinel controllers, the Parks Department proposed a 4-year plan to update the 69 irrigation controllers. The total cost for the conversion was estimated to be \$539,327.58. Year one of the conversion was approved for the 2023 budget, with a cost of \$175,826.47.

		Number of Clocks	Replacement Cost	Rebate	Total
Year 1	Parks	24	\$ 180,626.47	\$4,800.00	\$ 175,826.47
Year 2	SE ROWs	19	\$ 152,736.55	\$3,800.00	\$ 148,936.55
Year 3	NE ROWs	18	\$ 135,944.23	\$3,600.00	\$ 132,344.23
Year 4	RAC/Rainier Vista	8	\$ 70,020.33	\$1,600.00	\$ 68,420.33
			\$ 539,327.58	\$13,800.00	\$ 525,527.58

**the costs shown in the table above are current costs and include tax. These costs are subject to inflation.*

Toro Sentinel provides exclusive territory distribution rights to H.D. Fowler Company in Washington. With only one exclusive provider, we are unable to obtain competing bids and request the approval to purchase the materials through sole source approval.

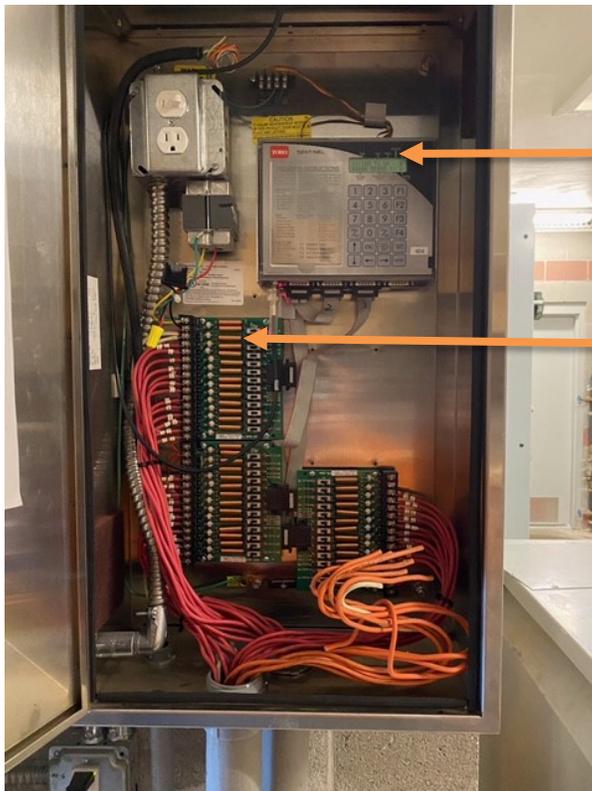
ADVANTAGES:

1. Parks Maintenance Department can begin necessary changes to irrigation control system with no disruption of the cities irrigation capability.

DISADVANTAGES:

1. None.

Here is a picture of one of our irrigation controllers. For the cellular conversion we will be replacing the controller module and the zone circuit boards within the cabinets.



Toro Sentinal Controller Module

Toro Sentinal Irrigation Zone circuit board



Toro Sentinal Irrigation pedestal unit



January 11, 2023

To Whom it May Concern,

The Toro[®] Company provides exclusive territory distribution rights for several of our product lines. This includes Toro central control systems for irrigation.

HD Fowler Company is the sole source for Toro DXi[™] WMS products and Sentinel parts and accessories in the state of Washington.

Due to the technical nature of central control, field service and support may be necessary. HD Fowler's commitment to provide testing and service for the system would not be possible with open distribution. HD Fowler is also qualified to perform installation and upgrades as your organization sees fit.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Sergio Ramos", is written over a light gray signature line.

Sergio Ramos

Product Manager | Central Control Business
(0) 951-785-3453 | sergio.ramos@toro.com

Request for Program Improvement - Materials, Supplies, Services and Capital

Budget Year Prepared by:

To:

Fund making this request: PARKS & OPEN SPACE

Department making this request: PW PARKS MAINT

Priority or this request:

Director's Approval: _____

Description of Request:

Invest an average of \$131,250 a year, for the next 4 years, to convert the City's irrigation systems to controllers with cellular communications.

Proposal and Justification of Improvement:

The City has 69 Toro Sentinel irrigation controllers that manage irrigation distribution throughout Lacey's parks, right-of-ways and utility sites. Each of the 69 clocks communicate via radio frequency. As of January 1, 2022 Toro only sells controllers that operate via cellular communication and will no longer produce parts to repair the older versions. Toro anticipates enough parts and refurbished modules to sustain the radio communication models for another 5 years, at which point, the controllers will be beyond repair once they fail.

The following is a breakdown of the controllers the Department utilizes and the estimated cost to replace each:

# Clocks	# Clock Stations	Cost per Clock	Total Cost
20	8	\$6,972.34	\$139,446.80
20	16	\$7,446.85	\$148,937.00
14	24	\$7,921.65	\$110,903.10
4	32	\$8,396.45	\$33,585.80
12	48	\$8,871.24	\$106,454.88
			\$539,327.58

These costs include a 7 year warranty, 10 years of cellular service and mobile app access to communicate with the systems while in the field.

We are requesting the City invest an average of \$131,250 a year, for four years, to proactively convert the Sentinel controllers to the newer cellular communication version. Toro has offered to buy back each controller module for \$200. Selling the modules back will offset the overall project cost by \$13,800.

Option 1: Proactive replacement

We are proposing the following 4 year schedule:

		Number of Clocks	Replacement Cost	Rebate	Total
Year 1	Parks	24	\$ 180,626.47	\$4,800.00	\$ 175,826.47
Year 2	SE ROWs	19	\$ 152,736.55	\$3,800.00	\$ 148,936.55
Year 3	NE ROWs	18	\$ 135,944.23	\$3,600.00	\$ 132,344.23
Year 4	RAC/Rainier Vista	8	\$ 70,020.33	\$1,600.00	\$ 68,420.33
			\$ 539,327.58	\$13,800.00	\$ 525,527.58

Unfortunately, this is an expense the City will not be able to avoid. At some point the City will have to convert every clock to the newer version controllers. It is most prudent to systematically convert the controllers now, before they fail, for two reasons:

1. As we know, in the current economy, there is significant lead time in securing materials. If the City waited for each clock to fail before upgrading the controller, there could be a significant lag in replacement with a new controller. Depending on the weather, this could result in thousands of dollars of damage to irrigation dependent trees and athletic fields.
2. It is most fiscally responsible to convert the controllers while we can offset the costs by selling our current controllers back to Toro. Waiting until the controllers fail will negate the offsetting costs of selling back our current controllers making the project more expensive.

Disadvantage: (How does this effect your operations budget and what are the short and long-term effects?)

This is a significant additional expense for the General Fund to absorb.

Alternative Request:

Option 2: Run to Fail

We estimate that 5-6 clocks fail each year, requiring a module replacement. The second option would be to allocate \$65,000 a year to replace the clocks that fail each year. This would prevent a budget amendment each time a clock failed and would spread the replacements out over an 8 year period. Funds left over at the end of each year would be used to purchase clocks for inventory. Failures exceeding the allotted budget would require a budget amendment. Replacing clocks as they fail would also negate any buy back credits increasing the overall cost.

Option 3: Kick the Can

The last option would be to continue replacing failed clocks with refurbished modules until the distributor runs out of refurbished parts. This will be the most expensive option in the long run as inflation will increase the price of each clock and the city will not receive any credit for failed modules. Clocks that cannot be repaired with refurbished modules will then require a budget amendment to replace.

Revenue Discussion: Are new revenues available to offset costs? Yes No

SUPPLIES, SERVICES & NON-CAPITAL		
Item Description	Account Number	Amount
Irrigation controller conversion	001-3303-576.31-01	175826.47
Total Supplies, Services & Non-Capital		175826.47

CAPITAL OTHER THAN VEHICLES AND COMPUTERS		
Item Description	Account Number	Amount
Total Other Capital		0

VEHICLES AND COMPUTERS	
Vehicle Capital REQUEST FOR VEHICLE FORM (form must be attached)	
Computer Capital REQUEST FOR COMPUTER EQUIP (form must be attached)	
Equipment Rental Charge (Amount found on above form)	
IMS Rental Charge (Amount found on above form)	
Total Costs	0

Total request for Materials, Supplies, Services and Capital	175826.47
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