CITY OF WHITEWATER PUBLIC WORKS/PARKS DEPARTMENT ANALYSIS

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PUBLIC WORKS/PARKS DEPARTMENT ANALYSIS REPORT

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ENGINEERS ARCHITECTS

PUBLIC WORKS/PARKS DEPARTMENT ANALYSIS

I. EXECUTIVE SUMMARY

McMahon was retained by the City of Whitewater, Wisconsin to conduct a two-phase study of the Whitewater Public Works Department and Parks Department to recommend the best organizational structure and operating system to maximize efficiencies and effectiveness in the delivery of services. The scope of the project included:

- Conducting an operational assessment of the Public Works and Parks Departments
- Review service demands and workloads and the ability to meet those demands
- Evaluate staffing levels to perform the tasks assigned
- Interview management, supervisors, and employees of both departments
- Conduct a comparative analysis of operations to other like municipalities
- Review other issues and opportunities recognized during the analysis

Representatives of both departments were extremely cooperative in the study process. McMahon reviewed statistics, data, and documentation provided by both departments and conducted interviews with all employees of both departments as well as the Human Resources Director and City Manager.

Both departments have a long history of providing exemplary service. A close working relationship with the School District exemplifies a commitment to interoperability and operational unity, resulting in seamless integration in service delivery. This foundation of mutual respect and proven collaboration positions them well for future initiatives aimed at enhancing efficiency.

Earlier this year, the City implemented a project time recording system. The consulting team used this data to identify operational priorities and assess staffing. The City is to be commended for creating this timekeeping system.

II. INTRODUCTION

McMahon Associates, Inc. (McMahon) was retained by the City of Whitewater to assess the organizational structure, operational efficiency, workload and staffing of the Public Works and Parks Departments. During the study the consultants:

- Requested and reviewed documentation and data from both departments
- Conducted internal department interviews of all employees
- Conducted on-site observations of operations
- Analyzed equipment, facilities and workloads

III. SCOPE OF SERVICES

The Scope of Services centered on evaluating whether the current organizational structure is appropriate or should be changed. Do the departments have adequate staff to complete assigned tasks? Is there a backlog of work that is not being completed in a timely manner? Do the employees have the skills and training needed to do their work? Are the departments operating efficiently and effectively? To answer these questions and others, the consultants:

- Conducted an operational assessment of each department, including staffing, training, communications, and management structure and practices.
- Reviewed service demand levels and the ability to meet those demands.
- Evaluated potential effectiveness and efficiency improvements.
- Evaluated daily tasks and workloads.
- Evaluated current shared services with the School District.
- Reviewed budgetary constraints.
- Identify other issues and opportunities recognized during the analysis.

IV. PROJECT WORK TASKS

To fulfill the objectives established by the City of Whitewater, the McMahon team conducted a comprehensive evaluation of the departments' operations.

As part of this process, McMahon staff interviewed all of the supervisors and employees of both departments. These interactions were designed to identify key concerns and operational insights related to the delivery of efficient, cost-effective services.

The following presents an overview of the work completed by McMahon during the project:

1. Communicated with the city manager and department heads to define the scope and mission, discuss the work plans, establish liaison responsibilities, and confirm other general arrangements.

2. Established a Project Team which included the City Manager and respective department heads for reporting and coordination.

3. Obtained and reviewed documentation pertaining to this project, including existing budgets, policies and procedures, time records for 2025, and draft compensation policy.

4. Assessed the current operations of both departments to determine workloads compared to staffing by conducting interviews and on-site observations with representatives of the departments. Interviews included the following:

- City Manager
- Public Works Director
- Parks, Recreation and Facilities Director
- All DPW employees
- All Parks and Facilities employees
- Human Resources Director
- Finance Director

5. Reviewed both departments' workflows and processes to analyze and develop potential organizational and operational requirements. McMahon also compared Whitewater DPW/Parks operations with other like municipalities

6. Facilitated a Status Meeting to present preliminary findings and obtain feedback from the Project Team.

7. Developed a comprehensive list of opportunities for enhanced service delivery, utilizing the information provided by the documentation received, the interviews, and on-site observations.

8. Facilitated a Recommendations Meeting to present preliminary recommendations and obtain feedback from the Project Team.

9. Assembled the Report document. Performed a detailed quality assurance review of the document to ensure that the document meets the expectations of the Project Team and conforms to McMahon's standards.

10. Prepared and delivered the draft report for review.

V. PROJECT FINDINGS

This section provides a comprehensive overview of the background and historical data surrounding each department, along with McMahon's study findings

a. <u>Community Overview - Demographics and Environment</u>

The City of Whitewater is situated along the State Highway 12 corridor. The University of Wisconsin-Whitewater is located within the city limits. The geographic location of the community along with the University has resulted in a significant number of development and growth opportunities over the past decades.

As the City has grown, the DPW/Parks staffing has remained fairly constant.

Like most municipalities, property tax is the largest single revenue category for the city.

According to the State of Wisconsin Department of Administration, the population of the city is approximately 16,137 and the University population is over 12,000.

https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Projections.aspx

b. Public Works Department Summary

The Public Works Department has a total full-time staff of 11 employees and 11-12 seasonal summer employees. The Department is responsible for a broad range of functions and services including, but not limited to:

- Street and sidewalk maintenance
- Snow and ice removal from city streets, sidewalks, and city parking lots
- Cutting grass in all City parks and city property
- Repair and replacing streetlights
- Repair and maintenance of park playground structures
- Trimming and removal of trees on City property and right of way
- Storm sewer cleaning and maintenance

These and other services are provided by a department consisting of 11 full-time employees and 11-12 seasonal employees. The fulltime employees include:

- Director of Public Works
- Street Superintendent
- Street Lead
- Mechanic
- 7 Laborers

The Public Works Department operating budget history is as follows:

Whitewater Public Works Budgets

Year	Budgets	Percent change
2020*	$ 1,094,477.00	
2021*	$ 1,121,114.00	2.43%
2022*	$ 1,139,541.00	1.64%
2023	$ 1,131,535.00	-0.70%
2024	$ 1,200,352.00	6.08%
2025	$ 1,223,365.00	1.92%

*Actual per audit

In 2025, the City implemented a time tracking system which requires employees to record their daily work efforts by function. McMahon analyzed the hours spent by function and summarized the work hours below. This is a key indicator of workload and function priorities for the department. As can be seen below a majority of working hours are spent on forestry, park maintenance, storm sewer maintenance, street maintenance, and snow removal in winter months.

Time Tracking Analysis
1/1/25 to 8/22/25

Function	Fulltime Hours	Seasonal Hours
Compost Site	101	201
Forestry	2,226	435
Parks Maintenance/Mowing	1,272	2,968
Equipment Maintenance	2,172	-
Snow Removal	790	33
Storm Sewer Maintenance	1,377	-
Street Cleaning	498	-
Street Light Maintenance	439	-
Street Maintenance	1,385	707

c. Parks and Recreation Department Summary

The Parks and Recreation Department has a total of 6 full-time employees and various part-time and seasonal employees for recreation programs. The park system consists of 22 park sites including 161.25 acres of developed acreage and 81.5 acres of conservancy lands for a total of 242.75 acres. The department oversees lake management for Cravath Lake, Trippe Lake, and Clay Street Nature Park.

The department provides community recreation programs, programming at the Senior Center, concerts in the park, and the 4th of July Celebration. In addition, the department is responsible for operating and managing the Whitewater Aquatic and Fitness Center (WAFC) which is adjacent to the Whitewater High School. The WAFC features a variety of amenities including:

- Leisure pool with slide and lazy river
- 8-lane lap pool
- Fitness center
- Locker rooms
- Concessions
- Rental room

The department is also responsible for maintaining various city facilities including the Armory Gym and Community Building, Cravath Lakefront Park Community Building, Senior Center, City Hall, Innovation Center, Library, WAFC, White Memorial Building, and all park buildings.

These and other programs and events are provided by a department consisting of 7 full-time employees and various part-time seasonal employees. The full-time employees include:

- Director of Parks, Recreation and Facility Maintenance
- Assistant Park and Recreation/Community Events Director
- Whitewater Aquatic and Fitness (WAFC) Manager
- Adult Program Coordinator
- Athletic/Youth Program Coordinator
- 2 Facility Maintenance Technicians

The Park and Recreation Department operating budget history is as follows:

Whitewater Parks and Recreation Budgets

Year	Budgets	Percent change
2020*	$ 754,496.00	
2021*	$ 673,505.00	-10.73%
2022*	$ 724,655.00	7.60%
2023	$ 682,036.00	-5.88%
2024	$ 775,265.00	13.67%
2025	$ 769,455.00	-0.75%

*Actual per audit

d. Comparisons to Other Municipalities

The consultant team compared the organizational structure in Whitewater with several other like municipalities. For this analysis, the cities of Delavan, Elkhorn, Jefferson, and Fort Atkinson were used as comparables. As illustrated in the chart below, comparable nearby communities exhibit a range of core characteristics that closely parallel with each other vary in how they maintain their field operations. Even when the divisions are separated, they cross over divisions to assist as needed based on projects and workload.

Community	Combined or Separate Parks and Public Works
Delavan	Separate
Fort Atkinson	Separate
Elkhorn	Combined
Jefferson	Separate

e. Findings

Overall, the consultants found the organization to be well run and functionally well structured. Management and supervisors do a good job of communicating work to the employees. Employees do not feel micro-managed. They meet as a group at the beginning of each day and are given assignments. As the day progresses, if employees have questions about assigned tasks or if they encounter unique challenges, management is readily available to respond and provide further guidance.

Every employee interviewed stated that they enjoy working in their respective department and did not plan to seek other employment. They take pride in their work and in keeping the city looking good.

Employee training appears to be a priority. Employees receive CPR training, CVMIC safety training, and other job-related training. There have been no reported on-the-job accidents in the recent past. One employee is currently working toward certified arborist and expects to receive certification in January 2026. Two employees are Certified Playground Safety Inspectors.

The employees as a group work well together and support each other. There is a mix of veteran and newer employees. Typically, a newer employee is assigned to work with an older employee to receive thorough on-the-job training and experience. Additionally, a number of staff have expertise in a specialty area, such as concrete work and electrical work, so they can be relied upon to lead a project and help train their coworkers.

The employees generally feel they are supported by the community as far as donations and volunteers are concerned.

The current Public Works/Parks Buildings have significant structural issues including rusting support beams, leaking roof, and inadequate space for some large equipment in the wash bay. The buildings have ADA compliance issues as well as gender equity issues. The buildings do not help provide efficient operations.

Some of the department equipment is aged and requires continual maintenance by the one equipment mechanic. The Capital Improvement Plan (CIP) and Equipment Replacement Schedule should be expanded to go out 10-15 years.

f. Compensation Plan Overview

The City is in the process of implementing a new Compensation Policy. While not an initial focus of this study, it was an issue that was brought to the attention of the McMahon team several times throughout this study. In July of this year, a draft compensation policy was provided to Department employees. It was the intent in doing so to get feedback from employees on the policy before it was finalized and presented to the City Council for action.

As a group the employees agreed to the need for a better compensation plan as most felt the current method of compensating employees was haphazard and inconsistent with the group. However, they were handed out the draft policy without explanation or direction. Some employees felt it was overly lengthy and too complicated and difficult to understand.

VI. RECOMMENDATIONS

Based on the findings of the consultant team, following are recommendations for the City to consider:

- Continue with a combined Public Works/Parks field staff structure as it is working well for the City of Whitewater and is supported by existing staff. Continue with separate Public Works and Parks, Recreation and Facilities Departments.
- Construct a new Public Works/Parks Operations facility for improved efficiencies and ADA compliance
- Consider shared services agreements with surrounding municipalities for providing recreation programs for their residents
- Complete the update to the Comprehensive Outdoor Recreation Plan (CORP) to be eligible for DNR grant funding to aid parks and park facilities
- Expand and improve the Equipment Replacement Schedule (draft CIP Policy included)
- Develop a playground equipment replacement schedule
- Increase seasonal/part-time staff wages to market rates
- Expand partnerships with the Community Foundation for assistance with public improvements
- Evaluate in-house custodial services versus contracted custodial services for all city buildings
- Evaluate asset management software system(s) currently in use, gravitate to a single system for the city
- Consider hiring 1 additional full-time laborer to be utilized across Public Works/Parks and Facilities Maintenance or hire 1 year-round LTE at 20 hours per week for Public Works/Parks and 1 year-round LTE at 20 hours per week for Facilities Maintenance
- Utilize RDA/Community Development Authority funds to hire contractor to maintain RDA/Community Development Authority properties versus city staff
- Update the public tree inventory and develop a terrace tree pruning schedule
- Develop a long-term transition plan to replace the DPW Director, Mechanic and other staff nearing retirement. Continue and expand cross-training of all staff.
- Improve coordination with city hall purchasing staff and field staff to ensure the most appropriate and efficient equipment is being purchased
- Daily time tracking of tasks should be done by all field staff

APPENDIX

a. Sample Capital Improvement Planning Process & Policy
b. Sample Capital Improvement Scoring Sheet
c. Sample Job Classification and Salary Administration Plans

APPENDIX A

Sample Capital Improvement Planning Process and Policy

SUBJECT: CAPITAL IMPROVEMENT PLANNING PROCESS & POLICY

General: The intent of the capital improvement planning process and policy is to ensure that the City of (City Name) has set in place a long-term plan regarding improvements and replacement of buildings, equipment, parks, and public infrastructure, including its utilities. It is prudent that management have a process where these items are reviewed and scheduled to be replaced outside of and prior to the annual budget process. A formally adopted policy will provide a decision-making process based on evaluation, selection, and multi-year scheduling of capital projects.

Policy Management:

- The City Council must approve a ten-year capital improvement plan that is updated annually.
- The ten (10) year capital improvement plan will include consideration of major equipment replacement needs as well as any other projects or future capital expenditures.
- The City Council will hold at least one Capital planning workshop. The meeting is an open meeting under Wisconsin Statutes and the Council shall provide the opportunity for public input at this meeting.
- The Capital Improvement Planning process will begin at a staff level in March and the Capital Planning workshop(s) should be expected to occur in June.
- The first year of the ten-year capital improvement plan with consideration of any changes will be rolled into the current year capital improvement budget during the annual operating budget process.

Strategic Plan

The City of (City Name) adopts a new Strategic Plan every two years that provides a “roadmap” for the City’s future. Depending on internal and external circumstances, the Strategic Plan contains several priority goals for the City to undertake. Each goal is intended to support the larger vision for the City and to point the way of progress toward that vision. The goals of the Strategic Plan are incorporated in the annual Capital Improvement Program development process, providing City staff the framework in which to allocate resources to meet the goals.

Definitions

<u>Capital Outlay —</u>Individual items with minimum value of at least $5,000 and life greater than one year (Included in operations budget).

<u>Capital Project —</u>Individual items with minimum value of at least $10,000 and has expected life of at least ten years. (Not included in operations budget).

<u>Capital Improvement Plan (CIP)-</u> A comprehensive schedule or program of approved capital improvement projects. The plan shall be for a ten-year period. The plan shall be annually revised and shall meet borrowing guidelines provided by the Common Council for the first two years of the plan. The remaining seven years will provide an estimate of the financial resources needed to complete the plan.

<u>Capital Improvement Budget —</u>The first year or current planned expenditures of the ten-year CIP which will be funded as part of the operating budget for the City for capital outlays.

Useful Life Policy

All City assets will be assigned a useful life as a means to plan for capital project expenditures, as well as meet Governmental Accounting Standards Board's (GASB) Statement 34 which requires state and local governments to depreciate their exhaustible capital assets, including infrastructure. The term "useful life" will be determined by either accepted standards & practices and/or best estimate based on industry or prior experience(s). Recommended estimates for "useful life" are as follows:

Buildings and Building Improvements	
Buildings Found/Frame/Structure	40 years
Building Improvements	20 years
Infrastructure	
Roads & Highways (includes curb & gutter)	
Sealcoats	3 years
Asphalt (Cold-Mixed)	5 years
Asphalt (Hot-Mixed)	12 years
Concrete Pavement	25 years
Sewer Mains, Lift Stations	50 years
Sanitary Mains	50 years
Storm Mains	40 years
Sidewalks	20 years
Street Lights	30 years
Water Mains	75 years
Water System	40 years
Wells & Pump Houses	30 years
Land/Land Improvements	
Land	No Depreciation
Athletic Fields, Bleachers	15 years
Benches, Tables, Grills	5 years
Fencing, Gates	20 years
Landscaping, Ball Park	25 years
Outdoor Equipment	20 years
Outdoor Lighting	20 years
Parking Lots	25 years
Paths and Trails	25 years
Retaining Walls	20 years
Tennis & Basketball Courts	20 years
Machinery and Equipment	
Business/Office Equipment	8 years
Custodial Equipment	5 years
Fire Department Equipment	7 years
Furniture	15 years
Grounds Equipment—Mowers	7 years
Kitchen Equipment — Appliances	10 years
Mounted Equip w/Truck Chassis	8 years
Outdoor Equipment — Playgrounds	20 years
Plazas and Pavilions	40 years
Radio Communications	7 years
Water Meters	20 years
Vehicles	
Squad Cars	4 years
Transit Buses	10 years
Cars, Light Trucks & Vans	10 years
Heavy trucks (more than 13,000lbs)	10 years
Fire Trucks	15 years
Heavy Equipment-Loaders, Graders	10 years

Funding Plan:

Delaying capital maintenance and replacement of equipment results in higher future costs and decreased resident service and quality of life. The City recognizes that large increases to property taxes are not desirable and has adopted this Policy and the Capital Improvement Budget Policy to provide for annual review of buildings and equipment to allow for planned expenditures.

- As part of the annual capital improvement plan process, the Finance Director will develop for consideration by the City Council a target for changes in the property tax levy necessary for debt service in subsequent budget years. Such target will be used to develop guidelines for the level of borrowing to be used in supporting the annual capital improvement budget. The target will be based on a combination of factors including, but not limited to, expected growth in tax base, inflation rates, or similar factors. The borrowing target may be exceeded with the approval of a 2/3 majority of the City Council.
- The City desires to fund items that are not financed by debt through annual operating revenues.
    - The City designed a ten-year funding plan, which shows how the desire above can be reached.

- The plan uses a combination of reserves on hand, incremental tax levy increases of 3% and debt service tax levy that will become available in future years to fund annually recurring purchase requests.
- The ten-year plan calls for these funds to be relied on over the next several years, then builds the reserve balance back up slightly. The use of these reserves will allow the City to gradually increase the tax levy to fund these purchases rather than including large one-time jumps.

Procedures:

1. The City begins the capital planning process by summarizing all existing capital assets including equipment, buildings, and infrastructure assets purchased with an individual value more than $5,000. This inventory listing includes the year the asset was purchased, estimated life, and estimated replacement year.

2. A review of the CIP policy and the analysis of available and acceptable funding levels for projects in the CIP will be conducted in January and February prior to the distribution of the Budget Preparation Calendar.

3. Department heads then complete a capital needs assessment. Departments will be provided with a listing of capital assets for their review and updates. One part of that assessment is to review their existing asset inventory and ensure that assets needing replacement during the next ten years are requested. Departments can also consider requests from their respective Board or Commissions.

4. The Budget Preparation Calendar will be prepared by the Finance Department and distributed to the City Manager, City Council, and Department Heads in March of each year.

5. Submission of project requests covering a ten-year period are delivered to the Finance Director by the middle of May. The Finance Department will assemble the requests for internal meeting by the end of May. The preliminary or Draft CIP is created. The Plan Commission will review the Draft CIP to assure it is consistent with the City's Comprehensive Plan.

6. Once all capital purchase requests are received by the Finance Director, they are split into three groups.

   Non-Debt Financed Purchase Requests: Non-debt financed purchase requests can be thought of as falling into one of three categories: annually recurring, smaller dollar purchases or shorter-lived assets. The City desires to finance those purchases which recur annually through annual revenues rather than borrowed funds. This method allows for tax rate stabilization and lower debt service payments due to fewer borrowings. The City also desires not to borrow for lower cost assets as the cost of financing can become too high in comparison to the asset's overall value. In some cases, it is the combination of dollar amount and asset life that results in the asset being shown within this category.

   Debt Financed Purchase Requests: Debt financed purchase requests are higher cost, more infrequent purchase requests. Due to the infrequency of purchase, paying for these assets with annual operating funds would lead to a tax rate which may fluctuate significantly from one year to the next. In order to maintain tax levy stability, the City plans to finance these purchases with long-term debt.

   Stormwater, Sanitary Sewer, and Water Utility Purchase Requests: These requests are primarily for infrastructure improvement that relate to one of the City's utilities. The costs of these assets may be financed through user fees and funds on hand or the issuance of long-term debt. If debt financing is used the debt will be repaid through user fees of that utility, rather than through the general tax levy.

7. The Finance Director and City Manager will meet with the Department Heads to review project requests to verify that they are in line with the City's overall goals and prioritize or rank the projects to meet the City goals and Strategic Plan. These meeting will occur during the month of June

8. The Finance Director and City Manager then present a draft ten-year Capital Improvement Plan to the City Council for their consideration at a Capital Planning workshop held at the end of June or early July.

9. The ten-year Capital Improvement Plan will be presented to the Plan Commission in August to ensure that the plan aligns with the City's Comprehensive Plan.

10. The Capital Improvement Plan will be scheduled for Council approval at the second meeting in August.

11. Once the Capital Plan has been approved, the first year of the Capital Improvement Plan will be rolled into the Capital Improvement Budget and with will go through further review during the annual operating budget process.

CIP Ranking Process

Thirteen evaluation criteria have been developed to assist with prioritizing initial project requests. Each project included in the CIP will be evaluated against this criterion. This ensures the most objective process possible and leads to consistent decision making. The scoring which is derived from the tools below will assist the City Manager in prioritizing and preparing the final CIP plan. Every project is evaluated against each criterion and assigned points on a scale of 15, 10, 5, or 0. The project review criterion consists of the following categories:

- Conformity to Approved City Strategic Plan or Department Plan(s)
- Financial Commitments and Leverage of Outside Funding
- Mandates
- Public Health and Safety
- Implementation Feasibility
- Operating Budget Impact
- Percentage of Population Served
- Project/Item Life
- Estimated Frequency of Use (Ave Per Year)
- Service Level
- Linkages to Other CIP Projects or Other Organization Projects
- Infrastructure Investment/ Protection
- Encouragement of Economic Development

The City Manager also reserves the right to assess an extra 5 points per project.

SUBJECT: CAPITAL IMPROVEMENT BUDGET POLICY

General: The City of (City Name) has a substantial investment in buildings, equipment, parks and public infrastructure, including its utilities. Prudent management of these investments is the responsibility of City government. In order to fulfill this responsibility but remain within fiscally prudent parameters, the City has enacted this policy for development of the Capital Improvement Budget. This policy applies to all capital budgets of the City, including general City functions (tax-funded debt) and utility funds.

Procedures:

A. Budget Considerations

1. The City will enact an annual Capital Improvement Budget based upon a ten-year Capital Improvement Plan.

2. The City will coordinate development of the annual Capital Improvement Budget with the development of the operating budget. Future operating costs associated with new capital improvements or major equipment purchases will be projected and included in the operating budget. Approval of the annual Capital Improvement Budget shall take place at the same time as approval of the annual operating budget.

3. As part of the annual capital improvement plan process, the Finance Director will develop for consideration by the City Council a target for changes in the property tax levy necessary for debt service in subsequent budget years. Such target will be used to develop guidelines for the level of borrowing to be used in supporting the annual Capital Improvement Budget. The target will be based on a combination of factors including, but not limited to, expected growth in tax base, inflation rates, or similar factors. The borrowing target may be exceeded with the approval of a 2/3 majority of the City Council.

4. Utility projects not funded via special assessments, grants, or similar funding sources other than utility rates will be analyzed for future rate impacts as part of the annual capital improvement plan process. Utility projects will be coordinated with City projects to minimize costs and inconvenience to the residents.

5. Development-related projects for which tax incremental financing might be considered will be considered outside of the borrowing targets noted above due to the dedicated revenue stream (tax increments or other sources) used to pay the debt.

6. Each Department Head will develop the annual capital improvement plan for his or her respective department. The projects approved for the current year in the Ten Year Capital Improvement Plan will be rolled into the Capital Improvement Budget.

7. To meet the targets established by the City Council, projects, particularly those to be funded via borrowing, will be reviewed and prioritized by the City Manager, and coordinated by the Finance Director prior to being presented to the City Council for approval.

8. Capital improvement expenditures shall include any amounts expended for equipment or other assets with a useful life of five years or more and/or which involve amounts more than $5,000. Expenditures not meeting these criteria, or which have a useful life of less than the payback period of the funds to be borrowed, shall be included in the City's annual operating budget as applicable.

9. Facility improvement projects are subject to the dollar and useful life thresholds indicated above. In addition, facility projects to be included in the capital improvement budget should involve major renovations that change the floor plan, wall locations, modifications to the structure, or modifications to building mechanical systems. Items that do not meet these criteria should be included in department operating budgets.

10. The City will make all capital improvements in accordance with the approved annual Capital Improvement Budget. Any variance from the approved budget that would require a supplemental appropriation, or to add, delete or substitute projects, requires the approval of the City Council.

B. Financing Considerations

1. The City will utilize the least costly advantageous financing method for all new projects.

2. Each department will identify the estimated costs and potential alternate funding sources for each capital improvement project proposal.

3. The City will utilize available grant funds and other intergovernmental assistance to finance those capital improvements that are consistent with the Capital Improvement Plan and the City's priorities.

C. Other Considerations

1. The City will maintain all of its assets at a level adequate to protect the City's capital investment and to minimize future maintenance or replacement costs.

2. The City will maintain adequate equipment utilization and maintenance records to support its Capital Improvements Plan and to assure proper maintenance of equipment.

APPENDIX B

Sample Capital Improvement Scoring Sheet

Section:	Department:	Project:	Amount:
			$

Criteria	Possible Scores				
	15	10	5	0	Your Score
Conformity to Approved City Strategic Plan or Department Plan(s)	Implements a major project in the City Strategic Plan or Comprehensive Plan. Received prior Council direction/approval	Significantly adds to the completion of an approved department plan, i.e. Comprehensive Outdoor Rec. Plan (CORP)	Minimally adds to the completion of an approved department plan, i.e. Comprehensive Outdoor Rec. Plan (CORP)	Does not contribute toward any approved or adopted plan	
Financial Commitments and Leverage of Outside Funding	Financial commitments obtained and substantial	Financial commitments likely but amount is unclear	Financial commitments possible but amount is unclear	No identified funds	
Mandates	Court decision or regulatory requirement	Pending legal action or strong evidence of potential legal action	Possible but uncertain legal action	Normal project liability	
Public Health and Safety	Project will correct a highly probable safety or health issue which has highly severe consequences if not remedied	Project with less probable chance of a safety or health issue occurring but may have severe consequences without action	Project corrects a highly probable safety or health issue that has less than severe consequences without action	Project corrects no perceived safety or health issue	
Implementation Feasibility	No implementation obstacles identified	Minor implementation obstacles identified	Major implementation obstacles identified	Implementation not likely	
Operating Budget Impact	Significantly decreases operating/maintenance costs	Minimally decreases operating/maintenance costs	Net impact of zero	Increases operating/maintenance costs	
Population Served - % of total population served or underserved populations served	100% of total population served or significant benefit to underserved population	50-99%of total population served or moderate benefit to underserved population	10-49% of total population served or minor benefit to underserved population	<10% of total population served or little to no benefit to underserved population	
Project/Item Life	> 20 years with no extraordinary maintenance	> 20 years with routine maintenance	10-20 Years	<10 years	
Estimated Frequency of Use (Average Per Year)	7 days/week	Several days a week	Several days a month.	Once a month or less.	
Service Level	Project will correct or have measurable and dramatic improvement on the level of service offered by department	Project will maintain the level of service criteria as measured by department	Project will enhance the already acceptable level of service or have a minimal impact on service as measured by the department	No impact on service level	
Linkages to Other CIP Projects or Other Organization Projects	Continuation of a project currently underway or satisfies arrangement made with outside organization	Critical that project is done in conjunction with another project underway or other organization	Potential for project to be done in conjunction with another project on proposed CIP project list or other organization	No linkage to other projects or outside organizations	
Infrastructure Investment/ Protection	Exclusion of project will result in complete loss of prior investments or infrastructure	The project improves and / or protects the City's infrastructure.	The project maintains the City's infrastructure.	The project does not protect or preserve the City's infrastructure.	
Encouragement of Economic Development	The project will directly encourage increased economic development in the City's corridors.	Removal/non-inclusion of the project would deter economic development but inclusion would not increase economic development.	The project will help to maintain the current level of economic development in the City	The project will not encourage increased economic development in the City	
				Total Points	0

City Manager Bonus Points	________/5
Total Score	0

Please complete yellow areas

APPENDIX C

Sample Job Classification and Salary Administration Plans

SAMPLE JOB CLASSIFICATION PLAN

The purpose of the job classification plan is to provide a standard system of titles and job descriptions for the effective administration of personnel activities such as staffing, planning and budgeting, establishing and maintaining standards of job performance, fair and equitable pay, valid selection and recruitment programs, training programs and career development.

1. Authorized Position Count - The authorized position count, as authorized by the City Manager and subsequently set forth in and duly adopted as part of the annual City Budget, shall serve as the official documentation of positions within the City organization. The authorized position count shall identify the title and status of each position and shall be maintained and updated by Human Resources and incorporated into an organizational chart.

2. Administration - The Director of Administrative Services shall be responsible for the administration of the job classification plan in cooperation with Department Heads, key staff employees, and other appropriate resources.

3. New Positions - When a suitable class does not exist, the Director of Administrative Services shall establish a new class with an appropriate pay range subject to the approval of the City Manager and subsequently set forth in and duly adopted as part of the annual City budget.

4. Abolition of Positions - When it is determined that a classification or classification is not useful or needed, the Director of Administrative Services shall recommend to the City Manager that such classes be abolished and duly adopted as part of the annual City Budget.

5. Reclassification - If an employee has facts which indicate that a position is improperly classified, the employee may work with their supervisor and/or submit a written request to the Director of Administrative Services for review and approval subject to approval of the City Manager and subsequently set forth in and duly adopted as part of the annual City Budget.

6. Department Reorganization - If a department or division is reorganized, position descriptions for all affected employees shall be submitted to the Director of Administrative Services for review and approval as part of such reorganization subject to approval of the City Manager and subsequently set forth in and duly adopted as part of the annual City Budget.

7. Position Description - The Director of Administrative Services may require departments to submit position descriptions when vacancies occur or anytime there is reason to believe that there has been a significant change in the duties or responsibilities of one or more positions. Annual review of position descriptions by supervisors and employees is recommended. Official job descriptions shall be on file with Human Resources.

8. Review of Classification Plan - The Director of Administrative Services shall review the classification plan as often as appropriate to ensure that the plan accurately reflects existing position responsibilities and market conditions. The Director of Administrative Services shall take whatever action is appropriate to amend and update the classification plan, subject to review of the City Manager and subsequently set forth in and duly adopted as part of the annual City Budget.

SAMPLE SALARY ADMINISTRATION PLAN

1. Pay Plan - City pay plans include the schedule of pay ranges consisting of a minimum and maximum rate of pay for all classes of positions contained in each respective plan as well as the components and intended purposes for each feature of the respective plans. The objective of each pay plan is to provide an appropriate salary structure to recruit and retain the required number of City employees.

2. Responsibility and Administration - The Common Council, acting through the City Manager and the Director of Administrative Services, shall be responsible for determining the total annual amount available for salaries and salary measures under each pay plan. The Common Council shall also be responsible for the approval of the basic structure and overall ranking of job classifications based upon the recommendations of the Director of Administrative Services and the City Manager. The Director of Administrative Services shall be responsible for the overall administration of each pay plan and shall make additions, subtractions and modifications to classifications and the corresponding pay range assignments as needed between formal surveys with the approval of the City Manager for reflection in future budget documents.

3. Linkage - Each pay plan shall be directly linked to a classification plan. Positions of similar responsibility shall be grouped together in grade levels to establish an appropriate rate for each grade, and to establish a range for that grade. The appropriate rate shall be based on internal rankings and external market conditions.

4. Pay System - Pay periods are bi-weekly. Hours worked during a pay period are ordinarily paid the following Friday of the subsequent pay period.

5. Deductions - Before any deduction from an employee's wages is made, other than those allowed by law or court order, employees must authorize the deduction in writing. Forms for authorizing a deduction are available in the Payroll Office.

6. New Employees - A new employee may be employed at a point within the salary range commensurate with their qualifications as determined by the Director of Administrative Services. Performance evaluation(s) will be conducted at least annually. Performance evaluation reports shall be considered in personnel decisions affecting such things as compensation, promotion, demotion, removal, reduction in force, re-employment and training.

7. Salary Adjustment

    a. General - The salary schedule shall be reviewed annually to consider overall changes of salaries inside the organization, the labor market and economic conditions. If a general adjustment is given, it may be made either on a straight percentage basis, a flat dollar amount, or a combination of the two. Such adjustments shall normally be effective January 1 or pay period #1.

       If the City utilizes a step-based pay system, movement from one step to the next will occur on the employee's anniversary date of hire into their current classification and only after receiving an acceptable review of their performance from their supervisor up to the final step in the series progression. If pay for performance awards are provided, they will be awarded to those employees who have received an above average or higher review of their performance from their supervisor. These awards shall normally be effective January 1, after all other base pay adjustments have been applied. When an employee's salary exceeds their existing pay range maximum the employee's pay is defined as "red circled". A red circled employee will not be eligible for further base-accumulating pay increases until their salary is within the salary range for their existing position.

b. Special - Individuals whose salaries are substantially below the level called for by the labor market and the individual's performance, may be given an increase in addition to that called for elsewhere in these guidelines, upon recommendation of the supervisor, Director of Administrative Services, and City Manager provided sufficient funds have been made available through the budgeting process by the Common Council.

c. Transfers - Employees in good standing may request to be considered for transfer to another position in the City which is vacant. Such requests shall be made to the Director of Administrative Services. When employees transfer within the same classification or pay range, they will receive no salary adjustment but may be eligible to retain their original step increase date.

d. Promotion - Employees who are promoted from one class to another having a higher pay range will be granted a salary increase of 5% or the pay step of the new range that provides an increase of at least 5%, or the minimum of the higher range, whichever is greater. In the event of a promotion of two or more salary grades, the increase will be at least 8%, or the pay step of the new range that provides an increase of at least 8%, but not to exceed 10%, or the minimum of the higher range, whichever is greater. Promoted employees will not exceed the pay rate of the highest paid employee in their new classification, unless that rate is less than or equal to their former rate.

e. Demotion - Demotions may be made in lieu of layoff, as a disciplinary measure or can be voluntary. Demotions must be approved in advance by the Director of Administrative Services and the City Manager. Also, an employee who demotes to a pay grade or classification that they previously held will not be placed back into that pay grade or classification at a higher pay or pay step than they would have attained had they stayed within that pay grade. This also applies in circumstances where a previously demoted employee promotes up to a previously held pay grade or classification.

   When employees are demoted, the following provisions apply:

   i. Involuntary - An employee who is demoted for non-voluntary reasons but unrelated to performance may retain their present salary if the salary exceeds the new range maximum. If the present salary falls within the new range, the employee may be placed in the new range at their current salary. However, employees who are involuntarily demoted will not exceed the pay rate of the highest paid employee in their new classification nor will they be placed at a pay rate which will create a compression issue. As long as an employee's salary exceeds the new range maximum, the employee will not be eligible for further base-accumulating pay increases until their salary is again within the salary range for the new position.

ii. Voluntary - An employee who takes a voluntary demotion may retain their present salary unless that salary exceeds the maximum rate of pay for the new position in which case the employee's salary may be adjusted to the new maximum. However, employees who voluntarily demote will not exceed the pay rate of the highest paid employee in their new classification nor will they be placed at a pay rate which will create a compression issue. Also, an employee who voluntarily demotes to a pay grade or position that they previously held will not be placed back into that pay grade at a higher pay or pay step than they would have attained had they stayed within that pay grade or position. An employee may only continue to receive a rate of pay in excess of the maximum or in excess of the highest paid employee upon the recommendation of the Department Head and approval of the Director of Administrative Services and the City Manager. If the employee continues to receive a rate of pay in excess of the maximum salary range, the employee will not be eligible for further base-accumulating pay increases until their salary is again within the salary range for the new position.

iii. Related to Performance — An employee who is demoted for performance reasons may retain their present salary unless that salary exceeds the maximum rate of pay for the new position in which case the employee's salary may be adjusted to the new maximum. However, these employees will not exceed the pay rate of the highest paid employee in their new classification, nor will they be placed at a pay rate which will create a compression issue. Also, an employee who is demoted for performance reasons to a pay grade that the employee previously held will not be placed back into that pay grade at a higher pay or pay step than they would have attained had they stayed within that pay grade or position.

f. Reallocation/Reclassification - When an allocation of a position has been changed as a result of changes in the duties assigned to the position, the organizational structure of a department or logical and gradual changes in the duties and responsibilities of the position, such change in grade will be considered to be a reallocation or reclassification.

When employees are reallocated or reclassified the following provisions apply:

i. Employees who are reallocated or reclassified to a higher pay grade will be granted a salary increase of 5% or the pay step of the new range that provides an increase of at least 5%, or the minimum of the higher range, whichever is greater. In the event of the reclassification of two or more salary grades, the increase will be at least 8%, or the pay step of the new range that provides an increase of at least 8%, but not to exceed 10%, and then movement to the next closest step that provides an increase, or the minimum of the higher range, whichever is greater. With the exception of compression adjustment related actions, employees who are reallocated/reclassified to a higher pay grade will not exceed the pay rate of the highest paid employee in their new classification, unless that rate is less than or equal to their former rate.

ii. If a position is reallocated or reclassified to a classification in a lower salary range and the salary of the employee exceeds the maximum of the new range, the employee will be placed in the new range, the employee will be placed in the new class and will retain their current salary. However, with the exception of compression adjustment related actions, employees who are reallocated or reclassified to a lower pay grade will not exceed the pay rate of the highest paid employee in their new

classification. As long as an employee's salary exceeds the new range maximum the employee will not be eligible for further base-accumulating pay increases until their salary is again within the salary range for the new position.

iii. If a position is reallocated or reclassified to a classification in the same salary range the employee will receive no salary adjustment.

g. Recall/Reinstatement - When the employees are recalled to a position with a lower or higher pay grade, they shall be paid according to their experience and qualifications within the pay grade in which they will be employed. Employees who are recalled will not exceed the pay rate of the highest paid employee in their new classification. When employees are reinstated to their former position, they shall normally be paid at the rate of the position they are returning to, commensurate with the level at the time of separation unless significant experience was obtained since separation which enhances the value of the employee to the City. In such instances, a higher rate may be paid up to the maximum for that position. However, employees who are reinstated will not exceed the pay rate of the highest paid employee in their classification.

h. Replacement of Employee in Previous Classification within Introductory Period - An employee who does not successfully complete their introductory period and returns to their former class will have their salary restored to the same rate of pay the employee received in the former class.

i. Part-time and Seasonal Employment - Part-time and seasonal employees shall be compensated at a rate established by the Director of Administrative Services.

j. Temporary Assignment - Employees who are temporarily assigned to a position with a higher maximum pay rate than their current rate for a period of 30 days or more may receive an increase in pay retroactive to the starting date of their assignment upon approval of the Director of Administrative Services and the City Manager. If the 30-day threshold is known to be satisfied at the time of appointment, the pay adjustment will become effective upon assignment. Employees who are temporarily assigned to a position with a lower pay rate for any period shall not receive a reduction in pay.

k. Compression Adjustment - Wage compression exists when there is an unacceptable differential in wages or salary between a supervisor and direct subordinate. In rare circumstances, compression can also exist within grades when more experienced employees within the same or similar classifications are earning less than, or nearly the same as, less experienced employees. Compression can exist under a base pay comparison, under a total gross earnings comparison, or both. If compression can be resolved through means other than a pay increase, the City will consider those options. In determining whether compression is an issue that must be resolved through a pay increase, the City will look at the differences in total compensation (i.e., direct pay and benefits) between the supervisor and subordinate positions.

Unless the benefit package of the supervisor is determined to compensate for wage compression, the City will provide an acceptable base pay differential between an exempt supervisory position and the average gross earning of the top paid classification directly supervised. Compression adjustment should not, in most cases require a pay grade change in order to use a rate within the assigned grade that provides the recommended differential. In situations where the compression analysis requires a higher base rate than would normally be utilized under the compensation plan, at the City's discretion, one of two actions will be available:

i. Adjust the employee's pay upward into the range; or

ii. Move the position up one pay grade temporarily and only while compression conditions are still causing the problem.

The City will utilize the first option whenever possible, as long as the current pay grade and range allows for sufficient earnings growth consistent with the intent and spirit of the compensation plan. However, when the City utilizes the second option and the position will be placed in a higher grade, all documents and communications are retained to reflect the temporary assignment of these positions. The earnings differential situation should be checked every year, and if conditions change such that the actual pay grade provides an adequate differential and opportunity for sufficient earnings growth, these positions will move back into their correct grade.

The City recognizes that the allowance of compression adjustments does disrupt some of the internal equity in its compensation plan, because there are jobs that are of higher internal value that may be paid less than a job of lower internal value. This is why the City intends to utilize compression adjustments sparingly.

All compression adjustments must be recommended by the Department Head and receive approval by the Director of Administrative Services and the City Manager. In the event that a position under a compression adjustment is later reclassified downward to the correct internal pay grade, the policy for Salary upon Reclassification of Position will apply in regard to compensation for the affected employee. "Not to exceed" language does not apply to this action.

l. Market Adjustment - The City's compensation program has provided a methodology for determining pay rates for employees that recognizes not only the value of the positions in the market but also the internal worth within the City.

There may be situations where a position in the City's compensation plan should be considered for placement at a higher range of pay than that which is established. These are positions that may command higher rates of pay due to market demands. As illustrated below, market adjustments should generally be considered only under situation one or two. In either case, situation three should also apply before a market adjustment is approved:

i. The City has documented problems recruiting and/or selecting employees within the assigned pay range (for example, a position is advertised two or more times resulting in few or no qualified individuals).

ii. The City has an unacceptable rate of turnover in a position and exit interview information indicates a pay issue is contributing to the high turnover rate.

iii. Periodic Market surveys conducted by the City show that the control point of the City's pay range is more than 15% less than the average rate of pay shown for a given position in the market analysis.

In situations where market demands higher pay rates, at the City's discretion, one of two actions will be available:

iv. Adjust the employee's pay upward into the range; or

v. Move the position into a higher pay grade temporarily and only while market conditions are still causing the problem.

The City will utilize the first option whenever possible. However, when the City utilizes the second option, the appropriate pay grade will be determined by the City (with consultation from a compensation consultant, if desired) and the position will be placed in a higher grade. Furthermore, all documents and communications are retained to reflect the temporary assignment of these positions to a higher pay grade. The market conditions should be checked every year, and if conditions change, these positions will move back into their correct grade.

The City recognizes that allowance of market adjustments does disrupt some of the internal equity in its compensation plan, because there are jobs that are of higher internal value that may be paid less than a job of lower internal value. That is why the City intends to utilize market adjustments sparingly.

All market adjustments must be recommended by the Department Head and receive approval by the Director of Administrative Services and City Manager. In the event that a position under a market adjustment is reclassified to the correct pay grade, the reclassification section would apply in regard to compensation for the affected employee.

m. Market Survey Implementation Guidelines - The following implementation guidelines will be applied to approved studies:
    i. If an employee's current rate of pay is between a step in the new range, then the employee will be placed at the step that provides an increase.

    ii. If an employee's current rate of pay is between the Control Point of the new range and the Maximum rate of the range, then no increase is required.

    iii. If an employee's current rate of pay is "red-circled" and would be higher than the Maximum rate of the new range, then the employee would continue to be "red-circled".

8. Exceptions to the Pay Plan - Exceptions to the pay plan may be made by the Common Council.