

Report Regarding  
Organizational Structure of the City  
with Respect to the Public Works Department  
and the Engineering Department

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City Administrative Officer, Clerk/Treasurer

October 6, 2009

## BACKGROUND

On July 14, 2009, Michael Pertmer, Director of Public Works, announced his retirement after 36 years of service with the City, including the last 17 years as Director of Public Works. His last day working was Friday, October 2, 2009, and his last day on the payroll is Tuesday, October 6, 2009. Mayor Devine has recommended Mr. Thomas Harmatys as Acting Public Works Director, effective Wednesday, October 7, 2009; consideration of approval of this recommendation will be done by the Common Council at its meeting on Tuesday, October 6.

With the retirement of Mr. Pertmer and the resulting vacancy that occurs, the question has been raised as to what organizational structure the City should have with respect to the Public Works and Engineering Departments. The question is: Should the Public Works continue to operate as a separate department or should a combined Public Works/Engineering Department be established? For background information on the existing organizational structure of both departments, attached are the current organizational charts for both.

Survey of Similar Size Wisconsin Cities. The City HR Division surveyed eight (8) other Wisconsin cities of similar size to determine what structure each had in this regard. The eight cities surveyed were the following: Appleton, Eau Claire, Janesville, Oshkosh, Waukesha, Wauwatosa, La Crosse, and Sheboygan. Six of the cities (Appleton, Eau Claire, Janesville, Oshkosh, Waukesha, and Wauwatosa) all were combined with the Director of Public Works supervising the City Engineer and overseeing the Engineering Department. In one city (La Crosse), the Engineering Department was technically under the Public Works Director/Department, but actually reported directly to the Common Council. In the one other city (Sheboygan), the City Engineer/Engineering was in the Development Department and reported to the Director of Development. Based on the results of the survey, it is clear that in most cases, the two departments are combined and the functioning of the two departments as separate ones is rare. In other words, usually Public Works and Engineering are combined with Public Works oversight. The interesting thing to note, however, is that despite the fact that most of these eight cities' surveys show on paper that they are combined, as a practical matter, and in real terms, the two departments actually function separately with little oversight by the Public Works Director over the City Engineer or the engineering function.

West Allis Staff Comments. Five key West Allis staff members were asked to provide comments on this subject if they so chose. The three individuals that responded with a summary of their remarks are noted below.

1. Mike Lewis: Both departments have worked well together while separate; a lot of close cooperation on work-related tasks; Public Works handling operations and maintenance and Engineering handling design and construction; both Public Works and Engineering are dependent on each other, so it should be combined; any savings would be long term; need to learn more about Public Works before would be able to do the Public Works job; promoting from within presents job requirement issues and residency issues; does not want to be located at Yard; does not want a lateral move and will not accept it.

2. Mike Pertmer: Existing separate structure has worked for seventeen years and saved a lot of money; both working together has operated efficiently; feels very strongly that a seamless transition is important; in regards to the best seamless transition (with Safety & Training Coordinator promoted internally to the position), then the Public Works Director job description would have to change (reduce) requirements, experience levels, and residency; whether staying as a separate department or combined departments, need a position at the Yard; promoting an individual from Engineering or hiring from outside would not provide as good a seamless transition; two separate departments have regularly met and coordinated activities and discussed operations (it has worked both ways back and forth for both departments); combined departments will provide only minimally enhanced operations; separate departments can continue okay though; person hired from outside would have longer learning curve (six months to one year), but could be better in long term; combining departments and filling internally with Mike Lewis and Dave Wepking is least disruptive, maintaining separate departments and filling internally with Dave Wepking or a Principal Engineer is more disruptive, and filling externally is most disruptive.
  
3. Audrey Key: There are three key factors in deciding what structure would be best for the City. (1) Does the City want a different service level in the future? (2) What structure will meet the needs of our citizens the best? (3) Is our current structure efficient? One central (combined) department could be held accountable as opposed to two separate departments; there is more cost and bureaucracy with an added level of management under the combined department; there are also some cost implications for management positions depending on lines of supervision. Some confusion may result for customers in thinking that one person has all the answers, but they do not.

## DISCUSSION

As stated above, the question before the Common Council is should the Public Works Department continue to operate as a separate department or should a combined Public Works/Engineering Department be established? In order to put this question in proper perspective to arrive at a conclusion, several aspects need to be looked at and discussed thoroughly. Those aspects are as follows: Benefits Savings, Cross Training, Operational Efficiencies, and Service Implications.

Benefits. The benefits of a combined structure are as follows: (1) Greater unified point of operation for all operations and maintenance, and for all construction and design. (2) One central department for accountability, response, and resolving conflicts. (3) More complete understanding of all aspects. (4) More collaborative work force. The benefits of a separate structure are as follows: (1) Provides for more checks and balances. (2) Provides opportunities for a diversity of opinions and alternative approaches. (3) Maintains both departments at higher level of responsibility for focused points of views.

Savings. Under either structure, there is no immediate, short-term savings. This is due to the fact that under the combined structure, the Public Works/Engineering Director would get a higher salary and the Assistant would get less salary, thus balancing each other out; under the separate structure, both Directors get the same existing amounts equal to the other. However, as explained later in this report under the Conclusion and Recommendation Section, it is possible to save most of \$86,550 for the salary (\$57,700) and fringe benefits (\$28,850) by eliminating one Public Works Division Head (the Yard Office Supervisor) position and transfer the duties to the Public Works Director and to the Secretary/Administrative Assistant, resulting in a savings of at least \$75,000. In addition to this short-term savings, there is also likely to continue to be long-term savings under either structure, as evidenced by the past history of both Public Works and Engineering in eliminating positions. As an example, Public Works has reduced total positions from 222 down to 147 and Engineering has reduced total positions from 21 to 17, including two Public Works supervisors in all divisions down to one, and two Engineering Assistants and four Principal Engineers down to one Assistant and two Principal Engineers. The continued analysis of needed positions will occur under the combined or separate structure, resulting in more savings over time.

Cross Training. Some limited cross training of staff may be possible; however, the purpose and goal of that cross training would first need to be identified. Under the combined structure, there may be slightly more opportunity for cross training than under the separate structure for back up, succession planning, and transition planning for the future. However, Public Works divisional superintendents would not be qualified to be trained, professional engineers, and engineers will not have public works operational knowledge (as an example, Fleet Services and Forestry services).

Operational Efficiencies. The Public Works Department has operated very efficiently for almost 20 years as a separate department. Both Public Works and Engineering have relied on each other and been very supportive; they have worked well together. One could conclude that if

it has worked well, why is any change necessary at all? On the other hand, a combined department would reduce any potential for two separate departments having different priorities. Also, the coordination of work schedules may be better, and conflicts in operations may be reduced in a combined department.

Service Implications. Based on some improvement in potential operational efficiencies, there may be some limited response time enhancement to the public under the combined structure. There is, however, the potential for the public to get a misunderstanding with the combined structure, in believing that one person/department has all needed information when in reality, multiple people will still be necessary to provide compartmentalized detail information anyway. The separate structure has the advantage of maintaining direct service in its responsible areas to elected officials, departments, employees, and the public, rather than having to go to another higher-level supervisor; the combined structure may be creating another unneeded level of management.

Basically, the decision comes down to which structure will best serve the City and be most efficient in its communication and processes.

## CONCLUSION

The decision on which structure is best for the City is determined by its communications and processes. That being the case, the history and culture of the City and its organization can be a guide to that point.

History and Culture. The history and culture of the City for the last almost twenty years has been a separate structure, which has worked well. The change that occurred those many years ago has served the City well in communicating to officials, employees, and the public, and at the same time (in eliminating the combined Director's job), has saved well over \$2 million. In reality, either the separate or combined structure could work, but the benefits of combining are minimal. The disruption in workflow processes that would result in a move to a combined structure is most likely not worth the dramatic change. In addition, it would take the new combined Director (presumably Mike Lewis) an amount of time to analyze operations and make recommendations for any new direction. There would be more responsibility for him with a higher salary, not just a lateral move.

The City also has a longstanding tradition of the placement of responsibilities in a separate department that serves multiple departments. In other words, if a department serves multiple departments, then it should be separate and independent, not part of one particular department where the priorities of that department might always take precedent. In this case, specifically, the Engineering Department works for multiple departments (e.g., Public Works, Development, etc.); therefore, it should be independent to provide services to all departments in an unbiased way and equal priority. If Engineering were a part of Public Works, then it is at least theoretically conceivable that public works priorities would always come first for Engineering.

A lot has been said recently about the history and culture of the City with respect to whether all or part of the decision on which structure to follow should be based on the transition to the new head of the Department (combined or separate) being selected from outside the organization or inside the organization. It has been stated that the transition from Mr. Pertmer to a new department head should be as seamless as possible, with this done from promoting from within. Although this point has some merit to it, it is not the only determining factor in deciding what is the preferred structure for the City.

Inside Promotion. The advantage of promoting someone from within is that the individual knows the people, the organization, and the operations. Some of the difficulties presented with inside promotion include the possible reduction of job requirements and experience levels, as well as the residency issue, office location, fairness, morale, and personal interest. Throughout the City's history, there have been several examples of successful promotions from within, including Mike Pertmer, Scott Post, Mike Koszalka, Mike Jungbluth, Steve Hook, Audrey Key, Jim Jandovitz, Jerry Musial, and Monica Schultz.

Outside Hiring. The advantage of hiring someone from outside the organization include bringing in new ideas, a fresh approach to operations and problem solving, and challenging the status quo, possibly resulting in new efficiencies and improved service to the public. Throughout the City's history, there also have been many examples of successful hirings from the outside including John Stibal, Charles Ruud, Gary Schmid, Gene Baietto, Mike Lewis, Ted Atkinson, Terry Brandenburg, and Rosemary West.

## RECOMMENDATION

It is important to remember that people make the organization work; the organization does not make the people work. The structure is not the key; the City's processes, communications, and personalities all fit together to make the organization work well. Because the City has good processes, communications, and people, the current separate structure of the City works well now. If it works well now, why change it? The current City structure of a separate Public Works Department and a separate Engineering Department should be maintained. There is no great compelling reason to change when the benefit is minimal. Further, the current, separate structure does the following:

1. Fits our organization, its history and culture.
2. Continues operational efficiencies.
3. Continues direct level of service to elected officials, departments, employees, and the public (clearer approach).
4. Does not create another level of management.
5. Continues Engineering as a separate department that serves multiple departments and their competing priorities fairly and independently.
6. A seamless transition to a new Public Works Director, although desirable, should not be the determining reason to change structure.
7. An inside/outside recruitment process has the potential to bring in new ideas and fresh approaches with the hiring of a new Public Works Director.
8. Is likely to save at least \$75,000 in the indirect reorganization of duties in the Public Works Administrative Office.

## TIMING AND OTHER RELATED DISCUSSION

As mentioned at the August 10, 2009 joint meeting of the Administration & Finance Committee and Board of Public Works, there are four decision points that the Common Council needs to make. They are (in the order shown) as follows:

1. Primary – Organizational Structure
2. Secondary – other related:
  - a. Job Description
  - b. Salary Levels
  - c. Residency vs. Perimeter Requirements
  - d. Recruitment Policies and Procedures

Organizational Structure. First and foremost, the Common Council needs to decide on the organizational structure. Everything else flows from that first decision. (It is the recommendation of this report to keep the separate structure for the Public Works Department and the Engineering Department.)



Other Related:

Job Description and Salary Ranges. Assuming the Common Council agrees that the two departments should stay separate under the existing structure, there is no change necessary for job descriptions and salary ranges; current documentation already exists for these items.

Residency/Perimeter Location Requirements. The Common Council has an opportunity to open up the possibility of an internal candidate being eligible for the Public Works Director's job recruitment by extending the perimeter location provision to Department Heads (which would necessitate doing the same for Division Heads and Deputies/Assistants). A greater than 2% salary differential could be implemented in conjunction with such a change (e.g., 3-4-5% or 4-6-8%). Under existing normal requirements, an individual has 18 months to establish residency in the City and is eligible for X-month extensions.

Recruitment. Existing ordinance, policies, and procedures specify recruitment processes. The HR Division, under guidance from the City Administrative Officer, conducts the recruitment and presents the final list of qualified candidates to the Mayor. The Mayor, with the assistance of the City Administrative Officer, makes a final selection and recommendation to the Common Council. The Common Council must approve the Mayor's appointment.

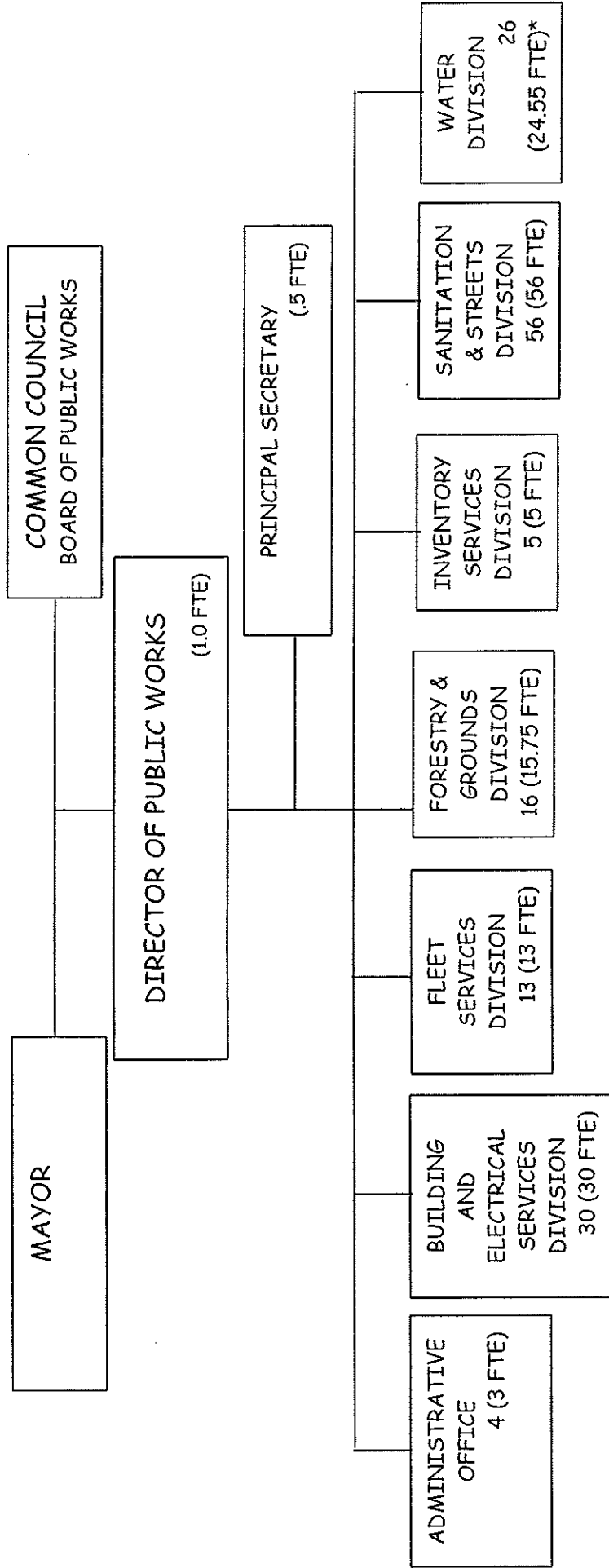
In conducting the recruitment process, succession planning and future positions and promotions are valuable to keep in mind. The City will continue to face similar challenges in the next 5-10 years as current employees retire and the City attempts to fill vacant positions. Succession planning, training, and internal promotions will all play a larger, expanding role.

The recruitment effort for the new Director of Public Works should be run on both an internal and external basis to seek the best-qualified candidate. The HR division is fully equipped and qualified to conduct this recruitment. That effort will be challenging give the shortage of candidates looking to relocate currently (because of housing sale conditions) and due to other Public Works Director vacancies that already exist in the State. This Public Works Director recruitment also presents an opportunity for the City to further its affirmative action goals with respect to a minority and female candidates.

A few final comments on the type of candidate the City should be looking for in its new Public Works Director, including the following:

- Ability to manage projects.
- Relate well to elected officials, staff, and public.
- Posses a variety of skills (including soft, people skills).
- Have a good overall background, yet with some technical.
- Deal well with problems and emergencies.
- Good at administration, managing, motivating, supervising.
- Ability to handle multiple demands, increased productivity, and innovations.
- Good at planning, financing, and building.
- Be a mentor and encourage training.

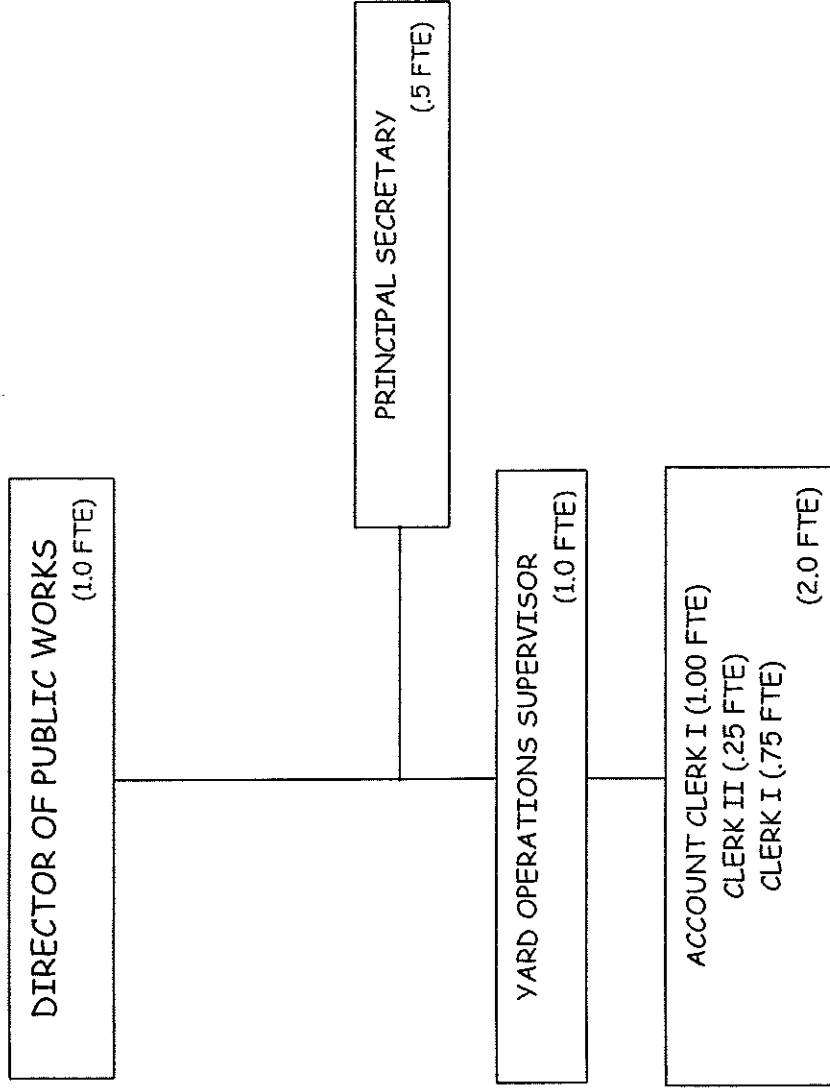
ORGANIZATIONAL CHART  
PUBLIC WORKS



\*2.05 POSITIONS UNDER THE DIRECTION OF THE FINANCE DIVISION.

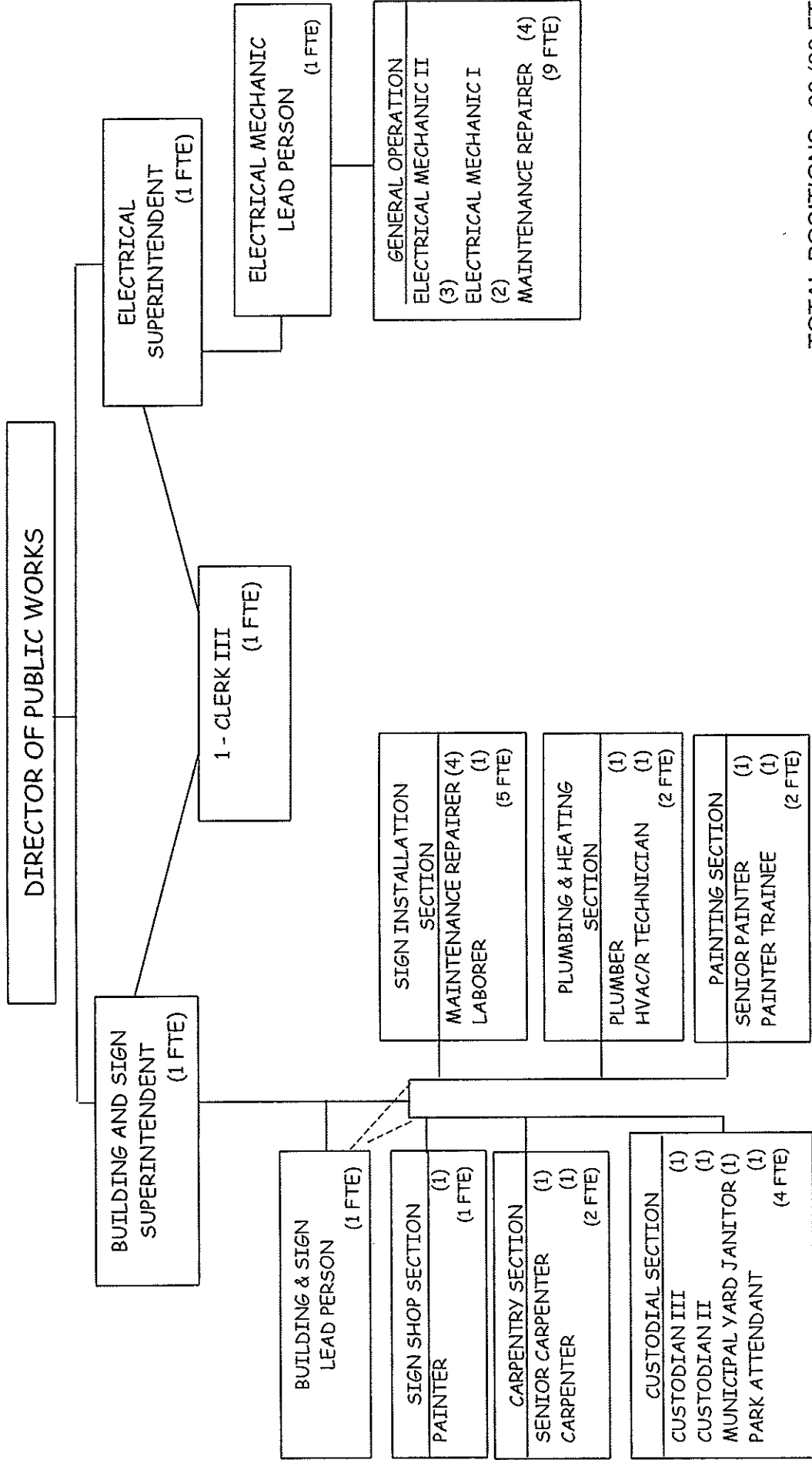
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ORGANIZATIONAL CHART  
PUBLIC WORKS  
ADMINISTRATIVE OFFICE



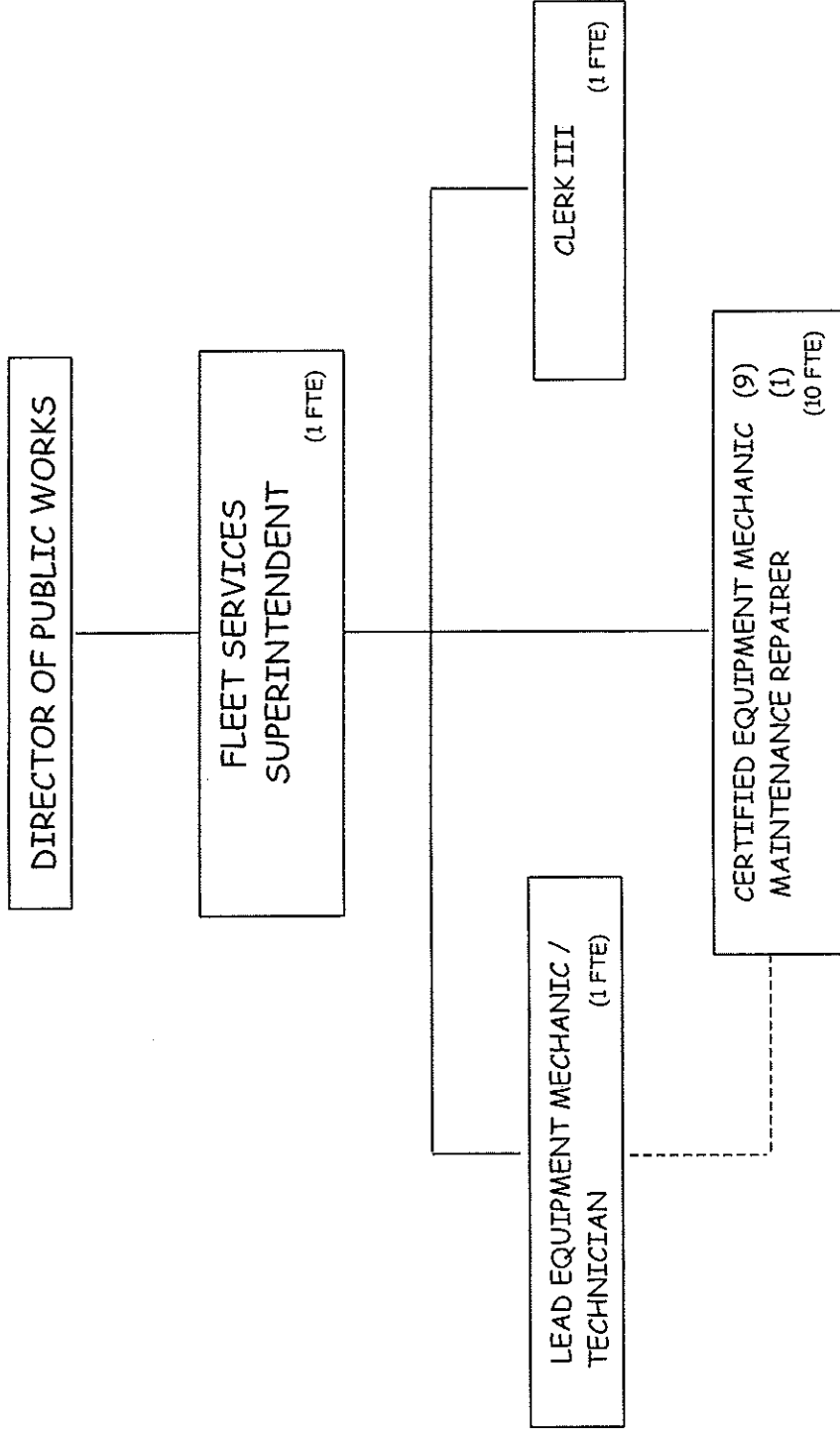
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**ORGANIZATIONAL CHART  
PUBLIC WORKS  
BUILDING AND ELECTRICAL SERVICES**



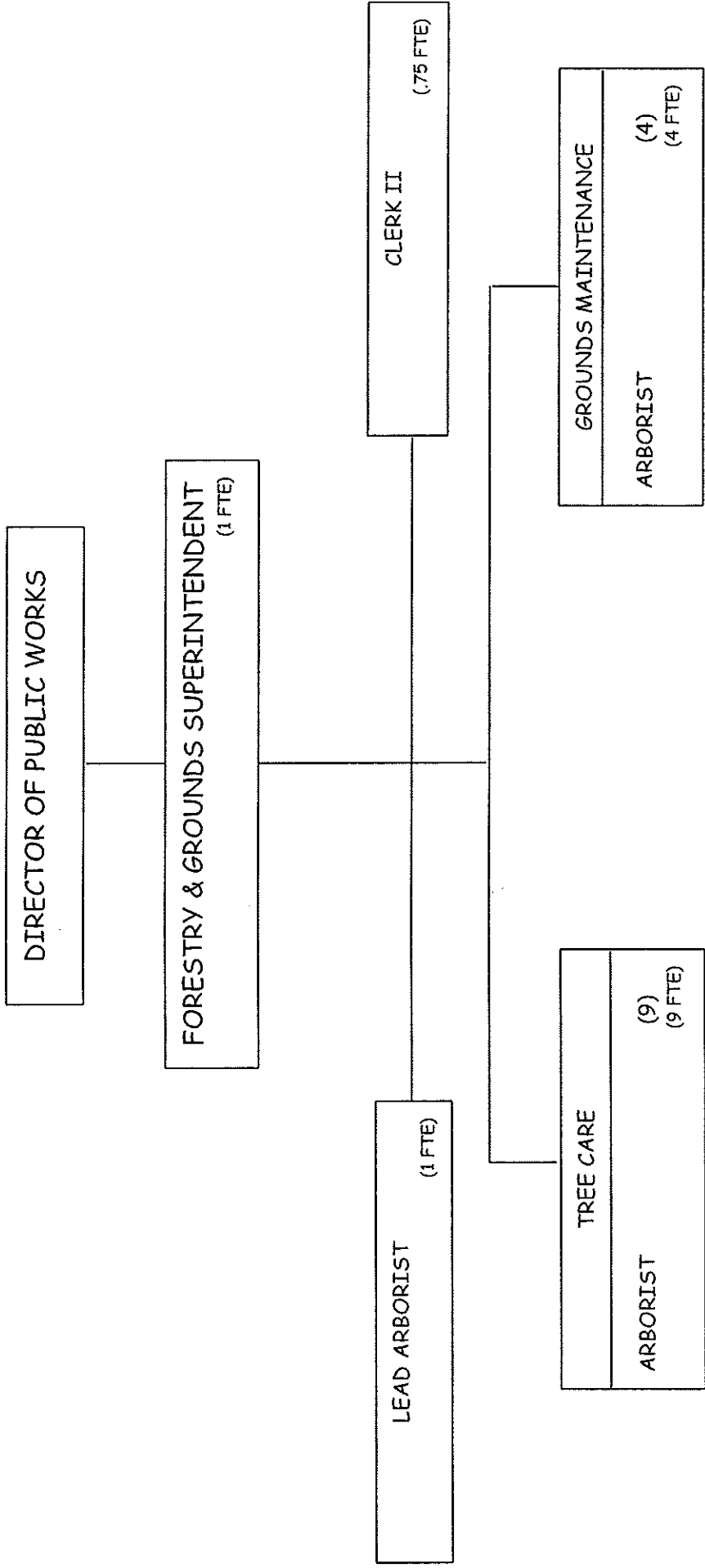
TOTAL POSITIONS: 30 (30 FTE)

ORGANIZATIONAL CHART  
PUBLIC WORKS  
FLEET SERVICES



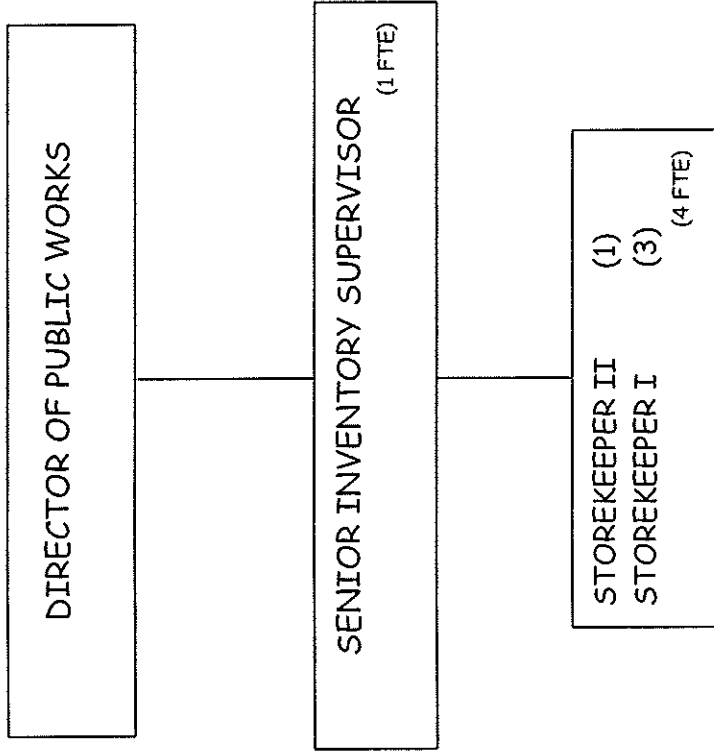
TOTAL POSITIONS: 13 (13 FTE)

ORGANIZATIONAL CHART  
PUBLIC WORKS  
FORESTRY & GROUNDS



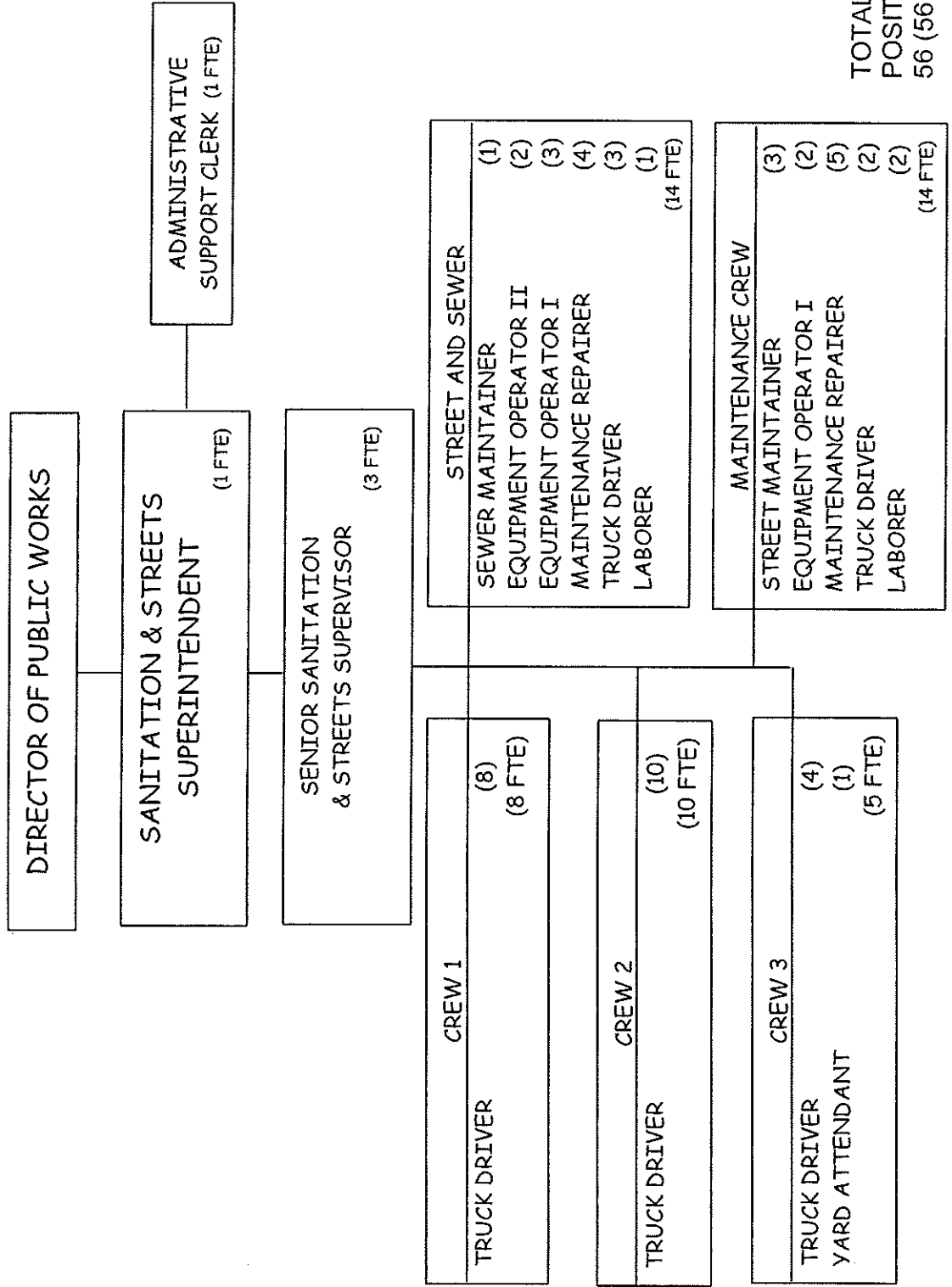
TOTAL POSITIONS: 16 (15.75 FTE)

ORGANIZATIONAL CHART  
PUBLIC WORKS  
INVENTORY SERVICES



TOTAL POSITIONS: 5 (5 FTE)

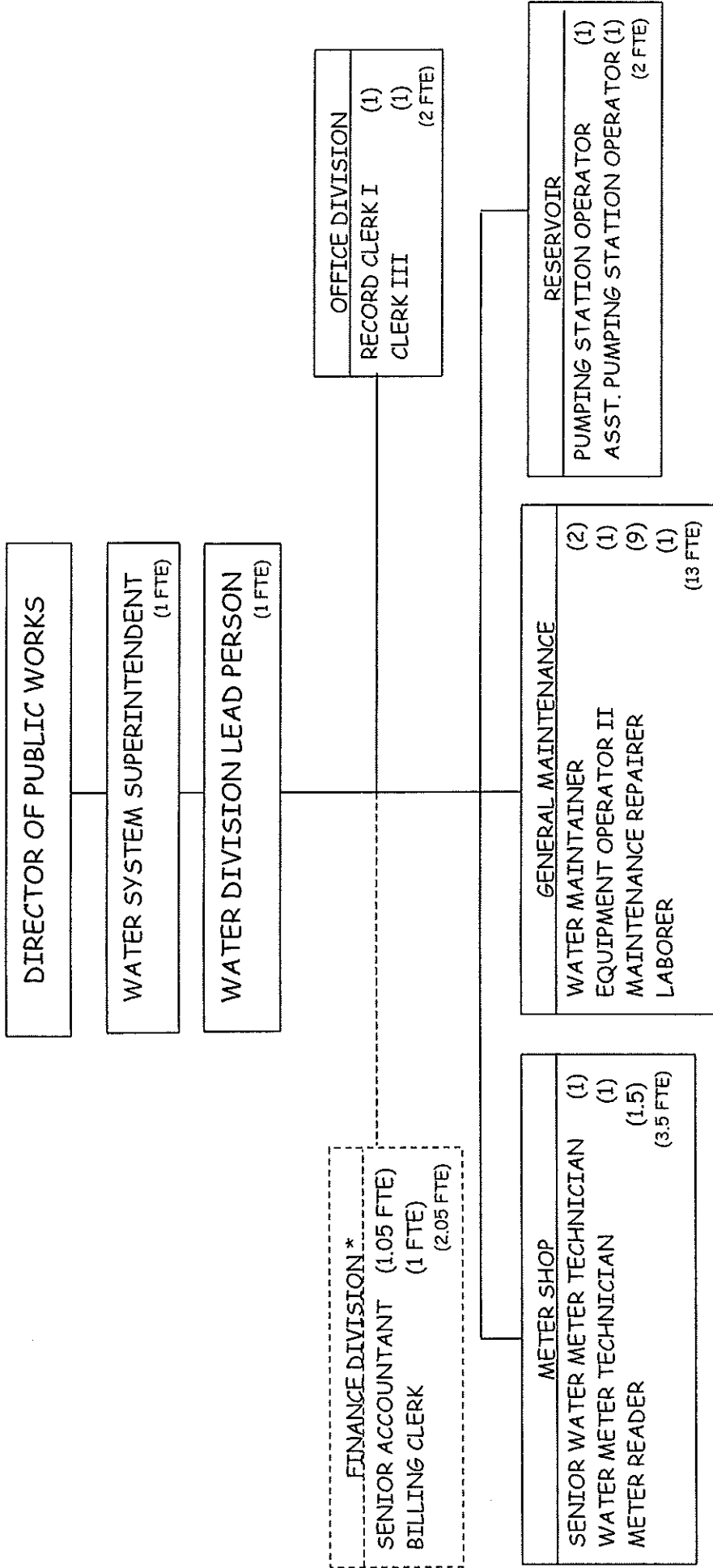
**ORGANIZATIONAL CHART  
PUBLIC WORKS  
SANITATION & STREETS**



**TOTAL  
POSITIONS:  
56 (56 FTE)**



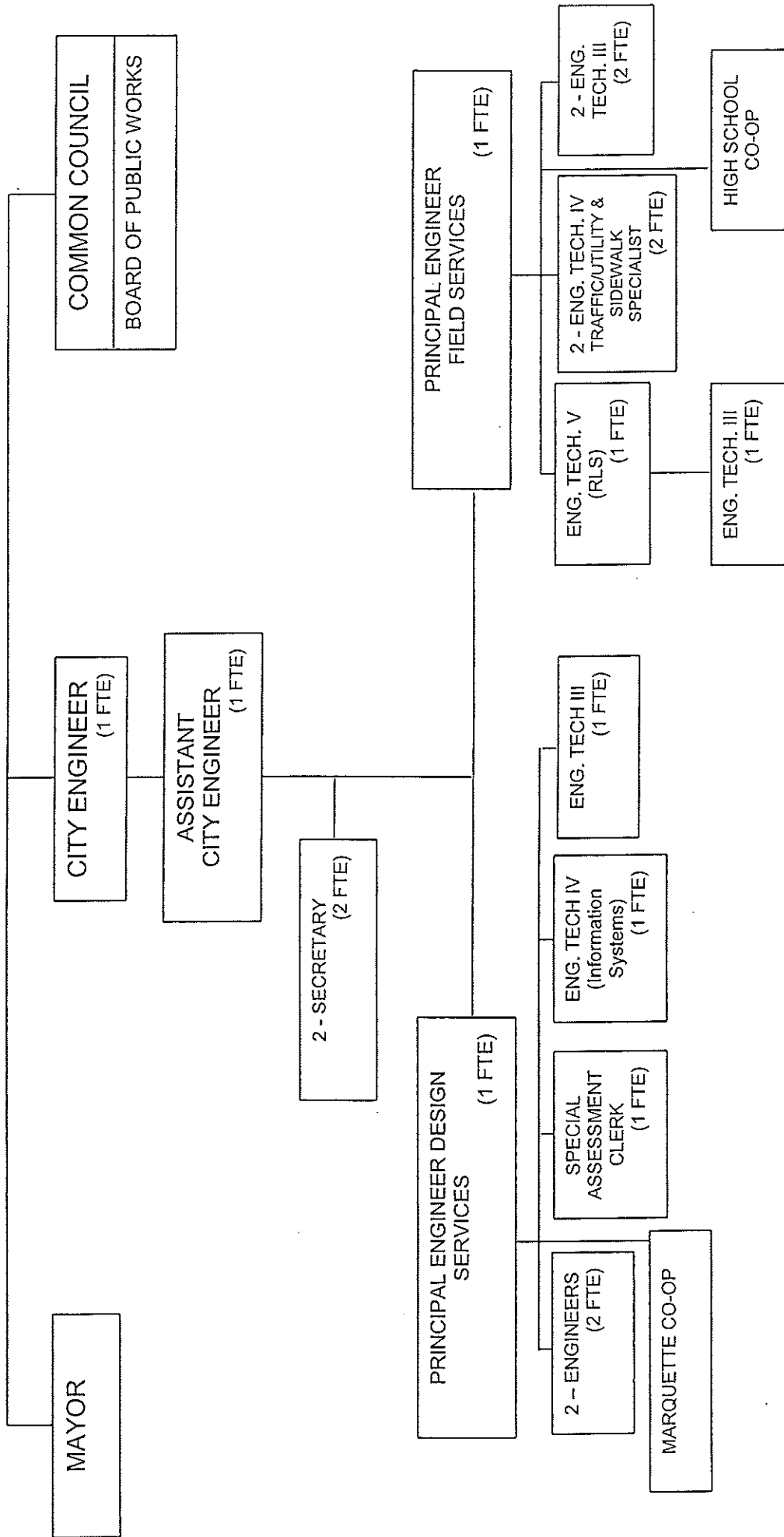
**ORGANIZATIONAL CHART  
PUBLIC WORKS  
WATER**



\*THESE POSITIONS ARE IN THE PUBLIC WORKS WATER DIVISION BUDGET BUT ARE UNDER THE DIRECTION OF THE FINANCE DIVISION.

TOTAL POSITIONS: 26 (24.55 FTE)

# ORGANIZATIONAL CHART ENGINEERING



TOTAL POSITIONS: 17 (17 FTE)