



**CITY OF STANWOOD
CITY COUNCIL
AGENDA STAFF REPORT**

<p>SUBJECT: Public Works Reorganization – Phase II</p>	<p>FOR AGENDA OF: July 26, 2012 DEPARTMENT OF ORIGIN: Executive</p>
<p>ATTACHMENT(S): A - May 24 Agenda Cover – Public Works Restructuring Proposal B – Historical Costs PW Supervisor/ Engineering C – Public Works Director Job Description D – Proposed Public Works 2012-2013 Work Plan F – Proposed salary schedule and AWC Salary Study</p>	<p>DATE SUBMITTED: July 26, 2012 CLEARANCES: (check box) <input type="checkbox"/> City Attorney _____ <input type="checkbox"/> City Clerk/HR _____ <input type="checkbox"/> Community Development _____ <input type="checkbox"/> Fire _____ <input type="checkbox"/> Finance _____ <input type="checkbox"/> Police _____ <input type="checkbox"/> Public Works _____ APPROVED FOR SUBMITTAL BY THE CITY ADMINISTRATOR: _____</p>
<p>COST OF PROPOSAL: \$1,368 for 2012 to appoint Kevin Hushagen as Interim Public Works Director Sept. 2012-Dec. 2012. \$4,104 for 2013 \$217,395 estimated cost savings in 2013 from not filling the public works superintendent or city engineering position. <\$211,923> net savings from proposal</p>	<p>AMOUNT BUDGETED: This proposal was not budgeted in 2012. It may be budgeted in 2013 with council approval.</p>

SUMMARY STATEMENT

At the May 24, 2012 city council meeting, Mary Swenson the city’s interim city administrator presented a public works restructuring proposal to the city council (Attachment A). The city council approved the changes to the water and waste water divisions.

The agenda cover noted:

There is additional review of the Public Works personnel structure pertaining to the Utilities Superintendent and the potential addition of a position that has a State of Washington Engineering stamp. This review will be completed by your new City Administrator Deborah Knight.

The purpose of this discussion is to consider appointing Public Works Superintendent Kevin Hushagen as Interim Public Works Director for 18 months. Under this proposal the city would continue to retain RH2 engineers (or similar firm) as the city's engineer. Some of the daily superintendent duties such as bidding small public works contracts, managing contractors and purchasing capital equipment would be delegated to the public works leads. The city administrator would support the interim position by providing oversight of regional issues such as the Douglas Drainage Study, Sustainable Lands Strategy, Storm Water Comprehensive Plan and Building Space Analysis.

The benefit of this proposal is that it will help manage personnel costs at a time when the city is facing a continuing decline in property tax revenues. It also provides an opportunity for an employee, who has been performing the majority of the job functions, and the city to determine whether the public works director job can be successfully managed without an in-house city engineer.

This approach will require the city to invest some minimal resources in professional training over the next 18 months.

The drawback to this approach is any impact, real or perceived, that a public works director with a professional engineering degree could have provided better overall service to the public works department and Stanwood community.

DISCUSSION

After reviewing the public works director job description (Attachment C), it appears that Kevin Hushagen meets the minimum qualifications for the public works director job description. This proposal is presented because Kevin has the capability to perform the essential functions of the job. His performance will be evaluated based on an agreed upon work plan (Attachment D). The work plan is based on the essential functions of the public works director job description and the priority tasks identified by the city council.

City staff are asking the finance committee to review the proposal and provide feedback to city staff and the mayor. The public works committee will review the proposal from an organizational perspective on August 6.

- Appoint Kevin as interim public works director for a maximum of 18 months (September 2012-March 2014). At the end of the 18 months, conduct a competitive hiring process (Spring 2014) to fill the public works director position.
- Continue to use RH2 (or similar firm) as the city's engineer through 2013
- Do not fill the public works supervisor position since no one in-house meets the minimum qualifications
- Reevaluate the public works organizational structure during the 2014 budget

- Provide training opportunities during the 18 month period for the public works leads (Gina, Leigh, and Trevor) to earn the public works supervisor certifications in water and sewer.
- Give Kevin the option to opt out of the director's position and return to the public works supervisor position at anytime during the 18 month period.
- Since Kevin meets the minimum qualifications for the public works director position, pay him Step 1 of the Public Works Director salary for the 18 month period (\$6,800/mo). This equals a \$342/month increase over his existing salary or \$4,104 increase for the year.
- Adopt a 6 month, 12 month and 18 month work plan with specific deliverables. Conduct performance evaluations every six months based on the adopted work plan.

FINANCIAL IMPACT

Appoint Kevin Hushagen as Interim Public Works Director	\$4,104/year.
Cost savings from vacant superintendent and city engineering positions	<u>\$217,395</u>
Net savings from proposal	<\$213,291>

The city is anticipating a budget short-fall in the general fund of approximately \$280,000. The city can reduce the impact to the general fund in 2013 by leaving the city engineer and superintendent positions vacant for the proposed 18 month period. Given the current organizational structure, the city's level of service to the community should not be reduced under the staff proposal.

CITY COUNCIL OPTIONS

1. Review the staff proposal and make a recommendation to the city council to appoint Kevin Hushagen as Interim Public Works Director for 18 months.
2. Review the staff proposal and make changes to the staff recommendation. The finance subcommittee may want to consider other compensation alternatives such as a 10% working out of class pay. A decision to reduce the proposed compensation should be paired with a reduction in responsibilities as outlined in the public works director job description.
3. Review the staff proposal. Do not make a recommendation to the city council to appoint Kevin Hushagen as Interim Public Works Director for 18 months. Request additional information.

RECOMMENDATION

Recommend to the city council to appoint Kevin Hushagen as Interim Public Works Director for 18 months effective September 1, 2012 to March 1, 2014.