

# CITY COUNCIL STUDY SESSION

**TO:** Mayor and City Council  
**FROM:** Mari E. Macomber, City Manager <sup>MEM</sup>  
**SESSION DATE:** June 7, 2010  
**TIME:** 4:30 p.m.  
**PLACE:** Second Floor Conference Room – City Hall

We will need to adjourn to allow the City Council to make the City Council meeting at 6:00 pm.

## **AGENDA:**

- KDIC REPORT
- WAYFINDING UPDATE
- DISCUSSION OF MISSOURI ENTERPRISE PROPOSAL
- NEWSLETTER

## **KDIC REPORT**

The City of Kirksville entered into an agreement with the Kirksville Downtown Improvement Incorporated, KDIC in September of 2009, after the City applied for and received a Community Development Block Grant for the purpose of hiring an executive director for the downtown.

The KDIC hired Lynn Daniels to serve as the Executive Director earlier this year. Lynn has been working with the KDIC board and downtown businesses. An office has been established for the KDIC in the Baxter-Miller Building.

Monday will be an opportunity for Ms. Daniels to introduce herself to the City Council and give an update on the work of the KDIC.

A copy of the agreement between the City and KDIC is included in this Study Session Packet.

## Recommended Action:

The City Council is asked to listen to the KDIC report and ask questions of Ms. Daniels.

## **WAYFINDING UPDATE**

The Downtown Improvement Plan outlines the need to establish a Wayfinding system for the downtown, and the December, 2004 Kirksville Downtown Design Guidelines as adopted, give us general guidance for developing a way finding signage program. The

creation of a Wayfinding system was identified as the next priority project identified by the Downtown Partners and the TIF Commission.

Since October 2008, the City has been working with a committee on establishing a wayfinding system.

As a reminder, wayfinding is simply a way to direct visitors to their destinations and consists of both vehicular signage and pedestrian signage.

Purpose of Wayfinding:

- Provide the information people need to comfortably access area destinations, attractions, public entities, etc.
- Direct traffic along appropriate streets, avoiding routes through residential areas.
- Reduce misdirected traffic
- Help drivers find parking convenient to their destination.
- Further enhance Kirksville's public image by making the city more "user friendly".
- Avoid providing any kind of advertising for any destination.

Concepts to Consider When Developing Wayfinding:

- Creates a hierarchy of information by defining area districts.
- Directs visitors to districts first, then to the destinations within each district.
- Directs drivers to the most convenient parking.
- Then guides them as pedestrians to their destination.

Since October 2008, a committee of individuals (Kirksville Downtown Improvement Committee, ATSU, NRMC, Truman, Kirksville RIII, Rotary Club (agreed to pay for a portion of the kiosks), MoDOT and City staff) have been meeting to first learn about wayfinding, determine regulations and standards and develop wayfinding signage for three distinct city districts.

We have developed a wayfinding system that meets the requirements of MODOT and meet the needs of the partners. A considerable amount of time has been spent working on this system with the members of the group. We are now in the implementation phase and have obtained final approval from all partners, MoDOT and the TIF Commission. The last step in the process is to review the information with the City Council.

A majority of the funds to pay for the signs will come from TIF with the City, Kirksville RIII, Noon Rotary Club and ATSU/NRMC paying for portions of the cost.

Recommended Action:

Cherie Bryant will review the wayfinding system with the City Council and answer questions that you may have.

## **DISCUSSION OF MISSOURI ENTERPRISE PROPOSAL**

The City Council has four specific goals, one of which is Fiscal Responsibility and Efficiency in Government. Since 2003, City staff has been working to evaluate services and operations to determine where improvements are needed. This approach, though random and not clearly defined has helped us to continue to meet the needs of the community. With our limited resources, we have to evaluate what we do, why we do it and what happens if we don't do it. Our most recent example of evaluation is in the area of municipal fines, which has required input and review from multiple areas – finance, police, codes, municipal court, legal and administration.

On Friday, May 14, representatives Brad Armstrong and Terry Siddens with Missouri Enterprise provided an overview of Lean Sigma. From what I understand, Lean Sigma, or Six Sigma originated in the manufacturing sector and is a business management strategy that seeks to improve the quality of outputs by identifying and removing inefficiencies and minimizes variables in the process. There are specific methods that are used by individuals who are trained in the process. These individuals, who are part of the organization, are experts in the six sigma process, and are referred to as “black belts”, “green belts”, based on their level of expertise and training.

Since it originated in the manufacturing setting, it is not widely used or a concept that is in place in many municipal organizations. In the presentation we were given on May 14, two communities were identified that utilize this process, Grand Rapids, Michigan employee count of 1700 and Clarence, New York employee count of 100. Though Missouri Enterprise noted minimal exposure to working with any municipality directly on this principal, they did believe that its concept could be incorporated into our operations.

Missouri Enterprise has presented a proposal to identify and assess potential opportunities that may exist within City operations. This proposal came at the request of the City so that the City Council could discuss the merits of the program and determine if further exploration is desired. The identified purpose states as a goal to reduce non-value added activities and to more consistently deliver constituent value. Missouri Enterprises proposes to complete a multi-level to identify potential processes. There are two different levels of assessment which vary simply in the process of evaluation.

Missouri Enterprise proposes to provide a final report that identified the process areas as higher potential for utilizing Lean Sigma tools to reduce cost and /or increase public service capacity, along with projected benefits and a recommended pilot project. The estimated cost for this initial evaluation is \$6,480. The variable in this price is in the travel costs which are \$60 per hour and estimated at \$1,200.

In evaluating this proposal, and based on our current practices and efforts, it is certainly understandable that processes need to be evaluated from time to time. The majority of the services provided by the City are not based on a cost for service, with the exception of the utility operations, central garage and health insurance. We have been in the process of completing improvements to our water treatment plant, and plan to evaluate its operation once everything is complete and staff has had a chance to operate the

plant. According to John Buckwalter, Public Works Director, we have available data for both plants.

The assessments and evaluations that we have completed have not been based on a practice or principle. Having individuals trained in the process of Lean Sigma could certainly be an advantage for the City. Since the proposal is for an initial assessment it would be important to know or have an understanding of the time and costs involved to develop a couple of green belts, and train a few others in the Lean Sigma process.

One concern that was expressed was the timeline to complete this initial assessment, since the summertime is a busy time of year for all city operations. Missouri Enterprise has assured us that they will work with our schedules.

Recommended Action:

We know that there are examples of how this process has worked in the manufacturing setting. And its use in municipal government has been limited and mainly with larger cities. The initial response was probably one of defense, since we are very mindful of our limited resources and have been evaluating processes for years. However, if there are valuable tools and a proven process that we could use to do what we are already trying to do and 1)make it easier to do; and 2)help insure success then we should move forward. This process may engage some individuals who have knowledge and ideas that would contribute to improvements and benefit the community.

**REVIEW NEWSLETTER**

Attachments

- KDIC Agreement
- Staff Report Wayfinding
- Wayfinding Map - Primary Signage
- Wayfinding Map – Downtown District
- Wayfinding Map – Medical District
- Wayfinding Map – School District
- Missouri Enterprise Proposal
- Power Point Presentation – Lean Sigma

Enclosures

- Wayfinding Maps

DOWNTOWN KIRKSVILLE PLANNING PROJECT  
AGREEMENT

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Kirksville, hereinafter called the “Applicant,” and the Kirksville Downtown Improvement Committee, Inc., hereinafter called the “Sub-applicant.”

WHEREAS, the Applicant is applying for a Community Development Block Grant from the State of Missouri, and it is the Applicant’s desire to relinquish certain responsibilities as allowed by the program and the State statutes;

WHEREAS, the Sub-applicant will benefit from the grant proceeds and finds it in the best interest of both parties to assume these responsibilities;

Now, therefore, the parties hereto agree as follows:

1. The Sub-applicant shall assume all grant responsibilities listed with the exception of #2 below, which both parties understand cannot be assumed by the Sub-applicant;
2. In addition to the above, the Applicant agrees to retain all financial responsibilities of the grant program, with the understanding that all invoices (financial indebtedness) must be paid through the Applicant’s established method;
3. Responsibilities not listed on the attached Grant Agreement, but which the Sub-applicant agrees to carry out on behalf of the Applicant, are as follows:
  - a. KDIC shall hire and employ a suitably qualified director who shall be an executive employee of KDIC. Said executive employee shall perform such duties as are provided for in this Agreement together with other downtown activities as may be assigned and required by KDIC. The KDIC Board shall evaluate the performance of said executive employee on a semiannual basis during the first two years of employment;
  - b. KDIC shall provide office space for said executive employee. KDIC shall be responsible for purchasing or otherwise providing necessary office equipment and furnishings for said executive employee;
  - c. KDIC shall submit a progress report to the City on a quarterly basis;
  - d. KDIC shall adopt an annual budget and approve funding for programs implementing the Downtown Kirksville Planning Project;
  - e. KDIC shall use its best efforts to obtain annual cash contributions during the term of this Agreement in an amount not less than Five Thousand Dollars (\$5,000.00) per year.

The Applicant also acknowledges, as part of this Agreement, that liability for the grant is wholly within its realm and the Sub-applicant hereby assumes responsibility to see that all terms listed herein are met, with the above exceptions. This Agreement shall be valid until successful project completion and grant close-out.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as the day and year indicated above.

CITY OF KIRKSVILLE, MO

KIRKSVILLE DOWNTOWN IMPROVEMENT  
COMMITTEE, INC. (KDIC)

By: \_\_\_\_\_  
Mari E. Macomber  
City Manager

By: \_\_\_\_\_  
Roberta Santee  
President

## KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

**SUBJECT:** Wayfinding Update

**STUDY SESSION MEETING DATE:** June 7, 2010

**CITY DEPARTMENT:** Administration

**PREPARED BY:** Cherie Bryant, Assistant to the City Manager

On May 17, 2010 City Council approved an agreement between the City and the Missouri Highways and Transportation Commission providing for wayfinding signage. Since then the City received notice the Missouri Highways and Transportation Commission had executed the agreement. On June 1, 2010 the TIF Commission reviewed and approved the completed wayfinding system. City staff is currently working on bid specs for decorative posts and are in the process of ordering sign materials. City staff is also working on a timeline for implementation. Once a timeline has been established City staff will organize a meeting with the Wayfinding Committee in order to keep all involved up to date. The following reflects current cost estimates for the project:

### ***Who is funding what?***

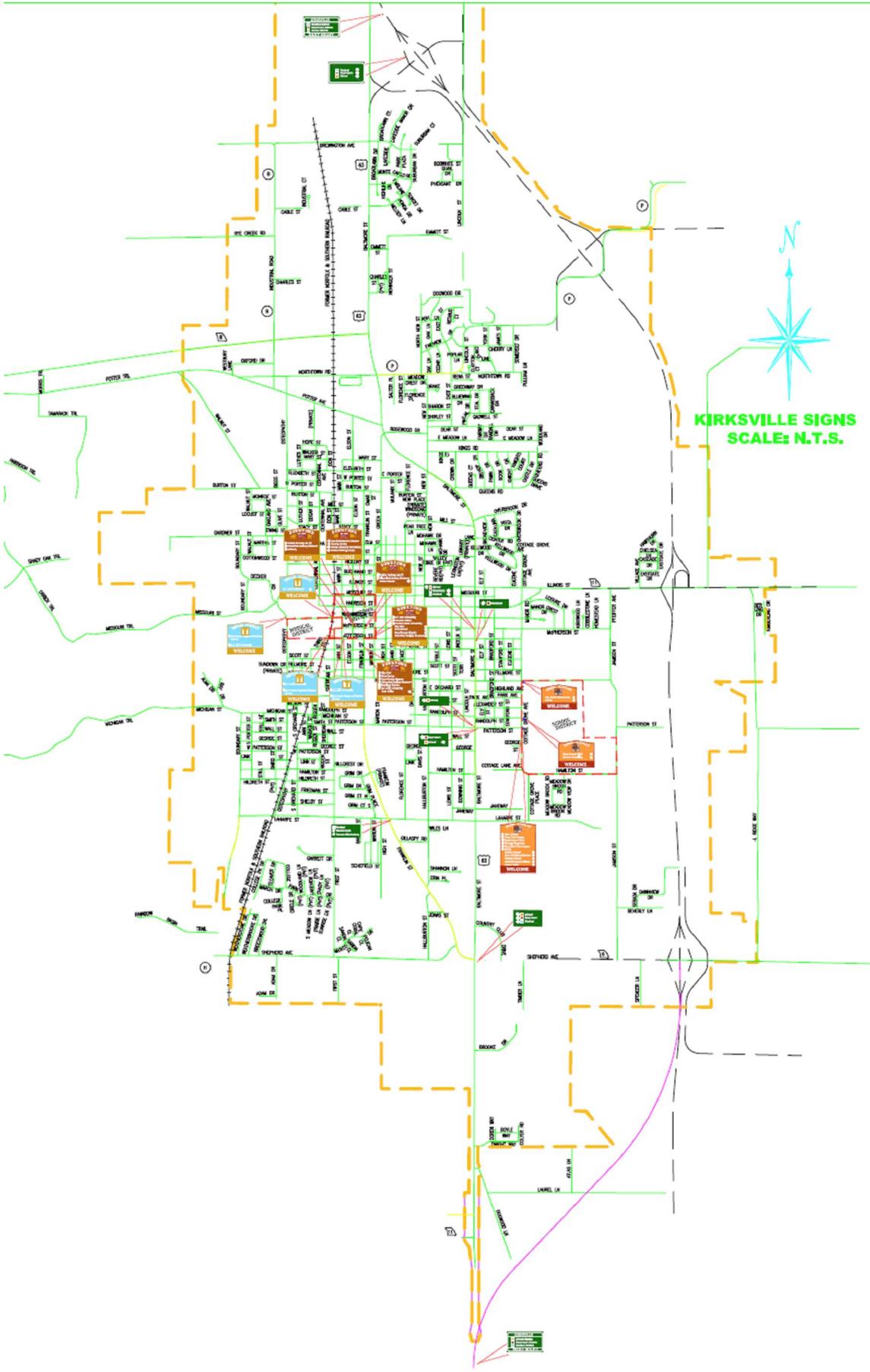
Primary Signage (Green Signs):	TIF 50%, City 50%
School District:	City 50%, School 50%
Downtown District:	TIF 100%
Medical District:	ATSU/NRMC 100%
Kiosk(s)	Rotary (\$7,500 total)

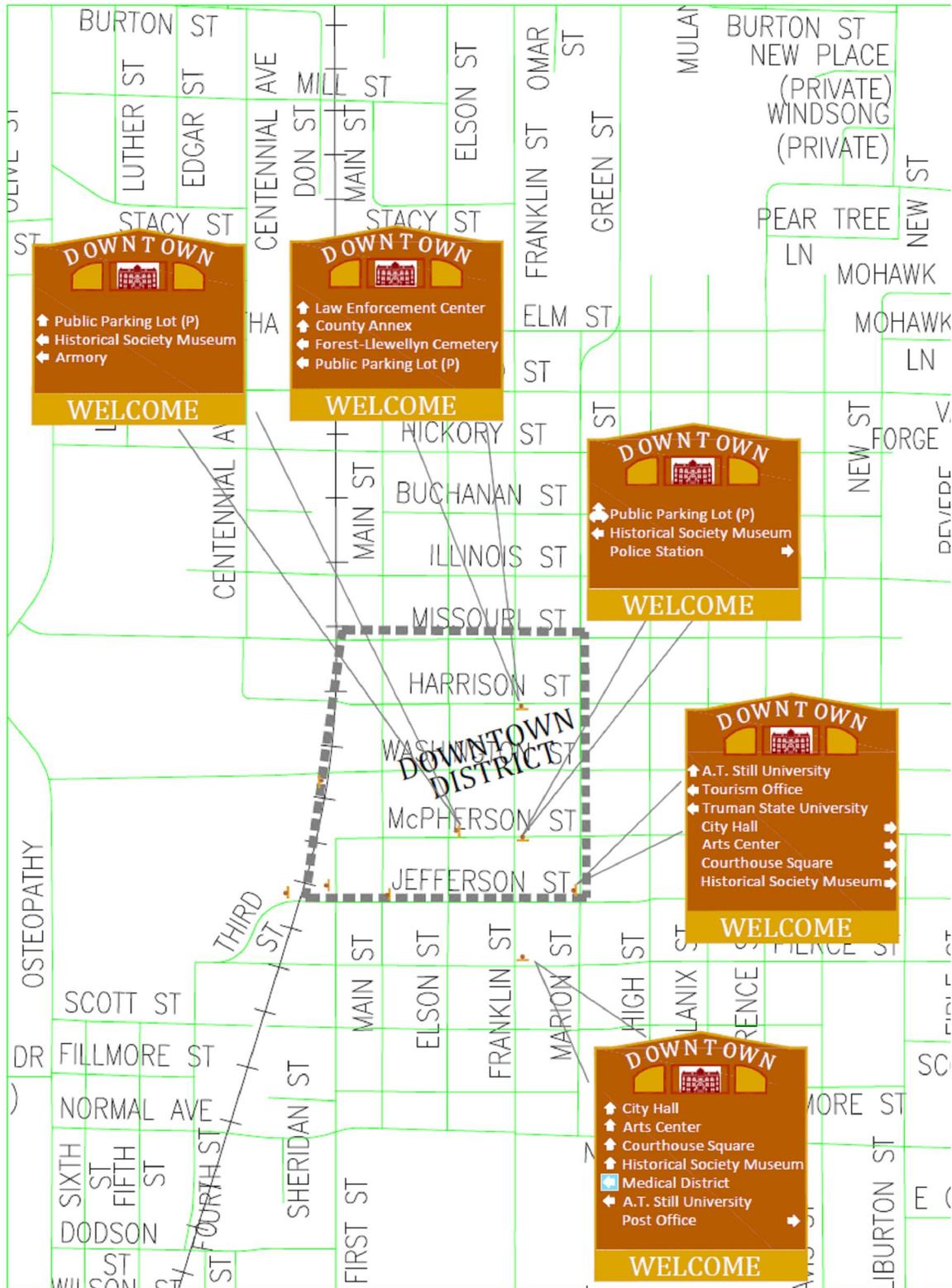
### ***How much will this project cost?***

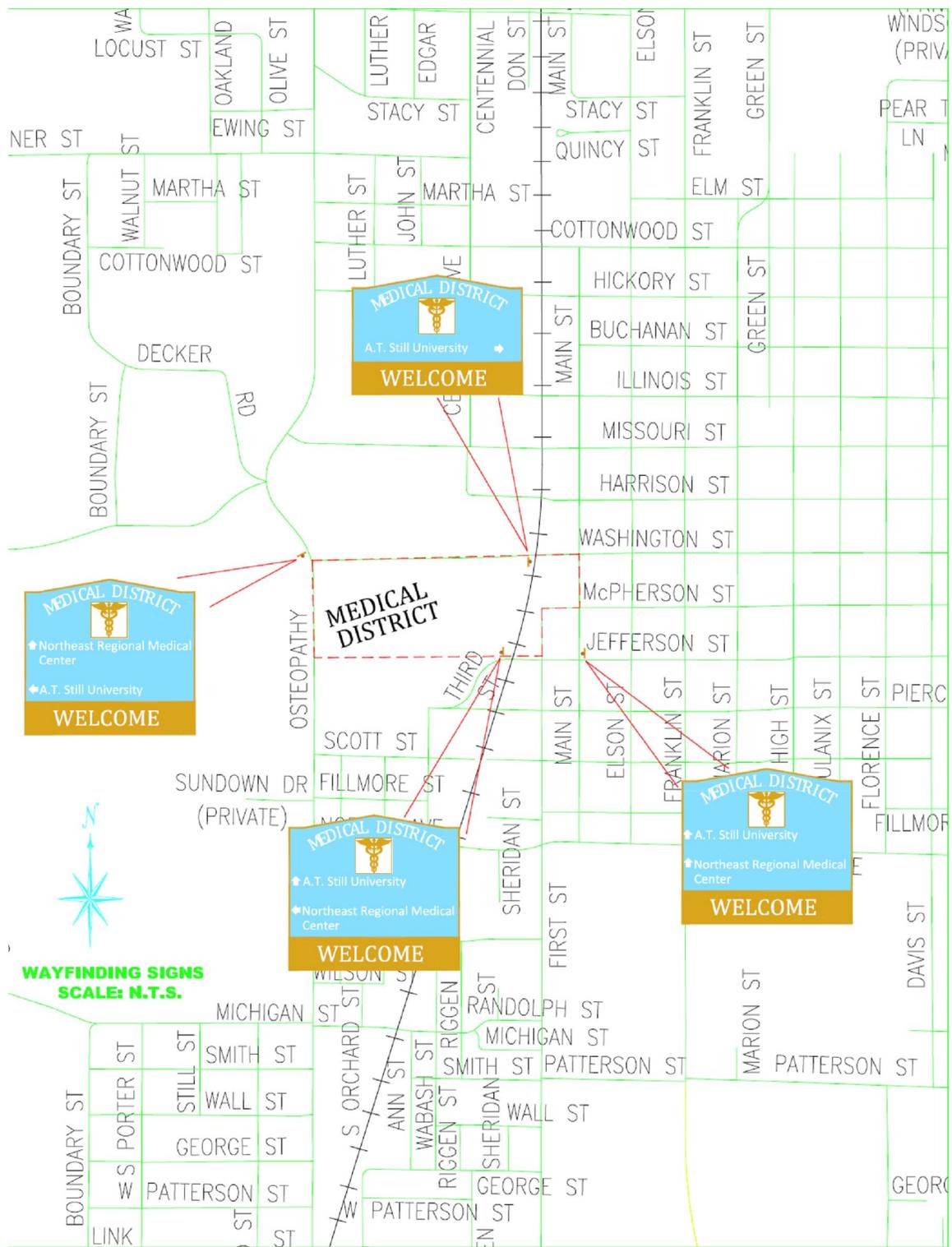
Graphic Materials:	\$2,000
Blanks:	\$3,000
Decorative Posts:	\$7,075
Two Large Alternate Route Signs:	\$14,000
<u>Installation/Misc. Costs</u>	<u>\$10,000</u>
Current Total:	\$36,075
<i>Budgeted:</i>	<i>\$60,000</i>

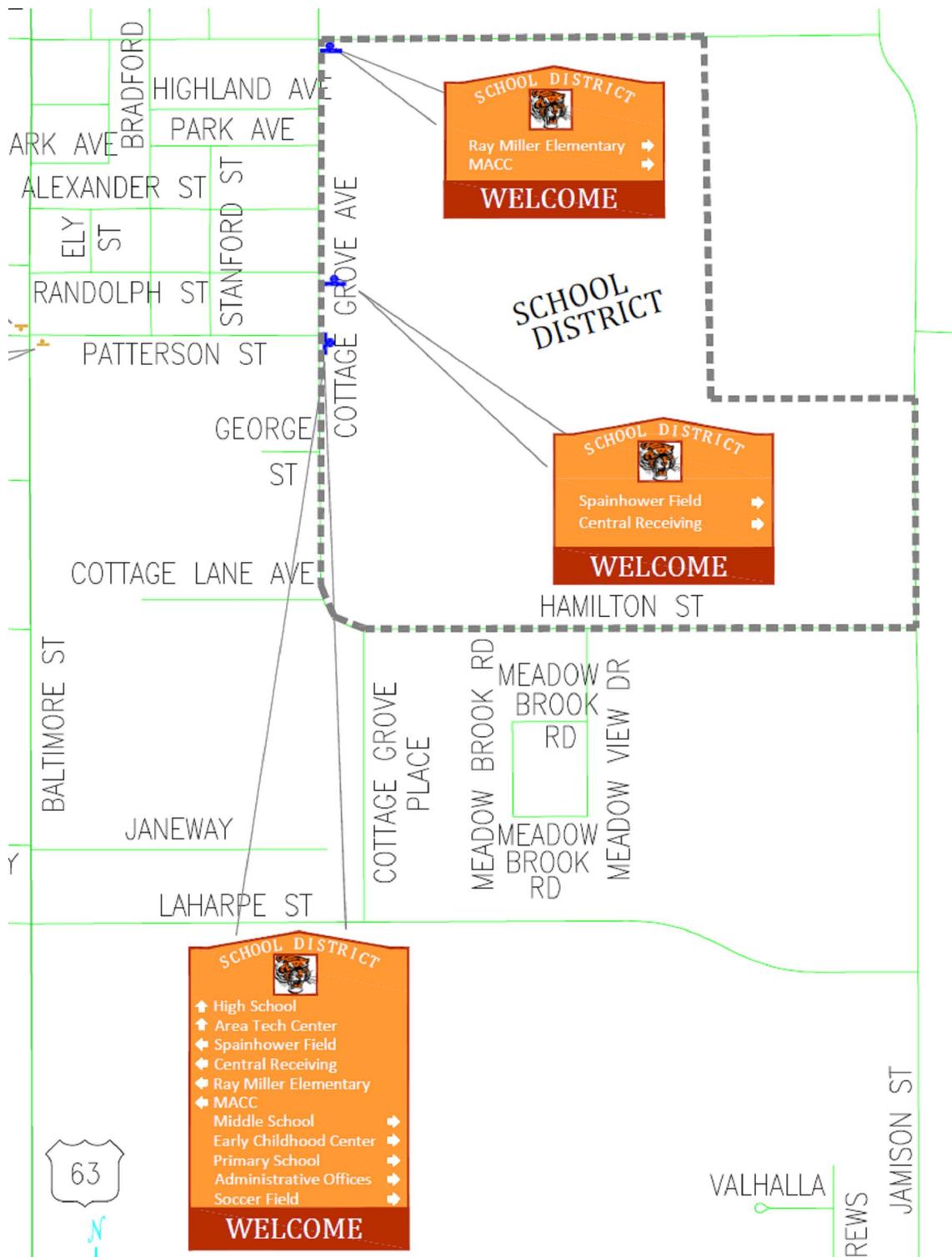
### ***Detail (Current Estimate)***

TIF	\$16,667
City	\$10,519
School	\$3,019
ATSU/NRMC	\$5,868









## **KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT**

**SUBJECT:** Wayfinding Update

**STUDY SESSION MEETING DATE:** October 5, 2009

**CITY DEPARTMENT:** Economic and Community Development

**PREPARED BY:** Cherie Bryant, Assistant to the City Manager

Urban planner Kevin Lynch coined the term 'wayfinding' in his 1960 book *Image of the City*, where he defined wayfinding as "a consistent use and organization of definite sensory cues from the external environment". In other words, wayfinding refers to systematically placing signs throughout town telling the visitor how to get to certain locations.

The 2004 Kirksville Downtown Design Guidelines, Downtown Partners, Kirksville Downtown Improvement Committee, Inc.(KDIC), and the DREAM Initiative have all recommended wayfinding to direct visitors to downtown Kirksville. The Downtown TIF Commission agreed to fund a large portion of the project; therefore, the Downtown Partners were called to organize a Wayfinding Committee to move forward.

The Wayfinding Committee is made up of representatives from ATSU, Truman State University, KDIC, City of Kirksville, Northeast Regional Medical Center, Chamber of Commerce, Kirksville R-III Schools, Rotary, and MoDOT. The Committee has met on several occasions and has made significant progress. Three districts have been designated - School District, Downtown District, and Medical District (ATSU & NRMC).

Primary signage refers to signs located along the main corridor of town. Secondary signage refers to signs located within a district.

The map showing primary signage is bringing visitors into town from the north and south along Baltimore Street.

Scenario 1 – Destination: School District (from north and south)

Scenario 2 – Destination: Downtown District (from north and south)

Scenario 3 – Destination: Medical District (from north and south)

The maps showing secondary signage are helping the visitor find their destination within a district.

Maps:

Downtown District

School District

Medical District (ATSU & NRMC will construct)

Sign Design:

Winston Vanderhoof and Larry Olson have been charged with designing the signs. In order to keep costs to a minimum the Committee has decided to produce all signs in-house, if possible. Olson has made some preliminary estimates.

**Kiosk:**

Rotary has agreed to purchase 1-3 directory maps (kiosks) for the downtown. The hope was to purchase 3 interactive kiosks (internet stations) so visitors could easily obtain local websites for additional information if they had questions. The cost for the interactive kiosks, however, made this unfeasible. Therefore, a non-interactive option was agreed upon. Currently, we are waiting on estimates from three local vendors to construct the kiosk(s).

**Financial Impact:**

Downtown TIF will purchase 100% of Downtown District signage and 50% of Primary signage. The City of Kirksville will purchase 50% of Primary signage and 50% of School District signage. ATSU and NRMC will purchase 100% of Medical District signage. Rotary will purchase 100% of kiosk(s).



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## **Lean-Six Sigma Implementation – Initial Identification and Assessment of Opportunities**

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**Prepared for:**  
**City of Kirksville**

**May 24, 2010**



City of Kirksville  
Lean-Six Sigma Implementation – Initial Identification and Assessment of Opportunities  
May 24, 2010

### **Project Background**

In a progressive effort to better prepare local government to meet the needs of the future, the City of Kirksville is strongly considering the implementation of Lean-Six Sigma process improvement methodology in their operations to drive continuous improvement.

As a first step in that implementation, the city is interested in having an initial assessment completed to identify and quantify opportunities that would justify moving to the next stage of this process, which would be the implementation of a pilot project.

The primary objective of a Lean Sigma implementation in the government of Kirksville is to reduce non-value added activities and to more consistently deliver constituent value, which would allow the city to reduce expenses and/or increase the value of services delivered.

A successfully implementation of Lean Sigma is based on building a changed culture throughout the organization where all personnel collaborate on work process changes. Lean Sigma tools are based on employees identifying opportunities to reduce efforts and resources that do not directly generate value for constituents. They apply the tools to improve the process and eliminate the targeted unnecessary use of resources.

### **Project Scope**

The first step of a comprehensive Lean Sigma implementation will be a multi-day assessment to identify processes with opportunities to benefit from application of Lean Sigma improvement and to determine the general level of potential improvements in those areas.

This assessment will be conducted through interviews with selected departments and review of their objectives and measures. Additional time will be spent in specific departments that indicate the highest potential for short term application of Lean Sigma. The two levels of assessment thoroughness will be referred to as a Level 1 Departmental Assessment and a Level 2 Departmental Assessment.

Each Level 1 Assessment consists of meeting with the Chief/Department Head to identify waste reduction/quality improvement opportunities, value of opportunities and ease of implementation. One to two hours is anticipated for each Level 1 Departmental Assessment, which includes a walk-through of department.

Each Level 2 Assessment consists of meeting with Chief/Department Head and an employee oriented idea generation sessions with an appropriate team to identify waste reduction/quality improvement opportunities, value of opportunities and ease of implementation. Team consensus



City of Kirksville  
Lean-Six Sigma Implementation – Initial Identification and Assessment of Opportunities  
May 24, 2010

building will be utilized to prioritize the opportunities. Four hours will be allocated for each Level 2 Departmental Assessment.

It is planned that a Level 1 Departmental Assessment will be performed with the following departments: Police, Fire, and Airport.

It is planned that a Level 2 Departmental Assessment will be performed with the following departments: Public Works/Streets, Central Garage, and Utilities.

#### **Deliverables**

Missouri Enterprise will deliver a final report that identifies the process areas identified as higher potential for utilizing Lean Sigma tools to reduce cost and/or increase public service capacity along with projected benefits and recommended next step (pilot project)

#### **Project Schedule**

From the signing of agreement, this engagement is expected to be completed within three weeks. The dates of the necessary meeting with employees and Chiefs/Department Heads will be made in cooperation with the client and Missouri Enterprise.

#### **Project Investment**

The total investment by the City of Kirksville for Missouri Enterprise's services will be \$5,280, plus actual travel expenses (travel time @ \$60/hour, actual mileage at prevailing government rate, hotel and meals expenses).

Travel expenses are projected to total \$1,200. All reasonable efforts will be made to minimize travel expenses.

#### **Planned Project Resource**

The planned Lead Project Manager for this engagement is Terry Siddens.

Terry provides companies the capability to implement change and bring about measurable continuous improvement. His successful 30+ year track record has been focused on operational process improvements and developing new business opportunities.

Throughout his career, Terry has provided leadership in new product concept evaluation, product design, improving manufacturing process effectiveness, design of assembly automation, analyzing the feasibility of new business ventures, and project management.



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Whether working within a company or as a consultant he focuses on improving processes to meet strategic objectives and increase competitiveness.

Terry is a graduate of the University of Missouri – Rolla with a Bachelor of Science in Mechanical Engineering and of the University of Missouri – Kansas City with an MBA in Operations Management.

#### **Roles and Responsibilities**

Missouri Enterprise is committed to providing quality, results-based services to our customers. We utilize a Customer Satisfaction Evaluation – which we will ask you to complete and return at the end of this project – to collect information about the quality and the economic results of the project. In addition to our Customer Satisfaction Survey, approximately 8-12 months following the completion of the project, an independent survey firm may contact you on behalf of our federal funding partner, National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP), to ask some additional customer satisfaction and economic impact questions. Acceptance of our proposal is assumed to indicate the customer's agreement to complete and return this survey in a timely manner.

Brad Armstrong  
Area Business Manager  
May 24, 2010

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**“We like change as long as everyone else does it  
and I don’t have to get out of my comfort zone”**

“Everything continually changes”

“We must make change work for us, or at least not  
against us”

*“Will we be proactive in dedicating resources to  
embracing change?”*

◆ Man-hours?

◆ Dollars?

**Lean Sigma integrates =**

**Lean: non-value added reduction**

**+**

**Six Sigma: root cause analysis**



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**Lean Strategy is focus on identifying and eliminating (reducing) any consumption of time and resources that does not create constituent value.**

*These non-value added activities are the things that give us headaches and hassles.*

*And they are unnecessary!*



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Six Sigma is the use of root cause analysis tools to identify and change process parameters that result in less than maximum *constituent value.*

*These tools include the range of methods from statistical models to group problem solving.*

*They reduce variation and increase predictability of outcomes!*

Successful Lean Sigma is a developed problem solving culture that combines the use of **technical tools** with **group collaboration.**

*The building of a team culture requires an effort equal to the implementation of technical tools.*

## Grand Rapids, MI

- 1700 employees
- 15% reduction in employees due to revenue decline
- Lean gains improved productivity but did not offset reduced available capacity
- “provide quality of service ..., in less time and with less effort and frustration”
- “engage staff members responsible for the work in redesigning it”

## Clarence, NY

- 100 employees, \$20 million budget
- Trained 20 employees in basics, 2 Green Belts
- Use volunteer business advisory group
- Project to capture additional \$86,000 in park facility usage
- Project reduce meetings and employee hours on large community development projects