

AGENDA

REGULAR CITY COUNCIL MEETING

November 28, 2016

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. CH2M (OMI) Wastewater Treatment Plant Operations Update
 - B. Certifying Election and Ballot Measure Results
 - C. City Fiscal Year 2015-16 Audit Report – Tonya Moffitt, Merina & Co
6. RECESS FOR URBAN RENEWAL MEETING
7. RECONVENE
8. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.
9. CITY MANAGER REPORT
10. CITY ATTORNEY REPORT

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

11. CITY COUNCIL REPORTS

12. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

A. Approval of November 14, 2016 Regular City Council Meeting Minutes

B. Approval of Resolution No. 16-031 Assessing 2701 West 10th assessing the property at 2701 West 10th Street for abatement of junk and hazardous vegetation

13. CONTRACT REVIEW BOARD ACTIONS

A. Authorization for Mini-Excavator Purchase

14. ACTION ITEMS

A. Accept Public Works GAP Analysis Report

15. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Izetta Grossman
City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Presentation/Proclamation Item #5-C

MEETING DATE: November 28, 2016

TO: Honorable Mayor and City Council / Urban Renewal Board

FROM: Kate Mast, Finance Director

ISSUE: Annual Audit Presentations

BACKGROUND: I have placed the Audit Report presentations on the agenda for the Council meeting on November 28, 2016. However, we are still working on finalizing the reports at this time. We hope to be able to send them to you by the end of this week, or the first of next week at the latest.

The major change this year is that the Airport has been separated from the City financial reports and is presented as a separate “joint venture” between the City and Klickitat County. This is similar to the way that QLife is separated and presented. Please see the memo attached to this staff report that explains the reasons for this change.

The City’s audit report and Airport report will be presented to the Council, after which the Council will consider acceptance of those reports. The City Council will then recess, and go into an Urban Renewal Board meeting to hear the Urban Renewal audit report. After the Board considers acceptance of that report, the Urban Renewal Board meeting will be adjourned and the Council meeting will continue.

BUDGET IMPLICATIONS: None.

COUNCIL ALTERNATIVES:

1. *Staff recommendation: Move to accept the City and Airport Audit Reports as presented.*
2. Decline to accept the Audit Reports as presented.

URBAN RENEWAL BOARD ALTERNATIVES:

1. *Staff recommendation: Move to accept the Urban Renewal Audit Report as presented.*
2. Decline to accept the Audit Report as presented.



City of The Dalles
MEMORANDUM

August 31, 2016

TO: Julie Krueger, City Manager
FROM: Kate Mast, Finance Director
SUBJECT: Correcting Reporting Status of the Airport Funds

Last year, during the annual audit, circumstances required the auditors to research the structure of the airport relationship with the City of The Dalles and Klickitat County. Further research over the course of the past year has led our auditing firm, Merina and Company, LLP, to the conclusion that the Airport should no longer be presented as part of the City's annual financial reports, as this incorrectly presents the airport assets as fully owned by the City, which is not the case.

The Airport operations in Fund 061 and debt services in Fund 062, are actually a "joint venture" between the City of The Dalles and Klickitat County, Washington, with each entity owning one half of the assets and all major decisions requiring approval by the governing bodies of both partners.

The auditors have determined that the Airport Funds should be reported separately from the City, the same way that we do the QLife funds. This has been discussed with the Finance Director and City Manager, who concur with the auditor's recommendation.

The Airport would have its own separate audit and financial reporting. This will cost approximately \$5,000 this year, but since we budgeted about that same amount for a Single Audit, which is not necessary this year, it will be covered without additional expense.

There would be no changes to the way the airport operates and the two partners would continue to make joint decisions the same way they have in the past.

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AGENDA STAFF REPORT

AGENDA LOCATION: Item #12 A-B

MEETING DATE: November 28, 2016

TO: Honorable Mayor and City Council

FROM: Izetta Grossman, City Clerk

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

- A. **ITEM:** Approval of the November 14, 2016 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the November 14, 2016 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the November 14, 2016 City Council meeting.

- B. **ITEM:** Approval of Resolution 16-031 Assessing the Real Property Located at 2701 West 10th Street for Abatement of Junk and Hazardous Vegetation

BUDGET IMPLICATIONS: Assessment fees will be entered on the City's Lien Docket for collection.

SYNOPSIS: A Notice to Abate Nuisance Conditions was posted by Nikki Lesich, the City's Code Enforcement Officer, upon the property located at 2701 West 10th Street on the date shown in Resolution No. 16-031. The Notice to Abate Nuisance Conditions advised the property owner of nuisance conditions existing upon the property, consisting of the presence of junk and hazardous

vegetation. When the property owner did not remove the nuisance conditions, the City hired Rod Huante to abate the public nuisance. The cost for removal of the nuisance conditions was \$1,249.00. The cost for the abatement includes an administrative fee of \$500 required by General Ordinance No. 93-1162.

On October 31, 2016, a notice of the proposed assessment for the costs of the abatement was sent to Robert Shuman, the owner of the property. A copy of the notice is enclosed with this staff report. The notice advised the owner he had until November 5, 2016 to file any objections to the proposed assessment, and that if the assessment was not paid by November 15, 2016, the amount of the assessment would be imposed as a lien upon the property. No objections to the assessments were filed by November 5, 2016, and no payment has been made toward the proposed assessment by the property owner.

RECOMMENDATION: That the City Council adopt Resolution No. 16-031 assessing the property at 2701 West 10th Street for abatement of junk and hazardous vegetation.

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MINUTES
REGULAR COUNCIL MEETING
OF
November 14, 2016
5:30 p.m.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Stephen Lawrence

COUNCIL PRESENT: Russ Brown, Tim McGlothlin, Taner Elliott, Linda Miller

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Julie Krueger, City Attorney Gene Parker, City Clerk Izetta Grossman, Planning Director Steve Harris, Finance Director Kate Mast, Public Works Director Dave Anderson, Police Chief Patrick Ashmore, Human Resource Director Daniel Hunter

CALL TO ORDER

The meeting was called to order by Mayor Lawrence at 5:33 p.m.

ROLL CALL

Roll call was conducted by City Clerk Grossman, Spatz absent.

PLEDGE OF ALLEGIANCE

Mayor Lawrence invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Lawrence removed Items # 11-A and 12-B and said they would come before Council at a later time. It was moved by Elliott and seconded by Brown to approve the agenda as amended. The motion carried, Spatz absent.

PRESENTATIONS/PROCLAMATIONS

Mayor Lawrence congratulated and welcomed Councilor Elect Darcy Long-Curtiss on her win, noting she was sitting in the audience.

Gorge Commission Update

Director Krystyna Wolniakowski reviewed the handouts (attached). She said the legal descriptions for the boundaries had been established and the next step was to put them into rule (Oregon Rules Book). She said there would be a public hearing February 14 regarding the established legal descriptions and after that they anticipated the legal descriptions would be adopted.

She said her presentation to Council was timely, as November 17 was the 30th Anniversary of the Columbia Gorge National Scenic Area Act.

CITY MANAGER REPORT

City Manager Julie Krueger reminded Council of the Waste Water Treatment Plant Work Session on Monday, November 21 at 5:30 p.m.

She said the Airport Flex Hangar Space RFP had been approved by the Economic Development Administration and would be going to bid. Airport Manager Chuck Covert said due to the holidays, bid opening would be scheduled for January 5 and would be on the Council Agenda for award on January 9. He said construction would begin in the spring of 2017.

CITY ATTORNEY REPORT

City Attorney Gene Parker reported he was working on personnel issues with the Human Resources Director. He said there was a new rule regarding post-accident drug testing, which would require the City to revise its policy. He said basically the new rule requires that the City would have to have cause to believe drugs contributed to the accident, and the test must show impairment.

He said The Dalles Disposal had requested a rate increase and that would be coming before the Council at a later date.

CITY COUNCIL REPORTS

Councilor Brown reported he had attended a meeting with Amerities and that they were making

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an effort to address the odor issues.

Councilor Miller reported attending the Candidate Forum, the Residential Buildable Lands public meeting, the Jamata party for the Sister City delegation, the Veterans Day Parade, barbeque, and fireworks display.

Mayor Lawrence reported attending a Regional Solutions Water Report meeting. He said there was a lot of information, and that they were watching for decline and planning for the future. He said he graded papers for the Veterans of Foreign Wars at Arlington High School. He said the papers were on "My Responsibility to Democracy".

He accepted the gifts from Miyoshi City and read letters from the Mayor and Council President.

CONSENT AGENDA

It was moved by Miller and seconded by Brown to approve the Consent Agenda as presented. The motion carried, Spatz absent.

Items approved by Consent Agenda were: 1) Approval of October 24, 2016 Regular City Council Meeting Minutes.

ACTION ITEMS

Adopting Resolution No. 16-030 Supplemental Budget for Fiscal Year 2016/2017, Making Appropriations and Authorizing Expenditures within Various Funds of the City of The Dalles Adopted Budget

Finance Director Kate Mast reviewed the staff report.

It was moved by McGlothlin and seconded by Elliott to Adopt Resolution No. 16-030 Supplemental Budget for Fiscal Year 2016/2017, Making Appropriations and Authorizing Expenditures within Various Funds of the City of The Dalles Adopted Budget. The motion carried, Spatz absent.

Adopting General Ordinance No. 16-1349 accepting an offer from Wasco County pursuant to ORS 373.270 to transfer jurisdiction over portions of roads located in or near the City of The Dalles, to the City of The Dalles

City Attorney Parker reviewed the staff report.

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City Clerk Grossman read the General Ordinance No. 16-1349 by title only.

It was moved by Brown and seconded by Miller to adopt General Ordinance No. 16-1349 accepting an offer from Wasco County pursuant to ORS 373.270 to transfer jurisdiction over portions of roads located in or near the City of The Dalles, to the City of The Dalles by title only. The motion carried, Elliot abstained, Spatz absent.

Adopting Special Ordinance No. 16-574 Granting a Non-Exclusive Telecommunications Franchise to Light Speed Networks, Inc. and Fixing Terms, Conditions and Compensation of Such Franchise, and Declaring an Emergency

City Attorney Parker reviewed the staff report.

City Clerk Grossman read Special Ordinance No. 16-574 by title only.

It was moved by Miller and seconded by McGlothlin to adopt Special Ordinance No. 16-574 Granting a Non-Exclusive Telecommunications Franchise to Light Speed Networks, Inc. and Fixing Terms, Conditions and Compensation of Such Franchise, and Declaring an Emergency by title only. The motion carried, Spatz absent.

DISCUSSION ITEMS

Mayor Lawrence said there was a concern that the current Ordinance regarding 1000 foot separation on recreational marijuana facilities might need an exception. He said currently there was someone wanting to open on 2nd Street and another in the old Arby's building. He said as the crow flies they were less than 1000 feet apart. However, the freeway was between the two locations.

He asked if it was the consensus of the Council to have staff look at alternative language and bring the results back to the Council. It was the consensus of the Council.

Update on Dog River Pipeline Replacement Environmental Permitting

Public Works Director Anderson reviewed the staff report.

In response to a question Anderson said it was possible for permits to be appealed.

It was the consensus of the Council for Anderson to proceed with working on the contract with the Forest Service.

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ADJOURNMENT

Being no further business, the meeting adjourned at 6:48 p.m.

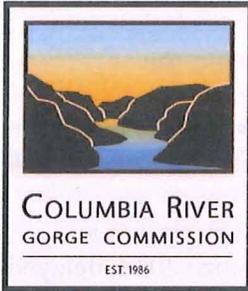
Submitted by/
Izetta Grossman
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Izetta Grossman, City Clerk



TO: Columbia River Gorge Commissioners

FROM: Krystyna U. Wolniakowski, Executive Director
Jeff Litwak, Counsel

DATE: October 11, 2016

SUBJECT: ACTION ITEM: Roadmap and Timeline for Proposed “Gorge 2020” Management Plan Review and Update

Background

The legal requirements for Management Plan Review is described in Section 6(g) of the National Scenic Area Act which states:

“Revision of plan. No sooner than five years after adoption of the management plan, but at least every ten years, the Commission shall review the management plan to determine whether it should be revised. The Commission shall submit any revised management plan to the Secretary for review and concurrence, in accordance with the provisions of this section for adoption of the management plan.”

There are three things to note about this requirement. First, the Act requires the Commission review the entire Plan; this is not discretionary. Second, the Act does not require the Commission revise the plan. Whether to revise the plan and what to revise are at the discretion of the Commission. Finally, the Act specifies a detailed process for developing the initial plan, but does not require the Commission to use the same process to make revisions to the Plan.

In litigation involving the last Plan Review process, the Oregon Court of Appeals concluded that the Commission’s process “did precisely what the law requires—it reviewed the entirety of the Management Plan and developed a process for determining which of the Plan’s provisions should be targeted for revision.” The Court of Appeals described the Commission’s process succinctly as follows:

“In response to the Act’s directive, the commission produced a series of monitoring reports, which evaluated the extent to which the existing management plan and guidelines met the requirements of the Act. [T]he commission produced seven such monitoring studies, including reports concerning scenic, cultural, recreational, and natural resources, and concerning agricultural and forest lands. The commission then solicited comments from, and held public hearings on, whether any provisions of the existing management plan were in need of revision. There is no contention that the commission limited the scope of its request for comments to any particular provisions of the management plan.

Based on its monitoring studies and on the comments that it received from the public, the Commission developed a list of 26 specific topics for more detailed examination. The Commission then held further public hearings on that proposed list and on its adequacy to meet its obligations under the Act."

The last Management Plan review was initiated in 2000 and completed in 2004. The Commission is currently 2 years past due to begin the review process, but lack of staff and resources since 2014, delayed this effort. However, given the importance of compliance with the NSA Act, current staff are initiating the review as soon as the Commission approves the timeline and process.

General Considerations for the 2016-2019 Management Plan Review

Attachment 1 is staff's recommended "roadmap"—a proposed timeline for reviewing the Management Plan and revising the Management Plan if the Commission determines that it should be revised.

In developing the process to initiate the 2016 Plan Review, staff considered a number of factors:

- The Commission will complete Plan Review and necessary revisions at about the end of the 2017-19 biennium.
- The Gorge Commission and Forest Service will work together to do joint data collection, scoping, and policy development as much as possible in reviewing and revising the Management Plan.
- The Commission empowered the Assessment Committee to be the Commission's lead for the Commission staff to consult and get general direction through the process. The Assessment Committee does not guide the Forest Service's work for the SMA portion of the Plan, but the Assessment Committee may want the Forest Service to explain specific SMA issues, and the Forest Service may choose to take account of Assessment Committee ideas, concerns, and direction to Commission staff.
- The Commission's staffing and financial resources do not allow the Commission to hold multiple Commission workshop-style hearings on drafting specific text revisions as it did during the last 2000-2004 Plan Review process.
- All of the Assessment Committee and Commission meetings will have opportunities for public input.
- The Commission will create a page on its website for posting Plan Review documents and create an alert to notify the public when it posts new documents.

Staff Recommendation

Staff has recommended that Plan Review proceed in five phases.

Phase 1
**Review and Update Resource Inventories, Economic
Opportunity Study and Recreation Assessments**

Instead of developing "monitoring reports" as in the last Plan Review, staff recommends that the Commission review and update the resource inventories, economic opportunity study and recreation assessments that the Act required for developing the initial plan (sections 6(a), 8(c) and 8(d)). Some of these information sources are consistently updated, or have current or recent information, but some have not been updated since developing the initial plan.

The data collected in this phase will help the Commission decide whether to revise identified concerns with the Plan. Later, the staffs will likely need to collect or develop specific data that the Commission and Area Manager need to decide on new policy.

- This step starts with the Commission and Forest Service planning staff reviewing what information exists. This is necessary because the Commission and Forest Service staffs are almost entirely new in the past year. For example, the staffs have current natural resource information from their own inventory work and other state and federal agencies; in contrast, the staffs anticipate needing to update the land use inventory.
- After the staffs review existing information, the Assessment Committee will discuss needed updates. This discussion will happen concurrently with public scoping of the plan, so the staffs will have received many comments that will help shape the type and scope of needed updates. The staffs will also review current VSI information, and may be able to plug new information developed for Plan Review into the VSI project.
- Midway through updating the existing information, the Commission will host a public workshop on the updates. The staffs will report on progress and may have questions or request additional direction from the Commission. As the staffs finish this initial data collection, Commission staff will again check in with the Assessment Committee for any final direction before presenting the information to the full Commission. The full Commission and Area Manager will then hold workshops and a public review and discussion of the information.

Approximate completion date will be November 30, 2016

**Phase 2
Public Input-Scoping-Identify Issues to be
Addressed in Plan Revision**

Concurrent with collecting data, the Commission and Forest Service will review the Management Plan and decide the topics that it wants to address in revising the plan.

- This step begins with the staff doing an internal review of the Management Plan concurrent with the Commission holding a workshop to discuss issues that the Commission is already aware of and has already expressed interest in addressing.
- Sources of the staff's internal review include notes about the Plan that past planning staff have made; specific issues that the Commission did not address in the last Plan Review; standards that the staffs and counties have needed to interpret in the past; and broad issues identified in the Future Forum, 25th Anniversary, Collaborative Engagement and Administrative Assessment projects, as well as issues/themes identified at the June 2014 Commission retreat. See ***Attachment 2*** for a list of these topics previously identified. Commission staff will report to the Assessment Committee after the internal review and the Assessment Committee may provide additional input to the staff.
- Public scoping to gather a complete list of issues and concerns about the current Management Plan and the National Scenic Area will occur through a series of meetings and open invitations to submit comment at any time. The Forest Service and Commission staff will meet with county and city staff. The Executive Director, Commission Chair and NSA Manager will formally consult with the four treaty tribes. The Executive Director, the county appointee and NSA Manager will meet with County Commissioners (at a County Commission meeting or other county preferred format). The two staffs will also host three public scoping workshops—one in the east end of the Gorge; one in the middle Gorge, and one in the west end—these are likely going to be late afternoon and evening workshops. The staffs will check in with the Assessment

Committee to report on progress, and the Commission will host a workshop at one of its Commission meetings.

- The two staffs will continually collect, summarize, and present the issues as these meetings and workshops and are occurring. The staffs will produce a final summary of the issues and a recommendation of issues for revision. The Commission and NSA Manager will hold workshops on the summary of issues and recommendations for revisions and decide on a final set of issues to consider for revision.

Approximate completion date will be June 30, 2017

<p style="text-align: center;">Phase 3 Revise Goals and Objectives</p>
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The goals and objectives in the Management Plan are high-level statements of the future condition for the National Scenic Area and broad means of achieving that future condition. The Commission did not revise any goals and objectives in the last Plan Review. In the 2016 Plan Review, the staffs anticipate the Commission will need to revise goals and objectives if it chooses to address broad topics that it has already expressed some interest in considering, such as effects of climate change, transportation challenges, and new recreation use.

- This phase begins with a Commission retreat in which it will plan for addressing the topics that it decides to revise with the primary purpose of keeping the Commission focused and on schedule.
- The Assessment Committee will give the Commission staff high level direction at the beginning of this phase, and the staff will do most of the drafting. The Commission does not have the resources for commissioners to be heavily engaged in developing the text.
- Midway through this phase, the two staffs will host a public workshop to present progress and receive input. This will be a staff-led, rather than a Commission-led workshop, with the idea that the workshop will be collaborative in nature. The workshop may take place over a few days as needed to work through the material. The Commission may discuss sending a few representatives to the workshop.
- Following the workshop, Commission staff will check in with the Assessment Committee and may ask for additional direction.
- Throughout this phase, the staff will give progress reports to the Commission at its regular meetings. At the end of this phase, the Commission will hold a workshop and approve the goals and objectives.
- Also at the end of this phase, as resources allow, the staffs may discuss with the Commission a changed format to the Management Plan. Currently, the plan is in book form—essentially text—and has had several amendments and one revision grafted into the original form. The Commission may hold a workshop to discuss converting the plan to a web-based format or making structural changes for readability.

Approximate completion date will be February 28, 2018

<p style="text-align: center;">Phase 4 Revise Policies and Implementation Measures</p>
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The policies and implementation measures in the Management Plan are focused action items that implement the goals and objectives. In the current plan, these include the policies and guidelines for new development in Parts I and II and the provisions, strategies and statements of partner roles in Parts III and IV. The

Commission will need to revise existing guidelines and enact new policies and implementation measures for topics that the Management Plan does not address.

- The Assessment Committee will give the Commission staff high level direction at the beginning of this phase, and the staff will do most of the drafting. The Commission does not have the resources for commissioners to be heavily engaged in developing the text.
- Midway through this phase, the two staffs will host one or two public workshops to present progress and receive input. These will be staff-led and collaborative in nature. Right now, the timeline shows two workshops; each workshop may take place over a few days as needed to work through the material, and the need for a second workshop will be evaluated after completing the first. The Commission may discuss sending a few representatives to the workshops.
- After the first workshop, Commission staff will check in with the Assessment Committee and may ask for additional direction.
- Throughout this phase, the staff will give progress reports to the Commission at its regular meetings and may seek direction on specific points. At the end of this phase, the Commission will hold a workshop and approve the policies and implementation measures.

Approximate completion date will be October 31, 2018

<p style="text-align: center;">Phase 5 Prepare and Adopt Final Plan</p>

In this phase, the staffs will integrate the revised goals, objectives, policies, and implementation measures into the Management Plan. This phase mostly involves staff drafting of the final plan text using the revisions that the Commission already adopted.

- The Assessment Committee will give the Commission staff high level direction at the beginning of this phase, and again, the two staffs will do most of the drafting. The staffs will give careful attention to internal consistency of the revisions with unchanged portions of the plan. The staffs may also change the format of the Management Plan as discussed in the workshops at the end of Phase 3.
- Midway through this phase, the two staffs will host a public workshop to present progress and receive input. This will be a staff-led collaborative workshop.
- Following the workshop, the staff will check in with the Assessment Committee and may ask for additional direction.
- Throughout this phase, the staff will give progress reports to the Commission at its regular meetings. At the end of this phase, the Commission will hold a workshop, likely over two or three months and approve a final revised plan.

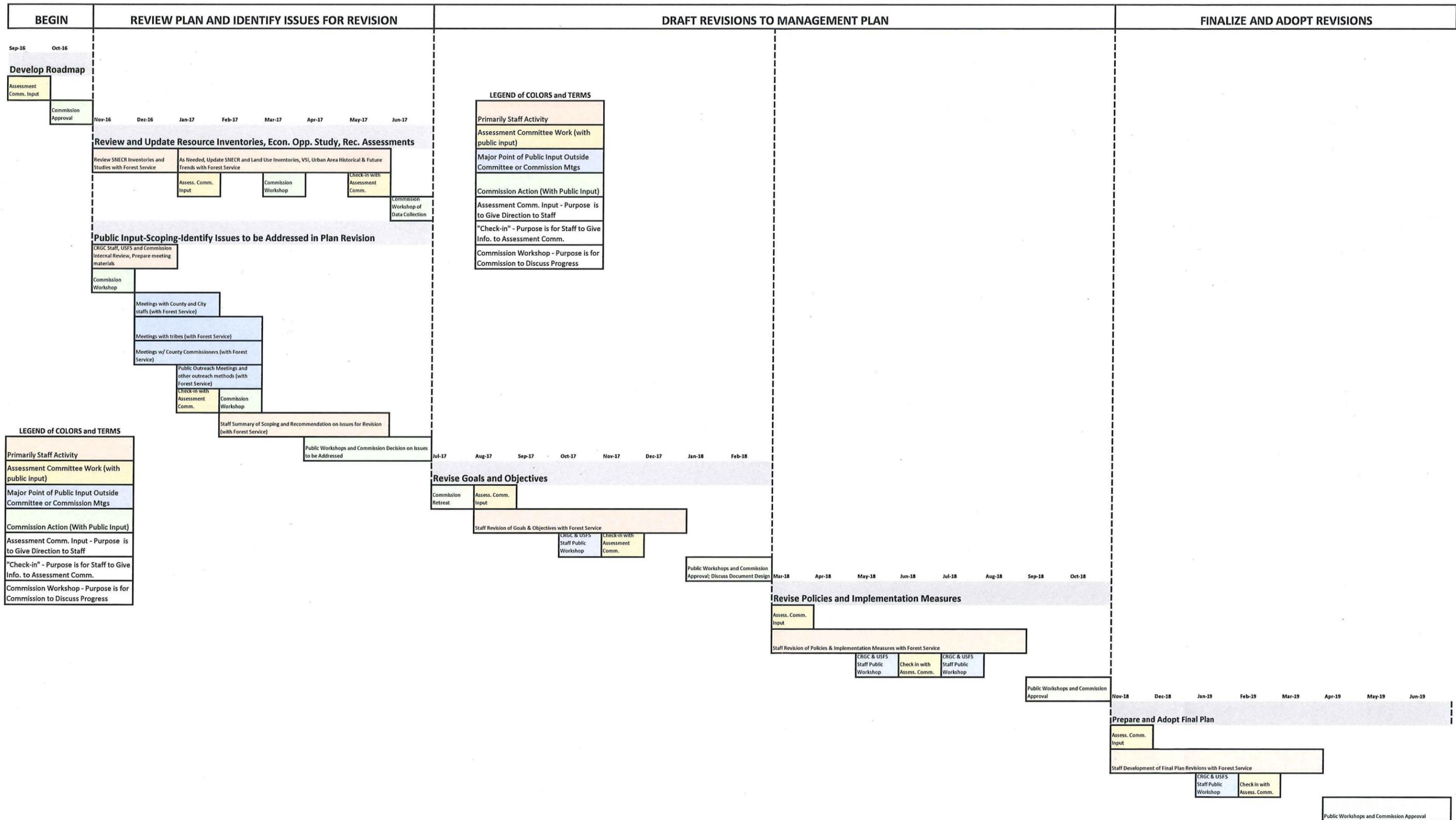
Approximate completion date will be June 30, 2019

Commission Action

Staff requests that the Commission adopt the roadmap/timeline as presented.

WORK PLAN TIMELINE - 2016-19 PLAN REVIEW AND REVISION

(FINAL - GORGE COMMISSION APPROVED OCT. 11, 2016)



COLUMBIA GORGE NATIONAL SCENIC AREA MANAGEMENT PLAN REVIEW

WE WANT TO HEAR FROM YOU

Submitted by: _____

Contact information: Mailing Address _____

Telephone _____ Email _____

Clearly identify the issue you wish to see addressed:

Why is this issue or problem important? Does the issue impact an important scenic, natural, cultural, or recreational resource in the Columbia River Gorge? Does the issue impact the economy in Gorge communities?

In your view, what are the pros and cons of the issue? How does the current National Scenic Area Management Plan speak to the issue?

Please provide specific recommendations for addressing the issue:

If you have additional information, please attach it to this form.

Thank you!



BUDGET ISSUE PAPER
CITY OF THE DALLES

BUDGET YEAR AFFECTED	DEPARTMENT(S) AFFECTED	BUDGET DOCUMENT REFERENCE NUMBER
FY 16-17	Public Works - Water	16-022

TO: City of The Dalles Budget Committee
FROM: Dave Anderson, Public Works Director
THRU: Julie Krueger, City Manager
DATE: April 7, 2016
ISSUE: Status Report on Dog River Waterline/Crow Creek Dam

RELATED COUNCIL GOAL: A-3: Initiate design work and pursue grant/loan financing for the Dog River waterline replacement and the Crow Creek Dam increasing capacity proposals; and then implement an approved plan.

RELATED FUND AND LINE ITEM: Fund 53, Line 053-5300-510.76-20 Water Lines

BACKGROUND:

Dog River Diversion Pipeline

An important project within the City's adopted Water System Capital Improvement Plan (CIP) is the replacement of the Dog River Diversion Pipeline. This wooden pipeline, which is located on US Forest Service property, is over 100 years old and in deteriorating condition. Numerous leaks exist along the pipeline and it is extremely vulnerable to catastrophic failure from uprooting of adjacent trees, many of which are diseased. The pipeline currently supplies over one-half of the City's annual water supply.

Staff has been working for many years, under the direction of various Councils, toward the replacement of the pipeline. In the mid-1990s, staff began working with the Forest Service to plan for the eventual replacement pipeline. The need for the project was identified in the Forest Service's 1997 *Surveyors Ridge LSR Assessment* (LSR stands for Late Successional Reserve) which indicated a construction date as early as 1998; the project was postponed due to funding.

The project was again identified and analyzed in the 2006 update of the City's Water Master Plan. The process of updating the master plan utilized the services of a public advisory committee which recommended expansion of the City's watershed supply sources to meet future municipal water needs, including replacement of the Dog River Pipeline. The updated master plan also provided a water utility rate schedule intended to fund the water system capital improvement plan (CIP); this rate schedule provided the first increases to residential water rates in 12 years. The CIP identified that the Dog River Pipeline replacement project was to occur in 2011/12.

With the adoption of the updated Water Master Plan, associated CIP, and water utility rate schedule, staff renewed efforts with the Forest Service to complete the environmental permitting necessary for the project. In 2008, the City entered into a Cost Recovery Agreement with the Forest Service for completion of the necessary surveys and analyses (including fisheries, wildlife, recreation, soils, cultural resources, and fire) to support a decision compliant with the National Environmental Policy Act (NEPA). This Cost Recovery Agreement was for \$63,401.

Also in 2008, the City was notified that it needed to submit a formal Proposed Action for the Forest Service to analyze and upon which it could provide a NEPA decision. The engineering firm of Brown and Caldwell was hired by the City to conduct a pipeline routing study, develop and analyze project alternatives, and prepare the Proposed Action document that was submitted to the Forest Service in 2010 and which indicated a desired construction date of 2012. That analysis evaluated the feasibility of different pipeline materials, routing, tunneling and power generation – ultimately selecting the lowest cost alternative of replacing the pipeline along the existing route using ductile iron pipe with no power generation capabilities. In addition, slope stability and soils corrosivity analyses have been completed. Contractual surveying for spotted owls within the project area was initiated in 2010 and continues annually to this day.

In 2011, the City re-evaluated its water system CIP and rates. Based on information from the Forest Service that a NEPA decision would be valid for, at most, 5 years, the Dog River Pipeline project was delayed until 2016/17 in an updated CIP to allow more time to build funding. In hind sight, this may not have strategically been a good move for getting the NEPA analysis completed on the previously-desired schedule. At that same time, the Forest Service was struggling with limited staff resources and competing project needs. Once they learned that the City had delayed the project, they postponed the associated environmental surveys and assigned staff to other projects. Only within the last two years have we gotten this project back on track.

The Forest Service has now placed a high priority on the Dog River Pipeline project and assigned staff toward its completion. Field surveys have been scheduled and public scoping was re-initiated in March 2016 (the required process has changed since scoping was originally done in 2011). The current schedule anticipates a NEPA decision in 2016. An additional expenditure of \$12,244 toward the Cost Recovery Agreement was paid to the Forest Service last year. This is still an exceptional value, at a projected total of \$75,645. For comparison, prior to authorizing the additional \$12,244, staff contacted an engineering firm to obtain a cost estimate to complete the necessary surveys and analysis; their estimate was that it would cost between \$75,000 and \$100,000. The City of Bend has been working on a very similar project – replacing a raw water pipeline across Forest Service property. They originally estimated \$250,000 for the NEPA permitting but ended up spending over \$800,000 on permitting support and \$500,000 in legal fees defending the permit they received.

Once a NEPA decision is received and any required mitigation measures are specified, the project will be designed by contracted engineers selected through an RFP process; that design engineering could begin as early as Winter 2016 with construction to follow in 2017-2019.

The total cost of the Dog River Pipeline project is about \$8 million. The original funding plan developed in 2006 anticipated issuing a bond to fund all or part of the project in 2017. Current budget projections indicate that about \$4 million will be available as cash in the Water Reserve Fund (Fund 53) at the time of construction. That means that about \$4 million more will be needed to complete the project. As an alternative to bonded debt, staff has submitted applications this year to two potential funding sources for the additional monies.

The first application was submitted in January to the Oregon Water Resources Department Water Supply Development Account. The funds available through this program are state monies available as grants. A total of \$14 million is available statewide in this competitive program. In this first year of existence, the program received 37 applications requesting a total of 51 million. We should know in May 2016 if we were successful in this grant application.

The second application was a Letter of Interest that was submitted in March to the Oregon Health Authority Drinking Water Program for Safe Drinking Water Revolving Loan Funds. These funds are federal monies that come with additional federal requirements. They are usually awarded as low-interest loans (60% of market rate) with some opportunities for partial principal forgiveness in certain circumstances. If a project qualifies, which is determined by US EPA from the Letter of Interest, funding is nearly certain as there is much less competition for these loans than there is for grant funding. If only low-interest loans are awarded, the annual savings would be around \$100,000/year or more in interest payments compared to issuing a bond.

Crow Creek Dam

Another project identified in the 1990s and again through the 2006 Water Master Plan update process was the future increase in capacity of Crow Creek Dam. In 1996 a feasibility analysis was completed for the project that would increase the height of the dam by 35 feet and increase its capacity from 267 million gallons to 640 million gallons. Water rights for the expansion were applied for in 1999 and have been obtained for the project. Recently, those water rights were extended until 2021.

The current dam is located on City-owned property while the spillway is located on Forest Service property. The reservoir is sited almost 50-50 on City and Forest Service lands. It is believed that any future increase in the size of the dam and reservoir would be much easier if the City owned all the lands on which the enlarged dam and reservoir would be located. Therefore, there have been intermittent efforts over the last 20 years to pursue a land exchange with the Forest Service to acquire those properties in exchange for upland properties that the City currently owns. Land exchanges are very difficult and poorly-understood processes; answers to questions are difficult to obtain. The exchange came the closest to completion in 2008 at which time a disparity in values (the Forest Service property had a lot more timber value than did the City's and the City didn't have the cash available to make up the difference) and issues around wetlands prevented completion. Now the required process has changed again and the land exchange effort is currently on hold.

Climate Change Resiliency

These two projects taken together, the Dog River Pipeline Replacement project and the enhancement of Crow Creek Dam, are the City's best opportunities to provide as much climate change resiliency to the City's water supplies as possible. The Dog River Pipeline project will allow continued utilization of accumulated snow pack and precipitation from the highest elevations available to the City. And enlargement of Crow Creek Dam will capture and impound greater volumes of water for use throughout longer summer periods as climate patterns may evolve to provide more of the annual precipitation as rain rather than snow in the future.

RESOLUTION NO. 16-031

**A RESOLUTION ASSESSING THE REAL PROPERTY LOCATED
AT 2701 WEST 10TH STREET FOR THE COSTS OF ABATEMENT OF
JUNK AND HAZARDOUS VEGETATION**

WHEREAS, Nikki Lesich, the City Code Enforcement Officer, posted a Notice to Abate Nuisance upon the following listed property on the date shown below;

<u>Property</u>	<u>Assessor's Map No.</u>	<u>Date of Posting</u>
2701 West 10th Street	2N 13E 32 AC #4700	June 6, 2016

and

WHEREAS, the following persons are the owners of the following listed property;

<u>Property</u>	<u>Owners</u>
2701 West 10th Street	Robert Shuman

and

WHEREAS, the Notice to Abate Nuisance required the removal of junk and hazardous vegetation from the listed property pursuant to the provisions of General Ordinance Nos. 93-1162 and 99-1234; and

WHEREAS, the Notice to Abate Nuisance further provided that if the nuisance conditions were not abated, the City would hire a contractor to abate the nuisance conditions, and the costs of the abatement would be charged to the owner of the property, and become a lien upon the property; and

WHEREAS, as a result of the owner's failure to abate the nuisance conditions on the property, the City hired the following listed contractor, who abated the nuisance conditions on the date listed below, for the cost listed below;

<u>Property</u>	<u>Contractor</u>	<u>Date of Abatement</u>	<u>Cost</u>
2701 West 10 th Street	Rod Huante	August 3, 2016	\$749.00

and

WHEREAS, pursuant to Section 34 of General Ordinance No. 93-1162 and Section 7 of General Ordinance No. 99-1234, on October 31, 2016 the City Clerk sent a Notice of

Assessment by certified mail to Robert Shuman advising him that the total cost of the assessment for the property was \$1,249.00, which included a \$500 administrative fee required by General Ordinance No. 93-1162, and that the listed sum would become a lien upon the property if the amount was not paid by November 15, 2016 by Mr. Shuman; and

WHEREAS, the October 31, 2016 Notice of Assessment to Mr. Shuman advised him he had until November 5, 2016 to file any objections to the proposed assessment; and

WHEREAS, Mr. Shuman failed to file any objection by the stated deadline, and he failed to pay the balance of the assessment by the deadline listed in the Notice of Assessment, and the City Council finds that the statement of the amount of the proposed assessment is correct, and that no reason exists to justify any delay in proceeding with the imposition of a lien upon the property for the cost of the assessment;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES RESOLVES AS FOLLOWS:

Section 1. Assessment. The cost of the abatement of the nuisance conditions consisting of the removal of junk and hazardous vegetation for the properties located at 2701 West 10th Street, is assessed upon the following property:

<u>Name/Address</u>	<u>Description</u>	<u>Final Assessment</u>
Robert Shuman 2701 West 10 th Street The Dalles, OR 97058	2N 13E 32 AC #4700	\$1,249.00

The legal description for the property is shown in the attached Exhibit "A".

Section 2. Docket Entry. Upon passage of this Resolution and its approval by the Mayor, the City Clerk is instructed and directed to enter into the Docket of City Liens the following matters in relation to the assessment:

- a. The foregoing legal description of the property assessed.
- b. The name of the owners or statement that the owners are unknown.
- c. The sum assessed upon each lot or tract of land.
- d. The date of the docket entry.

Section 3. Notices/Collection of Assessment. The City Clerk is directed to proceed with notice and collection of the assessment in accordance with the procedures prescribed by State law for enforcement of liens and collection of assessments.

Section 4. Effective Date. This Resolution shall be effective as of November 28, 2016.

PASSED AND ADOPTED THIS 28TH DAY OF NOVEMBER, 2016.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 28TH DAY OF NOVEMBER, 2016.

Stephen E. Lawrence, Mayor

Attest:

Izetta Grossman, City Clerk

Exhibit "A" for Resolution No. 16-031

Beginning on the Westerly boundary line of Tract 22, SNIPES ACRES, Wasco County, Oregon, at a point 26 feet Southeast of the Northwest corner of said Tract 22; thence in a Southeasterly direction 81 feet along the Westerly boundary line of said Tract 22; thence in a Northeasterly direction 100 feet along the Northerly boundary line of Verdant Court and parallel with the Northerly boundary line of said Tract 22; thence in a Northwesterly direction 81 feet parallel with the Westerly boundary line of Tract 22; thence in a Southwesterly direction 100 feet parallel with the Northerly boundary line of said Tract 22 to the point of beginning.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OR 97058

PH. (541) 296-5481
FAX (541) 296-6906

CERTIFIED MAIL

October 31, 2016

Robert Shuman
2701 West 10th
The Dalles, OR 97058

NOTICE OF ASSESSMENT - 2701 West 10th Street

Dear Mr. Shuman:

This Notice is to inform you of the assessment costs for the clean-up and removal of junk and noxious vegetation from your property located at 2701 East 10th Street, The Dalles, Oregon, and known as 2N 13# 32 AC Tax Lot 4700, which clean-up was performed on August 3, 2016.

The total cost of the assessment is **\$1249.00** (which includes a \$500 administrative fee). The total assessment of \$1249.00 will become a lien against the property unless paid within 15 days of the date of this Notice, **November 15, 2016**.

If you object to the cost of the abatement as indicated, you may file a notice of objection with the City Clerk within five (5) days of the date of this notice, **November 5, 2016**. The objection shall be delivered in person or by mail to City Clerk, 313 Court Street, The Dalles, Oregon, 97058.

CITY OF THE DALLES

Izetta Grossman
Izetta Grossman
City Clerk

c: Gene Parker, City Attorney
Nikki Lesich, Codes Enforcement Officer

U.S. Postal Service™		CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)			
For delivery information visit our website at www.usps.com			
OFFICIAL USE			
Postage	\$	Postmark Here	i
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$		
Sent To <i>Robert Shuman</i>			
Street, Apt. No.; or PO Box No. <i>2701 2701 W 10th</i>			
City, State, ZIP+4 <i>The Dalles OR 97058</i>			
PS Form 3800, June 2002		See Reverse for Instructions	

7002 2030 0000 0859 9936
TELE 6590 4000 0602 0007



AGENDA STAFF REPORT

AGENDA LOCATION: Contract Review Board Item #13-A

MEETING DATE: November 28, 2016

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Purchase of a Cat 305.5 mini-excavator

BACKGROUND: Included in the adopted 2016/17 budget is funding for the purchase of a mini-excavator to replace an 18-year-old unit. The existing unit, a 1998 Kubota KX-91, has 4,895 hours on it which is quite a lot for a machine of this size. The Kubota is at the point where it would require some significant maintenance to remain in service such as new drive motors for the tracks (they have each been rebuilt twice), replacement of the rotex bearing on which the machine pivots, replace or rebuild the hydraulic pump, new pins and bushings on the boom, new tracks (~15% left on the existing tracks), and other lesser items; the estimated cost to perform all needed repairs is \$25,000. That is more than the machine is worth. This unit has served its useful life.

It is proposed to replace the Kubota with a larger mini-excavator for use by the Wastewater Collection Division. The reasons for a larger machine are that a lot of the easier, shallower sewer pipeline work has been completed over the last 20 years, and more of the sewer projects we currently undertake are at deeper depths involving more rock; the larger machine can dig a couple feet deeper and with greater force than the smaller units. A larger machine with a longer boom will improve the efficiency of many projects in tight quarters when it is necessary to dump material over the tailgate of the dump trucks; the larger excavator has a longer reach and can place material further forward in the truck so that more of its capacity can be used. It would also be much easier to reach over the sides of the dump trucks from the downhill side with a larger machine.

Staff obtained pricing on new excavators in the 12,000-pound range. Quotes were received for both new Caterpillar and John Deere models; neither Case nor Kubota make models in the size that is desired. Both of the excavator models considered are available through public purchasing programs that the City has successfully utilized in the past.

The Cat unit is available through the National Joint Powers Alliance (NJPA) which the City used to purchase the new Cat skid-steer in 2013, and the John Deere unit can be purchased through the Houston-Galveston Area Cooperative (HGAC) purchasing contract which was used to purchase the sludge truck, street sweeper and asphalt zipper. Both of these programs provide significant pricing discounts to public entities. The pricing received for these two units is summarized below.

Make/Model	Supplier	List Price	Discounted Price
Cat 305.5E2	Peterson-Cat	\$92,555.00	\$67,199.12
John Deere 50G	Pape Machinery	\$77,496.00	\$71,496.00

Both of these excavator models have about the same weight, reach and digging depth, but the Cat has significantly more engine power (44.1 vs 35.9 hp) and digging force (11,443 vs 8,267 lb) than the John Deere. The Cat 305.5E2 is the newest version of this model and is EPA “Tier 4” (the current version of diesel emission regulations) compliant and has an upgraded “High Definition Hydraulic System” that provides load sensing and smoother operations. Of the two models, the Cat is the stronger, more capable mini-excavator; however, with greater discounts available, it is also the lower cost machine to purchase. It is proposed that the new unit would be equipped with a hydraulic quick-coupler for the bucket that saves time and labor as attachments are changed. A quick-coupler also improves safety in that there is no need to have a worker near the boom and attachment to set the connecting pins. The hydraulic quick-coupler is a \$2200 option that is included in the price above.

Staff also considered the purchase of a used mini-excavator in the desired size. Current listed pricing for used Cat 305.5E2 units without cabs ranged from \$64,500 to \$67,850 with 300-400 hours of use on them; nearly all of these used excavators were on the East Coast with one being in Arizona. With the discounts available, we can purchase a new Cat 305.5E2 without a cab and with a long boom, thumb and hydraulic quick-coupler, and a 1-year warranty, delivered to The Dalles, for \$67,199.12.

It is planned that the Kubota mini-excavator will be declared surplus and sold at auction. The department has another Kubota KX-91 mini-excavator, the same model as the one that is proposed to be replaced, that is four years newer and does not have a thumb on it. It is planned that the thumb on the unit that will be surplus will be taken off and mounted on the remaining machine to increase its capabilities.

BUDGET IMPLICATIONS: Within Fund 9, the Public Works Reserve Fund, \$65,000 was budgeted for this purchase; these funds originated as wastewater utility rate revenues. The proposed purchase price is \$2,199.12 more than was budgeted. However, also within this fund, wastewater monies are being saved for the eventual replacement of the AquaTech vacuum truck; \$132,974 is identified in the current budget toward that purpose. For a number of reasons, the replacement of the AquaTech has been postponed a few years. A portion of those funds can be used to make up the additional cost of the Cat 305.5E2 mini-excavator. There are sufficient funds available in Fund 9 for this purchase.

COUNCIL ALTERNATIVES

- A. **Staff Recommendation:** *Move to authorize the purchase of a new Cat 305.5E2 mini-excavator with a hydraulic quick-coupler from Peterson Cat for an amount not to exceed \$67,199.12.*

- B. Move to authorize the purchase of a new Cat 305.5E2 mini-excavator without a hydraulic quick-coupler from Peterson Cat for an amount not to exceed \$64,999.12.

- C. Deny authorization for purchase of the new excavator and direct staff to pursue additional efforts to find a good used mini-excavator.



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #14-A

MEETING DATE: November 28, 2016

TO: Honorable Mayor and City Council

FROM: Julie Krueger, City Manager

ISSUE: Approval of Public Works Gap Analysis Study.

BACKGROUND: The City Council authorized the Gap Analysis Study in July. The report is now completed, following all the steps that were outlined in the project scope. The report is attached for review and acceptance by City Council. Rob Moody of TKW will be in attendance at the meeting to present the findings and to answer any questions from the City Council.

If the City Council approves the report, we will begin work to implement the recommendations contained in the report.

BUDGET IMPLICATIONS: None at this time.

COUNCIL ALTERNATIVES:

- A. **Staff recommendation:** *Move to accept the Public Works Gap Analysis as presented and direct the City Manager to proceed with implementation of the recommendations.*
- B. The City Council may choose to ask for additional findings and/or recommendations by TKW.



City of The Dalles, Oregon Public Works Department Gap Analysis

September 2016



4800 Meadows Rd., Ste. 200
Lake Oswego, OR 97035

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F 503.274.2843

www.tkw.com



Talbot, Korvola &
Warwick, LLP

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Lake Oswego, OR 97035

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www.tkw.com

September, 2016

Ms. Julie Krueger, City Manager
City of The Dalles
313 Court Street
The Dalles, Oregon 97058

Dear Ms. Krueger,

Attached is our report of findings and conclusions based upon our gap analysis of the City of The Dalles Public Works Department.

Thank you for the opportunity to work with you and the Department. We would also like to express our appreciation to those individuals we spoke with during this project for their candidness and openness.

Sincerely,

Talbot, Korvola & Warwick, LLP



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Executive Summary

Executive Summary

Healthy organizations are robust, resilient to stress, and adaptive to change. Strong systems provide reliable information on which to set priorities and plan strategies. Those strategies are the basis for short-term objectives and performance measurement which, in turn, provides accountability to the organization's overall goals and mission. These, coupled with systems, policies, and procedures for accomplishing high quality, efficient, and effective work establish the organization's internal culture. The culture that develops sets the tone for how well the team works together and coordinates toward common goals and objectives. In evaluating where an organization is and where they want to get to, it is difficult if not impossible to separate the systems from the culture.

Talbot, Korvola & Warwick, LLP (TKW) was engaged by the City of The Dalles (City) to perform a high-level evaluation of the ability of the City's Public Works Department (Department) to meet expectations for performance and service delivery in the form of a gap analysis. Our task was to assess the current organization and structure of the Department, determine how expectations for service delivery are set and communicated, evaluate the Department's ability to meet those expectations, and to provide recommendations for improvement as appropriate.

Our approach included a review of documents including the City's adopted budget, Public Works Departmental policies, organizational charts, and previously issued consultant reports issued. We met with Department personnel, the City Finance Director, the City Manager, the Mayor, and members of City Council both individually and in group settings. All information obtained was evaluated for trends and common threads. In some cases, we compared and contrasted the information we received with that of comparable organizations. Finally, we formed conclusions and recommendations supported by specific observations, our perspectives, and professional experience to assist the City in improving the overall operation of the Department.

We identified a number of positives within the Department. There is a high level of pride and ownership among the Department's staff and management team, as demonstrated by their willingness to participate in this analysis. Management and staff showed excitement at the prospect of improving processes, systems, and the culture of the Department and were also justifiably proud of advancements cited in several areas over recent months and years. Notably, the Department has been recognized for the quality of its water systems and for increased awareness and improvements in safety programs. All of these provide a strong foundation on which to continue to build and improve.

Opportunities for improvement and our related recommendations fall into two distinct categories; operational or structural opportunities and those related to the Department's culture. While the two are related, addressing them separately allows for a clearer understanding.

Operational and Structural Opportunities

Leadership

The need for effective, strong, and consistent leadership is key to a number of the concerns we identified in the Department. Our review identified significant opportunities for improvement in communications, staff morale, priority setting, and making effective, timely decisions and implementing and following through on them. Each of these opportunities in turn can positively impact the ability of the Department to accomplish its work.

Organizational Structure and Staffing

Currently, the Department is structured as five (5) separate and distinct divisional operations, each with a manager reporting directly to the Public Works Director who, in turn, reports to the City Manager. The divisions currently perform independently of each other functionally and culturally. Administrative support, equipment and equipment maintenance resources, and some staffing are shared across divisions consistent with workload and project demands. We believe there are significant opportunities to improve coordination of resources and related communications within the Department.

Optimal staffing levels for divisions and for the Department as a whole were difficult to determine given the issues identified around coordination of work and sharing of resources. During our discussions, only two divisions (Water Treatment and Transportation) either expressed a need, or were referenced by others, as needing additional staff resources.

Infrastructure Inventories

The Department maintains detailed inventories of its infrastructure systems (water distribution, wastewater collection, and streets). Those information systems are limited as to details regarding age, condition, and type of construction. There are also concerns as to the completeness and accuracy of those inventories. Without complete, accurate information concerning systems condition, priorities may be set based on institutional knowledge, intuition, or instinct. Additionally, less than optimal decisions may be made as to timing and level of response required (i.e. routine or major maintenance, replacement) as well as options for funding. The Department is currently working towards improvements to its infrastructure information systems with the implementation of asset management practices utilizing Lucidy software specifically for that purpose.

Performance Management

The Public Works Director has historically set Departmental priorities and directed operations through the management team as directed by the City Manager in the context of Council goals. Historically there has been little formal structure for establishing performance expectations, or for objectively evaluating performance of the Department. While the Department is able to complete its work, the lack of defined benchmarks/performance goals make it difficult to determine if it is completing those tasks in the most effective and efficient manner.

Communications

The lack of consistent, effective communication across divisions is apparent in differing perspectives and views of the individual divisions. Coordinated priorities for the Department, regardless of the source are not effectively communicated to all Department staff in a single voice and with collective support from Department and division management.

Cultural Opportunities

Over many years, the Public Works Department has developed a specific “culture”. City leadership and Department management have been tolerant of actions and situations that have resulted in a number of concerns and impacted Departmental operations. Lack of effective communications and functional silos along divisional lines have contributed to divisiveness and disrespect between crews. With a lack of accountability at multiple Departmental levels, inconsistencies have developed in management styles and treatment of divisions. Staff distrust and lack of confidence in division and Department management has resulted.

Impacts on the Department

The impacts of maintaining the status quo are potentially subtle, but significant. As mentioned, work is completed and systems are maintained. The positive impacts of our recommendations lie in the ability to better utilize current resources and achieve greater results through improvement of culture and systems. Underutilization, lack of complete and accurate information, and project delays resulting from organizational communications or coordination issues directly impact the Department.

Underutilization of crew members can have a major impact on productivity. It was reported that staff, at times “make themselves scarce” during shifts. For example, assume the Department loses the productivity of an individual not working for two hours per week rather than checking in and being reassigned to another project. Those two hours per week translate

to nearly 100 hours annually and can cost the City up to \$30,000 or more in salary and benefits. If three crew members are underutilized for two hours per week, the costs triple to \$90,000 per year.

Updating of the Department's infrastructure databases and systems to include complete and accurate information provides a foundation for future planning in terms of maintenance and replacement requirements including staffing, equipment needs, rate setting and financing. A proactive approach to maintenance and replacement allows for informed decisions and the ability to implement rate adjustments and financing plans over time minimizing impacts on citizens.

Without clear communications, expectations, and accountability, the Department is at risk of setting and acting on priorities that may or may not support those of the City Council and City leadership. Lack of alignment of the divisions, the Department, and the City overall may lead to significant conflict and confusion in current operations as well as budgeting and resource management.



Introduction

Objectives

Talbot, Korvola & Warwick, LLP (TKW) was engaged by the City of The Dalles (City) to perform a high-level evaluation of the City's Public Works Department's (Department) ability to meet expectations for performance and service delivery, in the form of a gap analysis. Our task was to consider the current organization and structure of the Department, expectations set and communicated for service delivery, the Department's ability to meet those expectations, and to provide recommendations for improvement as appropriate.

Approach

Our initial approach was developed to provide a "deeper dive" into the Department in terms of specific processes. As we began our initial discussions and interviews, it became evident that there were some fundamental challenges within the Department that would not only require significant attention and effort to resolve, but also would need to be addressed prior to any meaningful discussions at a deeper level. As a result, we revised our approach to provide the greatest initial value to the City within the agreed upon scope and budget for the engagement.

Our revised approach focused primarily on individual and group meetings with Department personnel, the Public Works Director, the City Manager, the Mayor, members of City Council, and other City staff. We met with the respective crews from the Transportation Division (6), the Wastewater Collection Division (6), the Water Treatment Division (3), the Water Distribution Division (6), the Public Works Administrative Team (3), the Engineering Division (2), and with the Public Works Management Team (6). While most Department personnel were available to participate in our meetings, some were not and were provided an opportunity to provide us their thoughts and comments by phone or email. Additionally, we followed up with one-on-one conversations with a number of Department personnel to obtain additional input.

We reviewed documents provided at our request relevant to the structure and operational characteristics of the Department. Those documents included the City's 2016-17 Adopted Budget, the Department's organizational chart, a copy of the Collective Bargaining Agreement, Department policies, and an example of the Department's Joint Use Report detailing sharing of staff resources and associated charges across divisions.

In our meetings and discussions with City and Department personnel, we gained an understanding of how the Department is structured and organized around functional responsibilities (i.e. Transportation, Water Treatment, Water Distribution, Wastewater Collection, and Engineering). We inquired as to how work is accomplished including planning,



prioritizing, coordination, and communication. We also solicited input concerning the setting and communicating of expectations, how success is measured, and where opportunities for improvement exist.

In addition to our interviews, we obtained high-level information from comparable organizations with respect to public works services provided, geography, and weather conditions. Those organizations included the cities of Redmond, Pendleton, Klamath Falls, and Hermiston as well as Wasco County.

We received and reviewed previously issued consultant reports issued as a result of work with the Department. Our review of reports issued in 2001 and management's responses to those reports, indicated that a number of the issues identified have continued to exist. Specifically, the reports of the prior consultant¹ and memoranda from both the City Manager and the Public Works Director at that time, addressed a number of continuing concerns. Management cited specific actions and plans, some of which were put in place per recommendations of the consultant, and others that have either been unsuccessful or were never implemented as evidenced by the continued issues cited in this assessment.

Changes made in response to the consultant's report include:

- increased communication between the City Manager and the Public Works employees through scheduled meetings,
- increased awareness of safety issues and implementation of formalized safety plan, and
- adjustments to workload within the Department.

Other recommendations that were either unsuccessful in their implementation or not implemented include:

- reassignment of the mechanic position to report directly to the Department Director,
- establishment of clear and effective expectations communicated to, and within, the Department, and
- effective actions to improve employee trust towards Department management and City leadership.

¹ Noonan, 2001





Opportunities

In presenting our findings, two points bear mentioning. The first is in terms of report structure. Our intention to present information and provide context with the use of examples as appropriate. Although there were a number of examples to support various points, we elected to provide representative instances for the sake of brevity and presentation. Second, input from City and Department staff and others provided in group and individual interviews and subsequent discussions were grouped into categories to simplify presentation. All findings and recommendations are the result of multiple data points in the form of comments and references.

Through our discussions and review of documents, we found significant strengths which the Department can continue to build upon. There is currently a high level of pride throughout the Department in crews' and individuals' ability to accomplish work. We discovered that employees, from management to frontline workers, are proud to work for the City, enjoy the people they work with, and at the same time were eager to learn of opportunities for improvement. There appears to be awareness of federal standards and compliance requirements relevant to respective divisions and their work and a commitment to meeting or exceeding those standards. In addition, the Department has been recognized for the quality of its water systems, and for significant improvement in safety efforts over the two years. Each of these factors are foundational for a high-performing Department.

As a result of our limited, high-level review, it appears that the Department's Water Treatment, Water Distribution, Wastewater Collection, Transportation, and Engineering Divisions are providing service that meet the base level needs of the City. Roads are passable, water is available to the City's customers, and wastewater is collected and treated. We did not identify concerns with timeliness of response to issues or quality of service provided in our limited review. There have been questions in the recent past around safety issues and the Department has taken significant steps to address those issues resulting in a heightened awareness of, and commitment to, safe working practices by staff and Department management.

We have identified opportunities for improvement and recommendations in two broad categories with respect to the City's Public Works Department; operational or structural opportunities and those related to the Department's culture. Although there is an interrelationship between the two that cannot be eliminated or ignored – the Department's culture affects how effectively and efficiently work is done and similarly the way work is being done is a factor in the development of the current culture – for the sake of clarity, we address each of these categories individually.

Operational and Structural Opportunities

Our analysis of the Department identified the following primary areas of opportunity for the initial improvement and strengthening of operations:

- Leadership
- Organizational structure and staffing
- Infrastructure inventories
- Performance management
- Communications

Leadership

There is strong sentiment that the Public Works Director could be more effective in managing division managers, and in delegation of management control of the divisions. There is a perception that all key decisions involving division operations must be approved by the Department Director and that the respective managers have little latitude to make timely operational decisions on their own. This creates delays in operations and projects based on the availability of the Department Manager and his ability to give immediate and meaningful attention to the issue. Best practices indicate that effective leaders can provide a framework of policies and procedures within which to make decisions, provide clear and consistent expectations of performance, and then allow managers to work within those parameters. Performance is monitored and accountability comes in the effective evaluation of actual results against stated expectations and goals.

Many of the concerns identified in our assessment originate from or can be traced back to a lack of effective, strong, and consistent leadership structure. Our review identified significant opportunities to improve communications, staff morale, and the ability to set priorities or make effective, timely decisions and then implement and follow through on them. Each of these opportunities can positively impact the ability of the Department to meet its goals and objectives. One example of the need to set clear expectations and then provide accountability is the apparent inconsistency of division managers' adherence to Departmental policies. While the Wastewater Collection Division appears to be held to a very strict interpretation and application of policies, the Transportation Division is widely perceived as not being held to those same policies. There appear to be different interpretations and practices for working through breaks and lunches even though Department policies are clearly stated. Practices also vary widely regarding detailed documentation requirements for supporting project costs.

Strong leadership of an organization, regardless of specific style, provides management and staff with a clear understanding of the values, objectives, and direction of the organization.

Without it, managers and employees derive their own directions, values, and objectives based on what they believe is in their own best interests. Silos develop and communication is at best inconsistent. In cases where formal written policies and procedures do exist within the Department, they are inconsistently applied and/or enforced. The Public Works Director was criticized for micromanagement of the divisions and a need to maintain control. This perception contributes to the lack of trust.

Our assessment revealed signs of each of these symptoms indicating limitations on the effectiveness of leadership. While the Department Director is a valuable resource to the City and the Department in many areas, he is spread thin through his close involvement in day-to-day operations and operational decisions. Complaints of bottlenecks at the Department Director's office and a lack of trust in division managers and staff to make decisions and handle day-to-day operations were stated.

The lack of consistent, effective leadership structure for the Department appears to be the result of a number of competing factors and influences:

- a lack of clear performance expectations for the Department and in turn for each division,
- the need for a single, effective point for coordination of divisions to meet Departmental priorities and goals,
- the Director's willingness to be involved in details of operations rather than effectively delegating to division managers, and
- the need to address the departmental culture that has been allowed to develop over a number of years.

Division managers and staff look to the Department Director to set tone and actively address each of these issues. Absent that tone and action, the Director's authority is diminished.

Division managers do not appear to be subject to clear expectations or accountability in their positions. As a result, managers have developed approaches and priorities that do not necessarily align with the Department's priorities and in some cases negatively affect the work of other divisions. In addition, there is significant inconsistency in the style and manner in which the respective divisions are led and managed. We recommend:

City Manager

1. Evaluate the role of the Department Director based on his relative strengths and weaknesses. Consider organizational changes within the Department to complement those skills and the potential to improve Department operations.

2. Meet with the Department Director and set clear expectations for departmental performance and leadership of the Department. Follow up and monitor progress and performance through monthly communications.
3. Consider the benefits of formalized leadership training in reinforcing the changes in operations, communications and culture within the Department, and as an example for other City operations and programs.

Public Works Director

1. Establish specific, measurable Departmental goals and performance expectations as well as division goals and performance expectations in support of Department priorities.
2. Communicate and reinforce established expectations and goals as a means to align Department staff and demonstrate effective leadership.
3. Establish a tone of accountability and respect at the division manager level and throughout the Department through consistent actions and communications.
4. Find opportunities to effectively delegate operational responsibilities and decision making authority to division managers as means to establish effective and efficient control structure and leadership.

Organizational Structure and Staffing

Currently the Department is structured as five (5) separate and distinct divisional operations, each with a manager reporting directly to the Public Works Director, who in turn reports to the City Manager. The divisions currently perform independently of each other functionally and culturally with minimal sharing of resources except to support periodic staffing needs of the Transportation Division.

The Equipment Mechanic positions (2) and the Building Maintenance position are funded equally by the Water Distribution, Wastewater Collection, and Transportation Division (1/3 each) but operationally report to the Transportation Division Manager. The Water Distribution and Wastewater Collection Divisions indicated a disproportionate cost/benefit in funding the mechanics positions, in that these positions are often assigned to the crew supporting road construction and maintenance efforts. The Equipment Mechanic position was addressed by the prior 2001 report as needing to be dedicated to the maintenance needs of the Department. At the time management agreed and indicated that the position should be reassigned organizationally to report to the Department Director. That decision was subsequently reversed when it was determined that the Director did not have available time to appropriately supervise and manage the function. A second mechanic position was subsequently hired in 2010 to address workload issues and equipment maintenance backlogs.

Within the Water Distribution, Wastewater Collection, and Transportation Divisions a lead worker position is identified. This position provides direction and field support while working alongside others on the respective crews. It is reasonably expected that identified leads have commensurate experience and knowledge to be able to act in this capacity. It appears that in some cases the lead position is rotated through the crew to provide each member an equal opportunity to incentive pay and to gain additional experience. While it makes sense to provide opportunities to stretch and gain additional experience, it is with a cost in the form of productivity and efficiency. This practice may impact the overall effectiveness of the crew in the field depending on the relative experience level of the person in the position. The benefits of training and experience should be balanced with the need to be productive and efficient in the field.

A central Administrative Services Group provides administrative and clerical support to the Department under the direction of the Regulatory and Administrative Services Manager. While the three individuals in this Group provide support ranging from accounts payable and payroll and general office functions, similar to other areas of the Department there does not appear to be performance expectations and accountability established. . With the recent addition of the City's Human Resources (HR) position, there may be an opportunity to evolve the functions and responsibilities of the Administrative Services Group to better meet the current needs of the Department and reduce/remove potential duplications or redundancies with HR.

Inherent in the structure described above is a responsibility to carefully coordinate the efforts and priorities of the respective divisions in order to meet the overall objectives and goals of the Department. Currently, this responsibility falls to the Public Works Director with input from division managers. Concerns were expressed that the Director's time is stretched thin from involvement in division operations, coordination issues, administrative duties, and other requirements. It was stated that the Director has tremendous talent in certain areas such as grant writing, and administration, and planning consistent with his role in leading the Department. Due to his involvement in operations and other administrative duties, managers and staff indicated that things often stall in the Director's office or seem to get lost completely. As mentioned above, the project and operational priorities of the Department often give way to the individual objectives of the divisions which may or may not move the Department's priorities forward in the most efficient and effective way possible.

During our analysis, a question was raised as to whether the Engineering Division is most effectively located within the organizational structure of the Department or alternatively

with the City's Planning Department under the umbrella of community development services. Either structure is common as indicated below in our review of comparable organizations. The majority of the work performed by the Engineering Division is in relation to public works projects and, as such, the structure of the division within the Public Works Department supports coordinated of resources in support of that work.

In addition to considering the Engineering Division within the Department's structure, we considered the organizational placement of the Development Inspector position, currently within the Planning Department. This position historically has performed a variety of inspection services including public works projects performed by the City and code enforcement. The position also performed special projects at the direction of the City Manager providing a significant incentive for having the position located in City Hall. However, the special projects function has been deemphasized with the change in City leadership, potentially creating capacity for additional or alternative utilization of the position. We found no significant operational argument for moving the position to Public Works, and alternatively believe it appropriate to leave the position in the Planning Department, thus maintaining some independence from the Department and providing additional credibility to the inspection of City projects.

We evaluated the organizational structure of other public works operations as a means to compare with those of the City of The Dalles. The results of those comparisons are summarized below:

City of Pendleton

The City of Pendleton's Public Works Department is structured similar to The Dalles, with separate supervisors for the water and wastewater treatment operations. The water utility staff oversee the operation of the treatment and distribution systems. A separate Public Works Supervisor position has oversight for streets, wastewater collection, and a construction and replacement (C&R) crew. Each of the supervisors report directly to the Public Works Director.

The subtle difference between Pendleton's structure and The Dalles' is that all construction and maintenance of the system, regardless of the affected utility falls under the direction of a single individual with responsibility to coordinate those projects. The C&R crew consists of four (4) FTE, reports directly to the Public Works Supervisor, and handles C&R for in-house water lines, and storm and sewer pipes. Street Utility Worker positions also report to this same Public Works Supervisor,

allowing for a single point of coordination for construction and maintenance projects across functions and utilities.

Additionally, the engineering function has been removed from the umbrella of Public Works, and is now organizationally a separate department and function within the City of Pendleton.

City of Hermiston

The City of Hermiston's Public Works function is organized around functional lines similar to that of The Dalles. Each Department (Streets, Water, and Recycled Water) is headed by a Superintendent position that reports directly to the City Manager.

The Street Department includes a staff of four (4) FTE, including a mechanic. The Street Department is responsible for equipment and facilities maintenance similar to The Dalles, as well as roads and streets, and storm drains.

The City of Hermiston operates a Water Department and Regional Water System, overseeing all water system operations, and a staff of eleven (11) FTE, including a Chief Operator position. Hermiston also operates a Recycled Water Facility charged with operating and maintaining the city's wastewater collection and treatment systems. This department is comprised of a staff of eight (8) FTE including a Chief Operator position.

As a result of the organizational structure, coordination of projects and resources across the various utility functions necessarily falls to the City Manager, with the respective Superintendents maintaining functional responsibility within each individual department.

City of Klamath Falls

The City of Klamath Falls' Public Works function is similarly structured along functional lines. The City operates separate divisions for streets and fleet services, maintenance and street lighting activities, development services (planning, engineering, and parking), water and geothermal operations, and wastewater treatment and collection. Each division is headed by a Division Manager position, reporting directly to the Public Works Director. Coordination of overall Public Works priorities and projects across divisions is the responsibility of the Public Works Director.

The Streets and Fleet Service Division has responsibility for all the traditional construction and maintenance activities associated with the streets and roads system,

as well as equipment maintenance for all vehicles and heavy equipment provided by two (2) mechanics reporting to the Streets Division Manager.

The Maintenance Division is charged with servicing or replacing equipment (other than that identified above) across all city departments, and is staffed with electricians, a carpenter, a plumber, a millwright, and an HVAC technician. The Division programs and maintains SCADA systems for water and wastewater operations, traffic signals and street lights as well.

Klamath Falls' Water and Geothermal Division manages water supply and distribution systems and provides geothermal heating to 23 customers as well as snowmelt systems in sidewalks and bridges.

The Wastewater Division operates and maintains a treatment plant as well as a collection system, and 130 miles of storm drain lines.

The Development Services Division provides direct services to the community in the form of business licenses, parking permits and related enforcement, development permits, inspection services, planning and land use, GIS, and engineering services.

City of Redmond

The City of Redmond has organized its public works activities along functional lines, with each led by a Division Manager. The City's Transportation has a staff of nine (9) plus temporary seasonal workers, including a supervisor and two (2) Utility Lead positions. Vehicle maintenance is functionally organized under the Transportation Division and staffed by a Supervisor and four (4) Mechanic positions.

Redmond also operates and maintains water treatment and distribution facilities with a single Supervisor, and a Lead Worker in each. The Water Division has a total staff of eight (8) supporting treatment and distribution activities.

The wastewater collection and treatment operations are supported by a staff of eight (9) including an Office Assistant. Stormwater collection and treatment activities are supported by a single technician and the Division Manager. The Parks/Facilities/Cemetery Division is also structured within Public Works.

We recommend:

City Manager

1. Review and evaluate the current organizational structure of the Department in the context of providing coordinated services to the community in the most efficient and effective manner possible.
2. Evaluate the skill sets of current Department personnel in the context of relative strengths and weaknesses and how to effectively build and maximize on strengths and minimize exposure to weaknesses.
3. In evaluating the current organizational structure, consider an alternative that utilizes an Operations Manager reporting to the Public Works Director and directly overseeing division operations. This position would reduce operational and administrative duties currently performed by the Department Director and provide the capacity for actively and effectively coordinating priorities and projects across divisions. With an Operations Manager in place to coordinate the activities of the Water Distribution, Wastewater Collection, Transportation, and Engineering Divisions, the City may consider eliminating the division manager or lead worker positions in the context of operational oversight and maintaining effective span of control.

Optimal staffing levels for divisions and for the Department as a whole are difficult to determine given the issues identified around coordination of work and sharing of resources. During our discussions, only two divisions (Water Treatment and Transportation) either expressed a need, or were referenced by others as needing additional staff resources.

There appears to be a need for additional maintenance staff within the Water Treatment Division as currently structured. Positions with responsibility for maintenance and environmental compliance are covering shifts at the treatment plant. As a result, primary assigned duties are deferred in favor of operational priorities at the plant. Thin staff resources in Water Treatment also have an impact on project planning and management, and training.

It is unclear that additional staffing resources in the Transportation Division dedicated to streets construction and maintenance projects are needed. Supplementing the current construction and maintenance crew may allow shop and building maintenance positions to address needs consistent with their primary assignments, and reduce the need to shift resources from Water Distribution and Wastewater Collection crews to road construction and maintenance projects. Currently, the shift of staff from maintenance and/or water and wastewater functions effectively defer projects and priorities in those areas. Any

consideration of additional staffing would need to incorporate utilization levels of current staff and priorities of the division versus those of the Department as a whole.

As equipment maintenance is deferred, there is a ripple effect across other divisions needing to use said equipment. Currently the Department has two (2) mechanics, each of which are 1/3 funded by each division, respectively (Water Distribution, Wastewater Collection and Transportation). The mechanics are charged with maintenance of the Department's equipment and vehicles. Because the mechanic positions fall organizationally under the Transportation Division, and the supervision of that division manager, they are often pulled into the crews to support paving and street maintenance projects, thereby foregoing equipment maintenance.

Based on our discussions with Public Works personnel, crews outside of the Water Treatment Division appear to be underutilized at times. It is common that when staff complete an assignment they are not always effectively reassigned to other needs either within their division, or to assist with priorities in another division. Staff admitted to "driving around" or "making themselves scarce" rather than reporting back to the Public Works Shop or checking in with managers to be reassigned. The extent of underutilization and available staffing capacity is currently indeterminable, making it difficult to estimate the true need for additional staffing resources within the Department. We recommend:

Public Works Director

1. Obtain or perform an organizational assessment of the Water Treatment Division to compare and evaluate job responsibilities and service delivery to determine the need for additional staffing.
2. Obtain or perform an organizational assessment of the Department's Administrative Services Group to ensure current functions are consistent with skill sets and job assignments. Consider utilization of positions in determination of current and future staffing levels.
3. Consider, develop, and implement an effective management structure, practices, and performance measures (as described later in the report) to ensure accountability, efficiency, and effective work practices. Once in place, the Department Director should consider actual utilization of personnel and any excess staff capacity to determine the appropriate staffing levels for the Transportation Division and/or the appropriate level of resource sharing across divisions.

Infrastructure Inventories

The City maintains inventories of current infrastructure systems available in a combination of geographical information systems (GIS) and maps. These inventories of the street infrastructure, water distribution system, and the wastewater collection system respectively, may be incomplete, provide partial information as to age of the various systems and in some cases, information regarding the respective condition of the systems. The table below illustrates the specific gaps in information for the respective infrastructure systems.

System	Size/Type of Construction	Date put in Service	Current Condition	Most Recent Maintenance/ Replacement	Cost Information
Water Distribution	Yes	35%	No	No	No
Wastewater Collection	Yes	20%	Yes	Incomplete	No
Transp. and Streets	Yes	No	Yes	No	No

These inventories are the foundation for system planning with regard to major maintenance, capital replacement and improvements, related costs, and ultimately the funding or financing requirements. These inventories and the information therein are used to develop the Department’s rolling five-year capital improvement plan (CIP) and develop priorities for projects brought forward to the City Council through the budget process. Once budgets are approved and adopted, the Department attempts to carry out those project priorities within the funding available.

In 2012 the Department purchased an asset management system to capture and integrate capital infrastructure data toward effective decision making with regard to maintenance and replacement requirements. The Department has begun to implement the system with the Wastewater Collection Division in response to federal permit requirements and currently has approximately 20% of the collection system entered. The Department plans to add approximately 10% of the collection system into the database per year.

To support effective planning, financing, and decision making efforts at the Department level and for setting meaningful priorities for maintenance and replacement, capital inventory systems should provide a base level of information that is both complete and accurate. At a minimum, the information available should include:

- Size and type of construction
- Date put in service (age)
- Current condition index
- Date of most recent maintenance or replacement
- Cost information

With this information, the Department can prepare a detailed model to project and plan for not only routine maintenance of each respective system as well as for major maintenance and replacement projects that anticipate system failures before they occur. The Department can also use the information to coordinate resources and projects across divisions in addressing departmental priorities rather than individual divisional objectives. Finally, a comprehensive costing and financing plan can be developed to allow the Department and the City to address funding needs well in advance of projects and thus minimize the impacts of rate increases and borrowings on rate payers/citizens. We recommend:

Public Works Director

1. Direct the timely update of infrastructure inventories to provide complete, accurate information on all systems.
2. Establish an internal process to evaluate relative and competing priorities at the division level such that priorities can be set for the Department on a short- and long-term basis as well as support the development of funding/financing options and plans.

Division Managers

1. Develop and/or update inventories of respective infrastructure systems to include complete and accurate information as to type and size of construction, age, condition, and historical cost as available.

Performance Management

The Public Works Director has historically set departmental priorities based on available information and directed the operations through the management team as directed by the City Manager in the context of Council goals. Historically there has been little formal structure for establishing performance expectations, or for objectively evaluating performance of the Department. While Department is able to complete its work, the lack of defined benchmarks/performance goals make it difficult to determine if it is completing those tasks in the most effective and efficient manner.

Best practices dictate a clear communication of goals, priorities, and expectations within an organization to ensure optimal performance and success in meeting all objectives. In the context of the Department, this translates to the City Council setting policy and goals for the City, and the City Manager effectively communicating those goals to the Public Works Director in the form of priorities and expectations for performance. In doing so, the City Manager should reach agreement with the Department Director on outcome-based performance measures that can be objectively evaluated for success. In turn, the

Department Director should delegate responsibilities to division managers with clear performance expectations and measures to which he would hold them accountable. In summary, the crews are accountable to the division managers for specific performance of tasks, the division managers are accountable to the Public Works Director for priorities and projects, the Department Director is accountable to the City Manager for expectations set and agreed to, and the City Manager is accountable to the City Council to successfully implement their goals.

There appears to be no formal structure or process for the communication of expectations to the Public Works Department on which to set priorities, goals, coordinate projects, and evaluate success. In conversations with the City Manager and the Public Works Director, we noted that the City Manager has historically provided some level of direction, but has not consistently communicated expectations to the Public Works Director in terms of specific performance objectives, goals, or other bases for determination of whether the City's resources are being applied efficiently and effectively within the Department. Without that clear direction and setting of expectations, the Public Works Director has no platform to provide clear and direct expectations to the respective divisions or to hold managers and crews accountable to a predetermined course of action consistent with that set for the Department by City leadership. As a result, a number of issues impacting the overall operation of the Department have been identified:

- General lack of accountability within the Department involving management and crews.
- Lack of consistent policies application across divisions.
- Lack of consistent, effective, and objective evaluation of individual, team, and project performance.
- Need to continue and build on communication between the City Manager and the Department,
- Need to improve communication from Department management to staff and between divisions with respect to priorities, goals, objectives, and performance.
- Development of a culture of disrespect and divisiveness between divisions, and distrust of Department management.

These factors contribute to challenges within the Department that potentially lead to inefficiencies in operations, and ultimately affects the ability to provide high-quality services to the community and maintain sound, appropriate stewardship of community resources.

A number of examples within the Department concerning the lack of clear communications around performance expectations and the resulting lack of accountability were identified:

- Crews expressed concerns around competing priorities between divisions and frustration with resources necessary to effectively do their jobs. Examples provided included the “hijacking” of equipment from projects based on “someone’s relative sense of priority” that in effect shuts down the project for the crew left without the equipment.
- All team meetings within the Department are rare, though Department staff indicated their appreciation for the recent meeting held and the communication of information relevant to the Department and the City overall at that meeting.
- Crews openly expressed disrespect for departmental managers and for other crews related to inconsistent application and enforcement of policies and rules. The crew of one division is required to take all scheduled breaks and lunch periods while another is allowed to work through lunch periods and end their day early, despite a clearly written policy governing the issue. Crews also blamed each other for changes in priorities and work schedules, each claiming that the other sets the priorities causing their respective projects to be delayed or deferred.

Within the Water Treatment Division there is a lack of clear performance expectations other than those provided by published safety and quality standards. Similarly the application of policies and practices is inconsistent across division staff. Training is also inconsistent with operations learned on the job and knowledge passed by word of mouth and experience among division staff. We recommend:

City Manager

1. Meet with the Public Works Director to identify, communicate, and agree upon specific, objectively measurable performance goals for the Department. These goals should represent clear Departmental expectations to which the Department Director is specifically accountable.
2. Work with the Department Director to identify relevant outcome-based measures to evaluate performance in reaching established goals. For example:
 - a. Ensure that 90% of all departmental staff performance evaluations are performed and communicated within 30 days of anniversary date.
 - b. Hold quarterly all-department meetings to communicate relevant information to staff.
 - c. Develop a work program to move the City toward a roads and streets infrastructure that meets an average condition index of “x”, based on periodic review.
3. Consistently monitor performance against stated goals and expectations in maintaining the Department Director’s accountability through monthly meetings.
4. Provide consistent, meaningful performance feedback to the Department Director at regularly scheduled intervals (no less than quarterly).

Public Works Director

1. Meet with division managers and all Public Works staff quarterly to clearly communicate Departmental goals, priorities, and accountability focus.
2. Meet with division managers to delegate responsibilities and identify specific areas of performance for each division in order to successfully meet Department goals.
3. Establish with each division manager, specific performance measures to which they are accountable.
4. Meet monthly with division managers to monitor and evaluate performance against established expectations and maintain accountability.
5. Report progress to the City Manager no less than quarterly.

Division Managers

1. Meet with division staff and clearly communicate established division priorities and expectations and implement realistic performance measures for work performed by the division.
2. Meet monthly with division staff to monitor performance against stated expectations.
3. Report progress to the Public Works Director no less than monthly.

Communications

Communications within the Department are inconsistent, infrequent, and ineffective in the context of strong leadership and direction. This is evident in the lack of consistent, structured meetings and inconsistent information sharing from the Public Works Director to division managers, to division crews, and other Department staff. Absent clear information and direction, divisions develop individual plans and approaches to work that may or may not be efficient and effective in meeting the objectives of the Department and the City overall.

The Public Works Director meets weekly or biweekly with division managers to discuss lessons learned on prior projects, those in progress, and upcoming projects. Staffing and equipment resource conflicts are discussed and resolved at these meetings. Previously, weekly meetings were held by the division managers to discuss project priorities and scheduling of staffing and equipment resources. These meetings were inconsistent and then stopped altogether, shifting these discussions to the weekly meetings with the Public Works Director. Weekly meetings of the division managers have been reinitiated recently.

Daily, each division manager meets with their respective crews for a “morning muster”, and the Water Treatment Manager meets with his crews at shift change. These meetings are tactical in nature and focus on the short-term needs and work for the day.

The lack of consistent, effective communication across divisions is apparent in differing perspectives and views of the individual divisions. The Transportation Division believes that the Water Distribution and Wastewater Collection Divisions drive priorities and dictate project schedules. Similarly, the Water Distribution and Wastewater Collection Divisions believe that the street projects are politically driven and dictate their respective project priorities due to the need to complete underground utility work prior to paving. It is clear that coordinated priorities for the Department, regardless of the source, are not effectively communicated to all Department staff in a single voice and with collective support from Department and division management.

Chain of command and lines of communication appear to be an issue. We were told there is a strict policy that staff do not communicate directly with the City Manager or members of City Council and that all such communications travel up the chain of command through division managers and the Department Director. Division managers believe that staff are directly communicating with the City Council and the City Manager on issues that are more appropriately handled between staff and supervisor/manager. Staff believe that items run up the chain of command never make it past the Department Director's office. Staff admitted to personal relationships with Council members and continued communications despite the policy in place. We believe that it will be important that the City Manager and the City Council reinforce accountability within the Department and support Department management in their efforts to affect culture change. To that end, the City Manager and Council Members should not entertain comments or complaints from Department staff, but rather encourage them to go through normal channels, then follow up to be sure the issue was heard and dealt with.

Communicating the "why" behind policies and directives may effectively reinforce and support consistent application of those policies and practices. The perception that significant time is wasted in the mobilization and demobilization of various phases of a project involving underground utilities and street work could be explained to staff in terms of scheduling and best practices around effective signage. Additional training and communication on policies and procedures may give staff the opportunity to better understand and provide feedback, resulting in better work processes overall. We recommend:

Public Works Director

1. Commit to a quarterly schedule of meetings with the Public Works team to share information relevant to the Department including priorities and expectations, reinforcement of policies, etc.

2. Integrate into the Department's meeting structure a system to monitor progress on Department and divisional goals and objectives and against stated performance measures. These meetings provide the basis for reporting progress to the City Manager.
3. Continue weekly meetings with division managers with an established agenda to address tactical, coordination, and scheduling issues across divisions.

Division Managers

1. Consider holding combined daily muster meetings with all crews together to better coordinate resources and staffing, and build sense of team across divisions.

Cultural Opportunities

Our review identified issues within the Department that could negatively affect the ability of management and staff, crews, and individuals to work together. As noted previously, there are inconsistencies in management approach and leadership, communications, and expectations of the various divisions within the Department that contribute to a concerning level of disrespect across divisions and distrust by some staff for management.

The lack of clear, communicated expectations and coordination, coupled with ineffective oversight and management of division managers has resulted in a wide disparity in management style and coordination of respective division projects and effort. While one manager is seen as closely following procedures and policies, another is perceived as disregarding those same policies and procedures, or at least interpreting them in the most advantageous manner for his division. Some rules seem to apply to one division but not another which builds animosity and tension between crews and further challenges the ability of Department staff to work together in a coordinated manner.

Staff's distrust and disrespect of Department management directly affects how work is done and the effectiveness and efficiency of staff efforts. Without an established level of trust and respect, crews are less likely to give their full effort to a manager toward a project, or to work effectively with others to accomplish an assignment. Crews may interpret assignments or priorities as less meaningful, and as a result lack support for them if they don't have the context and basis in believing that management is operating with their interests and the best interests of the City in mind.

As identified previously, crews perceive disincentives to doing any more than what is assigned or helping other crews. Individual staff are unlikely to share ideas or suggestions for improving processes when they believe those ideas are dismissed or simply ignored. Rather than raise

concerns in a constructive way to management, crews simply turn their frustrations inward and complain about the situation and/or retreat to doing only the bare minimum to comply with direction. We recommend:

Public Works Director

1. Communicate to the Public Works team, the recognition that a culture of distrust and disrespect has developed and will be changing.
2. Outline and implement a plan setting expectations, priorities, and accountability within the Department - established from top to bottom.
3. Meet with division managers to clearly communicate a code of conduct and reinforce that policies and practices are to be consistently applied throughout the Department and across divisions.
4. Address deviations from expectations immediately and firmly.