City of Holland

Management, Organizational Structure, and Efficiency Study

Report

April 12, 2017

The Novak Consulting Group

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April 12, 2017

Honorable Mayor Nancy De Boer
City of Holland
270 South River Avenue
Holland, MI 49423

Dear Mayor De Boer:

We are pleased to provide the City of Holland with the Management, Organizational Structure, and Efficiency Study Report. This report evaluates current management structures, staffing levels, and associated workloads in key City departments. In addition, the report identifies opportunities to improve efficiencies and effectiveness and ways to enhance internal capacity to better deliver services to the community.

The recommendations contained in this report are based on input and information provided by City staff and is informed by the Employee Survey and industry standards and best practices that are appropriate to the City.

The City is fortunate to have dedicated employees who are committed to giving their best to the organization and providing a high level of customer service to the community they serve.

We are confident that the recommendations in this report can help serve as a framework for improving operational performance throughout the organization and assist in moving the City forward. Implementing these recommendations will require careful coordination and attention from the City's executive leadership.

Thank you for the opportunity to work with the City of Holland on this project.

Sincerely,

Michelle Ferguson
Organizational Assessment Practice Leader

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Table of Contents

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Executive Summary

The City of Holland engaged The Novak Consulting Group in November 2016 to complete a Management, Organizational Structure, and Efficiency Study of five City departments: Management and Administration; Fiscal Services; Transportation; Community and Neighborhood Services; and Parks and Recreation. The purpose of the study was to evaluate current management structures, associated staffing workloads, and operational efficiencies. Additionally, the City was interested in assessing staffing needs so capacity could be added strategically in the organization as opportunities developed and funding became available.

In FY2013, the City faced a $2 million budget shortfall due to a reduction in the community's taxable value.[1] To address this financial challenge, the City developed a long-term financial plan which included recommendation of balanced budgets, establishing a 15% General Fund Balance to better manage emergencies, and maintenance of a $1.0 million Budget Stabilization Fund. The FY2013 Budget included 17 structural changes adopted by the Council to assist in reducing expenditures and increasing revenue. Ongoing changes of significance included: not filling vacant positions (37 positions had been eliminated); a millage adjustment for debt service; use of Cable Television Funds for General Fund matters; and a reduction in vehicle lease rates. At the end of FY2013, the City realized $1.3 million in savings and increased revenue by $700,000, due to the millage adjustment.[2]

By FY2015, the City's financial situation began to stabilize. As the City Manager explained in his budget message that year, "The intent of prior year's budgets was to accept the economic challenges, recommend some hard decisions, and then get back to business as usual as soon as possible according to a new normal."[3] This 'new normal' included the permeant elimination of 55 positions by FY2015, resulting in a savings of over $3 million, and a reinvestment in capital improvements and expansions, while at the same time continuing to maintain constrained expenditures.

Today, the City is in a stronger financial position than it was five years ago. The General Fund Balance has grown 32% over the past 10 years, from $2.5 million to $3.5 million.[4] The City's progress and reinvestment in infrastructure can be seen through the completion or initiation of several key projects. The South Shore Village streetscape project is complete; a bridge north of Windmill Island is under construction; the Degraaf Nature Center entrance rebuild is underway; and the Civic Center is undergoing a $12.75 million renovation. Over $3.2 million worth of energy updates were completed throughout the City, which has resulted in energy conservation and cost savings. Additionally, the City has invested in technology with the installation of a new phone system and a new technology network and replacement of outdated equipment.

Despite the reduction in expenditures, expectations for the same level and quality of City programs and services has remained. Throughout the last several years of economic constraint, the City organization has endured the impact of the reduction in expenditures, especially in terms of staffing. Many, if not most, employees have been asked to assume new and additional responsibilities. While this has been a crucial component of the City's overall financial strategy, it is not sustainable for the organization long term.

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[1] City of Holland had experienced a 21% decrease in the tax base from FY2008 – FY2013
[2] City of Holland FY2014 Budget Book
[3] City Manager Budget Message - FY2015 Budget Book
[4] General Fund Balance Historical Growth rate from FY2007-FY2017

This atmosphere of apprehension was confirmed in the employee survey, which was completed as part of this study. Despite increasing workload, customer service remains a high priority, and employees indicated their commitment to doing their best each day. However, concerns were raised regarding morale, workload, uncertainty, and a lack of communication and leadership. While there are many factors that contribute to this response, it was clear from interviews with staff that much of this is attributed to an organization and workplace that has experienced significant constraints, changes, and unknowns.

Today, the City has an opportunity to strategically strengthen its organization through reinvestment in efficient service delivery, building organizational capacity, instituting additional best practices, focusing on employee professional development, and proactively planning for staffing changes through anticipated retirements. This study is a critical part of that commitment and provides a roadmap to positive, measured growth.

The recommendations in this report are intended to help the organization continue to provide the high quality of life and outstanding level of customer service that the community has come to expect from the City of Holland's talented, professional, and supported workforce. Some recommendations may be implemented quickly; others will be an evolutionary process. It will take hard work, time and commitment to make these improvements. But the City is fortunate to be staffed with committed public servants who are invested in the City's prosperity.

Summary of Recommendations

The following is a list of all recommendations contained in this report.

Management and Administration

1. Develop and implement a City-wide Performance Management System.
2. Create an Assistant City Manager position.
3. Develop a workforce development and succession plan for the organization.
4. Create a full-time Human Resources Specialist to assist with the workload in the Human Resources Department.
5. Establish an Employee Training and Development Program.
6. Establish an employee orientation program.
7. Require annual employee performance reviews for full-time and permanent part-time A/B employees.
8. Establish an Employee Recognition Program.
9. Track workload of all part-time employees in the City Clerk's Office to determine the most efficient allocation of personnel resources.
10. Issue an RFP for City-wide document archiving services as part of the City's effort to make all documents electronic and searchable.
11. Develop a formal Technology Services Strategic Plan to better address the organization's technology needs.

Fiscal Services

12. Transition the role of the Fiscal Services Department in the organization from process manager to strategic partner.
13. Update the City's purchasing ordinance.
14. Enhance communication and interaction between Department staff by scheduling monthly staff meetings and routine one-on-one meetings.
15. Reclassify Account Clerk/Cashier position to an Accountant I position that will provide additional accounting support.

Transportation

16. Create a Comprehensive Asset Management Plan.
17. Create additional asset management and condition assessment inventories for sidewalks and street signs.
18. Create a formal departmental work plan which captures annual capital projects as well as routine maintenance activities for Department assets.
19. Effectively fund the City's street improvement program.
20. Establish cost accounting for major functional areas and programs using fully-burdened labor rates.
21. Issue an RFP to procure an electronic work planning system for Transportation and Parks and Recreation staff.
22. Develop a safety training program for Transportation employees.
23. Create a General Services Division responsible for facility and fleet maintenance functions.
24. Transfer existing facility maintenance staff to the General Services Division.
25. Refine work planning priorities in the Vehicle and Equipment Maintenance Division to include inventory control and procurement.

26. Convert the existing part-time Administrative Aide position to full-time.
27. Hire an additional Equipment Operator in the Streets Division.
28. Increase the frequency of collections activity for the Spring Cleanup and Fall Leaf Collection programs.

Community and Neighborhood Services

29. Create formal divisions in the Community and Neighborhood Services Department, including Planning, Zoning, and Permitting; Neighborhood Inspections; Residential Services; and Downtown Management.
30. Assign supervisory responsibility for Downtown Development Authority and Principal Shopping District Coordinators to the Community and Neighborhood Services Director.
31. Fill the vacant Community and Neighborhood Services Director position.
32. Fill the vacant Community and Neighborhood Services Assistant Director position.
33. Articulate formal service level standards and track key performance indicators for Community and Neighborhood Services functions.
34. Leverage existing technology systems to track additional workload data.
35. Assign supervisory responsibilities for the Preservation Planner to the Senior Planner.
36. Investigate collaborative, multi-jurisdictional approaches to accomplish trades inspections.
37. Reclassify the Building Inspection/Zoning Administrator position as a Building and Zoning Administrator, and assign supervisory responsibilities for inspections activity to this position.
38. Simplify service level, billing, collections, and payment components related to solid waste contracting.
39. Engage in a competitive bidding process for solid waste services at the next contract opportunity.

Parks and Recreation

40. Increase Forestry division full-time staffing level to three FTEs.
41. Assign full-time Laborer II to the Cemetery Division, bringing the function's full-time staffing level to two FTEs.
42. Separate the existing Irrigation/Facility Maintenance Technician position into two full-time positions – an Irrigation Technician and a Facilities Coordinator (transferred to the General Services Division).
43. Shift emphasis of the Parks Supervisor position from Windmill Island Gardens Division to Parks Division to provide additional supervision of seasonal crews.
44. Create maintenance work plans, schedules, and service standards to guide the process of determining resource requirements.
45. Utilize recommended work order system to track labor hours by major task type.
46. Adopt formal cost recovery goals for recreation programs.
47. Develop marketing plan for recreation programs.
48. Stagger the schedules of full-time recreation maintenance function employees to enhance weekend supervision.
49. Provide certification training for the Skilled Recreation Worker to allow for proactive playground inspections.
50. Develop an operational plan for the City's new Recreation Center.

Staffing Summary

In addition to identifying opportunities for improved efficiency, one of the goals of this study was to assess staffing needs. The following table lists the recommended staffing changes by full time equivalent (FTE). Details about each of these recommendations can be found in the subsequent sections of this report.

Table 1: Recommended Staffing Changes

Department	Recommendation	Additional Staff (FTE)	Estimated Financial Impact
Management and Administration	Create an Assistant City Manager position.	1	$117,628
	Create a full-time Human Resources Specialist to assist with the workload in the Human Resources Department.	1	$80,879
Fiscal Services	Reclassify Account Clerk/Cashier position to an Accounting I position that will provide additional accounting support.	0	$8,300
Transportation	Create a General Services Division responsible for facility and fleet maintenance functions.		No Anticipated Budget Impact
	Convert the existing part-time Administrative Aide position to full-time.	.5	$51,600
	Hire an additional Equipment Operator in the Streets Division.	1	$56,100
Community and Neighborhood Services	Assign supervisory responsibility for Downtown Development Authority and Principal Shopping District Coordinators to the Community and Neighborhood Services Director.	0	No Anticipated Budget Impact
	Fill the vacant Community and Neighborhood Services Director position.	0	Funds Authorized in the Budget
	Fill the vacant Community and Neighborhood Services Assistant Director position.	0	Funds Authorized in the Budget[5]
	Assign supervisory responsibilities for the Preservation Planner to the Senior Planner.	0	Data not [6]Available
	Reclassify the Building Inspection/Zoning Administrator position as a Building and Zoning Administrator, and assign supervisory responsibilities for inspections activity to this position.	0	[7]Data not Available
Parks and Recreation	Increase Forestry division full-time staffing level to three FTEs.	1	$33,167
	Assign full-time Laborer II to the Cemetery Division, bringing the function's full-time staffing level to two FTEs.	0	No Anticipated Budget Impact
	Separate the existing Irrigation/Facility Maintenance Technician position into two full-time positions – an Irrigation Technician and a Facilities Coordinator (transferred to the General Services Division).	1	$51,196
Total		**5.5**	**$398,870**

[5] After completion of this analysis, it was noted that the funds for this position may no longer be available in the current budget.
[6] It is appropriate to review the current job description and the City's compensation and classification plan; adjustments may be warranted.
[7] It is appropriate to review the current job description and the City's compensation and classification plan; adjustments may be warranted.

Methodology

In November 2016, the City of Holland engaged the services of The Novak Consulting Group to conduct a Management, Organizational Structure, and Efficiency Study. The study included the review of five City departments: Management and Administration; Fiscal Services; Transportation; Community and Neighborhood Services; and Parks and Recreation. The scope of this study did not include the City's public safety functions or the Board of Public Works. The purpose of this assessment was to evaluate current management structures, staffing levels, and the associated workloads. As a result, the study identified opportunities to improve efficiencies and effectiveness and ways to enhance internal capacity to better deliver services to the community.

To accomplish this, The Novak Consulting Group conducted individual interviews with the Mayor, members of the City Council, and staff in the identified departments. In total, over 70 staff members were interviewed including the City Manager, Department Directors, supervisors, managers, and line employees. In addition to the interviews, an Employee Survey was conducted which asked staff to respond to topics including work environment, employee engagement, and organizational culture.

Additionally, The Novak Consulting Group requested and received data from each of the departments related to structure, operations, work practices, policies, procedures, and workload. This information was analyzed to determine department strengths as well as opportunities for enhancing the efficiency and effectiveness of operations.

In addition to the recommendations included in the report, a Core Service Matrix was developed for the City of Holland. The matrix was developed in conjunction with City staff and includes an inventory of each the programs and services for each City department and the associated activities. Every organization develops traditions, practices, and routines that provide stability and consistency to a certain extent. It is essential that these be subject to regular review and analysis to be sure that they continue to represent best practices in meeting the needs of the community. The matrix provides a useful tool to be used by the City Council and the organization to ensure that current programs and services are in alignment with the Council's strategies, goals, and priorities. The matrix can be found in Appendix A.

About the City of Holland

The City of Holland has a proud Dutch heritage and was founded by 60 men, women and children from Rotterdam in 1847 in search of a better life.[8] Today, this unique heritage can still be felt throughout the community in the traditional Dutch architecture, Annual Tulip Time festival, and the windmill at Windmill Island.

While preserving its history is important, so is becoming a thriving area and community that provides quality amenities and services for its residents and visitors. Holland boasts a redeveloped downtown area, state of the art medical facilities, higher education institutions, and performing and cultural arts, as well as recreational attractions including Lake Michigan beach front coastlines. Holland is a regional tourist attraction with year-round attractions.

The City of Holland is located along the coast of West Michigan in the lower left corner of Ottawa County and the upper left corner of Allegan County. The City of Holland is just over 17.35 square miles in size and has more than 33,000 full-time residents.

Figure 1: Location of Holland in Michigan, 2016

Population

According to the U.S. Census Bureau's Population Estimates Program (PEP), the estimated population of Holland is 33,742. This represents a 2% increase over the population as recorded in the 2010 Decennial Census. However, the City's population has declined 3.7% compared to the 2000 Decennial Census; at that time, Holland's population was 35,048.

The City's median age is 29.7 years, which represents a slight decline from the 2010 Decennial Census median age of 31.7 years, but an increase compared to the 2000 Decennial Census (29.2 years). The following table represents the U.S. Census Bureau's total population and median age estimates from 2000-2015 for the City of Holland, and corresponding percent change.

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[8] Adapted from Holland, Michigan - http://www.holland.org/about/holland-history/

Table 2: City of Holland Population and Median Age, from 2000-2015

Population Category	2000	2010	2015	Percent Change
Total Population	35,048	33,117	33,742	3.7%
Median Age	29.2	31.7	29.7	1.7%

The City's population is relatively young, with 57% of all residents under the age of 34. On a proportional basis, the largest age group consists of those aged 35 to 54 (21%), followed by those under the age of 15 (20%). The following figure shows the age distribution for the City Holland based on 2014 American Community Survey (ACS) data.
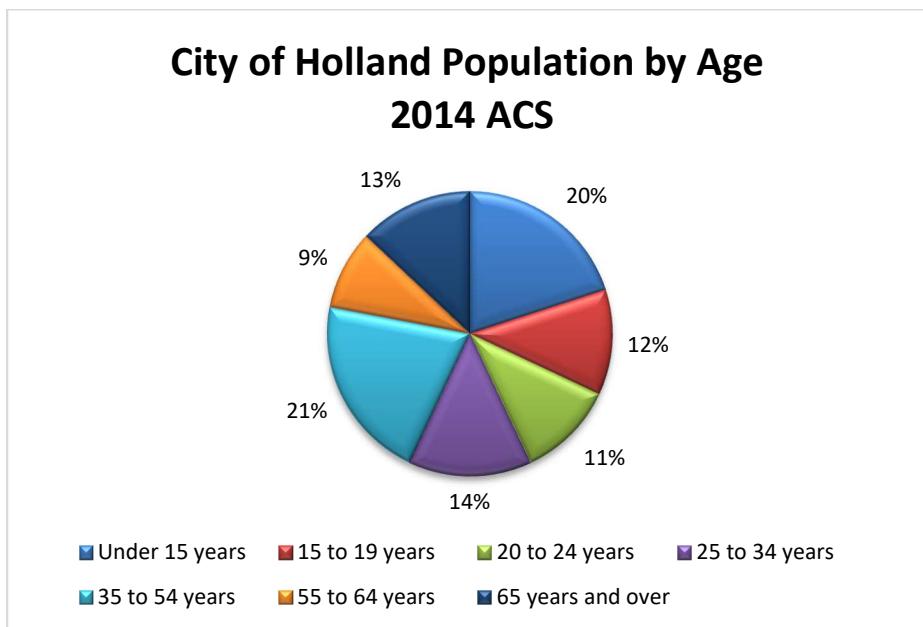
Figure 2: City of Holland Age Distribution, 2014 ACS

The relative distribution of persons among age groups tracked by the Census has remained relatively consistent since 2000. The following table compares age distribution among the 2000 Decennial Census, the 2010 Decennial Census, and the 2014 ACS.

Table 3: City of Holland – Population Distribution by Age, 2000 and 2010 Census and 2014 ACS

Age Range	2000 Census	2010 Census	2014 ACS
Under 5 years	8%	7%	8%
5 to 9 years	7%	7%	6%
10 to 14 years	7%	6%	6%
15 to 19 years	10%	9%	12%
20 to 24 years	12%	11%	11%
25 to 34 years	14%	13%	14%
35 to 44 years	13%	11%	10%
45 to 54 years	10%	12%	11%

Age Range	2000 Census	2010 Census	2014 ACS
55 to 59 years	3%	5%	5%
60 to 64 years	3%	4%	4%
65 to 74 years	5%	5%	5%
75 to 84 years	5%	5%	5%
85 years and over	3%	3%	3%
Total	**100%**	**100%**	**100%**

The City of Holland is home to several higher education institutions, including Hope College, the Western Theological Seminary, and satellite campuses for Grand Valley State University, Davenport University, and Grand Rapids Community College. The presence of these institutions contributes to the relative youth of the City's population.[9]

The City's population has grown more racially homogeneous. On a proportional basis, White residents comprise 82% of the City's population, up from 78% reported in the 2000 Census. The following table illustrates the City's racial composition according to the latest ACS data.

Table 4: City of Holland Racial Composition, 2014 ACS

Race	2000 Census	2010 Census	2014 ACS
One Race			
White	78%	80%	82%
Black or African American	3%	4%	5%
American Indian and Alaska Native	1%	1%	1%
Asian	4%	3%	4%
Native Hawaiian/Other Pacific Islander	0%	0%	0%
Some other race	12%	9%	5%
One Race Total	**97%**	**97%**	**97%**
Two or More Races	3%	3%	4%
Total Population	**100%**	**100%**	**100%**

Notably, the proportion of residents identifying as Black or African American has increased 2% during this same timeframe, while the proportion of persons identifying as "Some other race" has declined from 12% to 5%.

While the City's racial composition has become more uniform, its ethnic makeup has diversified. Hispanic and/or Latino residents account for 25% of the City's population according to the latest ACS estimate. Of these, the proportion of persons identifying as Mexican has increased 4%, as illustrated in the following table.
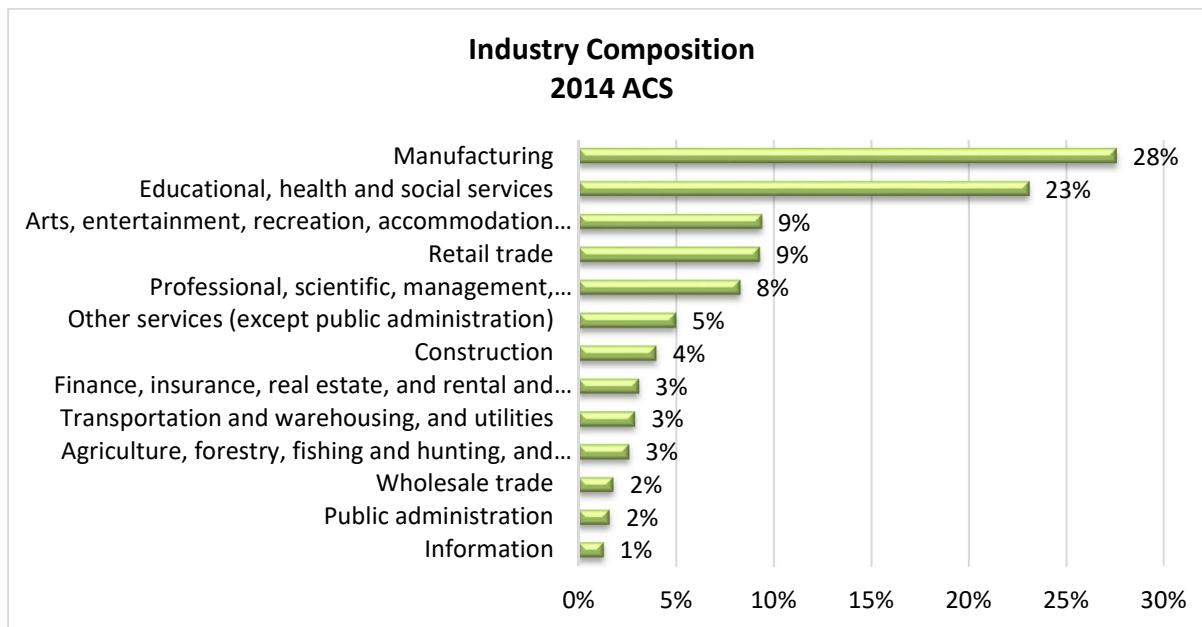
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[9] Per the U.S. Census Bureau - College students living away from their parental home while attending college in the U.S. (living either on-campus or off-campus) but staying at their parental home while on break or vacation are counted at the on-campus or off-campus residence where they live and sleep most of the time.

Table 5: City of Holland Ethnic Composition, 2014 ACS

Ethnicity	2000 Census	2010 Census	2014 ACS
Hispanic or Latino (of any race)			
Mexican	17%	19%	21%
Puerto Rican	1%	1%	1%
Cuban	0%	0%	1%
Other Hispanic or Latino	4%	2%	2%
Hispanic or Latino (of any race) Total	**22%**	**23%**	**25%**
Not Hispanic or Latino	78%	77%	76%
Total Population	**100%**	**100%**	**100%**

Economy

The City's economy is heavily oriented toward four industries as categorized by the Census Bureau, including: manufacturing; educational, health, and social services; arts, entertainment, recreation, accommodation, and food services; and retail trade. These industries collectively account for 69% of the City's employed civilian population over 16 years of age. The following figure illustrates the proportion of City residents engaged in each industry as described by the 2014 ACS.

Industry Composition 2014 ACS

- Manufacturing: 28%
- Educational, health and social services: 23%
- Arts, entertainment, recreation, accommodation…: 9%
- Retail trade: 9%
- Professional, scientific, management,…: 8%
- Other services (except public administration): 5%
- Construction: 4%
- Finance, insurance, real estate, and rental and…: 3%
- Transportation and warehousing, and utilities: 3%
- Agriculture, forestry, fishing and hunting, and…: 3%
- Wholesale trade: 2%
- Public administration: 2%
- Information: 1%

Figure 3: City of Holland Industry Employment, 2014 ACS

The City's median household income is approximately $44,619 according to the 2014 ACS, which is 20% less than the national median income of $53,482. Approximately 19% of City residents and 13% of families qualify for Federal poverty status.

The City's annual unemployment rate has recovered significantly since the Great Recession, declining 12% from its peak in 2009. According to the latest available data from the Bureau of Labor Statistics, the City's unemployment rate is the most competitive it has been in the last 10 years.
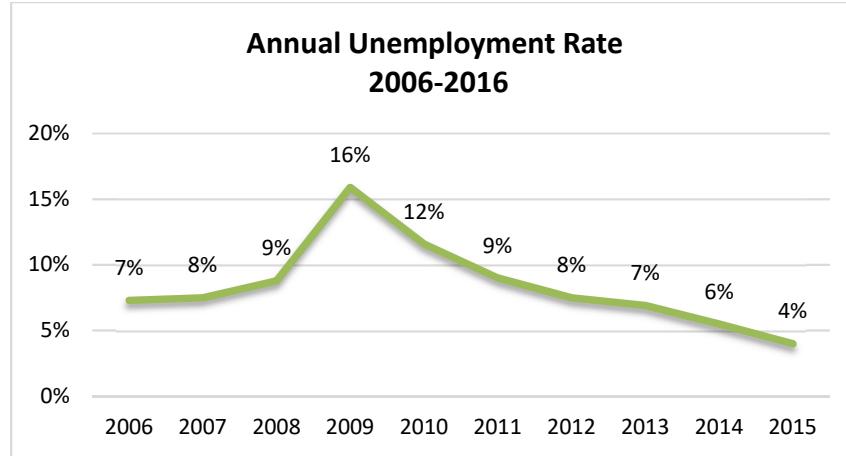
**Annual Unemployment Rate
2006-2016**

Figure 4: City of Holland Annual Unemployment Rate, 2006-2014

About the City Organization

The City of Holland was incorporated in 1867 and operates under a Council-Manager form of government. Holland's City Council is comprised of eight elected members. Six members represent specific wards, and two represent the City at-large. Council members serve four-year, staggered terms. The City Council is responsible for appointing a City Manager to oversee staff and the professional administration of City functions. The City Council also selects the City Attorney who serves as the primary legal advisor for the City, as shown in the following organizational chart.
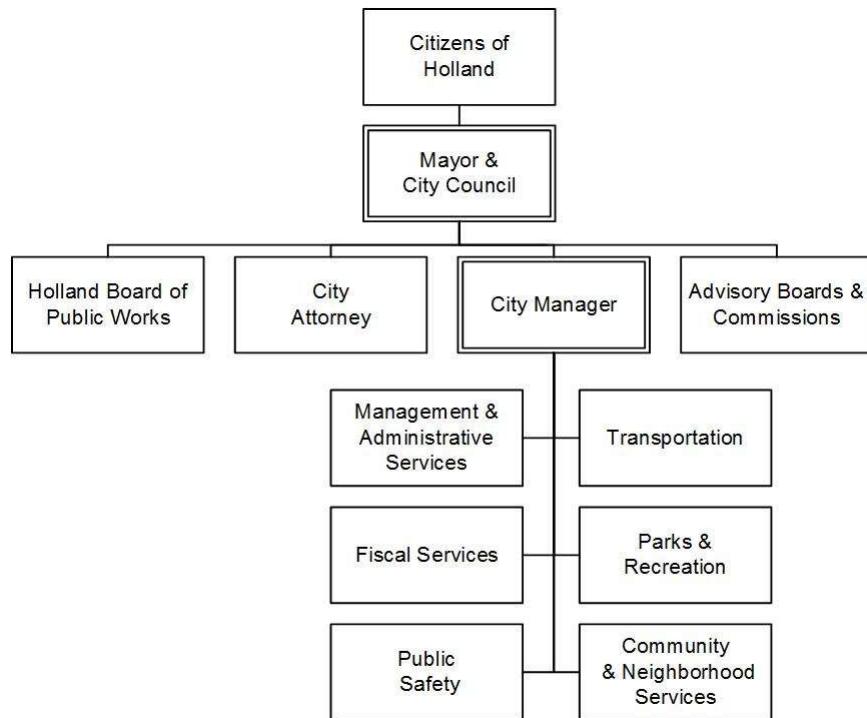

Figure 5: City of Holland Organizational Chart

The Council-Manager form of government combines the strong political leadership of elected officials with the strong managerial experience of an appointed manager or administrator. All power and authority to set policy rests with the elected governing body. The governing body in turn hires a nonpartisan manager who has very broad authority to run the organization.[10]

In Holland, the City Manager is responsible for ensuring that the policies and decisions made by the City Council are implemented and that City services are provided to the public in an efficient and effective manner. Annually, the City Manager prepares the City budget for Council's consideration.

In addition to working with the Council, the City Manager is responsible for the supervision of all City staff and the day-to-day operations of the organization.

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[10] ICMA Council-Manager Form of Government Frequently Asked Questions Publication

Budget Summary

The City operates on a fiscal year from July 1 to June 30 and in FY2017 had an operating budget of over $210 million. The City's operating budget is comprised of various funds, including the General Fund, which represents the primary operating fund for the City's general government operations. This fund is used to record financial resources used for day-to-day activities in the areas of Administration, Public Safety, Community and Neighborhood Services, and Parks and Recreation.

The City's FY2017 General Fund includes approximately $21.2 million in funding sources and uses. Nearly half of the City's General Fund revenue comes from property taxes. The General Fund receives most of its revenue from four primary sources:

- Property Taxes
- State Shared Revenue
- Revenue Fees
- Charges for Services

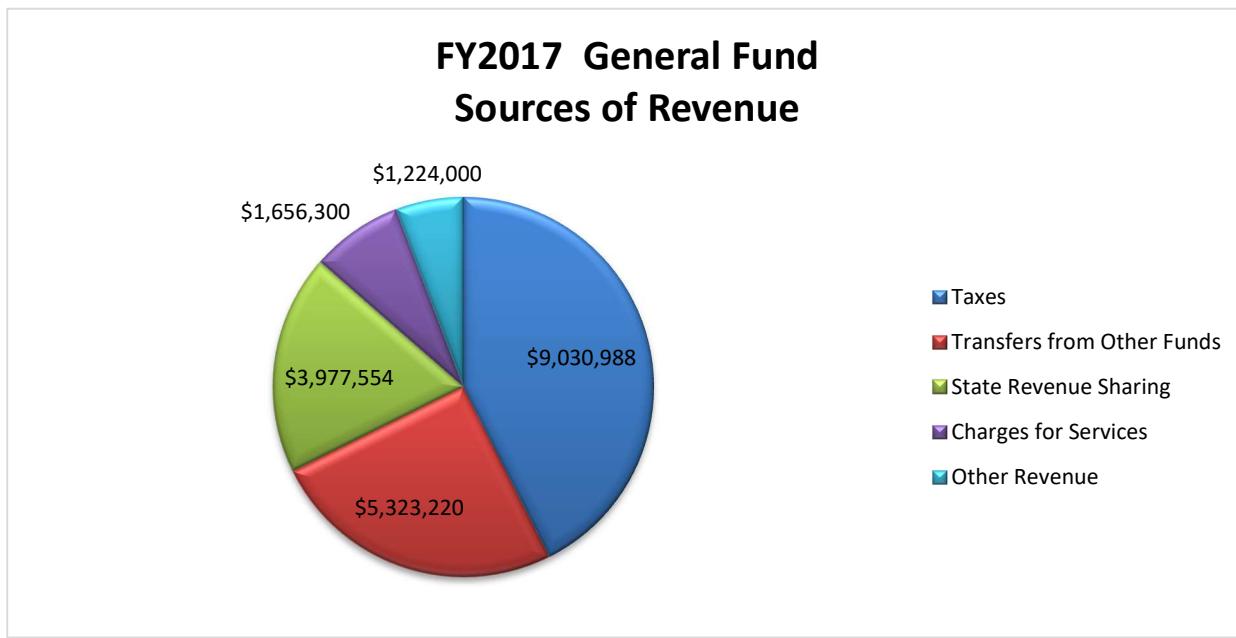The following figure shows the sources of revenues for the City's General Fund.

Figure 6: General Fund Funding Sources by Category, FY2017 Budget

In the figure above, the "Other Revenue" category includes licenses and permits; interests and rents; fines and forfeits; grants; local unit contributions and all other sources of revenue.

The City of Holland groups departments with similar functions and responsibilities together into discrete budgetary groups. These groups include Management and Administrative Services, Fiscal Services, Transportation, Community and Neighborhood Services, Parks and Recreation, Utility Services, Internal Services, and Capital Projects.

Most General Fund revenues are allocated to Public Safety departments (Police and Fire), followed by Parks and Recreation and to divisions in the Management and Administration Department.

The following figure shows FY2017 General Fund Expenditures by Department.
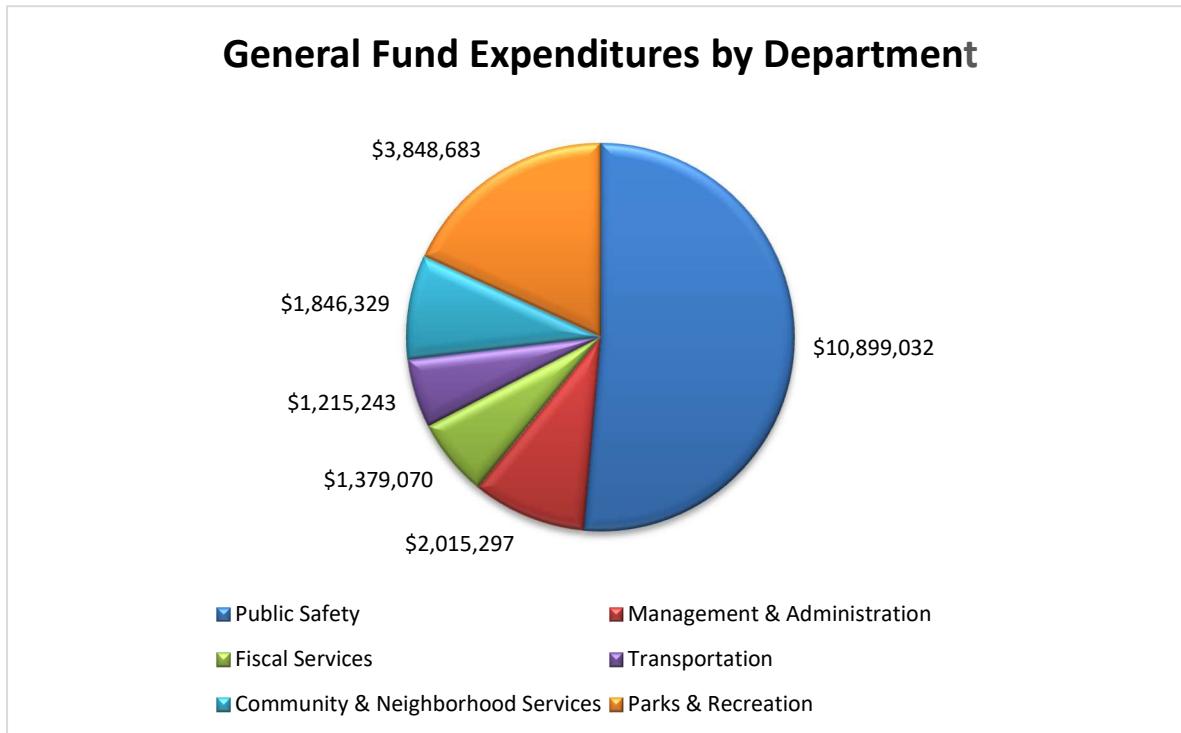

Figure 7: General Fund Expenditures by Department, FY2017 Budget

The following table shows a historical perspective of General Fund Expenditures by Department since FY2013 with percent change.

Table 6: Historical General Fund Expenditures by Department, FY2013 – FY2017

General Fund Expenditures by Department	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Estimate	FY2017 Adopted	Percent Change
Public Safety	$9,705,583	$10,283,466	$10,623,713	$10,931,858	$10,899,032	12%
Management and Administration	$1,519,180	$1,274,553	$1,338,924	$1,431,701	$2,015,297	33%
Fiscal Services	$2,017,485	$3,031,099	$1,776,332	$27,991,620	$1,379,070	-32%
Transportation	$1,205,307	$1,213,735	$1,310,365	$1,273,509	$1,215,243	1%
Community and Neighborhood Services	$1,710,593	$1,836,588	$1,855,987	$1,868,933	$1,846,329	8%
Parks and Recreation	$3,110,150	$3,266,501	$3,745,487	$3,765,469	$3,848,683	24%
General Fund Uses Total	**$19,268,298**	**$20,905,942**	**$20,650,808**	**$47,263,090**	**$21,203,654**	**10%**

In addition to the General Fund, the City has other funds that are used to record activities and programs and finance projects, in accordance with the law and as required by Governmental Accounting Standards Board (GASB). According to the City of Holland's FY2017 Budget, the City's other funds include:

- **Permanent Funds** are governmental funds reporting upon legally restricted resources to the extent that only earnings, and not principal, may be used for purposes supporting the government's programs and benefit the citizenry. For example, Cemetery Perpetual Care Fund.

- **Special Revenue Funds** are governmental funds that account for proceeds of specific revenue sources (other than those for major capital projects), which are legally restricted to expenditures for specified purposes. Examples include the Motor Vehicle Highway Major Street Fund, Motor Vehicle Local Street Fund, County Road Tax Fund, Downtown Snowmelt Fund, Principal Shopping District Fund, CATV Public Access TV Fund, District Library Taxation Fund, etc.

- **Debt Service Funds** are governmental funds that account for financial resources accumulated to provide payment of principal, interest, and fees on general obligation, limited tax general obligation, building authority, and special assessment long-term debt. Examples include the General Obligation and Building Authority Debt Fund, Energy Performance Debt Fund and the Special Assessment Debt Fund.

- **Enterprise Funds** are proprietary funds that account for operations: A) financed and operated in a manner similar to private-sector business entities - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or, B) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples include the Solid Waste Fund, Windmill Island, Depot Operations, Airport Facilities and Management Fund, Employee Benefit Funds and the Electric Utility Fund.

- **Internal Service Funds** are used to account for the financing of services provided by one department or activity to other departments or activities of the City, and/or to other governmental units on a cost-reimbursement basis. These types of funds are established, managed, and operated as a proprietary type operation, providing financial accountability for revenues, expenses, and balance sheet items. Examples include the Technology Services Fund, Postage Services Fund, Communication Services Fund, Fuel Dispensing Fund, Fire Vehicles and Equipment Fund, Workers Compensation Fund, Employee Disability Income Protection Fund and the Employee and Retiree Health/Dental Fund, etc.

- **Component Units** are legally separate entities that satisfy at least one of the following criteria:
    - The City of Holland is financially accountable for the legally separate entity.
    - The nature and significance of the relationship between the primary government and the legally separate entity is such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.
    - Examples of Component Units include the Brownfield Redevelopment Authority Fund, Downtown Development Authority Fund and Holland Historical Trust.

The City's FY2017 budget includes $210,907,182 in financial sources and uses across all funds. Financial sources include revenue streams such as taxes, fees, intergovernmental revenue, and other income. Across all funds, the City generates most of its revenue from Charges for Service, as illustrated in the following table.

Table 7: All Funds - Funding Sources by Category, FY2017 Budget

Funding Sources by Category	Adopted FY2017 Budget
Charges for Services	$134,596,296
Use of Fund Equity	$21,372,452
Property Taxes and Special Assessments	$18,922,251
Other Revenues	$13,706,579
Intergovernmental	$11,144,728
Bond Proceeds	$7,000,000
Interest and Rents	$3,327,876
Licenses and Permits	$705,300
Fines and Forfeits	$131,700
Total Sources	**$210,907,182**

Table 8: All Funds - Expenditures by Department or Function Group, FY2017 Budget

Expenditures by Function Group	Adopted FY2017 Budget
Utility Services	$142,223,766
Capital Projects[11]	$19,800,994
Public Safety	$10,811,432
Internal Services	$8,211,621
Parks and Recreation	$7,565,824
Transportation	$7,285,454
Debt Service	$6,407,799
Community and Neighborhood Services	$5,040,918
Management and Administrative Services	$2,237,604
Fiscal Services (Including Budget Stabilization)	$1,321,770
Total Expenditures	**$210,907,182**

Budget Stabilization and Fund Balance

In 1978, the City adopted an ordinance establishing the Budget Stabilization Fund. The balance maintained in this fund can be used to meet General Fund deficits, to alleviate the reduction of levels of essential services or offset costs incurred as the result of natural disasters. As a part of the annual budgeting process, the balance of this fund is examined and, to the extent possible, maintained at 10% of the General Fund operating appropriations for the ensuing fiscal year. Each year the balance in the Budget Stabilization Fund may be adjusted by way of a transfer from or to the General Fund.[12]

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[11] Smaller capital outlay purchases, such as vehicles, equipment and furniture, which are not considered Capital Projects are not included here, but rather within the related service groups.

[12] FY2017 Budget Book

As part of the City's long-term financial plan, the organization aims to maintain a 15% General Fund Balance to assist with unanticipated expenses. The City defines a fund balance as the excess of a fund's assets over its liabilities. The City is anticipating to end FY2017 with a $3.4 million General Fund Balance, which is approximately 16% of the City's annual expenses.

Since FY2007 the City's General Fund Balance has increased 32%, from a balance of $2.5 million in FY2007 to $3.4 million in FY2017. The following figure illustrates the City's General Fund balance and budget stabilization fund overtime.
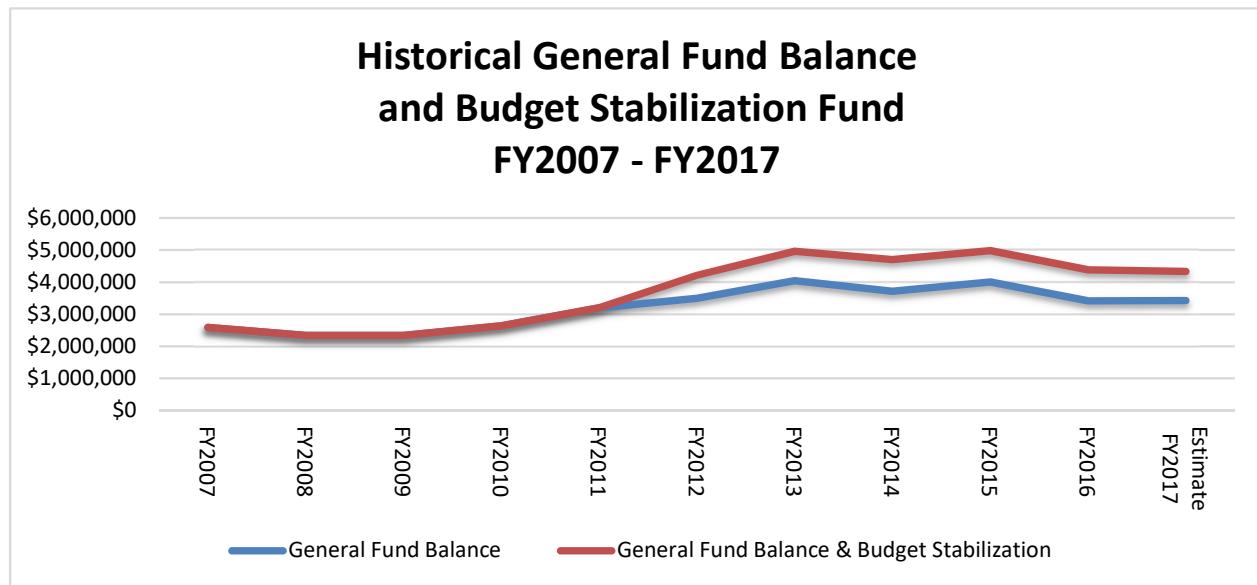

Figure 8: Historical General Fund Balance and Budget Stabilization Fund, FY2007 – FY2017

Staffing Summary

In FY2017, the City budgeted for 210 full-time equivalent (FTE) employees across all departments. This represents a decrease of 15% in staffing since FY2007, or a reduction of 37 FTEs. In the tables below, staff from Technology Services have been combined with Management and Administration and staff from the Holland Historical Trust are included with Parks and Recreation. The following table shows the historical staffing levels for each department and the percentage change since FY2013.

Table 9: Full-Time Equivalents Across all Departments, FY2007-FY2017

Fiscal Year	Public Safety	Management and Administration	Fiscal Services	Transportation	Community and Neighborhood Services	Parks and Recreation	Total Full-Time FTEs
FY2007	132.5	12.71	14.35	33.14	24.15	30.15	247
FY2008	132.5	12.71	14.35	34.39	22.25	31.05	247.25
FY2009	129.5	11.58	14.3	34.83	22.24	30	242.45
FY2010	126	11.58	13.35	36.08	22.19	29	238.2

Fiscal Year	Public Safety	Management and Administration	Fiscal Services	Transportation	Community and Neighborhood Services	Parks and Recreation	Total Full-Time FTEs
FY2011	124	11.35	13.15	28.55	20.65	26	223.7
FY2012	120	13.1	13.15	28.55	18.9	26	219.7
FY2013	117	11.1	12.15	26.46	18	22.99	207.7
FY2014	113	9.95	12.95	25	16	25.9	202.8
FY2015	113	12.75	11.95	25.2	17	23.9	203.8
FY2016	113	12.67	11.9	26.16	17.97	25.3	207
FY2017	113	13.67	11.9	27.16	17.97	26.3	210
Percent Change	-15%	8%	-17%	-18%	-26%	-13%	-15%

The only Department to see an increase in staffing since FY2007 is Management and Administration. This change can be attributed to converting the part-time Human Relations Coordinator to full-time, the addition of two multi-media specialists and a GIS Specialist; additionally, the fluctuation over time can also be attributed to not filling vacant positions such as the HR Coordinator, an Administrative Aide in the Clerk's Office and the Assistant City Manager.

In addition to full-time staff, the City also has part-time employees. The City has two part-time employment categories[13]:

- Part-Time A - Part-time "A" classified positions are scheduled to work more than 28 hours per week or 1,456 hours per year (less than 2,080 hours per year). Employees in this category are entitled to paid hospitalization insurance for themselves only (not dependents); and a pro-rated amount of other full time benefits. Part-time "A" employees are included in the City's full-time FTE count; currently, the City one has one part-time "A" employee.

- Part-Time B - Part-time "B" positions are not in the classification plan and employees in this group may work either 40 hours per week on a temporary basis, or less than an average of 28 hours per week annually. Part-time "B" employees are not eligible for fringe benefits. While not eligible for benefits, employees are paid the appropriate classified pay range for the position they hold.

   Employees in this category are considered either part-time permanent or year-round or part-time seasonal/temporary. Part-time seasonal employees are hired to work for a limited (temporary) duration throughout the year in areas like Parks and Recreation and Transportation.

The number of part-time "B" employees has increased 21% since FY2007. Today, the City has 60.78 part-time "B" FTEs (37.15 part-time permanent/year-round FTEs and 23.63 seasonal FTEs). The following table shows the historical part-time "B" staffing levels for each department and the percentage change since FY2007.

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[13] City of Holland Employee Handbook; Fiscal Services Staff

Table 10: Part-Time "B" Staffing Levels Across all Departments, FY2013-FY2017

Fiscal Year	Public Safety	Management and Administration	Fiscal Services	Transportation	Community and Neighborhood Services	Parks and Recreation	Total Part-Time
FY2007	8.55	0.63	0.9	2	3.95	34.23	50.26
FY2008	8.85	0.55	0.65	3.25	3.25	32.58	49.13
FY2009	9.45	0.5	1.1	4.4	4.65	33.63	53.73
FY2010	9.6	0.4	1.5	4.1	4.45	34.08	54.13
FY2011	9.55	0.45	1.5	2.85	4.75	35.86	54.96
FY2012	9.15	1	1.3	2.9	4.75	33.51	52.61
FY2013	8.8	3.65	1.35	2.85	8.6	32.76	58.01
FY2014	8.85	4.05	0.6	2.65	6.95	31.71	54.81
FY2015	9.9	4.75	1.15	3.45	6.45	34.73	60.43
FY2016	9.55	4.95	0.6	3.5	5.65	35.93	60.18
FY2017	9.55	5.6	1.1	3.65	6.1	34.78	60.78
Percent Change	12%	789%	22%	83%	54%	2%	21%

The following figure provides an illustration of full-time and part-time staffing levels at the City over the past 10 years.

Figure 9: Historical Staffing Levels, FY2007 – FY2017
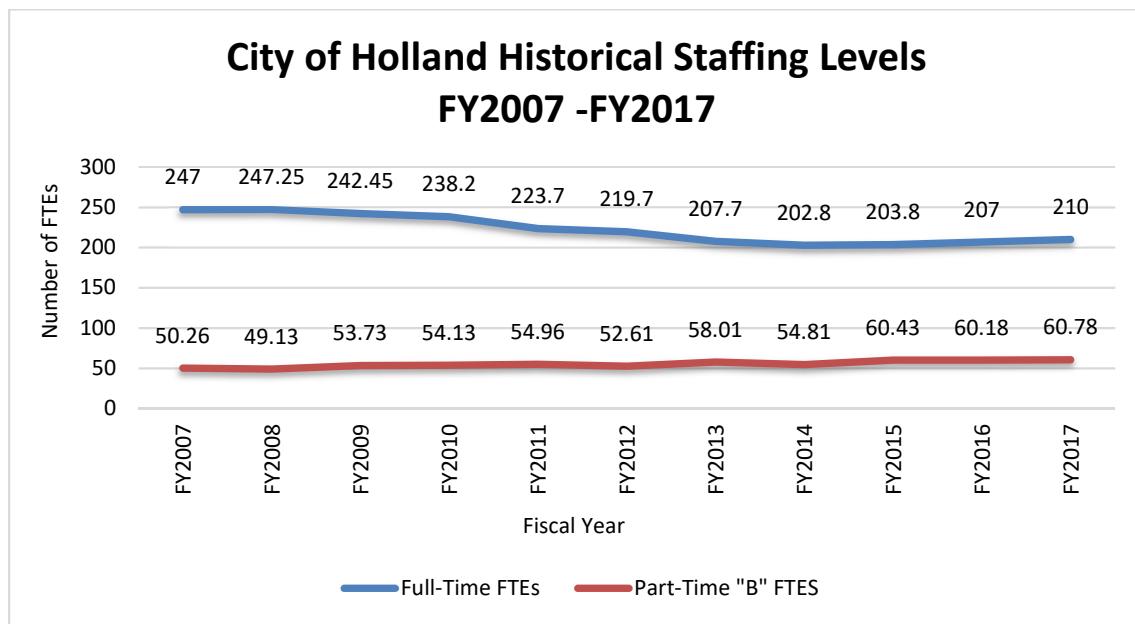
The City of Holland has not experienced a lot of employee change in terms of new hires or turnover. To date in FY2017, there has been one new hire, no job changes (promotion, reclassification), and two individuals have left the organization (termination or retirement). FY2013 saw the greatest employee changes, with 21 FTEs exiting the organization, or a 10% turnover rate.

The table below shows human resources employee data since FY2013.[14]

Table 11: Human Resources Employee Data, FY2013-FY2017

Employee Data	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total FTEs	207.7	202.8	203.8	207	210
Job Change	6	5	7	5	0
New Hires	9	12	10	14	1
Termination/Left Org	21	14	11	14	2
Turnover Rate	10%	7%	5%	7%	1%

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[14] New World only has employee data available from FY2013 and later.

Employee Survey

To assess employee perceptions regarding the City, The Novak Consulting Group administered a survey to a total of 170 full-time and permanent part-time employees in Management and Administration; Fiscal Services; Transportation; Community and Neighborhood Services; and Parks and Recreation departments. The survey had a response rate of 79%, with a total of 134 respondents.

Respondents were asked to provide their views on their work environment, employee engagement, and department and organizational culture. Several key themes emerged from the survey.

Overall, respondents indicated that they know what is expected of them at work, had a clear understanding of how their work contributes to the organization and that customer service is a high priority within the organization. The survey also showed that respondents are determined to give their best effort each day, and that doing their job well provides a sense of personal satisfaction.

However, areas of concern were raised such as a lack of opportunities for professional growth and advancement, not having received recognition or praise, and not being talked to about progress or performance.

The survey collected results by department and tenure – when the data was analyzed by these categories, it became clear that employee experience is dependent on both factors. Newer employees, those with five years or less tenure, tended to view the City more favorably than those who had been with the organization for longer periods of time. The respondents' department had an impact on how they viewed their job and/or the organization.

The themes that emerged from the answers to open-ended questions matched the overall tone of the answers to the ratings-scale questions. Respondents were quick to emphasize the high quality of the services provided to residents and the strong customer service and teamwork mentality that exists throughout the City organization.

The survey results can be found in the City of Holland Employee Survey Report.

Management and Administration

The Management and Administration Department is responsible for the oversight of all City departments and operations, providing the Council legal guidance, establishing an annual budget for Council adoption, the City's economic development activities, implementing City Council policies and ensuring that the organization and its employees provide a high level of service to the community.

The Department is comprised of seven functions including the Mayor and City Council, City Attorney, City Manager's Office, City Clerk's Office, Human Resources, Human Relations, and Technology Services/Communications.

Department Structure

In the FY 2017 budget, the Department was authorized 14.0 full-time and 4.05 part-time employees. The City's 9 elected officials are not included within the City's FTE count. The following figure provides an overview of the organizational structure and current positions within the Management and Administration Department.
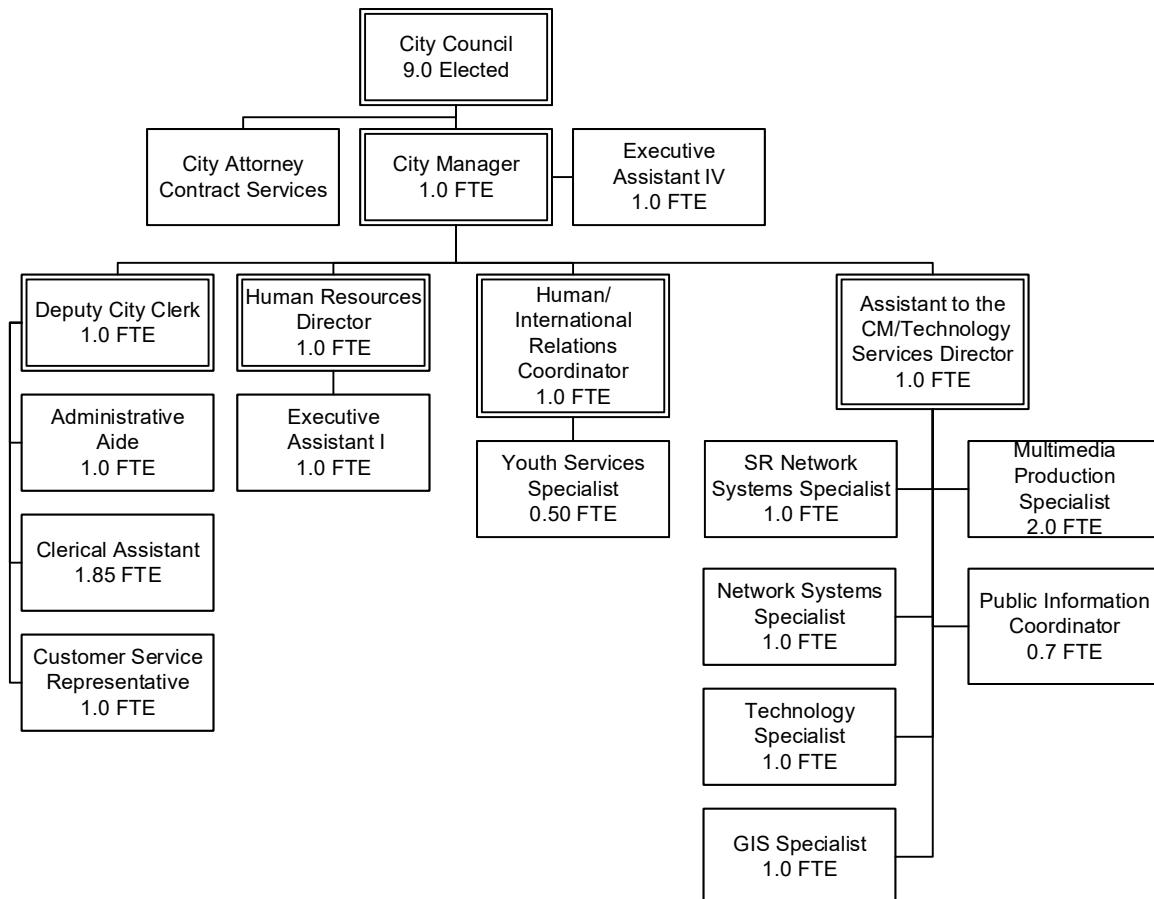

Figure 10: Management and Administration Department Organizational Structure, 2017

Mayor and City Council

The Holland City Council is comprised of nine elected members – eight Council Members and a Mayor. Six Council members represent specific wards and two are elected at-large. Council members serve four-year, staggered terms. The Mayor is elected by the citizens of Holland, who serves a two-year term.

The City Council is the legislative branch of City government and has the authority to make policy decisions that impact the community, such as approving municipal ordinances and budgets, making appropriations, and setting local tax rates. The City Council works closely with the Holland Board of Public Works, and all other citizen advisory boards and commissions and community groups. The City Council is responsible for appointing a City Manager and selecting an attorney for Holland.

City Attorney

The City of Holland utilizes an outside firm for its legal services, Cunningham Dalman PC. The contracted attorney provides legal services to the City Council, City staff, and boards and commissions. This function ensures that the City is following all local, state and federal laws. The City Attorney is responsible for finalizing all contested commercial property tax assessments and for providing status reports and updates on pending litigation as well as prosecuting violations and defending the City in any potential litigation. The City Attorney is also tasked with identifying ways to improve legal processes throughout the organization such as developing contract templates and approving re-occurring contracts/agreements.

City Manager's Office

The City Manager is appointed by the City Council and oversees the general management of the City, directs administrative operations, and appoints the City's department directors. This position ensures that City services are being performed to the highest standard and that Council goals and priorities are being implemented. The City Manager also assists with economic development efforts and represents the City of Holland throughout the community.

The City Manager is responsible for advising the City Council on matters of policy and for implementing the policies adopted by the City Council. The City Manager's Office is responsible for preparing and submitting the City's annual budget and municipal capital improvement fund and for keeping the Council apprised of the City's financial and operational status.

In addition, the City Manager strives to maintain regular communication with the City Council, Leadership Team, and employees throughout the organization through the Manager's Weekly Report. The Weekly Report is distributed to the Council and all employees throughout the organization and published on the City's website for the public to view. The Weekly Report is a tool for both the organization and the public to keep abreast of what is currently happening within the organization and current issues facing the City.

This office includes three full-time positions: City Manager, the Assistant to the City Manager who also serves as the Technology Services Director and the Executive Assistant IV.

City Clerk's Office

The City Clerk's Office is responsible for all the City's records retention and archiving and document destruction needs as mandated by City Charter and local and state laws. Staff also aid with City Council meeting management and are responsible for posting agendas, preparing meeting minutes, processing Council resolutions/ordinances and assisting the City's boards and commissions. Staff is also responsible for processing and storing all legal documents such as property documents, contracts and agreements. In addition, this Office is responsible for updating the General Code and processes all FOIA requests.

The Clerk's Office consists of two full-time staff members, a Deputy Clerk and Administrative Aide and five part-time staff members; three are assigned to the Clerk's Office and two to the Welcome Desk at City Hall. The Finance Director currently serves as the City Clerk for signatory purposes as needed by law. However, the Deputy City Clerk reports to the City Manager.

Human Resources

The Human Resources (HR) Division provides support for all personnel functions throughout the organization. As of FY2017, the authorized workforce of the organization is 210 FTEs and 60.78 part-time employees. This Division is responsible for overseeing all employment and personnel management services for the City and serves as a resource for both supervisors and employees. In addition, this Division works closely with the City's labor unions and coordinates the benefit and compensation, training and development and safety programs. This Division consists of a full-time Human Resources Director and a full-time Executive Assistant that is shared between Human Resources, the Mayor and the City Manager's Office.

Human Relations

The Human Relations Division is responsible for protecting the equal rights and opportunities of all Holland citizens. The Division prevents discrimination in housing, education, employment, and public services by conducting activities and events that promote social justice and cultural understanding. The Human Relations Division oversees the Human Relations Commission, International Relations Commission and City Youth Services. This Division consists of one full-time Human Relations Coordinator and a part-time Youth Services Specialist.

Technology Services

Technology Services consists of two work units – Communications and Technology Services. Staff in Technology Services are responsible for managing and maintaining the City's Information Technology Infrastructure which includes the wired/wireless network, phone system, security system and all servers, computers and software. Communications staff manage the City's three cable TV channels, broadcast Council meetings and create and produce on-air/web video content, manage the City's social media accounts, and provide public information services.

The Technology Services work group has four full-time positions: Senior Network Systems Specialist, Network Systems Specialist, Technology Specialist and GIS Specialist. The Communications work group has two full-time Multi-Media Production Specialists and a part-time Public Information Coordinator. The Assistant to the City Manager/Technology Services Director supervises all staff within Technology Services.

Department Staffing

Staffing levels in the Department have fluctuated in recent years due to the addition of two multi-media specialists, a GIS Specialist as well as the addition of part-time staff (public information coordinator and clerical staff). Additionally, some vacant positions have not been filled such as the Administrative Aide in the City Clerk's Office and the Assistant City Manager position.

The table below illustrates staffing levels in the Management and Administration Department from FY2013 to FY2017 according to the City's budget documents. The Percent Change column compares Actual FY2013 staffing to Authorized FY2017 staffing.

Table 12: Management and Administration Department Staffing Levels, FY2013-FY2017

Management and Administration	Actual FY2013 FTEs	Actual FY2014 FTEs	Actual FY2015 FTEs	Estimated FY2016 FTEs	Authorized FY2017 FTEs	Percent Change
Full-Time	11.1	9.95	12.75	12.67	13.67	23%
Part-Time	3.65	4.05	4.75	4.95	5.6	53%

Department Expenditures

The following table illustrates the Department's expenditures over the last five fiscal periods, along with the percentage change since FY2013.

Table 13: Management and Administration Department General Fund Budget, FY2013-FY2017

Budget Category	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Personnel Services	$1,148,100	$816,541	$1,002,880	$1,015,105	$1,068,073	-7%
Other Current Expenditure	$496,822	$575,848	$495,158	$594,842	$656,731	32%
Capital Outlay	$167,642	$83,268	$36,515	$62,000	$19,000	-89%
Transfers	$201,250	$200,000	$226,900	$294,500	$235,000	17%
Contingencies	$0	$0	$0	$20,000	$493,800	-
Total	$2,013,814	$1,675,657	$1,761,453	$1,986,447	$2,472,604	23%

The General Fund budget for Management and Administration does not include the Internal Services Fund/Technology Services Fund, but does include a special revenue transfer of $457,307 (Cable TV Public Access Fund).

Major changes in the Management Administration budget include the addition of the Communication function to the Department and transfer of Cable TV Public Access funds each year, as well as the City's funding for contingencies. These funds provide the City with the ability to provide appropriation funding for various unforeseen and unbudgeted expenses throughout the year with Council approval; the City Manager has the authorization to spend up to $10,000 without prior Council approval. Employee compensation adjustments have been planned for FY2017 and are funded from the Contingencies funds.

Other increases in the Management and Administration budget in FY2017 include funding for training and conferences (Municipal League Conference, the International Institute Municipal Clerks, and the National Clerk Conference), interns in the City Manager's Office, and upgrades to election equipment. The budget also includes funds for the creation of a Safety Program Contract with the Holland Board of Public Works and the activation of a Crisis Response Team. Additional funds were allocated to Human Relations/International Relations to assist in more community-wide training and to allow four International Relations Commissioners to travel to Mexico as part of the City's international exchange program.

Analysis and Recommendations

The Management and Administration Department provides several important services to employees inside the organization and to the citizens of Holland. In addition to overseeing the operations of the City, this Department is responsible for working directly with the City Council and implementing Council policies, strategies, and goals.

It is apparent that this Department has made great strides in the past few years. Technology and Communications have made a huge impact in both the organization and the community. A new phone system was installed throughout the organization, a new technology network was implemented and several outdated pieces of computer equipment and hardware were replaced. In staff interviews, and in the Employee Survey, staff was very appreciative and complimentary of the technology and the equipment they have access to in order to perform their jobs (in the office and in the field). Currently, Human Resources and Technology Services are in the process of purchasing new software programs, which will assist with managing workload and efficiencies.

Branding and marketing the City of Holland has been a priority the past few years. The addition of two multi-media specialists and a public information coordinator echo that commitment. The City has a vibrant web and social media presence, has an established brand, manages three cable television stations and develops its own Holland-specific content, and is constantly working towards ensuring the public is aware of what is happening within the City organization and community.

Employees in this Department tended to view the organization most favorably, with an average positive response rate of 90%. Staff in this Department also felt that they were supported in implementing new programs and/or ideas. From the Clerk's Office taking on passport services, to HR taking services directly to the employee, to new Human Relations Community training programs to looking at new ways of communicating with the public – this Department is open to new ideas and new ways of doing business.

The recommendations in this section of the report relate to opportunities that build on the organization's efforts to ensure outcome-based decision making, expand the focus of employee support and development, and strategically plan for the technology needs and priorities of the organization.

Performance Management
RECOMMENDATION 1: Develop and implement a City-wide Performance Management System.
Each year the City Council reviews, updates, and revises the City's strategies and goals which are used to help Council and staff achieve the City of Holland's vision and mission. The City's Vision Statement for Holland is, "*a vibrant, world class community in a beautiful lakefront environment where people work*

together celebrate community and realize dreams" and the Mission Statement is to "*maximize livability*."[15] The Council's strategies and goals are then used by staff to guide the development of the annual budget and department priorities.

Before finalizing the strategies and goals for the fiscal year, the Council invites the public to "Coffee with City Council," an event where the citizens have the opportunity to provide feedback on City programs, needs, and issues. As a part of the annual goal setting process, the Council holds a retreat with the City Manager and the Leadership Team to review current staff priorities and needs.

After receiving public input and meeting with staff, the City Council holds their own retreat to discuss strategies, goals, and budget priorities for the year. After discussion and receiving feedback, the City Council adopted the following strategies for FY2017:

- Strategy I: Economic Development and Transportation
- Strategy II: Area Cooperation
- Strategy III: Neighborhoods
- Strategy IV: Community and Family
- Strategy V: Public Utilities
- Strategy VI: Organization

A component of the City Council's discussion was to develop goals for each strategy and then to prioritize those goals. The Council identified 12 top priorities for the year, including items such as creating a path to achieve fiber internet access to neighborhoods, adding a water feature Downtown, and creating a Downtown ice rink.

Once the City Council develops their strategies/goals/priorities, staff is then responsible for crafting Budget Action Plans that relate back to the strategies and goals. The Budget Action Plans help guide the development of the budget, tie department activity and funding back to the Council's strategies and goals, and include performance measures. In many cases the performance measures indicate completed tasks, such as the number of licenses issued, number of meetings held, or number of programs offered.

In addition to the City Council adopted Strategies and Budget Action Plans, many departments have their own departmental strategic plans that lead and direct their work such as Downtown Parking, Parks and Recreation, Transportation, Principal Shopping District, Municipal Capital Improvement Project, and Windmill Island Garden.

This annual goal development and priority setting by the Council represents a critical means of ensuring the work of the organization is aligned with Council direction. It is recommended that the City continue this process on an annual basis. In order to ensure this alignment carries through all levels of the organization, it is recommended that the City develop a more robust performance management system. Having a clearly developed and defined set of priorities provides an optimal opportunity for the City to implement a performance management system.

A performance management system typically consists of three core elements:

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[15] City of Holland FY2017 Annual Budget Book

- Creating a strategic plan for the organization and individual work plans for each department aligned with the strategic plan;
- Using performance measures to track performance of the City's programs against established performance goals; and
- Sustaining a dialog between management and employees to ensure that the work of the organization is completed in conformance with established goals and implementation schedule.

In addition to monitoring the work, a good performance management system employs routine and structure. Under such a system, managers meet with subordinates on a regular basis to review organizational performance. Typically, the agenda is focused on four areas: customer, financial, operations, and employees. Performance measures, project management tools, customer surveys/complaints and employee issues are reviewed during these meetings. As the regularity of the management system becomes integrated into operations, discussions about performance become focused on important issues. This type of a management system allows managers to avoid crisis management, as the rigor of the system helps ensure regular meetings to discuss strategic issues rather than the crisis du jour.

The City should begin this process at the executive level, with recurring executive staff meetings and bi-weekly, at a minimum, one-on-one meetings between the City Manager and his/her direct reports to review work plan and project progress. Currently, the City Manager meets with director reports either bi-monthly or monthly (depending on the director) in addition to meeting with the Leadership Team the Friday before each Council meeting. This practice should be replicated in departments. Furthermore, a performance measurement program should be developed to identify key performance indicators, data collections processes, and reporting methods. This would expand upon the current performance measures that are included in the budget so that data can be used routinely in departments to make operational decisions, rather than simply being reviewed at the time of budget development.

The collection and use of performance measurement data is one critical element of a performance management system. Performance measurement provides an organization with numerical data used to evaluate the effectiveness and efficiency of its operations. For the City, this data will allow the City Council, City Manager, and supervisors to make more informed choices about how to improve and when to change the organization's programs and services.

While departments have been collecting data as a component of the Budget Action Plans, many of these indicators represent tasks completed, and do not account for issues of quality and timeliness. Without outcome metrics that go beyond counting of tasks completed, it is difficult to establish or track City priorities or performance, making objective evaluation of departments or workloads difficult. While routine outcome-based evaluation of City programs should be expected regardless of the staff in place, lack of such data becomes even more problematic as those same tenured employees leave City employment.

An evaluation system should be in place for each program in the City as part of the performance measurement system. Effectively evaluating City programs should include the following elements:

- Provision of clear direction and support from the City Manager;
- Inclusion of feedback from constituents and key stakeholders, collected through surveys, interviews, focus groups, and other similar means;
- Identification of information needed for measuring effectiveness and efficiency;

- Determination of criteria for effectiveness; and
- Identification of resources available for collecting information.

The City Manager and department directors should regularly discuss outcome-based performance data for all City programs and services, including internal and external functions. Key information from each department should be collected on a regular basis and presented to the City Council. Any important trends or changes should be discussed so that actions may be taken, as needed, by the City in response to those trends.

Implementation of a robust performance measurement system takes time and resources. Every program or service must be identified and then assessed to determine a specific set of performance measures. Employees need to be trained so that they understand the fundamentals of such a system and are engaged in its development. Only with active employee engagement can the organization successfully integrate performance measurement into its culture. It is recommended that the City grow a performance measurement program as capacity and expertise within the organization allows.

Executive Management Structure

RECOMMENDATION 2: Create an Assistant City Manager position.

The City's former Assistant City Manager retired in FY2014, after serving 22 years in the position. The former Assistant City Manager was responsible for the supervision of several programs including: oversight of the City's economic development activity and partnerships; the Capital Improvement Program; volunteer services; and various special assignments such as union negotiations, tax abatements, and property acquisitions. The Assistant City Manager also served as the City's liaison to several community and regional entities such as the West Michigan Regional Airport and the Macatawa Area Express transit system.

The Assistant City Manager was responsible for various aspects of the City's MAX public transportation system and the West Michigan Regional Airport including developing and implementing policies, managing staff and contracts and applying for and managing federal and state airport grants. In addition, the position, along with the City Manager, met regularly with the City Council to develop the budget, discuss goals and policies and make recommendations for new programs. The Assistant City Manager represented the City in the community, in public meetings and in the media.

The position also supervised Technology Services and the City Clerk's Office. Over the years, this position was responsible for communications and public information before that function was moved to Technology Services as well as Human Relations before a full-time coordinator was hired.

When the Assistant City Manager retired, the position was not filled. Instead, an Assistant to the City Manager/Technology Services Director position was created. Some of the Assistant City Manager's responsibilities were assigned to the Assistant to the City Manager position, such as direct oversight of Technology Services and special projects such as the Capital Improvement Program. However, according to the current job description, the Assistant to the City Manager/Technology Services Director spends only 20% of their time working under the general direction of the City Manager on special projects, interdepartmental projects, preparing reports and dealing with City issues, policies and activities. The remainder of their time (80%) is focused on the supervision of the Technology Services Department. As Technology Services Director, this position is responsible for supervising and coordinating the development and installation of all new computer based and telecom systems at the City, supervising

Technology Services staff, developing and monitoring the Technology Services budget, and communicating with staff throughout the City regarding current and future technology needs.

With only 20% of the Assistant to the City Manager's time allocated to the City Manager's Office, much of the previous Assistant City Manager's workload has been left to the City Manager or other individuals within the organization to complete. In most instances, the additional workload has fallen to the City Manager, including supervision of the Deputy City Clerk, the City's economic development activity and partnerships, grant writing and management, and most special projects that cannot be assigned to the Assistant to the City Manager. In some cases, workload has been offloaded to specific departments where appropriate; for example, involvement with the airport has been moved to Community and Neighborhood Services and assistance in public relations has been moved to the communications team.

The current staffing situation in the City Manager's Office does not provide appropriate capacity to assist the City Manager in oversight of the organization and leadership in key priority areas such as implementation of the Council's strategies and goals, performance management, economic development initiatives, and supervision of staff. To better support the City Manager and the leadership needs of the organization, it is recommended that the City create an Assistant City Manager position.

The creation of an Assistant City Manager will provide additional professional expertise for the organization and assist with workload in the City Manager's Office. This will allow the City Manager to focus on larger, more strategic issues. It will also allow the organization to tackle additional special projects, grants, economic development, and initiatives that the City has not had the staff capacity to implement.

The City Council has been developing their strategies for the FY2018 budget process. Areas where the Assistant City Manager can be utilized to spearhead and guide the process include: Succession Planning, Economic Development, and Downtown and Community Relations. In addition, the Assistant City Manager can be utilized to take on special projects such as developing the City's performance management system, grant writing and assisting with organizational and policy issues. For example, the Fiscal Services Chapter has identified a need to review the City's current purchasing ordinance; this is something that the Assistant City Manager could take the lead on and work with Fiscal Services staff to complete.

Understanding the City Manager's current workload and capacity, the Assistant City Manager position should also be assigned supervision responsibilities. For example, today, the Deputy City Clerk has a dual reporting structure with both the City Manager and the Finance Director. The Finance Director is the City Clerk, for signatory purposes only, while the City Manager is the Deputy City Clerk's direct supervisor. This structure creates confusion for the Deputy City Clerk and the Clerk's Office. The Assistant City Manager should function as the City Clerk and have supervisory responsibility for the City Clerk's Office.

Additionally, the Assistant City Manager could also supervise the Human Relations function. In addition, there is a close connection between the City's Community and Neighborhood Services Department and the community's economic development and downtown activity. The Assistant City Manager should supervise this Department, as it creates synergy and opens lines of communication between all stakeholders, especially staff, the business community, property owners, developers, and residents.

The following figure provides a proposed organizational structure with a new Assistant City Manager position.
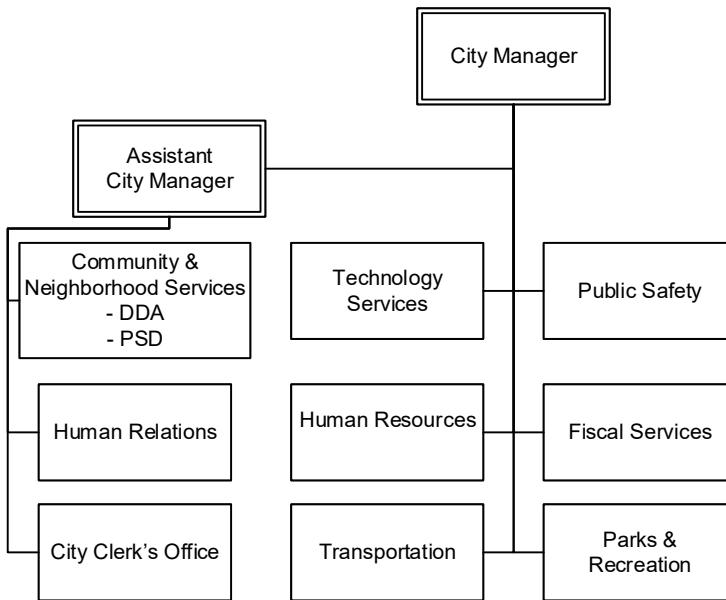
Figure 11: Proposed City Manager's Office reporting structure

The Assistant to the City Manager position should continue to report directly to the City Manager and provide support to both the City Manager's Office and serve as the Director of Technology Services. The additional position in the City Manager's Office should provide adequate support and the time for the Assistant to the City Manager/Technology Services Director to perform both functions and provide on-site support and direction for Technology Services staff.

The City has an Assistant City Manager job description, which was last updated in 2001; the job description should be reviewed and revised as appropriate for the current needs of the organization. Considering the specific economic development and downtown development initiatives the City is interested in completing and the needs of the organization, it may be beneficial to revise the job description/posting to include experience or expertise in downtown development, economic development or business development.

Based on compensation information for the City's current Assistant City Manager job classification, the estimated total compensation for this position is between $106,915 and $128,341 per year, including benefits. It is important to note that within this range the City Manager can determine the annual salary, which may be necessary to recruit and attract a candidate with the specific economic development and/or downtown experience needed.

Workforce Development and Succession Planning

RECOMMENDATION 3: Develop a workforce development and succession plan for the organization.

The City of Holland recognizes that several key positions throughout the organization may be vacated within the next five years due to pending retirements.

In 2013, 23 employees exited the organization due to early retirements; since that time, the average number of employees leaving the organization has been 15 FTEs a year.[16] Before a wealth of experience and knowledge leaves the organization, the organization must ensure that service delivery and organizational capacity are not negatively impacted.

Workforce development and succession planning is best described as identifying those critical future vacancies and preparing existing staff members (when possible) to smoothly transition into more responsible positions.[17] The employee survey identified succession planning and career advancement as concerns of employees, and the City Council has identified succession planning as a goal for this next fiscal year. Having a plan in place allows for an organization to predict where critical needs are or will be, provides time to adjust and plan, allows adequate time for employees to be trained, and if necessary, time to recruit potential candidates. The goal is to have seamless or uninterrupted service within the organization.

It is recommended that the City develop a workforce and succession plan to help prepare for the organization's future. "Effective succession planning is an ongoing process of identifying, assessing and developing talent to ensure leadership, management and supervisory continuity throughout an organization and, moreover, to sustain its performance."[18]

The first step should be to establish a Succession Planning Steering Committee, consisting of the Human Resources Director and key managers/supervisors throughout the organization, who would be able to identify critical positions.

The Committee should identify those critical positions that may become vacant within the next five years. The Committee should look at positions at all levels of the organization including executive, middle management, and supervisory staff.

Once the critical positions have been identified, the Committee should review the organization's key competencies and those needed to fill the identified critical positions and determine if there are potential knowledge gaps. The Committee should then determine training needs, which may fall into two categories: 1) technical and skill based or 2) leadership and management. The recommendation in this section related to developing an Employment Learning, Development and Training Program expands further on the needs for training within the organization.

A component of developing employees for future leadership positions includes coaching and mentoring. The Committee should look at opportunities to expand coaching and mentoring beyond the performance appraisal process. Other ways to coach and mentor employees include:

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[16] Based on New World Data provided by Payroll, FY2013-FY2016
[17] Texas Town and City - *Succession Planning the Time Has Arrived*, January 2008
[18] Governing - *Why Governments Need to Ramp Up Succession Planning,* February 2016

- Job shadowing
- Interim assignments
- Attending higher level meetings
- Position rotations
- Committee or task force assignments

A successful succession plan should help prepare and transition front-line workers to take on the role of supervisor. However, what often happens is that employees that are not prepared to be supervisors are moved into a role before they are ready. While they may have knowledge regarding their job and be a qualified practitioner, they may not be equipped with the skills or training necessary to be a good supervisor. Developing a succession plan and the appropriate development and training programs can help the City prepare and equip employees to be both good practitioners and supervisors.

Developing and implementing a successful workforce development and succession plan will allow the City to proactively plan for its future. Ultimately, succession planning not only identifies those critical positions within the organization, it also assists with the training and development of employees to help them advance professionally within the organization.

Human Resources

The HR Director has been working diligently since her arrival in July 2016 to get HR organized, establish programs, as well as build trust and strong working relationships throughout the organization. In February 2017, the City Council approved the purchase of CivicHR® a new Human Resources recruitment software program for the City. CivicHR is a flexible, comprehensive, and integrated cloud-based solution, which will allow the City to recruit, identify, and hire candidates. The software also can assist with onboarding and the performance appraisal process. For Holland, the recruitment and application process becomes streamlined and electronic – and data becomes centralized and much easier to analyze and look at.

The intent of the following recommendations is to build upon the foundation for enhanced HR services that has been developed in the City.

RECOMMENDATION 4: Create a full-time Human Resources Specialist to assist with the workload in the Human Resources Department.
As of FY2017, the City of Holland has 207 FTEs and 58.85 part-time employees. The City only has one full-time HR position providing all personnel-related functions and support for the entire City workforce. The HR Director is responsible for all the City's employment and personnel management issues and handles all labor relations issues. The Director also oversees the City's employee benefits and compensation program, provides training and development opportunities for employees, coordinates the City's safety program and assists with employee relations throughout the organization.

While the Executive Assistant I has been assigned to assist with HR functions, the reality is that this position has limited capacity to provide HR support due to a variety of other responsibilities. As time allows, the Executive Assistant assists the HR Director by fielding calls from employees in the areas of benefits, wellness, and worker's compensation. This position also schedules interviews and checks references on applicants, processes background checks, and assists with new employee paperwork.

In addition to assisting HR, this position provides direct administrative support to the City Manager's Office and the Mayor. In terms of staff support for the Mayor, the Executive Assistant fields calls and

questions from the public, calendars and schedules meetings, organizes and sorts mail, and prepares information in advance of meetings. In addition, this position serves as a receptionist for the Mayor/City Manager's Offices and is the only City staff person available to assist the other Councilmembers. This position also completes clerical work for the Office such as processing mail, processing invoices, and ordering office supplies. This variety of responsibilities represents an unsustainable workload and does not provide adequate capacity to assist effectively with HR functions.

In July 2016, the City Manager tasked HR with several priorities. In addition, the City Council has outlined several strategies and goals for the organization, which directly impact human resources this next year. Highlights of the goals for Human Resources include:

City Manager Goals for Human Resources
- Safety – HIPAA, Safety Policy, Safety Committee, OSHA Training
- Settle Police and Fire Union Contracts
- Employee Relations – develop an employee newsletter, develop employee event
- Orientation Video
- Applicant Tracking System
- City-wide Recognition Program Strategic Plan

City Council Policy Goals for FY2018
- Study Recruitments/Adjustments/Changes
- Middle-Management Leadership Academy II
- Succession Plan Identified for all Departments
- Internal and/or External Succession Processes Initiated

As of today, most human resources functions in the City are being completed solely by the HR Director, with limited support from the Executive Assistant. In comparison, BPW has 177 FTEs and maintains a staff of five full-time HR professionals and an intern to provide support for their organization. HR staff in the BPW include a Human Resources Manager, Human Resources Specialist, Administrative Assistant, Records Management Coordinator, Safety Specialist, and a Safety Intern.

When determining the appropriate number of staff for a human resources department, several factors must be considered. There is a general industry guideline of one human resources professional per every 100 employees. However, it is important to recognize and take into consideration organizational needs, existing workload, staff capacity, and HR expertise. The Holland Human Resources Division has an extremely heavy workload and has been tasked both by the City Manager and the City Council with goals to complete. Additionally, this report makes several recommendations that will require strategic direction and implementation by HR.

Recognizing the direction, the organization is moving and given the essential role human resources will play, it is recommended that the City create a full-time Human Resources Specialist position to assist with the workload in the Human Resources Department.

The Human Resources Specialist should assist with the recruitment and selection of employees, coordinate the employee learning, training and development program as well as assist with record keeping and maintenance of personnel records/files. The Human Resources Specialist should assist with overseeing the City's benefits programs and tracking part-time employee hours as well as processing

performance appraisals and personnel transactions. Additionally, this position should provide direct support to employees and interpret and explain human resources policies, procedures, and laws as necessary. When needed, this position should compile data, research information, and prepare reports for the Director.

Recognizing the organization's needs, it is critical that the Human Resources Specialist have professional human resources experience. The estimated total annual compensation, including salary and benefits, for a Human Resources Specialist is approximately $73,554 - $88,204.

RECOMMENDATION 5: Establish an Employee Training and Development Program.
The City of Holland does not currently have a formal professional developing training program. In FY2013, the City Manager offered and facilitated a Middle Management Leadership Academy for employees, which was well received. During staff interviews and in the Employee Survey, comments were received regarding the lack of professional development training opportunities and opportunities for career advancement.

It is recommended that the City establish an Employee Training and Development Program. This Program should provide professional/managerial and technical training for employees. It may be beneficial to conduct an informal survey of employees to determine where training deficiencies or needs exist within the organization. Another option would be to look at performance reviews and look for common themes in terms of areas of improvement or professional development opportunities.

Investing time, energy, and funding into an Employee Training and Development Program can have long-term benefits for the organization. Development programs can improve job satisfaction as well as reduce employee turnover. [19]

Recognizing the limited number of staff within the Human Resources Department, it is not reasonable to expect HR staff to conduct all the training sessions and workshops, but staff will need to coordinate and schedule trainings and workshops. It is not unusual for organizations to outsource supervisory training. According to industry surveys conducted by the Society of Human Resources Management (SHRM), approximately 46% of organizations outsource training and development programs partially or completely. Many organizations base decisions to outsource on available expertise and service level expectations. The City may also find that they have in-house expertise in topics such as finance, technology, and communications. Other training opportunities may exist through the use of webinars, online training courses, and partnerships with the local higher education institutions in Holland and the surrounding area.

A good example of an employee development partnership exists between the City of San Antonio and San Antonio College. Through the City's Lunch and Learn program, employees can earn an associate's degree in public administration.

One of the priority areas for the program should be a Mid-Level Management and Supervisory Academy focused on developing the skills of aspiring and current managers as well as providing employees basic skill-based training and workshops. Establishing a formal Employee Training and Development Program provides employees with continuous educational opportunities and the organization with a trained and educated workforce.

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[19] Adapted from - *The Benefits of Employee Training and Development*

RECOMMENDATION 6: Establish an employee orientation program.
"After effective recruitment and selection, one of the most important ways that organizations can improve the effectiveness of their talent management systems is through the strategic use of onboarding."[20] Today the City of Holland does not have a formal employee orientation program. New employees come to HR to complete the standard new hire paperwork and review benefit and policy information. Any additional orientation of a new employee to the City sporadically happens within each individual department and is often not consistent. In talking with employees during interviews, a common theme arose. Staff was interested in having a more thorough orientation process and developing a better understanding of the organization and other departments.

It is recommended that the City establish a new employee orientation program. Simply providing the Employee Handbook and the regulatory paperwork is not the ideal way to effectively welcome new employees to the organization. Ensuring that employees are welcomed to the organization and provided the same level of consistent information about the organization, its mission and the culture is important. On average, one new employee is a hired a month. In addition, the organization has not seen many employees leave the organization, with turnover being relatively low. The chart below provides an overview of the number of new hires and turnover data since FY2013.

Table 14: Employee Data, FY2013 – FY2017

Employee Data	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 To Date
Total FTEs	207.7	202.8	203.8	207	210
Job Change	6	5	7	5	0
New Hires	9	12	10	14	1
Termination/Left Org	21	14	11	14	2
Turnover Rate	10%	7%	5%	7%	1%

An Employee Orientation Program should consist of two basic components orientation to the organization and orientation to the new department and job. Each provides the new employee with valuable and different information.

The organizational orientation should continue to include the traditional paperwork and benefit process and an orientation to the City as a whole (history, form of government, culture, handbook, etc.); other useful elements include a welcome letter from the City Manager, an organizational chart and the City's mission, values, and goals as well as the assignment of a "buddy" or mentor to serve as a guide or friend for the first weeks. Oftentimes, working in a municipal environment with its various departments and divisions can be daunting, and having a tour guide help navigate the waters can be helpful. Some organizations have also found ways to introduce or incorporate top leadership positions into the process, such as the City Manager or Assistant City Manager. For some employees, it provides a sincere welcome to the organization and may be one of the few opportunities to meet and talk to senior level executives.

During the Department/Job Orientation, the new employee's supervisor should provide an overview of the department's structure, responsibilities and culture. Important elements should include job duties, performance expectations, time to arrive at work, and other critical information to ensure a new employee has what they need to be successful in the position. A part of the conversation should also

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[20] SHRM Foundation's Effective Practice Guidelines Series, Onboarding Employees: Maximizing Success, 2010

revolve around the department's relationship with other departments and how information is communicated within the City. Introductions to coworkers within the department and throughout the organization are also important. The supervisor should provide the employee with a copy of their job description and review it with the new employee. An important part of this conversation involves ensuring the new employee understands what the job entails.

To ensure that new employee orientation is being conducted consistently throughout the organization annual training should be provided to supervisors each year. In addition, check lists and sign-off sheets should be completed by the supervisor during the orientation process and kept on file.

RECOMMENDATION 7: Require annual employee performance reviews for full-time and permanent part-time A/B employees.
One of the common concerns expressed by City staff during interviews and in the Employee Survey was that they did not have routine opportunities to discuss their progress with their supervisor.   Managers and supervisors are not being held responsible to ensure that they complete reviews in a timely manner, and reviews are not utilized to manage performance and guide professional development of employees.

The City of Holland utilizes a customized single page employee performance appraisal form. As outlined in the City of Holland's Employee Handbook, supervisors are to complete performance appraisals "with each employee on a regular basis to assist employees in clearly defining and understanding their responsibilities, provide criteria by which their performance will be evaluated, and suggest ways in which they can improve performance."[21] Additionally, the Employee Handbook outlines that reviews are to take place annually and more frequently if needed.

While the City has an identified employee performance review process, supervisors are not completing reviews consistently throughout the organization, with some employees not receiving a review for many years. In addition, most part-time A and part-time B employees do not receive performance reviews, even though many are considered permanent employees, receive benefits, and have been with the organization upwards of 20 years.

Recognizing that employee performance reviews can serve as an essential professional development and communication tool, it is recommended that the City of Holland require employee performance reviews annually for both full-time and permanent part-time A/B employees. The employee performance review process is a structured mechanism to ensure that supervisors and staff communicate about performance, expectations, and aspirations. The conversations that take place during the review process can strengthen management and employee relationships. The most effective performance review processes are those that are used as a professional development tool which supports employee development and organizational accountability.

The review process can be stressful for both the employee and supervisor. To eliminate some of the stress, best practices indicate that performance discussions should take place frequently. When this is done, the more formal review can be a summary of what has occurred throughout the reporting period.

To reinforce the organization's commitment to the completion of annual performance reviews, it will be vital for executive leadership to communicate their importance and explain that it is management's expectation that all supervisors within the organization complete reviews for those they supervise. The

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[21] City of Holland Michigan Employee Handbook, November 2014

organization can reinforce the importance of performance reviews, and alleviate a supervisor's fear and apprehension by providing training opportunities. Training sessions can be designed to provide supervisors with the tools and skills necessary to engage in productive and meaningful conversations with staff, techniques for tackling difficult conversations, and tips on how to provide constructive feedback.

RECOMMENDATON 8: Establish an Employee Recognition Program.
The City of Holland does not currently have a mechanism, outside of step increases and service awards, to formally recognize or reward employees, departments or work teams for exemplary work. In the Employee Survey, respondents noted (45%) that they had not received recognition and/or praise for their work performance; in addition, morale was a common theme raised throughout the open-ended questions.

Employee recognition programs can positively impact an organization's culture as well as boost morale, increase productivity, and reduce turnover. It is recommended that the City establish an employee recognition program aligned with the City's values and goals to reward and recognize outstanding performance.

Employees can be recognized in many ways such as through verbal recognition, certificates, plaques, gift certificates, and time off. Other ways to recognize employees can be through newsletters, on social media, on television, and publicly at meetings.

Forbes identified the following five best practices of employee recognition programs: [22]

- Recognize employees based on specific results and behaviors
- Allow peer to peer recognition
- Share recognition stories
- Make recognition easy and frequent
- Tie recognition to the organization's value and goals

When an effective and modern recognition program is implemented and people start thanking each other, trust and engagement increase – improving employee morale, quality, and customer service.[23]

City Clerk's Office
RECOMMENDATION 9: Track workload of all part-time employees in the City Clerk's Office to determine the most efficient allocation of personnel resources. The City Clerk's Office provides administrative services for all City departments and are often the first line of contact most citizens have with the City. Staff manage the welcome desk at City Hall and answer questions and direct visitors. The staff in the office is responsible for a wide-range of duties – and manages all the City's legal documents and is responsible for maintaining the City's permanent records.

Staff is responsible for all election activities in the City and administers all business licenses, process applications for tax abatements and liquor licenses and issues special event permits. The Clerk's Office is a passport acceptance facility for the community and processes Freedom of Information Act (FOIA) Coordinator requests.

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[22] Adapted from – "*New Research Unlocks the Secret of Employee Recognition*," Forbes, June 2012
[23] Adapted from – "*New Research Unlocks the Secret of Employee Recognition*," Forbes, June 2012

Currently the office has two full-time staff members – the Deputy City Clerk and an Administrative Aide. In addition to the full-time staff members, the office has five part-time staff members. Three are assigned to work in the office and two to the Welcome Desk at City Hall. The part-time staff in the office are assigned various jobs such as assisting with passports, managing the front desk, providing customer assistance and assisting with elections. Those assigned to work in the Clerk's Office work 28 hours a week. The two staff members working the Welcome Desk each work approximately 20 hours a week and are responsible for staffing the front desk at City Hall, greeting and directing visitors, answering the main City phone, and special projects as assigned.

The Clerk's Office has indicated a need for two additional staff positions, specifically to help with records and election tasks. While there is no doubt that the office is busy and responsible for a high number of tasks, it is difficult to quantify if additional staff is necessary as workload data is not readily available. Therefore, it is recommended that the City Clerk's Office begin tracking the workload of all part-time employees to determine the most efficient allocation of resources.

Tracking workload data can help provide decision makers with a complete picture of the type of work being completed, identify high need areas, and determine the true cost of an activity. Staff should begin capturing the following information:

- Hours worked (by day)
- Tasks/Projects completed
- Time involved with each task

To begin tracking workload, staff should determine what major work tasks and/or functions should be tracked; this can be done by looking at what tasks part-time staff members are most often completing or those that take up the largest amount of time. Sample tasks are included below:

- Agenda Posting
- Processing Passports
- Customer Service Tasks (answering the phone, directing the public, etc.)
- Filing/Records/Archiving
- Election Activities
- Liquor Requests
- Business Licenses
- Tax Abatements
- Special Event Permits

Staff should work with Human Resources and Fiscal Services to develop a detailed picture of the hourly cost of each part-time employee to determine the total cost attributed to each position. This data should provide a better understanding of needs throughout the year, and then be applied and adjusted during high traffic or busier times, such as during an election if part-time staff is working more hours. Ultimately, the goal of capturing workload data is to determine if it is more cost effective to hire full-time versus part-time employees or determine if additional staffing is warranted.

Once workload data is available, it may be determined that it is more cost efficient to have full-time staff versus part-time staff or the data may show that staff or work assignments may be assigned in a more efficient manner. Additionally, the data can be used to support future budget requests.

RECOMMENDATION 10: Issue an RFP for City-wide document archiving services as part of the City's effort to make all documents electronic and searchable.
The City Clerk's Office is responsible for managing, maintaining, and archiving the City's permanent records. Staff has been scanning current documents into the City's existing laser fiche system. Part-time staff has been able to keep up with the City's existing, day-to-day document retention needs; however, there is a backlog of the City's older documents currently in storage that have not been archived.

Staff estimate that 2,750 cubic feet of documents and records need to be archived. This translates to over 600 legal size boxes, each containing approximately 200 documents. Each document needs to be sorted, scanned, and archived.

In addition to the needs of the Clerk's Office, departments across the City have a need to digitize records that are taking up room in storage and that are of historical significance. These include documents such as as-built plans, infrastructure documents, building plans, and personnel records. Currently, these files take up a significant amount of space and require time to sort through and evaluate if records are requested.

The Clerk's Office has requested an additional staff person to assist with records retention and deal with the backlog for the City. However, because managing the backlog is a one-time task and part-time staff can keep up with the City's current document retention needs, it is recommended that the City issue an RFP for document archiving services to solicit proposals from vendors to address the archiving backlog. This should also include any needs from other City departments. Once the backlog is addressed and appropriate procedures for ongoing archiving throughout the organization are established, the City Clerk's Office should continue to maintain the records management system for the City.

There are several service providers that can assist with the City's document archiving needs. Services range from basic scanning to indexing documents to assisting with developing a records management program for the City. Costs will vary based on the number of documents and scope of contract. Once the digitization process is complete, the City should store existing paper files off-site to free up office space and provide an added layer of security in the event of fire or other disaster.

Technology Services
As mentioned previously, the Technology Services work group is included in the City's Internal Services Fund while Communications is included within the Management and Administration Department. Staff in both functional areas report to the Technology Services Director, who also spends 20% of the time serving as the Assistant to the City Manager. Staff is housed in three different locations (Technology Services, Public Safety and Communications), with the director being housed in the Manager's Office.

To maintain communication with staff, the Technology Services Director holds regular meetings with staff in both Communications and Technology Services. It should be noted that any time a supervisor is located away from staff, extra time and attention should be given to ensure that the supervisor is communicating effectively with staff, work is being completed in a timely manner staff, and that staff is being held accountable.

In addition to maintaining the City's hardware and servers, Technology Services staff assist with the troubleshooting of computers, managing the Technology Services Help Desk, and replacing and updating employee computers as needed. Staff also maintain and manage the City's Geographic Information System (GIS).

Currently the City uses a free technology work order system called Spice Works. However, Technology Services plans to upgrade their work order system this next budget cycle to one that is more user friendly for both the end user and Technology Services staff. Today, employees are bypassing the work order system and calling Technology Services staff directly with requests.

While the City has placed significant focus on maintaining and enhancing its technology infrastructure. However, there is a need to ensure these investments are identified, prioritized, and implemented strategically throughout the organization, taking into account the unique needs of each department as well as the entire enterprise.

RECOMMENDATION 11: Develop a formal Technology Services Strategic Plan to better address the organization's technology needs. The City of Holland has invested significant resources into upgrading the City's technology infrastructure over the past few years. This investment can be seen throughout the organization through the City's virtual IT environment, new phone system, updated equipment, servers, new software and staff that have equipment that can be accessed anywhere. However, projects have been addressed as needed, rather than with a long-term view in mind.

One of the most valuable tools that an organization can leverage to maximize the efficiency and effectiveness of government services is technology. Technology, when thoughtfully applied, facilitates communications and problem solving, streamlines workflow, and connects the government to the people they serve. As a result of these attributes, technology has evolved into a fully integrated element of local government service delivery. The nature of technology, however, creates two fundamental challenges.

First, effective technology management requires a high level of technical skill which in turn requires a high level of training. Second, technology evolves at an exponential rate, which not only requires a dedicated commitment to skill maintenance and new skill development, but thoughtful and consistent strategic planning. Dedicated IT strategic planning is necessary to ensure that costly IT purchases or upgrades are appropriately suited to an organization's specific needs and that the pace of technological evolution within an organization at least allows that organization to maintain support for its technology infrastructure.

Currently, the City does not have a process in place to systematically assess and identify the technology needs and priorities of the organization. As a result, IT hardware and software requests are evaluated annually within the constraints of the budget process without the benefit of a broader perspective to inform resource allocation priorities. This limits the ability of the City to centrally assess IT needs and, just as importantly, capacity to service new IT systems. For example, if departmental purchases are made without consulting staff in Technology Services, there is the possibility that the new technology will not be compatible with the City's existing operating systems, additional equipment or software may be necessary, and staff may not have the ability or expertise to support it after implementation.

It is recommended that the City develop and implement a City-wide Technology Services Strategic Plan to better address the organization's technology needs. A Technology Services Strategic Plan will assist staff in addressing the City's current technology needs and provide a mechanism for identifying the long-range software, hardware and technology priorities. A centralized approach will provide the City with a holistic picture of all technology needs, which in turn will help staff better plan for the future.

The development of the Technology Services Strategic Plan should be led by the Technology Services Director. However, the process should also engage departments and City management. This can be

accomplished by establishing a Technology Services Steering Committee. The committee should consist of representatives from throughout the organization, especially those areas which rely heavily on technology. The Steering Committee should be utilized to identify short and long-term technology services related issues, needs and opportunities and to develop and prioritize standards based on the City's strategic goals and operating needs.

The Steering Committee should be responsible for reviewing all technology requests and analyzing them within the context of those priorities and objectives. The Committee's analysis and recommendations would then be considered during the City's budget process. Once this occurs, funding requests can be incorporated into the budget process and the City's executive leadership can establish priorities and assist in the development of the strategic plan.

Fiscal Services

According to its mission statement, the Fiscal Services Department has responsibility for assisting management with financial planning and budgeting; recording, monitoring, and routinely reporting upon the City's financial activities; collecting and efficiently depositing all amounts owed the City; meeting all current and long-term liability requirements in a timely manner; providing due diligence in the administration of cash and investment management; equitably allocating the property tax burden and special assessments in accordance with City charter and state statutes; and maintaining a procurement system that provides a cost-effective method for obtaining quality goods and services for the City.

Department Structure

The Department is staffed by 11.9 full-time and 1.1 part-time positions. The following figure shows the reporting structure of the Department.
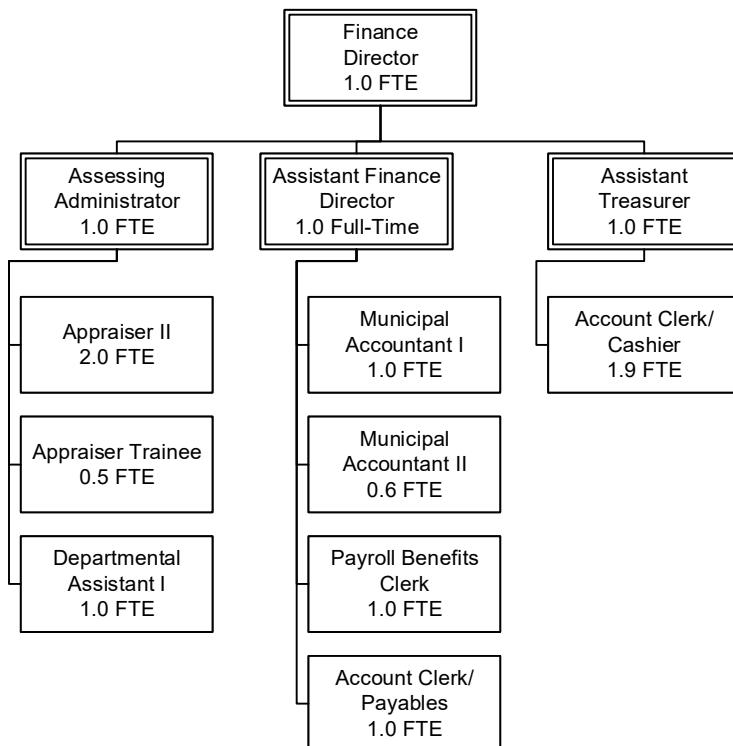

Figure 12: Fiscal Services Organizational Structure, 2017

The Department is organized into four divisions: Finance, Treasury, Property Assessing, and Purchasing.

The Finance Division provides payroll, budget, and accounting services to the City organization. The Division is responsible for compiling timesheet data from various departments and processing payroll. The Division is also responsible for managing the entire budget process, from preparing estimates and forecasts and processing departments' requests through budget management. Accounting services, including bank statement, purchase order, and receivables, are also the responsibility of this Division.

Reconciliations and collections are the purview of this Division. The Finance Division also provides the Fiscal Services Department with overall direction and support.

The Treasury Division is responsible for issuing property tax and utility bills and collecting various revenue sources, property taxes, utility bills, bus passes, rental housing fees, and dog licenses.

The Property Assessing Division is responsible for conducting an annual property reassessment for the City. The Division is staffed by the Assessing Administrator, two Appraisers, and an Administrative Assistant. The Division is also supported by some part-time assistance from summer interns.

The Procurement Division is responsible for managing the bid process and enforcing the City's Purchasing Ordinance. The functions of this Division are primarily performed by the Finance Director with the support of accounting staff.

Department Staffing

According to the City's budget documents, staffing levels in the Fiscal Services Department have decreased over the last five fiscal periods, as illustrated in the following table. Over the last five fiscal periods, the number of FTEs decreased by 2% while the number of part-time employees decreased by 19%. Overall, the Department's staffing level decreased by 0.5 FTE (4%). During this time period, the Department created the Assistant Treasurer position, decreased part-time clerical support, and decreased senior accounting support. The Percent Change column compares Actual FY2013 staffing to Authorized FY2017 staffing.

Table 15: Fiscal Services Department Staffing Trends, FY2013-FY2017

Department Staff	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Full-Time	12.15	12.95	11.95	11.90	11.90	-2%
Part-Time	1.35	0.60	1.15	0.60	1.10	-19%
Total	**13.50**	**13.55**	**13.10**	**12.50**	**13.00**	**-4%**

Department Expenditures

The following table illustrates the Department's expenditures over the last five fiscal periods, along with the percentage change since FY13.

Table 16: Fiscal Services Department Expenditure Trends, FY2013-FY2017

Budget Category	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Personnel Services	$963,947	$962,253	$960,885	$938,709	$949,806	-1%
Other Current Expenditure	$556,357	$413,586	$564,601	$25,463,208	$371,964	-33%
Capital Outlay	$13,911	$4,072	$109,741	$165,750	$0	-100%
Transfers Out	$1,063,836	$2,404,166	$615,821	$1,857,153	$256,000	-76%
Contingencies	$0	$0	$0	$0	$0	-
Total	**$2,598,051**	**$3,784,077**	**$2,251,048**	**$28,424,820**	**$1,577,770**	**-39%**

Overall, the Fiscal Services Department's budget decreased by 39%, or $1,020,281, over the last five fiscal years. The Capital Outlay budget category saw the largest percentage decrease while Transfers Out decreased by the largest amount ($807,836) between FY13 and FY17. The Other Current Expenditures budget category spiked in FY2016 due to bond proceeds.

The Fiscal Services Department serves as the fiscal agent for the following six organizations: Herrick District Library; Macatawa Area Express Transit Authority; West Michigan Airport; Holland SmartZone; and Holland Energy Fund. As fiscal agent, the Department is responsible for processing payroll, issuing payments, handling cash receipts, balancing bank statements, investing available funds, posting journal entries, and overseeing annual audits. In exchange for its services, the Department brings in approximately $100,000 in revenue from these non-City entities.

Analysis and Recommendations

Fiscal administration is a critical function of any organization. Highly functioning fiscal services departments achieve a balance between providing a high degree of fiscal control to ensure accountability while also creating the structure and support system necessary to enable departments to effectively and consistently manage financial issues.

The Fiscal Services Department has excelled in the areas of fiscal stewardship and control. The Department keeps accurate records, consistently applies financial policies, performs quality inter-fund cost accounting, ensures the City receives a good value when purchasing goods, and has developed strong internal controls.

While the Department excels at the most essential fiscal services functions, there are opportunities to enhance the support that it provides to the organization as well as improve its internal culture and work environment. The Fiscal Services Department received the second lowest score on the employee survey. Only 54% of Department employees are excited to go to work, and 62% are satisfied with the culture of the workplace. Approximately half of respondents believe employees in the Department cooperate as a team and that there is generally good teamwork and communication across departments.

By becoming a more customer-focused strategic partner, enhancing internal management and communication systems, and aligning staff to workload demands, the Department can begin to more effectively meet the needs of its customers and employees.

Fiscal Services Leadership

In order to survive the recent recession, it became necessary for the City of Holland's Fiscal Services Department, under the direction of the Council and City Manager, to introduce strict internal controls with the aim of constraining costs. It should be noted that the Department did so successfully, maintaining (increasing, in fact, by 32%) its General Fund Balance and successfully reducing its FTE count by 15% through attrition. However, as the City's economy recovers, it is necessary for the Fiscal Services Department to begin working to achieve a greater balance between control and support - limiting its role as a regulator and controller, while at the same time focusing on being more of a strategic partner within the organization. This section focuses on elevating the role of the Fiscal Services Department to that of a strategic partner that delivers value to the organization, rather than simply managing processes.

RECOMMENDATION 12: Transition the role of the Fiscal Services Department in the organization from process manager to strategic partner.

During the recession, many organizations changed the governance model of their finance function to be one of tighter control.[24] The goals of this change were enhanced compliance and control, increased operational efficiencies, increased coverage of financial risk, tighter cash management, and faster execution of Council directives. Basically, the Recession served to strengthen the role of many finance functions, and this holds true in the City of Holland. Following the Recession, the Fiscal Services Department provides strong centralized oversight of operating departments. However, as the economy recovers, it is an appropriate time to reevaluate the role of the Fiscal Services Department in light of the needs of a growing organization.

Finance as a function can play multiple roles. At its most fundamental level, the role of finance departments is compliance management. Finance departments are tasked with ensuring that all financial transactions meet both City-adopted policy and Generally Accepted Accounting Principles (GAAP). This most fundamental responsibility ensures the judicious and transparent use of public monies. Tax, audit, and treasury are examples of transactional, compliance-focused activities managed by many fiscal services departments.

Departments that focus on these roles as their core responsibility typically operate as regulators and process managers. However, finance departments are increasingly being called upon to serve as a strategic partner that takes an active role supporting departmental program administration and service delivery.

Becoming a strategic partner first requires an understanding of the needs of operational departments and the characteristics of the services provided by the Fiscal Services Department that customer departments value the most. Currently, the Fiscal Services Department is primarily focused on transactional services such as purchasing, accounts payable, accounts receivable, and accounting, but customer departments may desire additional assistance such as decision support and analysis. Fiscal Services staff have specialized knowledge and analytical abilities that may not exist within departments. Proactively providing assistance and insightful advice is one way the Fiscal Services Department could become more of a strategic partner that adds value to the day-to-day operational decision making that takes place within City departments.

Seeking input from and collaborating with departments is a critical way for the Fiscal Services Department to become more of a strategic partner. The Department should routinely engage in discussions to identify ways for Fiscal Services to support the needs of the organization. As the Fiscal Services Department seeks to understand the needs of its customer departments, it is helpful to determine which of the following characteristics customers most value from each service they receive: operational excellence, specialist knowledge, or customized service.[25]

Once equipped with a thorough understanding of the organization's needs, the Fiscal Services Department can then align itself to deliver accordingly. Much of this transition toward becoming a strategic partner will involve a shift in thinking within the Department. Employees will need to begin thinking of operational departments as customers and their role as one of support and partnership. The Fiscal Services Department should strive to be a "business within a business," driving a focus on customer

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[24] McKinsey and Company Report: How Finance Departments are Changing: McKinsey Global Survey Results (2009)
[25] Price Waterhouse Coopers Report: How to Design Finance as a Strategic Service-Delivery Organization

service and satisfaction, while still maintaining appropriate emphasis on sound financial policies and procedures.

Policies and Procedures

As has been discussed, the City of Holland weathered the Recession by embracing a strategy of fiscal prudence and constraint. During this time, strict policies were necessary in order to guide the City through this tough time. As the City emerges from the economic downturn, it is appropriate to revisit policies to ensure they support the environment in which the City is currently operating. The recommendations in this section aim to revise the policies and procedures associated with procurement to update and enhance the efficiency of the City's purchasing process.

RECOMMENDATION 13: Update the City's purchasing ordinance.
One of the key strengths of the Fiscal Services Department is fiscal stewardship, particularly when it comes to ensuring the City gets a good value when purchasing goods and services. This has been achieved through a structured purchasing process which centralizes control within the Fiscal Services Department. While strict internal controls serve to ensure that purchases comply with the adopted policies and legal requirements, inflexible restrictions that have outlasted their utility can inhibit an operating department's ability to deliver programs and services in a timely and efficient way.

Outdated or overly restrictive policies that do not properly take into account the practical needs of those delivering services can also create incentives for those departments to develop workarounds that allow them to meet their program needs. For example, a department in need of a piece of equipment or a supply to address an emergency situation may break up purchases into multiple invoices to alleviate the need to go through a protracted bid process that does not accommodate the immediate emergency need of the department. Though purchasing policies must serve as a firewall against the imprudent expense of funds, they must be structured in a way that reflects the practical needs of operating departments.

The City's purchasing policies are outlined in Article IX of Chapter 2 of the Code of Ordinances. These ordinances clearly outline the rules the Purchasing Coordinator is responsible for enforcing and define clear expectations regarding purchasing limits, bid and proposal requirements, and purchasing approval requirements for City departments and employees.

The last time the purchasing ordinance was reviewed and updated was 1998. Over the last 18 years the cost of goods and services has changed, and the types of tools and equipment that are relied upon to deliver services has evolved. Expensive and rapidly-evolving technological tools have become an integrated element of service delivery. These changes have impacted service delivery but the purchasing ordinance has not evolved to accommodate the changes.

It is appropriate for the City to review and update the City's purchasing policies to reflect the current operating environment and also adopt a practice of regularly reviewing and updating the policies. Ultimately, the focus of policy updates should be to expand the utility of purchasing rules to not only serve as a mechanism of control but also to provide service delivery support. The fundamental question is: what revisions are necessary to make it as easy as possible for program managers to obtain the tools, supplies, and equipment they need to deliver services while also ensuring that public monies are used responsibly?

The Novak Consulting Group reviewed the City's purchasing ordinance within the context of employee and departmental feedback regarding the advantages and disadvantages of current practice. That review indicates that there are a number of opportunities for purchasing policy adjustments that may better

connect departments with the resources they need to complete their work. The first and most significant opportunity relates to the City's purchasing limits and bid requirements.

According to Sec. 2-46, a minimum of two written quotations are required prior to purchasing supplies, materials, equipment, or services with a value between the amounts of $500 and $2,000, while a competitive bid is required for purchases between $2,000 and $10,000. City Council approval is required for purchases in excess of $10,000. The current practice of requiring multiple quotes for purchases over $500 is seen by many employees as inefficient. When asked for one thing they would change about the City or their department in the employee survey, three employees mentioned increasing the purchasing limits. Additionally, the issue of purchasing limits was also raised in employee interviews with the Parks and Recreation and Transportation departments. Employees had two main concerns when it came to these limits: the process of getting multiple quotes is time-consuming and it shifts the focus away from quality, solely to cost.

As previously mentioned, the purchasing ordnance was last updated in 1998. Between 1998 and 2017, the cumulative inflation rate, based on Midwest region Consumer Price Index (CPI) data,[26] is 43%. Taking that rate of price growth into account, the purchasing power of the City's $500 limit has decreased by nearly half. In addition, the inflation rate for specific goods used by the City may be even higher. For example, the cost of fuel has increased by 100% and the cost of services has increased by 56% since 1998. This means that departments are required to obtain bids far more frequently than they would have in 1998. This prolongs the amount of time required to complete projects, which has a detrimental impact on efficiency and productivity. The cost of this lost productivity and the potential negative impact on the customer experience is significant and should be proactively managed against. As such, it is appropriate for the City to increase its purchasing limits to accommodate inflation and limit obstacles to service delivery. It would also be appropriate to adopt a practice of regularly reviewing and adjusting those limits to reflect changing conditions. Based on inflation alone, the 2017 rate would be $716. Therefore a $1,000 purchasing limit would account for inflation while allowing the City to accommodate additional growth factors such as the increased reliance on technology-based tools.

Another inefficiency in the purchasing process is the limited use of contracts for commonly used goods or services. Employees in departments that purchase materials, supplies, or services on a regular basis (e.g., the vehicle maintenance function of the Transportation Department purchases vehicle parts on a regular basis) are often required to obtain three bids each time a purchase exceeds the $500 purchasing limit. They are required to engage in this procedural act even though it is usually clear, from experience, which company or service provider is going to provide the product they need, at the quality they require, and for the most appropriate cost. This creates unnecessary obstacles in the service delivery process. This obstacle can be addressed by engaging in a process of establishing annual or multi-year contracts with suppliers or professional service companies. For example, the City can issue an RFP for HVAC or plumbing services and firms can compete for the contract. This maintains competitiveness in the process while limiting unnecessary and inefficient procedural delays.

It should be noted that, recently, the Fiscal Services Department started facilitating this process for certain goods and services. For example, the Department has assembled requests for bids for electrical, elevator, and maintenance services (all separate contracts), the winning bidder of which any Department can use without seeking prices/quotes. The Department is currently considering going through the same process for plumbing and irrigation services. This practice provides an efficient way for departments to obtain

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[26] Bureau of Labor Statistics Consumer Price Index – Midwest Region Size Class B/C

frequently purchased goods and services and should be expanded in the future. Therefore, the City should consider expanding and making more comprehensive the existing process that is enabling the practice of developing contracts for commonly used goods and services.

Another procurement activity that should be simplified is procurement cards (p-cards). Currently, five p-cards are in use throughout the City. They belong to specific departments and must be signed out to be used. According to the Fiscal Services Department, these cards are most frequently used for online purchases or purchases from vendors with which the City does not already have an account established.

According to the GFOA, p-cards provide an efficient, cost-effective method of purchasing and paying for small-dollar as well as high-volume purchases. Such programs increase efficiency by reducing the volume of purchase orders, invoices, and checks processed. GFOA recommends that governments explore the use of p-cards to improve the efficiency of their purchasing procedures.

The City of Holland has been hesitant to expand its p-card program for two reasons: costs to the vendor and concerns of abuse. Credit card companies charge vendors when customers pay using a credit card. However, vendors typically pass this cost along to the customer eventually in the form of higher prices. For example, when the CNS Department began accepting payment by credit card, it simply raised fees. Vendors also realize benefits, including expedited payments, reduced paperwork, and lowered risk of nonpayment. The City' concerns regarding abuse are not in relationship to historical issues in the City, but rather the natural concern with decentralization. However, GFOA provides guidance to governments on appropriate controls to ensure the ongoing success of their p-card programs,[27] including written agreements with banks (including fee schedules, processing procedures, and security requirements), written policies and procedures for internal staff, and systems to ensure compliance with reporting regulations. The specific policies and procedures recommended for staff are detailed below:

- Instructions on employee responsibility and written acknowledgments signed by the employee
- Ongoing training of cardholders and supervisors
- Spending and transaction limits for each cardholder both per transaction and on a monthly basis
- Written requests for higher spending limits
- Recordkeeping requirements, including review and approval processes
- Clear guidelines on the appropriate uses of purchasing cards, including approved and unapproved Merchant Category Codes (MCC)
- Guidelines for making purchases by telephone and fax or over the Internet
- Periodic audits for card activity and retention of sales receipts and documentation of purchases
- Timely reconciliation by cardholders and supervisors
- Procedures for handling disputes and unauthorized purchases
- Procedures for card issuance and cancellation, lost or stolen cards, and employee termination
- Segregation of duties for payment approvals, accounting, and reconciliations
- Regular review of spending per vendor and merchant category codes

Updating the City's purchasing limits, expanding the existing practice of contracting for commonly used goods and services, and expanding the p-card program will increase the efficiency of the procurement function and improve the experience of the Fiscal Services Department's customers. Given that all of these processes are dictated by the City's purchasing ordinance, the City should initiate a review of its current

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[27] GFOA Best Practice – Purchasing Card Programs (approved by GFOA's Executive Board in 2011)

purchasing ordinance with an emphasis on support rather than control. Since the procurement process impacts all departments and many employees throughout the City organization, this review should be managed by the recommend Assistant City Manager position who will be tasked with working with the City's finance director and customer departments to develop a series of recommend policy adjustments to address both operating needs and the demands of fiscal stewardship.

Management Systems

Management systems are those policies, procedures, and processes used by an organization to ensure all required tasks are completed and expectations are met. Such systems provide the structure necessary to keep an organization running smoothly on a daily basis. The recommendation in this section focuses on enhancing management systems which are intended to improve communication and teamwork.

RECOMMENDATION 14: Enhance communication and interaction between Department staff by scheduling monthly staff meetings and routine one-on-one meetings.
In addition to the formal responsibilities of the position, the Fiscal Services Director has many informal responsibilities. For example, due to the broad nature of the work, the Fiscal Services Director is often asked to provide advice and guidance on many different topics and projects that do not directly involve the Fiscal Services Department. As a result, the Director spends a significant portion of time engaged in meetings and addressing issues that are external to the Department. While the Fiscal Services Director adds value to the organization in this way, this external focus can create obstacles to communication within the Department. This issue is further exacerbated by the fact the Department does not maintain a formal recurring all-staff meeting schedule.

Given the competing demands placed on the Finance Director and the need to maintain consistent two-way communication between finance staff and executive staff, it is appropriate to adopt highly intentional and structured communication practices to ensure that adequate communication occurs. Adequate communication does not simply involve management disseminating information to employees, it involves information traveling from management to employees and from employees to management. Two-way communication is critical for two reasons. First, line employees need a space in which to raise potential issues before they become full-blown problems. Second, management needs a space in which to solicit input from employees regarding policies, procedures, or projects, otherwise, when such input is not solicited, the result can be impractical, inefficient, or ineffective solutions. Having mechanisms in place to discuss issues, share information, and vet ideas from any level of the organization effectively multiplies the resources that an organization can draw upon to solve operational problems. In addition, good internal communication can impact employee engagement and morale by encouraging a sense of identification with the goals, mission and procedures of the organization. Good internal communication also has the potential for reducing day-to-day conflict as much conflict is generated by differing ideas on what is important to the organization.

Based on the results of the employee survey, the systems currently in place to ensure communication are inadequate, as evidenced by that fact that communication and teamwork are areas in which the Fiscal Services Department could improve. More than half of respondents do not believe important information about the organization is provided to them in a timely manner and more than two thirds believe decisions in the organization are not made in a timely manner. Additionally, more than 40% of respondents do not feel that employees in the Fiscal Services Department cooperate as a team.

Effective management systems integrate discipline into operations. They allow managers to avoid total crisis management, as the rigor of the system helps ensure regular meetings to discuss strategic issues

rather than the crisis du jour. There are a number of tools that can be leveraged to improve communication in the Department; ultimately, the process of determining which tools should be used and the frequency of communication must take into account the particular needs of the organization. Currently, employees learn about City-wide changes from the City Manager's weekly/bi-weekly memo. However, there is not a communication mechanism in place to share Department-specific information. Division-specific and Department-wide meetings do not happen on a regular basis.

Though use of technology can augment communication, it is also important for the Department to institutionalize interaction between Departmental leadership and personnel. This can be achieved by establishing a monthly staff meeting to identify and discuss issues and foster a shared understanding of the Department's vision and approach to responding to issues. Currently, the Department does not have regularly-occurring staff meetings. Specifically, the meeting will serve as a mechanism to discuss operational issues, department accomplishments, upcoming projects and programs, the status of ongoing projects, and ideas for improving the delivery of services. While Fiscal Services is a relatively small department, communication and collaboration can be improved by putting mechanisms into place. It is also recommended that each supervisor meet one-on-one with their direct reports on a routine (bi-weekly or monthly) basis to discuss progress and issues and to ensure that adequate communication and coordination is taking place.

Staffing

Fiscal Services is a relatively small internal services department, with only 13 FTEs. However, over the last 10 years the number of staff has decreased by two FTEs. This section aims to realign staff to meet the current needs of the Department.

RECOMMENDATION 15: Reclassify Account Clerk/Cashier position to an Accountant I position that will provide additional accounting support.
The Assistant Finance Director, Municipal Accountant I, Municipal Accountant II (part-time), and Accounts Payable Clerk provide accounting services to the City organization as well as the Herrick District Library, Macatawa Area Express Transit Authority, Board of Public Works, West Michigan Airport, Holland SmartZone, and Holland Energy Fund.

The Assistant Finance Director is responsible for managing the budget process, coordinating with auditors to complete the City's annual audit, and managing payroll. The part-time Accountant II manages employee benefits, audit preparation, accounting for the Holland Energy Fund, and reporting for Police Department and Housing and Urban Development grants. The full-time Accountant I is responsible for monthly reconciliations, monthly Council reports, and providing accounting support for the Macatawa Area Express Transit Authority and airport. The Accounts Payable Clerk is responsible for accounts payable, procurement, and some miscellaneous accounting tasks.

When the current Assistant Finance Director was promoted in 2013, her position (Accountant II) was backfilled as a part-time (0.6 FTE) position. The Assistant Finance Director kept some responsibilities that used to belong to the Accountant I position, such as managing the City's insurance program.

The current workload of the Assistant Finance Director is a concern for several reasons. First, time for quality control has been constrained. For example, the Assistant Finance Director has delegated some day-to-day budgeting tasks to the Account Clerk/Cashier positions. However, without adequate time to train these individuals, the opportunity for error increased. Second, the workload of the Assistant Finance Director is such that it is difficult to be proactive. Instead, activities are often prioritized by urgency rather

than importance. For example, rather than taking a leadership role early in the audit process by proactively working with departments on proper protocols, the Fiscal Services Department is instead forced to address inconsistencies on the back end. Third, as was previously discussed, the Fiscal Services Department's management systems are lacking and will require additional capacity at the management level. Finally, succession planning may be a challenge as the work/life balance is unsustainable and one individual may not be able to fill the position in the future. In summary, the Finance Division of the Fiscal Services Department requires additional accounting capacity.

The Treasury Division currently has two Account Clerk/Cashier positions (1.9 FTEs total) that process payments and reconcile and distribute funds. The cashier function is responsible for reviewing and depositing all funds for the City as well as the organizations for which the City is the fiscal agent. The cashier function also directly processes all property tax payments and all payments that come into the CNS Department. In fact, 0.1 FTE is allocated to construction inspections.

The workload of the cashier function fluctuates throughout the year, with a peak in May followed by busy summer months and another peak in November. The Department needs these two positions in order to meet demand during busy periods. However, during slower periods one Cashier is sufficient if other Fiscal Services Department personnel were cross trained to cover breaks and leave. The Department should be commended for attempting to leverage the additional capacity that currently exists in the cashier function during slower periods. For example, the function assists the Finance Division by completing some routine budget activities, such as posting budget amendments. However, the usefulness of the available capacity of the cashier function is limited because it is not appropriate to assign specialized work to these positions, and the amount of general administrative support needed is limited.

The additional capacity that exists within the cashier function could be more fully utilized by reclassifying one of the Account Clerk/Cashier positions to an Accountant I position. This change would enable the following responsibilities to be assigned to the reclassified position:

- Complete daily accounting tasks currently delegated to the Account Clerk/Cashier position
- Take a leadership role in the audit by providing departments with the preparation and training necessary to accurately provide the information necessary for the annual audit
- Provide the City's property, casualty, and vehicle insurance program (City is self-insured) with the necessary support, including coordination with the City's insurance broker
- Reconcile refuse and recycling accounts – a responsibility that was recently assigned to the Fiscal Services Department without explanation and the Department has not had time to thoroughly understand this new role
- Provide support as needed to the cashier function

Reclassifying one of the Account Clerk/Cashier positions to an Accountant I position would cost an estimated $8,300.[28] It should be noted that the Department has historically leveraged interns during busy periods when one Account Clerk/Cashier was out of the office and this approach could still be used to provide sufficient coverage as need. This new position would report to the Assistant Finance Director.

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[28] Assumes Accountant I base salary of $39,853 and Account Clerk/Cashier base salary of $33,613 and benefits of 32.9%

Transportation

The Transportation Department is responsible for maintaining the City's infrastructure assets, including streets, sidewalks, storm systems, bridges, and tunnels. Other utility-related assets, such as water and wastewater, are managed by the Board of Public Works (BPW). In addition to this infrastructure, the Department is also responsible for maintaining the City's vehicle fleet and equipment, although BPW performs its own vehicle and equipment maintenance. According to the City's budget, the mission of Transportation is "to maintain and enhance the City's street system, alleys, sidewalks, and storm drain systems by providing street maintenance equipment and human resources, and provide design and construction administration services for City capital projects so as to provide a transportation network essential to maintain the commercial, industrial and residential base of the City."

Department Structure

The Department currently consists of approximately 27.0 full-time and 1.82 part-time positions, as illustrated in the following figure.
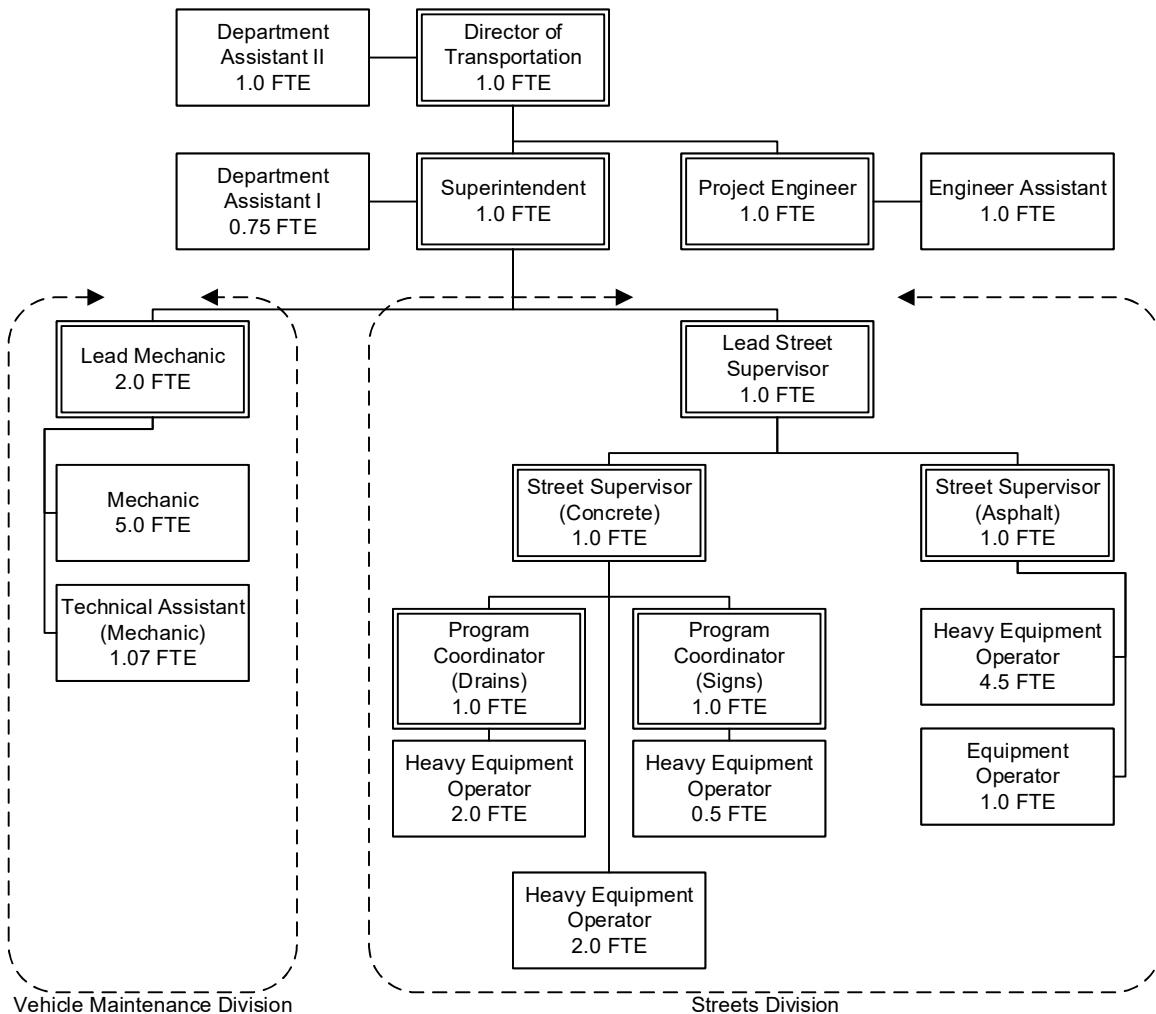
Figure 13: Transportation Organizational Structure, 2017

The Department is organized into three primary functional divisions: Management and Engineering; Vehicle and Equipment Maintenance; and Streets.

The Management and Engineering Division is responsible for coordinating the Department's operations, including capital planning and asset management efforts, performing asset inventories and condition assessments, developing the Department's annual budget, providing in-house engineering design for small-scale projects, and performing contract management functions for projects managed by the Department. These functions are performed by four full-time employees, including the Director, a Project Engineer, Engineer Assistant, and a Department Assistant II.

The Vehicle and Equipment Maintenance Division provides preventative maintenance and repair services on over 780 active vehicles, rolling stock, equipment, and vehicle attachments. This inventory includes vehicles and equipment from all City departments (excluding the BPW), as well as service for the MAX Bus transit system. Staff also perform inventory control and procurement functions for parts. These functions are performed by seven full-time staff, including two Lead Mechanics and five Mechanics, as well as three part-time staff, including a Department Assistant I and two part-time Mechanics.

The Streets Division performs regular maintenance and improvement on the City's infrastructure assets, including asphalt repair and potholing, concrete flatwork and sidewalk/curb repairs, and storm sewer inspections and maintenance. These staff are also principally responsible for seasonal functions and special programs, such as snow plowing, the annual Spring Cleanup and Fall Leaf Collection programs, and setting up and tearing down amenities for the annual Tulip Time festival. Sixteen full-time staff are dedicated to these functions, including the Superintendent, Lead Street Supervisor, two Street Supervisors, two Program Coordinators, nine Heavy Equipment Operators, and one Equipment operator.

Department Staffing

The City's budget indicates that the Transportation Department's authorized staffing levels have remained relatively flat since FY2013, with most growth occurring in Part-Time positions. This is attributable to the Department's practice of creating the Department Assistant I position in FY2015. The table below illustrates Transportation staffing trends as described in the City's FY2017 budget. Percent Change column compares Actual FY2013 staffing to Authorized FY2017 staffing.

Table 17: Transportation Department Staffing Trends, FY2013-FY2017

Department Staff	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Full-Time	26.46	25	25.2	26.16	27.16	3%
Part-Time	2.85	2.65	3.45	3.5	3.65	28%
Total	**29.31**	**27.65**	**28.65**	**29.66**	**30.81**	**5%**

It is important to note that the City has historically allocated for some positions in other departments to the Transportation Department based on their function, such as portions of the Community and Neighborhood Services Director and Communications Assistant's time related to municipal airport management. As a result, total staffing trends as described above do not always correspond to the actual number of positions located in the Transportation Department. The Department's current staffing is approximately 30 positions consisting of 27 full-time and three part-time staff.

Department Expenditures

The following table illustrates the Department's expenditures over the last five fiscal periods, along with the percentage change since FY2013.

Table 18: Transportation Department Staffing Trends, FY2013-FY2017

Budget Category	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Personnel Services	$2,117,437	$2,331,460	$2,264,529	$2,301,817	$2,412,713	14%
Other Current Expenditures	$5,074,088	$4,139,887	$3,996,608	$3,988,351	$4,064,641	-20%
Capital Outlay	$671,158	$663,957	$494,768	$1,243,864	$808,100	20%
Transfers Out	$2,004,098	$1,812,650	$4,111,753	$11,178,141	$4,286,798	114%
Depreciation Expense	$973,111	$985,090	$970,055	$997,300	$997,300	2%
Contingencies	$0	$0	$0	$0	$0	-
Total	**$10,839,892**	**$9,933,044**	**$11,837,713**	**$19,709,473**	**$12,569,552**	**16%**

Over the last several fiscal years, most of the Department's core cost drivers have remained relatively consistent. While personnel services costs have increased 14% primarily due to higher wages, other expenditures including supplies and maintenance have declined 20%. Much of the growth in expenditures is due to increases in Transfers Out, particularly in the Motor Vehicle Highway Major Streets fund, Allegan and Ottaway County Road Tax Funds, and the Street Improvements Reserve Fund. These funds help pay for the cost of major street and bridge infrastructure improvements.

Analysis and Recommendations

The Holland Transportation Department currently engages in a number of best practices and maintains a solid foundation in several asset management and condition assessment techniques. This is particularly notable with respect to street and stormwater infrastructure, which receive regular condition assessments and for which the Department maintains active, detailed GIS layers. These regular inventories and condition assessments continue to inform the City's capital improvement process, and the Department currently maintains a street improvement plan which describes planned street projects through 2021.

In addition to these efforts, the Department receives broad praise from both internal staff and supervisors as well as external customers. This is particularly notable regarding fleet maintenance functions, which were praised both for the quality of services rendered as well as the quality of equipment provided. The Department is well-supplied and its facilities are in excellent condition. Broadly speaking, the Department does not appear to lack physical amenities, and staff are well-equipped to perform their duties and tasks.

While these strengths speak to the Department's ability to understand its core responsibilities and deliver effective services, there are several opportunities to build on these successes. Notably, the Transportation Department averaged relatively low scores on the Employee Engagement survey. Approximately 40% of respondents disagreed with positive statements about the City and Departmental culture, while 31% of Transportation respondents disagreed with positive statements about their work environment. When

asked about these issues during interviews, staff articulated concerns with staffing levels, compensation, and a perceived disconnect between perceptions of Transportation at City Hall compared to work that staff actually perform. Management can begin to address these concerns through proactive efforts to further define the Department's responsibilities and explore more efficient staffing arrangements. It is important for the Department to apply existing asset management practices to other core infrastructure and work planning efforts, develop more robust management systems for Department staff, reorganize several core functions into a General Services Division, and develop additional staff capacity where appropriate.

The following analysis and recommendations describe workload trends and processes in the Department's major functional areas, as well as staffing, process, and management practice improvements which will enhance the Department's operations. Some of the recommendations identified in this report are echoed in a recent strategic planning effort conducted by the Strategic Planning Group for Parks and Recreation and Transportation in January 2016.

Asset Management and Work Planning

While the Department operates with solid street and stormwater asset management practices, other assets maintained by the Department are not tracked or evaluated with the same rigorous standards. The following recommendations are intended to inform and build upon existing asset management and work planning practices to help the Department more effectively and consistently maintain City infrastructure.

RECOMMENDATION 16: Create a Comprehensive Asset Management Plan.
Asset management is the practice of identifying infrastructure assets under the Department's control and tailoring maintenance activities, repair, and replacement to maximize the useful life of each asset. Effective asset management requires knowing what assets exist and the current condition of those assets to formulate effective maintenance work plans. By knowing what assets are under its control and effectively planning and performing maintenance activities, the Department will extend the useful life of the City's assets. This in turn reduces the likelihood of asset failure and maximizes the efficiency of infrastructure spending.

The Transportation Department's current asset management plans revolve around two primary infrastructure systems: streets and stormwater. The Department captures and records information about these assets using Environmental System Research (ESRI) ArcGIS™ software to track each asset's location, attributes, and condition.

According to the Department's 2013 Asset Management Plan for Pavements, there are approximately 150 center line miles (365 lane miles) of street and roadway infrastructure in the City. Over half of these streets (53%) are local City roads, an additional third (33%) consist of major City roads, and the remainder (14%) consist of State trunkline roadways. The City also records a variety of characteristics regarding each roadway, such as its composition, segment length, and each street's overall condition.

Roadway condition assessments are performed according to the Pavement Surface Evaluation Rating (PASER) scale, which was developed by the University of Wisconsin-Madison Transportation Information Center. The PASER system utilizes a 1-10 scale to rate the condition of roadways. On this scale, a rating of "1" indicates the roadway has failed and must be completely reconstructed, whereas a rating of "10" indicates the roadway is in excellent condition. The Department currently inventories each street segment yearly and assigns the segment a condition rating, which is incorporated into the GIS system.

The Department's Stormwater Master Plan describes the City's existing stormwater infrastructure and its current condition. This plan was most recently updated in 2014 and provides an overview of the existing stormwater system's major components, including the location of stormwater assets (structure, pipes, channels, and other conveyances), as well as hydrologic and hydraulic analysis of precipitation and rainfall, an overview of Federal stormwater regulations as applied to Holland, a Capital Improvement Plan, and stormwater development standards. According to the Stormwater Master Plan and subsequent inventory efforts, the Department manages approximately 1 million feet of stormwater pipes; 400,000 feet of open channels; 22,000 feet of culvert pipes; 10,000 manhole, catch basin, and inlet systems; and 105 stormwater outlet discharges into Lake Macatawa or other jurisdictions.

Stormwater condition assessments are performed using a mixture of visual inspection techniques for structures (manholes, inlets, culverts) and closed-circuit television (CCTV) video footage. Structural condition rating standards from the National Association of Sewer Service Companies (NASSCO) provided the basis for rating the condition of structures and pipes. NASSCO condition assessment ratings are assigned on a scale of "0" or "1" for assets in excellent condition with no defects, to "5" for assets which have completely failed. The Department's Stormwater Program Coordinator annually surveys approximately 10% of the City's stormwater assets using CCTV to enable continuous condition assessment updates. These video files are then connected to each stormwater segment in the GIS system.

While the Department currently maintains asset management plans for street and stormwater infrastructure as described above, it is important to unify essential information about all assets in one document, which can be updated over time to record changes and analyze trends. To accomplish this, the Department should create a Comprehensive Asset Management Plan which includes information about the City's infrastructure assets including streets, stormwater, sidewalks, and signs, as well as other capital assets including fleet vehicles, capital equipment, and facilities.

For each of these assets, the Comprehensive Asset Management Plan should provide an inventory, the asset's estimated cost/investment, its condition, and maintenance history. Additionally, it is important to expand the scope of the Asset Management Plan to describe activities, procedures, and goals the Department will utilize to maintain and replace assets, including relevant policies and standards that inform lifecycle considerations.

The Comprehensive Asset Management Plan should also provide contextual detail on how assets under the Transportation Department's control intersect with assets under the control of BPW and the Parks and Recreation Department. Where maintenance activities between these assets could conflict, such as cutting into streets to maintain utilities infrastructure, the Comprehensive Asset Management Plan should describe appropriate procedures, notifications, and operational criteria which minimize unnecessary disruption and maximize inter-departmental coordination. Additionally, opportunities for these Departments to collaborate on asset management activities and practices (such as video capturing condition assessments) should also be identified and explored as part of the asset management process.

Finally, effective asset management planning records actual installation and maintenance costs associated with infrastructure to facilitate accurate analysis of infrastructure costs. Rather than rely on depreciated value to describe infrastructure assets, the Department should utilize actual historical maintenance and repair costs to describe past and anticipated future maintenance activities. This will allow for better comparisons between expected maintenance costs and past maintenance costs, which will help better inform efforts to forecast the cost implications of maintenance and replacement activities.

RECOMMENDATION 17: Create additional asset management and condition assessment inventories for sidewalks and street signs.
While the Department possesses detailed knowledge about its streets and stormwater infrastructure as described above, other assets are not completely inventoried or inspected, including street signs and sidewalk infrastructure. While the Department has inventoried 160 miles of sidewalk and has begun the process of inventorying street signs, it is difficult to quantify these assets and their current condition. As a result, the Department's ability to formulate comprehensive work plans to adequately maintain all of its infrastructure is limited.

It is recommended that the Department create comprehensive sidewalk and sign inventories which substantially mirror the existing inventories for streets and stormwater. These inventories should capture relevant information about each asset, such as its location, attributes, date of installation, date last maintained, and current condition. This information should be incorporated into the Comprehensive Asset Management Plan, as well as GIS layers and be made accessible to Department staff operating in the field.

Capturing condition information is also critical to ensure high-priority maintenance needs are properly identified and incorporated into the Department's regular work plan. Several methodologies exist for assessing the condition of sidewalk infrastructure, all of which consider structural imperfections such as cracking, spalling, slope degradation, vertical displacement, and obstructions. Compliance with the Americans with Disabilities Act (ADA), particularly regarding sidewalk ramp and end point accessibility, should also be considered as part of a robust condition assessment.

The Town of Bethlehem, New York provides an excellent comparable case study to the City of Holland regarding sidewalk condition assessments. Like the City of Holland, the Town of Bethlehem uses PASER to rate its streets and ArcGIS software to record information about its assets. In 2010, the Town created a rating system for sidewalks modeled after the PASER rating system. This system rates the condition of sidewalk pavement on a scale from 1 (Failed) to 9 (Excellent) and specifies criteria which merit each rating, such as vertical edge inconsistencies, cracking, aging, spalling, and horizontal separation.[29] The Town also assesses ramps for compliance with ADA standards, and targets non-compliant ramps for repair and replacement. This information is then added to the Town's GIS system and made publicly available.[30] Leveraging a similar condition assessment system will allow the City of Holland to identify and map degraded sidewalk infrastructure throughout the community and then appropriately plan and budget for maintenance and replacement costs.

Several condition assessment methodologies may also be applied to street signage. A 2008 toolkit published by the Institute of Transportation Engineers titled "Tapping into the Power of a Traffic Sign Inventory to Meet the New Retroreflectivity Requirements" outlines five specific strategies and accompanying case studies, including visual nighttime inspections, measured sign retroreflectivity, expected sign life, blanket replacement, control signs, and other methods based on engineering studies. While a combination of these strategies may be viable for the City of Holland, the toolkit notes that the

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[29] The latest accessible version of the Town's sidewalk evaluation manual is available at:
http://www.townofbethlehem.org/DocumentCenter/View/3042
[30] The Town's latest online sidewalk inventory and condition assessment basemap is available on ESRI's website at:
https://www.arcgis.com/home/item.html?id=1260b66567264e648a72f1a92be507b2

"sign inventory was a powerful tool that could be used to streamline the use of any of the assessment or management methods." [31]

Creating inventories and condition assessments for these assets is critical to understanding the full scope and cost of the Department's maintenance responsibilities. Unless the full extent of assets under the Department's control is known and quantified, it is difficult to understand the amount of work that must be performed to maintain these assets. Performing condition assessments at the time of inventory and continually updating these assessments will provide the Department with a more complete picture of its future workload and the ability to prioritize maintenance needs.

Additionally, the creation of these inventories and incorporating sidewalk and sign assets into the Department's regular asset management practices will help to ensure the City remains compliant with applicable Federal standards. This is particularly relevant for sidewalk ADA compliance, as well as for sign reflectivity standards outlined in the Federal Highway Administration's Manual on Uniform Traffic Control Devices. Allowing infrastructure to lapse out of compliance with these regulations could potentially place the City at risk of lawsuits or other penalties. An active inventory and condition assessment program will help to ensure that the City is effectively managing and maintaining these assets.

While the Department may choose to utilize existing staff to create these asset management plans, it is also appropriate to issue an RFP for these services. This approach was most recently utilized in 2014, when the City contracted with Fishbeck, Thompson, Carr and Huber, Inc. (FTCandH) to conduct the 2014 Stormwater Master Plan update. Utilizing a third-party contractor allows the Department to offload significant workload involved with initial inventory and condition assessment tasks. After this work is completed, staff will be responsible for continually updating the inventory and condition information as part of a regular work plan.

RECOMMENDATION 18: Create a formal departmental work plan which captures annual capital projects as well as routine maintenance activities for Department assets.
Aside from capital improvement planning related to streets and stormwater, the Department engages in little formal work planning. Some tasks are planned by the Street Superintendent in conjunction with staff, including CCTV inspections of storm drains and concrete/sidewalk repairs. While these efforts to determine workload activities in advance are commendable, the Department does not currently maintain an annual work calendar, and many tasks are prioritized based on complaints, including potholing, asphalt repair, and clearing storm drains.

The lack of a formal annual work plan presents several challenges for the Department because it prevents supervisors from effectively assigning staff to maintenance tasks which present the highest priorities for repair. While the nature of the Department's work will always include responding to reactive complaints, it is important to establish an annual work plan which describes the regular maintenance activities that must occur on each asset to extend its useful life.

A Department-wide work plan presents two key benefits to Transportation staff. First, it serves as a master schedule of preventative maintenance tasks. By compiling a list of all preventative maintenance tasks that need to be accomplished in a given year, the Department will be able to create work schedules which provide maximum staff capacity when work needs to be performed. This is particularly important for tasks

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[31] The full toolkit is available on the Federal Highway Administration's website at:
https://safety.fhwa.dot.gov/roadway_dept/night_visib/retrotoolkit/pdfs/AB08H243-2Ellison.pdf

with seasonal components, such as potholing and asphalt repair, which takes place primarily during warm summer months.

Secondly, a formal work plan serves as a tool for scheduling projects that involve staff in multiple departments or across different Transportation divisions. During periods of peak staff demand, such as the annual Fall Cleanup program, Transportation staff will be able to more accurately estimate total staffing needs and coordinate with other departments to secure additional labor.

To create the work plan, the Department should determine when regular maintenance activities for each asset should occur to preserve the asset's functionality and minimize the risk of failure. This will generate a list of tasks that should occur at regular intervals, which should then be scheduled on an annual basis. When compiling this schedule, it is important to consider major seasonal activities which contribute heavily to the Department's overall workload. For example, snow plowing constituted a significant portion of the Department's staff time in 2016, as illustrated in the following table.

Table 19: Streets Division Staff Major Activities by Hours Billed, 2016

Major Activity	2016 Staff Hours	Percentage of Total Time
Snow Plowing	5,011	19%
Stormwater Drain Cleaning	3,949	15%
Potholing/Street Repairs	3,643	13%
Street Sweeping	2,867	11%
Fall Cleanup Program	2,198	8%
Sidewalk Maintenance	1,508	6%
Pavement Cuts	1,215	4%
Sign Maintenance	1,193	4%
Right-of-Way Mowing	1,079	4%
Parking Lot Maintenance	1,002	4%
Pavement Marking	961	4%
Spring Cleanup Program	923	3%
Tulip Time Program	569	2%
Billed to Other Departments	361	1%
Alley Maintenance	266	1%
Parking Deck Maintenance	111	<1%
Parks	97	<1%
Stormwater Engineering	58	<1%
Tunnel Maintenance	56	<1%
Total	27,067	100%

It is essential to budget sufficient staff time to attend to seasonal activities throughout the year as appropriate, while also performing maintenance tasks that can be accomplished year-round as regularly as possible.

By scheduling known priority maintenance tasks throughout the year, the resulting work plan will create a formal performance benchmark for the Department. As these tasks are assigned to staff, managers and supervisors will be able to create individual work plans for their staff. This provides each division and staff

member with a mechanism to show how they are achieving the goals of the comprehensive work plan each year, and provides a useful performance benchmark for gauging employee performance.

Without an effective work plan, Department staff will be more frequently pulled into reactive maintenance tasks without knowing what preventative maintenance has been missed or delayed. This creates deferred maintenance on assets and decreases their useful life, which ultimately increases the City's costs by requiring asset replacement on a faster schedule.

RECOMMENDATION 19: Effectively fund the City's street improvement program.
As previously mentioned, the Department annually performs condition assessments on each street segment using the PASER scale. The following figure illustrates the number of road miles in Poor, Fair, and Good condition according to the PASER scale over the last 10 years.
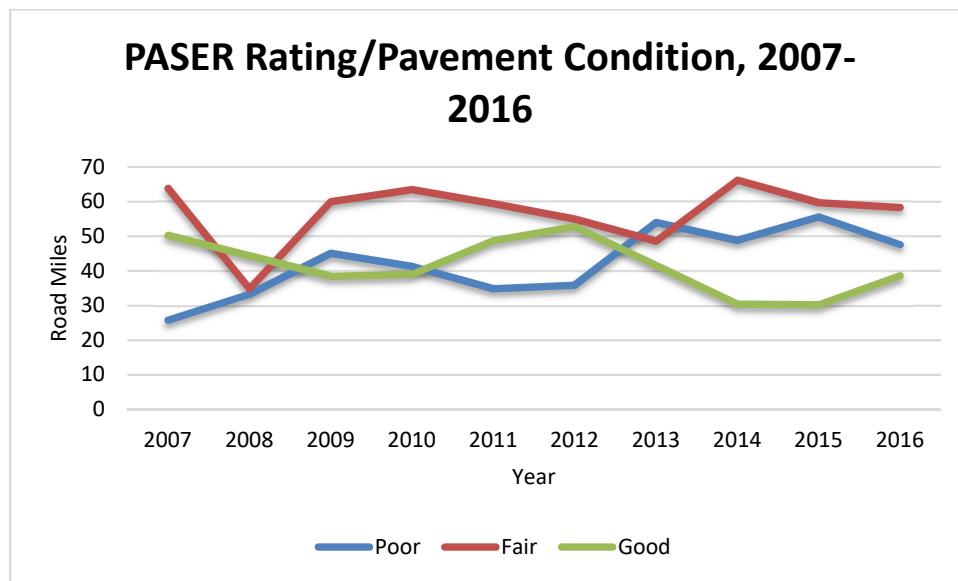
Figure 14: Road Miles by PASER Rating, 2007-2016

While the number of road miles rated in Fair condition has remained relatively flat over this period, the number of miles rated in Good condition declined 23%, from approximately 50 road miles in 2007 to under 40 road miles in 2016. Conversely, the number of road miles rated in Poor condition has increased 85%, from approximately 25 miles in 2007 to nearly 48 miles in 2016.

These trends point to an overall decline in the condition of the City's roadways. This trend is confirmed in the Department's analysis of average PASER ratings across all road segments. In 2007, the average PASER rating of all road miles was 5.68. This rating has declined to 4.88 as of 2016.

There is a strong correlation between the condition of roadways and the amount of investment in street infrastructure. Over this same 10-year period, the number of road miles resurfaced or reconstructed has fallen from a high of 13.05 miles in 2007 to approximately 7.02 miles in 2016. The following figure compares road miles receiving a poor PASER rating to road miles resurfaced or reconstructed each year.
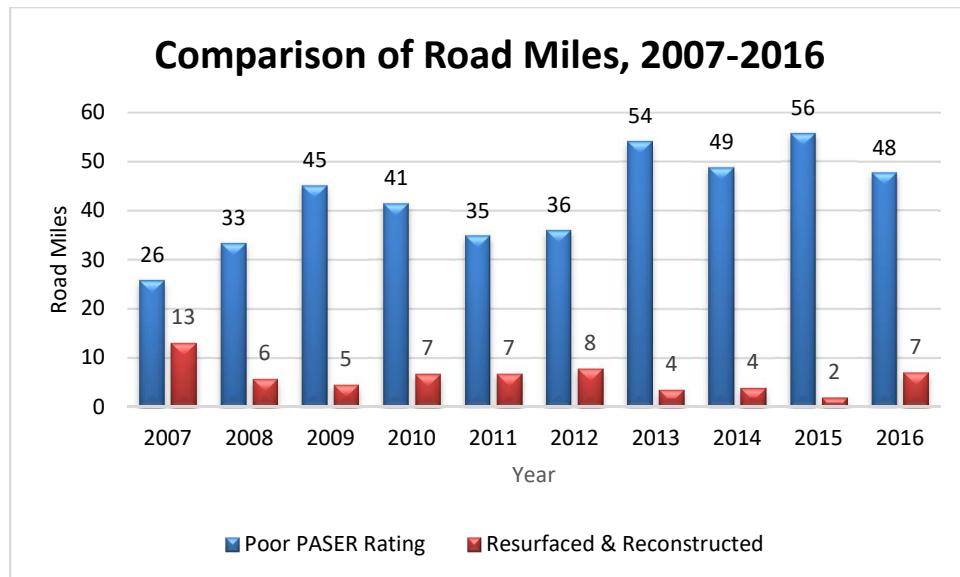
Comparison of Road Miles, 2007-2016

Figure 15: Road Miles Receiving Poor PASER Ratings Compared to Road Miles Resurfaced and Reconstructed, 2007-2016

The divergence between investment in roadway repairs and increases in poor pavement condition is notable beginning in 2013. The decrease in road repair projects is primarily attributable to increases in asphalt costs and the completion of reconstruction projects in the downtown area related to the snowmelt system. In 2016, the City was again able to repave and resurface approximately 7.02 roadway miles, compared to 1.86 roadway miles the previous year.

It is critical to continue regular investment in the City's paved infrastructure in order to maximize useful pavement life. While new pavement deteriorates slowly at first, degradation increases rapidly after approximately seven years of age. Other factors (such as heavy use, weather, and surface treatments) also accelerate deterioration. The following figure illustrates typical pavement condition patterns relative to the pavement's age.[32]

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[32] USDOT Pavement Preservation Compendium II, Principles of Pavement Preservation: Definitions, Benefits, Issues, and Barriers. United States Department of Transportation.
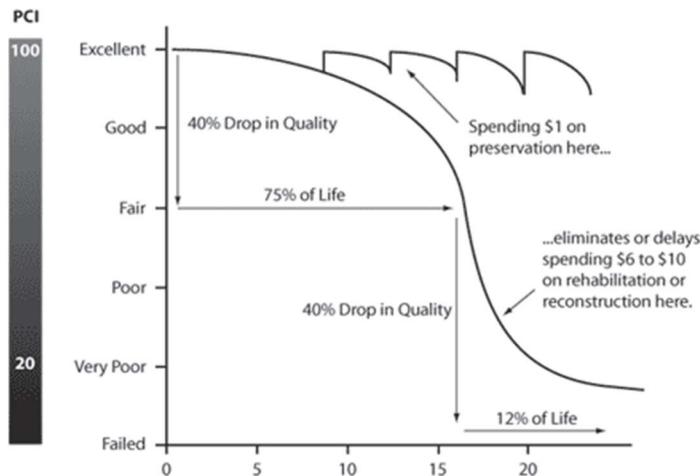http://www.fhwa.dot.gov/pavement/preservation/ppc06.pdf

Figure 16: Pavement Condition to Age Curve[33]

As illustrated by the figure above, it is generally less expensive to proactively preserve and maintain pavement than to defer maintenance, because deferring maintenance usually results in more expensive repairs (such as complete reconstruction) later on.

Recognizing the importance of regular pavement maintenance, it is recommended that the City continue to ensure capital street reconstruction and resurfacing projects are properly funded and executed in future years. Wherever possible, the City should continue to utilize intergovernmental funds to help offset direct maintenance costs. In 2017, the State of Michigan raised gasoline and diesel taxes for road improvement projects. Collectively, these tax increases are expected to generate approximately $460 million per year,[34] and a portion of these funds will be distributed to municipalities. In addition to increased available State funding, the City is also eligible to receive funding assistance from Allegan and Ottaway Counties for road repairs. These sources should be leveraged to the greatest extent possible in order to create sufficient funding resources for completing future road repair projects.

The Department's 2016-2021 street improvement plan calls for expanding the number of road miles for resurfacing and reconstruction, as illustrated in the following table:

Table 20: Proposed Reconstruction and Resurfacing Road Miles, 2017-2021

Year	Reconstruction Road Miles	Resurfacing Road Miles	Total Road Miles
2017	2.49	6.88	9.37
2018	1.68	7.98	9.66
2019	1.5	8.39	9.89
2020	0.75	7.2	7.95
2021	2.05	7.35	9.4

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[33] USDOT Pavement Preservation Compendium II, Principles of Pavement Preservation: Definitions, Benefits, Issues, and Barriers. United States Department of Transportation. http://www.fhwa.dot.gov/pavement/preservation/ppc06.pdf

[34] http://detroit.cbslocal.com/2017/01/01/2017-brings-new-funding-for-michigan-roads-with-higher-gas-prices-vehicle-registration-fees/

If completed as scheduled, the lane mileage involved in these reconstruction and repair activities will exceed the Department's previous efforts over the last five years. This represents a major commitment to improving the overall quality of City streets and should be pursued to ensure the City's roads remain serviceable for the longest time period possible.

Notably, the 2016 Parks and Recreation and Transportation Strategic Plan recommends establishing a street management plan which services all streets once every 20 years, and funding the plan with an additional $2.25 million per year. Implementing this recommendation will further strengthen the Department's ability to manage and maintain streets infrastructure in a timely manner, potentially avoiding costly reconstruction projects.

Management Processes

The following recommendations describe management practices and processes which will help improve accounting, data collection and analysis, and working conditions for Department staff.

RECOMMENDATION 20: Establish cost accounting for major functional areas and programs using fully-burdened labor rates.

Since 2002, the Department has computed total annual costs associated with some special programs, such as Spring Cleanup and Fall Leaf Collection. These costs include labor, vehicle and equipment usage, and disposal fees associated with composting yard waste at facilities operated by Chef Container and Brewer's Sand and Gravel.

Typically, these costs are shown as a combined equipment and labor cost which the Department categorizes as "Street Department Costs," while disposal fees are categorized as "Disposal Costs." The following table illustrates total program costs as computed by the Department over the last several years.

Table 21: Cost of Spring and Fall Cleanup Programs Provided by Department, 2012-2016

Spring and Fall Cleanup Program Costs	2012	2013	2014	2015	2016	Percent Change
Street Department Equipment and Labor	$177,249	$167,824	$185,423	$194,433	$192,943	9%
Disposal Costs	$19,181	$17,538	$28,178	$39,334	$49,016	156%
Total Cleanup Program Costs	$196,430	$185,362	$213,601	$233,767	$241,959	23%

This information enables staff to compare the cost effectiveness of these programs and to identify emerging trends. For example, comparing program costs in 2016 to those in 2012 illustrates an overall increase of 23% to provide these services to the community. While equipment and labor rates have fluctuated from year to year, the cost of waste disposal has increased by approximately $10,000 each year since 2013.

Although this analysis is insightful, it is also incomplete because the Department does not utilize a fully-burdened labor rate to determine total labor costs. Rather, the current labor rate calculation is based only on the hourly rate of participating employees, which does not include taxes, benefits, and other overhead.

While information about equipment and labor costs associated with these programs over the last several years was not readily available, the Department provided a breakout of total labor hours and total

equipment costs for the 2016 Spring Cleanup and Fall Leaf Collection programs. To compute fully-burdened labor costs, the hourly wage of workers assigned to these programs was multiplied by a benefits factor of 32.9%, which was provided by the City's Finance Department. This calculation provides an estimated total compensation rate for each staff member. However, the specific hours worked by individual staff members for these programs were not readily available. To estimate total labor costs, the average fully burdened hourly rate of staff involved in these programs was calculated, amounting to an estimated $32.88 per hour. This rate was then applied to regular and overtime hours associated with each program in order to estimate total labor costs, as summarized on the following table.

Table 22: Estimated Total Cleanup Program Costs Utilizing Fully-Burdened Labor Rate, 2016

Cost Category	Regular Labor Rate	Fully-Burdened Labor Rate	Percent Change
Labor Costs	$76,166	$104,730	38%
Equipment Costs	$116,777	$116,777	0%
Disposal Costs	$49,016	$49,016	0%
Total	$241,959	$270,523	12%

This estimated rate is approximately 12% higher than the Department's current program cost calculation. In order to accurately estimate the cost of service delivery, it is important to utilize data which reflects all known cost drivers, including fully-burdened labor rates. Without this information, the Department cannot provide accurate cost estimates and may lose sight of ancillary overhead costs associated with program and service delivery. Accurately quantifying this information is critical to ensure that elected officials, staff, and the public understand the full financial impact of service delivery.

To achieve this, the Department should engage in comprehensive cost accounting practices which contemplate the fully burdened labor rate utilized to provide services. It is notable that the Department has already laid the groundwork for engaging in cost accounting activities by tracking costs associated with special programs. Additionally, the Department's labor rate computation for Mechanic staff includes hourly rates, fringe benefits, and other overhead such as workspace in the Transportation facility. These information tracking practices are essential to proper cost accounting, and should be applied across the Department's service areas.

Developing a comprehensive cost accounting system will require the Department to perform similar labor, equipment, and other overhead calculations for major activities or expenditures, such as asphalt maintenance, concrete and sidewalk repair, vehicle and equipment maintenance, Tulip Time, and seasonal/special programs. This will require staff to track hours associated with major activities as well as equipment utilized, supplies procured, and other associated costs which contribute to the total cost of service delivery. While staff may be tracking this data in many cases using paper forms and timesheets, this data will be more readily accessible if the Department adopts an annual work plan and implements a comprehensive work order system, as described in this section of the report.

The advantage of program cost accounting is that it allows the Department to better articulate the total cost of service provision. This information can play an important role in future budgeting decisions and inform decisions regarding the Department's service levels. Knowing the full cost of service delivery will also help the Department prioritize current and alternative service methodologies, such as adding or modifying program offerings and evaluating alternatives such as contracting for service.

RECOMMENDATION 21: Issue an RFP to procure an electronic work planning system for Transportation and Parks and Recreation staff.

Department staff currently have the capability to generate work orders for fleet and equipment maintenance activities using Truck Tracker software; however, staff primarily utilize handwritten work orders which are entered into the Truck Tracker program by administrative staff. Personnel in the Streets Division do not utilize work orders; they record their major activities manually. This information is then transcribed by the Department Assistant into the City's New World system for financial and payroll reporting purposes.

Other departments, such as Parks and Recreation, also have outstanding needs for an electronic work order system. The forestry, cemetery, parks, and recreation maintenance functions all currently plan and assign work using paper-based or verbal systems. Some crews, such as forestry, then document completed work electronically for tracking purposes.

In recent years, the BPW has utilized a work management program called Cityworks™ by Azteca Systems. While it is conceivable that both the Transportation and Parks and Recreation Departments could leverage this system for their own work management needs, the BPW is in the process of transitioning away from Cityworks to identify an alternative electronic work management system.

The lack of a uniform, electronic work order system prevents these Departments from accurately measuring workload and process times. Additionally, the manual components of the current work order process are redundant and create opportunities for human error. While staff appear to be capturing some relevant data using current procedures, such as payroll hours associated with major activities, it is difficult for staff to compile this data into a usable format suitable for analysis.

To address these concerns, the City should invest in a work planning system which will enable staff to electronically create, assign, and track the status of work orders. It is most advantageous for the City if all of these departments utilize the same work planning system. Due to the cost and sophistication of these systems, contracting with a single vendor who can meet all of the City's needs presents an efficient way of meeting this demand at a reasonable cost. Procuring individual work order systems for each department compounds the number of vendors, introduces unnecessary complexities and discrepancies in how departments record work orders and track time management, and requires additional staff to oversee contracts and manage software.

At the time of this writing, the status of the BPW's efforts to select a new work planning solution could not be ascertained. If possible, the BPW should select a software solution which can be leveraged by Transportation and Parks and Recreation to account for their specific work planning needs. The total cost of the work planning system can then be proportionally divided among all departments, for example by dividing licensing costs by the total number of software users in each department.

If it is not feasible to leverage BPW's chosen software solution, then the Transportation and Parks and Recreation Departments should collaborate with the City's Information Technology staff to issue an RFP for work planning software. The RFP should identify core software components desired by the Departments, including electronic work order management, time tracking capability, the ability to generate and respond to outside customer service requests, and the ability to associate labor, equipment, and other overhead costs with work processes.

It must be noted that implementing a standardized work order system will require cultural and process changes in these departments. It is likely that staff will require training in order to effectively utilize the software, and some staff may be resistant to different ways of requesting and reporting on routine work tasks. However, the benefits for the organization are significant. A dedicated software system will allow supervisors and managers to periodically review work order activity and adjust work planning/staffing considerations to meet service demands as necessary. Digitizing this process will also reduce the likelihood of transcription errors and streamline the process of entering information for reporting purposes. If implemented and utilized correctly, work order systems can result in time savings (especially for administrative staff) while reducing error, increasing reporting accuracy, and improving customer service.

RECOMMENDATION 22: Develop a safety training program for Transportation employees.
The Transportation Department currently offers one safety training event for staff members each year, which has covered topics such as confined space training and general worksite safety protocols. While the Department's practice of offering annual training is important, the Human Resources Department is currently in the process of formulating a City-wide training program. Last year, the Council allocated approximately $15,000 in funding for the creation of a formal contract with the Board of Public Works for a collaborative safety training program. This program includes some specialized training components for Parks and Recreation staff and Transportation staff involved in heavy equipment operations. While these training efforts represent an important first step towards a comprehensive safety training program, it is important to provide adequate training opportunities to departments with specific safety training needs.

Due to the specialized nature and physical risks associated with much of the work in Transportation, it is appropriate to develop a dedicated safety training program focused on unique aspects the Department's work. This will require the Department to strategically approach its existing annual training practice by creating a safety training calendar which complements the City's wider efforts to encourage workplace safety.

According to the APWA, it is a best practice for public works organizations to provide safety training information which corresponds to Occupational Safety and Health Administration (OSHA) standards. This information typically consists of the following elements:

- Specific content as required by regulation
- Manufacturer's recommendations (as applicable)
- Manufacturer's operations, service and maintenance manuals (as applicable)
- Overview of employer's written safety program, practices and policies
- Specific hazards related to a process, operation, vehicle, machinery, equipment, etc.
- Evaluation of employee's ability to understand and perform their assigned tasks
- Employee access to a qualified trainer to explain technical material and employer-specific requirements

In addition to annual training, safety instruction should be offered whenever new equipment is purchased to ensure staff are familiar with its functions and potential dangers. Additionally, as staff engage in cross-training efforts, it will be important for the Department to offer applicable safety training on a case-by-case basis to prevent injury while workers learn and develop new skills.

In the event that the Department's injury rate begins to rise, the Department should work with Human Resources to identify the root causes of injury and offer additional training as needed to improve worker safety and reduce potential liability to the City.

General Services

Many of the Transportation Department's core services, particularly those associated with vehicle and equipment maintenance functions, are provided to internal City customers. There is a natural synergy between these activities and other internal service functions, such as building and facilities maintenance, which can benefit from a consolidated approach to staffing, billing, and work planning. The following recommendations are intended to reorganize these functions to maximize the City's internal service delivery through efficient organizational structures and staffing.

RECOMMENDATION 23: Create a General Services Division responsible for facility and fleet maintenance functions.
Facility maintenance is currently performed by a variety of staff in several Departments. These staff are responsible for regular facilities repair, including heating, ventilation, and air conditioning (HVAC) repairs, light structural repairs, general building maintenance, snow removal around facility walkways, and light custodial services during the day.

The following table illustrates current facilities maintenance positions and their respective service areas. While the Civic Center currently has one full-time Senior Building Custodian and one part-time Custodian, these positions will change due to the upcoming renovation associated with that facility. The full-time Senior Building Custodian will be assigned grounds maintenance work for recreation facilities, and the part-time Custodian position will be eliminated. Due to these changes, these positions are not included in the following table.

Table 23: Current Facilities Maintenance Staff

Position Title	Employment Status	Area of Responsibility
Senior Building Custodian	Full-Time	City Hall
Facilities Coordinator	Full-Time	Parks and Recreation
Building Custodian	Full-Time	Police Department

It should be noted that these staff are primarily responsible for performing routine maintenance and repair work, including preventative maintenance activities. Complex repairs, time-intensive maintenance tasks, and equipment/systems replacement are currently contracted out to third-party service providers. However, several of these staff also provide manual labor assistance in other capacities for each facility. For example, the Senior Building Custodian at City Hall assists with booking room reservations and setting up rooms for meetings.

There have been recent efforts to centralize facility maintenance functions into a division in the Parks and Recreation Department; however, a full consolidation of these functions and staff has not yet occurred. For example, the Senior Building Custodian at City Hall previously reported to the Director of Community and Neighborhood Services, but has since been transferred to the Parks and Recreation Department and reports to a Park Supervisor. Additionally, while the Building Custodian in the Police Department performs maintenance functions similar to the Facilities Coordinator and Senior Building Custodians, this position operates independently from other facilities maintenance staff.

The effort to centralize facility maintenance functions is appropriate and represents an effort to streamline service delivery. However, consolidating facility maintenance staff in the Parks and Recreation Department potentially complicates internal service delivery for the City. Rather than locate these functions in the Parks and Recreation Department, it is recommended that the City create a General Services Division in the Transportation Department to coordinate vehicle maintenance and facility maintenance for all internal services customers.

Although fleet and facilities assets differ in many respects, both functions require effective capital planning and purchasing, proactive replacement budgeting, and contracting for highly skilled and technical services. Both functions – fleet and facilities - benefit from accurate cost accounting to ensure appropriate internal service fees are charged to departments, and centralizing these functions supports efforts to provide consistent service delivery and capitalize on economies of scale. Lastly, because these functions primarily serve internal City departments, they may be supported by internal services funds.

A General Services Division will be able to capitalize on all of these synergies to provide centralized, coordinated internal services to City departments. To create this division, facility maintenance staff should be transferred to the Transportation Department, as illustrated in the following figure.
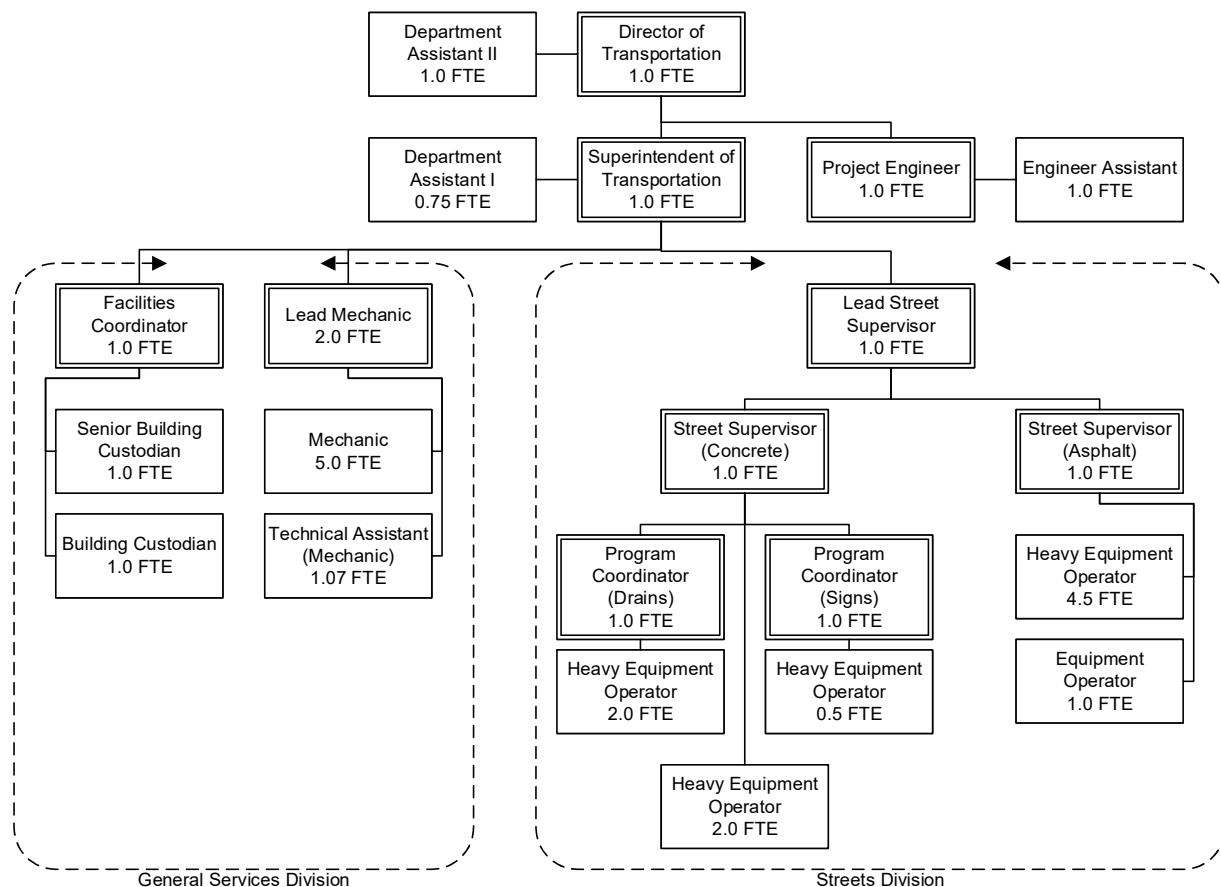

Figure 17: Proposed Location of General Services Division in the Transportation Department, 2017

Combining fleet and facilities functions will result in several process efficiencies for the City and the Department. First, these functions will be able to share existing inventory space in the Transportation facility, and staff involved in inventory control and procurement will be able to meet the needs of both functions. This is described in greater detail in the subsequent recommendation.

Centralizing these functions also creates opportunities for additional cross-training and shared service delivery between facilities and fleet maintenance staff. For example, the Department's Mechanics currently transport some customer vehicles to and from departments when they are due for service. This reduces the amount of time Mechanics spend servicing vehicles. It is conceivable that facility maintenance staff may be able to perform some of these transports during regular maintenance activities at various City buildings.

The Department's mechanics also provide fabrication services to meet various vehicles. This capacity to create unique items could potentially be leveraged by facility maintenance staff to meet generic needs, such as constructing ramps or other miscellaneous items which may be used in facilities or in the process of performing maintenance activities.

The largest benefit realized from creating the General Services Division is the centralization of internal maintenance functions into a single organizational unit. This presents the City with a unique opportunity to streamline accounting, management, inventory, and workload in these units to ensure internal maintenance activities are tracked, billed, and performed consistently.

It is appropriate to assign supervisory duties for facilities maintenance functions to the existing Superintendent of Transportation. The Superintendent's current span of control consists of three staff, including two Lead Mechanics and the Lead Street Supervisor. The addition of the Facilities Coordinator position does not significantly increase the Superintendent's supervisory responsibility. It is not necessary to create additional administrative capacity to effectively supervise General Services Division functions given the size and scope of existing operations.

Assigning responsibility for General Services to the existing Superintendent also presents other opportunities for the Department's management to participate more proactively in planning for and managing internal services operations. This is particularly true for the Department Director and the Superintendent regarding the Department's capital planning, asset management, and work planning efforts. Should the scope of General Services and its operations expand over the long term, the Department may wish to explore the viability of creating a dedicated management position for this division. In the near term, assigning General Services personnel to the Superintendent presents the most effective operational solution at minimal cost.

RECOMMENDATION 24: Transfer existing facility maintenance staff to the General Services Division.
As part of the effort to consolidate facility maintenance services, it is important to evaluate the staffing level associated with these functions. Determining appropriate staffing for facility maintenance activities is heavily dependent on several factors, including the skills of existing personnel, the number and types of facilities to be maintained, the amount of traffic and usage each facility experiences, the specific systems installed in each facility (such as boilers, electrical systems, plumbing, and HVAC), and the age of each facility and its component systems.

One accepted practice is to estimate staffing needs based on the square footage of space to be maintained by City staff. The International Facilities Management Association (IFMA) provides useful benchmarking

ratios to help organizations determine facility maintenance technician staffing needs. These ratios are based on the criticality of the specific facilities, their age, and the condition and complexity of the systems being maintained. Given the types of buildings for which General Services staff will maintain, an appropriate ratio is 50,000 square feet per technician based on IFMA benchmarking standards.

The General Services Division will be responsible for maintaining approximately 28 City facilities, including City Hall, the Civic Center, the Transportation facility, the Degraaf Nature Center, Windmill Island, and various other warehouses, barns, and public restrooms. Collectively, these facilities encompass approximately 504,870 square feet. Applying the IMFA technician ratio to this square footage yields an estimated staff requirement of 10.1 facility maintenance technicians, as illustrated on the following table.

Table 24: Estimated Facility Maintenance Staffing Needs, 2017

Facility Maintenance Staffing Calculation	Quantity
Total Square Footage of City Facilities	504,870
IFMA Ratio (Square Footage per Technician)	50,000
Estimated Number of Technicians Needed	10.1

This estimate is approximately 7.1 more facility maintenance staff than are currently employed by the City. However, it is important to consider that the IFMA standards contemplate full facility maintenance services, including specialized equipment service and replacement. As described above, the City's facilities maintenance staff currently perform preventative maintenance and light repair functions, while heavy repairs and system replacement are contracted out. This is not an uncommon practice, and it provides the City with the flexibility to perform routine maintenance in-house without having to employ highly specialized maintenance staff.

To evaluate the practice of contracting for these services, it is useful to compare recent contractual costs for facility maintenance services to the estimated cost of hiring additional staff. Based on the last two calendar years of annual expenditures, the City spends approximately $200,000 per year for contracted facility maintenance, as illustrated on the following table.

Table 25: Expenditures Associated with Annual Facility Maintenance by Contractor, Calendar Years 2015-2016

Facility Maintenance Contractor Expenditures	2015	2016	Average
Allied Mechanical	$25,499	$26,344	$25,921
Haveman Electrical	$44,526	$36,290	$40,408
Reimink Plumbing	$21,304	$30,087	$25,695
Grand Valley Automation	$0	$11,014	$5,507
Evergreen Sprinkling	$45,060	$132,525	$88,793
Unema Plumbing	$18,759	$2,385	$10,572
Holland Electric Motor	$0	$0	$0
Total	$155,148	$238,645	$196,896

The average annual total compensation of the City's Senior Building Custodians is approximately $63,800 per year. Assuming seven skilled facility maintenance technicians are hired at an equivalent salary, the estimated cost associated with filling these positions is approximately $446,600 per year, or more than double what the City currently spends to contract for advanced facility maintenance services.

Given the cost savings associated with contracting out for specialized work, it is recommended that the City transfer existing facility maintenance staff to the General Services Division and assign supervisory responsibilities for the Senior Building Custodian and Building Custodian positions to the Facilities Coordinator. The Facilities Coordinator's responsibilities for irrigation will be backfilled as described in the Parks and Recreation section of this report, creating additional capacity for this position to assume facility-related maintenance and supervisory duties.

In the near term, this arrangement will allow facility maintenance staff to develop operational procedures, inventories, and work plans while continuing to contract out major work. Over the long term, it will be the Facility Coordinator's responsibility to provide insight and guidance regarding facility maintenance staffing. One way to accomplish this is to determine comprehensive maintenance needs using an inventory of the City's buildings and component systems, similar to the asset management and condition assessment inventories described previously. This inventory can then be utilized to create a formal preventative maintenance schedule which describes annual maintenance tasks. After tracking activity times using a work order system, it will be possible to estimate the total number of hours needed to accomplish preventative maintenance tasks.

The City is currently contracting with a third-party consultant to perform this inventory and create an accompanying preventative maintenance program. The City expects the inventory and preventative maintenance schedule to be complete by the second quarter of 2017. Once complete, this tool will provide a reliable mechanism for planning facility maintenance work and informing decisions regarding General Services staffing needs.

Facility maintenance staff should also utilize the Department's work order system (as described previously) to track workload, process times, and to ensure they provide services to other customers in a timely manner. This is particularly appropriate for Parks and Recreation and City Hall, where Facility Maintenance staff may be called upon to help set up facilities and/or perform facility repairs and alterations for special events.

RECOMMENDATION 25: Refine work planning priorities in the Vehicle and Equipment Maintenance Division to include inventory control and procurement.
The second major area associated with General Services functions is the City's fleet maintenance operation. The Department's Vehicle and Equipment Maintenance Division currently consists of nine staff, including two Lead Mechanics, five full-time Mechanics, and two part-time Mechanics. These staff are currently responsible for over 780 discrete active vehicles, rolling stock, equipment, and vehicle attachments.

The Department's existing vehicle and equipment inventory does not consistently identify assets by type, such as whether the asset is a vehicle, rolling equipment, stationary equipment, or a vehicle attachment. However, the inventory does include service hours associated with each asset, and the Department was able to provide a three-year history of service hour data for each asset.

To analyze this data, The Novak Consulting Group categorized fleet assets according to their class (e.g., vehicle, equipment, and attachment) and examined the service hours associated with each class. According to this analysis, the Department maintains 225 active vehicles, and vehicles account for 29% of fleet assets. However, vehicles require significantly more service attention than other assets, accounting for 77% of annual service hours on average over the last several years. The following figure illustrates service hours spent on active vehicles as well as equipment and vehicle attachment assets.
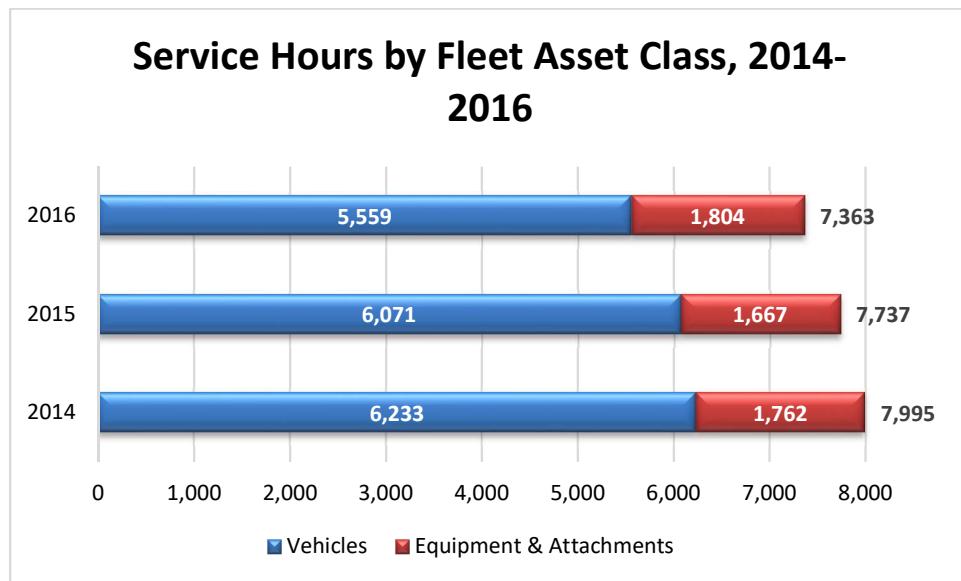
Service Hours by Fleet Asset Class, 2014-2016

Year	Vehicles	Equipment & Attachments	Total
2016	5,559	1,804	7,363
2015	6,071	1,667	7,737
2014	6,233	1,762	7,995

■ Vehicles ■ Equipment & Attachments

Figure 18: Service Hours by Fleet Asset Class, 2014-2016

On average, 7,700 annual service hours are required to perform fleet maintenance functions at the Division's current service level. However, other activities associated with fleet maintenance also require staff time, including administrative time for Lead Mechanics to complete paper work orders and reconcile invoices, as well as time associated with vehicle pickup and delivery. While historical data regarding these activities was not readily available, the Department supplied a breakout of staff time devoted to these tasks in 2016. Adding this time to regular maintenance time indicates the total number of staff hours required to perform fleet maintenance functions approaches 11,000 hours per year.

In a typical year, the Department's full-time Lead Mechanic and Mechanic staff are available to work 1,893 hours each due to leave usage, or approximately 13,254 hours collectively. In addition, part-time Mechanics work no more than 2,080 hours per year collectively. Adding these values results in 15,335 total available staff hours for fleet maintenance activities.

Subtracting actual fleet maintenance time from this estimate leaves approximately 4,373 hours of available staff capacity, or approximately 2.3 FTE. The following table summarizes staff hours currently required to deliver vehicle maintenance services at the current service level, along with potentially available staff capacity.

Table 26: Fleet Maintenance Function – Staffing Calculation, 2017

Fleet Maintenance Staffing Calculation	Estimated Hours Required
Required Fleet Maintenance Activities	
Vehicle and Heavy Equipment Service	5,954
All Other Equipment and Attachments Service	1,744
Administrative Time	2,236
Vehicle Pickup	482
Vehicle Delivery	545
Total Fleet Maintenance Activity Hours	**10,961**
Annual Available Mechanic Hours	**15,335**
Excess/(Deficit) Hours	4,374
Excess/(Deficit) Hours as FTE	**2.3**

This analysis indicates that fully staffing the Department's current fleet maintenance operation requires 5.8 Mechanics (10,961/1,893), or effectively six Mechanics on staff. As stated previously, the Department currently employs seven total full-time Mechanics and two part-time Mechanics, totaling nine positions (approximately 8.0 FTE). This indicates Vehicle and Equipment Maintenance staff may have excess capacity to devote to other tasks.

The Department currently relies on Mechanics to perform ancillary work which is not readily quantifiable, such as fabrication, snow plowing, inventory control, and procurement. Fleet maintenance operations also commonly carry some excess staff capacity so that service levels can be maintained during periods of peak demand. Based on this analysis, it is recommended that the Department maintain existing staffing levels for fleet maintenance functions even after consolidating these staff in General Services.

While a more robust work order and time tracking system will enable the Department to more effectively analyze staffing levels in future years, there are three important ways that fleet maintenance staff can utilize excess capacity. The first option is to find additional work for Mechanics to perform by bringing in outside work, as described in the 2016 Parks and Recreation and Transportation Strategic Plan. The Department does not currently maintain fleet vehicles owned by the BPW; however, it may possess the capacity to take on some or all of this workload depending on the size and complexity of BPW's fleet. To properly evaluate the viability of this option, the Department must have a thorough grasp of its actual excess capacity, as well as the total labor hours represented by the addition of new vehicles to its usual workload.

A second option involves streamlining activities to maximize available service time, and applying this excess capacity to new services. For example, dedicating part-time staff to vehicle pickup and delivery functions would eliminate the need for full-time Mechanics to engage in this practice, increasing their actual available time to make repairs. This would allow the Department to increase its level of service by conducting more rigorous preventive inspections at the time a vehicle is brought in for repair. Procurement and inventory control is another area which would benefit from more dedicated staff attention, as discussed in the following recommendation.

A third option which meets an unfilled need in the Transportation Department is to realign work planning priorities to place additional emphasis on procurement and inventory control. The Department currently maintains a dedicated inventory room, and its existing fleet management software has electronic barcode and inventory control capabilities. Additionally, staff report the Department currently possesses the

necessary barcode scanner and related tools to create a fully operational electronic inventory. However, inventory control practices remain largely paper-based and are difficult to evaluate.

Inventory control and procurement activities are currently performed by a Lead Mechanic, which is not the highest and best use of this position. As a supervisor, the Lead Mechanic's primary responsibilities should involve coordinating workload for Mechanics and ensuring fleet maintenance is performed adequately and on-schedule.

Rather than assign these functions to a supervisory staff person, it is recommended that the Department designate a Mechanic position to undertake inventory control and procurement responsibilities. This will allow the Lead Mechanic to devote more time to supervision, repairs, and quality control, while simultaneously utilizing available capacity to solve an important need for the Department's staff.

The inventory control and procurement Mechanic will be responsible for creating an electronic parts inventory using the Department's current technology, managing and maintaining the inventory and proper inventory controls, and assisting with future procurement efforts. In addition to inventory and procurement responsibilities for fleet and equipment maintenance, this position should undertake inventory and procurement duties for facilities maintenance staff as well. Finally, this position will also be responsible for the disposition of excess inventory, including equipment and vehicles which have reached the end of their service life.

Assigning a Mechanic to this position creates advantages for the Department by utilizing existing staff to modernize its inventory practices. After the time-intensive work associated with digitizing and cataloging existing inventory assets is complete, this position's responsibilities will shift to inventory and procurement management. This creates potential opportunities for this position to assist other Mechanics on an as-needed basis to help meet periods of peak demand.

Over the short-term, this arrangement maximizes available staff time while continuing to retain staff with fleet maintenance skills. Over the long term, the Department should continue to evaluate whether splitting the Mechanic's duties between inventory, procurement, and fleet maintenance is efficient given future workloads and responsibilities. At that time, the Department may choose to hire a dedicated procurement/inventory specialist, or allocate some of these responsibilities to existing administrative staff.

RECOMMENDATION 26: Convert the existing part-time Administrative Aide position to full-time.
Administrative staff in the Transportation Department consist of one full-time Administrative Assistant and one part-time Administrative Aide. Both personnel are involved in activities such as transcribing timesheets, but some specialized tasks (such as payroll) are coordinated entirely by the Administrative Assistant. Additionally, this arrangement creates potential customer service issues when the Administrative Assistant is out of the office and the Administrative Aide is off duty. During these times, no administrative staff are available to assist customers who visit or call the Transportation facility's main line.

There is a need to cross-train the Administrative Aide position on payroll procedures, customer service tracking, workload and performance data collection, and other administrative tasks to backfill for the full-time Administrative Assistant. Additionally, the creation of a General Services Division will expand staff assigned to the Transportation Department and increase administrative workload associated with payroll, timekeeping, and other internal accounting.

To address these needs and further develop organizational capacity, it is recommended to convert the existing part-time Administrative Aide to a full-time position. Based on compensation information for City personnel in similar administrative positions, the estimated total compensation for this position is between $47,000 and $56,000 per year, including benefits.

Streets

The Streets Division currently supplies most of the Department's general labor for infrastructure repair activities, including streets, sidewalks, bridges, and stormwater assets. The following recommendations are intended to help the Department maximize existing staff capacity, preserve institutional knowledge, and streamline program service delivery.

RECOMMENDATION 27: Hire an additional Equipment Operator in the Streets Division.
The Department currently employs nine Heavy Equipment Operators in the Streets Division. Many of these staff are highly tenured and earn significant amounts of leave each year; on average, Heavy Equipment Operators utilize approximately 243 hours of leave usage annually, or nearly 30 working days. This collectively amounts to 2,182 staff hours per year on average, which effectively reduces the Streets Division's available labor pool by more than one full-time employee purely due to leave usage. In addition to these Heavy Equipment Operator positions, the Department employs one Equipment Operator. However, this position has experienced extended leave usage, which further exacerbates the available labor shortage in the Streets Division.

This staffing arrangement creates several organizational problems for the Streets Division. First, because most Heavy Equipment Operators have similar years of service with the organization and are nearing retirement eligibility, there is a possibility that the Department could experience rapid loss of institutional knowledge should existing staff transition out of the organization. While hiring replacement personnel is relatively straightforward in the event of one staff departure, this effort can be complicated if multiple staff transition out of the organization within a relatively short period of time. As a consequence, it will take greater effort to familiarize new staff with operations, equipment, and procedures associated with their work. This was a key weakness identified in the 2016 Parks and Recreation and Transportation Strategic Plan.

A second major obstacle lies in the nature of the work itself. Many of the operations conducted by Streets Division personnel require crews of several staff, and may range from four to more than 10 individuals. The amount of leave taken by staff effectively reduces the Department's ability to create field crews of appropriate sizes, and may require redirecting employees from needed functions in order to ensure a work crew can operate safely.

Due to these factors, it is important to begin cultivating additional staff capacity in the Streets Division. While this may be accomplished by utilizing additional cross-training efforts, as discussed elsewhere in this report, the Department's current demographics and the need to preserve institutional knowledge justify adding an additional Equipment Operator position in the Streets Division.

Creating this position will result in several positive impacts on the Department and its operations. First, the new position represents an opportunity to hire and train a less experienced, but fully available employee. This will provide the Department with greater flexibility to schedule work crews in order to maximize the new Equipment Operator's exposure to a variety of tasks. In the process, the new Equipment Operator will have the opportunity to learn every facet of the Department's operations, practices, and procedures.

Additionally, creating and filling this position will provide the Department with some capacity to withstand staff departures once tenured staff begin to transition out of the organization. Rather than scramble to find and train new personnel, the Department will have a head start on securing reliable employees and passing along relevant institutional knowledge.

The estimated total cost of this new position is approximately $56,100 annually, including benefits. While this represents a new cost to the City, this position will enable the Department to accomplish more work in a more sustainable manner.

Ultimately, staffing levels in the Streets Division should be determined using the asset management and work planning practices described previously. Because these practices are still evolving, it is important to ensure the Department can maintain its current operational standards until an appropriate work plan is complete. This work plan should be supplemented by additional information, such as injury rates and department leave usage (particularly sick leave usage) in order to help the Department identify future staffing needs.

RECOMMENDATION 28: Increase the frequency of collections activity for the Spring Cleanup and Fall Leaf Collection programs.
The Transportation Department currently provides two annual cleanup programs to City residents. The Spring Cleanup program occurs in late March and early April for approximately two to three weeks. During this time, residents are permitted to rake yard waste curbside for collection, including grass clippings, light limbs and twigs, and shrub trimmings. On the last day of the program, the Transportation Department dispatches crews to collect yard waste debris placed in the street. Collection occurs using trucks and street sweeping equipment, and requires approximately two weeks of dedicated staff time to complete using approximately 15 Streets Division personnel.

The second major cleanup program offered is the Fall Leaf Program. This program typically spans approximately six weeks from October through mid-November. During this time, residents are permitted to rake leaves into the street for collection by Transportation crews. No other yard waste, such as limbs or branches, are accepted for pickup. Transportation staff begin collection activities at the start of the program using a small crew of four to five personnel. These staff utilize a pickup truck with a plow, a loader, and dump trucks to collect leaves and transport them to a composting site. Once the final deadline to rake leaves into the street has passed, the collection crew size increases to approximately 15 Streets Division personnel utilizing plows, loaders, and dump trucks to collect leaves across the City. These staff are supported by additional personnel from the Parks and Recreation Department as needed.

The chief drawback associated with these programs is the method of yard waste collection. While it is convenient for residents to simply rake loose yard waste into the street during these periods, several weeks elapse between the start of the Spring Cleanup program and the beginning of collection activities. These weeks provide time for rain, wind, and weather to convey yard waste into storm culverts and drainage ditches, potentially clogging stormwater infrastructure and creating additional work for the Department. Although the small crew assigned to Fall Leaf Collection beginning in October helps to mitigate this risk, the Department does not focus attention to collection efforts until after both programs have concluded.

While both of these programs prioritize collection on streets with curb and gutter to minimize the likelihood that debris will wash into storm drains, there is an inherent risk in allowing residents to rake loose yard waste into the street. Leaving this debris loose in the roadway increases opportunities for wind,

rain, and other events to disperse the material into storm drains, culverts, and ditches, potentially clogging the City's stormwater infrastructure. This is particularly relevant for the Fall Leaf Collection program, when collection efforts do not begin in earnest until approximately seven weeks after the program starts.

Additionally, due to the timeframe associated with these collection activities, Department staff may be pulled away to engage in snow plowing while leaves are still awaiting collection. This presents significant logistical challenges for both snow and leaf removal, as plows throw both snow and leaves back into residential yards and further disperse yard waste material. Because each of these activities is labor-intensive and requires a significant number of Department staff, this overlap also places undue strain on operations and constrains staff's ability to effectively render services. These overlaps are most likely to occur at the beginning of the Spring Cleanup program and the end of the Fall Leaf Collection program.

According to interviews with Department staff, changing weather patterns in recent years have contributed to incidents where yard waste collection and snow removal overlap. Staff observed that in recent years, some trees have not dropped their leaves until the end of the Fall Leaf Collection program. This increases pressure on staff to extend the program's timeline to allow residents to rake late-dropping leaves into the street. Although it presents a customer service benefit to residents, it increases the likelihood that collection efforts will be interrupted by a snow event.

To prevent significant amounts of yard waste from accumulating in the street for extended periods of time, and to minimize the amount of yard waste that may be mixed up in an overlapping snow event, the Department should begin earnest collection efforts well in advance of each yard waste program's conclusion.

For the Spring Cleanup program, it is recommended that the Department employ a small collections crew to begin gathering yard waste as soon as the program opens. Emphasizing collection at the start of this program will help to minimize the impact of late snow events on yard waste collection. Conversely, it is recommended that the Department begin devoting more staff to the Fall Leaf Collection in advance of the program's advertised end date. For example, the initial crew size could expand to 10 personnel in Week 3, followed by the full complement of Department personnel when the program has concluded. The following table illustrates these proposed staffing allocations.

Table 27: Current and Proposed Staffing Levels for Yard Waste Collections Activity, 2017

Program	Week	Event	Staff Assigned to Collections (Current)	Staff Assigned to Collections (Proposed)
Spring Cleanup	1	Spring Cleanup Begins	0	10
	2	Program Ongoing	0	5
	3	Spring Cleanup Final Week	0	5
	4	Department Collection Activity	15	15
	5	Department Collection Activity	15	15
Fall Leaf Collection	1	Fall Leaf Collection Begins	0	5
	2	Program Ongoing	5	5
	3	Program Ongoing	5	10
	4	Program Ongoing	5	10
	5	Program Ongoing	5	10

Program	Week	Event	Staff Assigned to Collections (Current)	Staff Assigned to Collections (Proposed)
	6	Program Ongoing	5	10
	7	Fall Leaf Collection Final Week	5	10
	8	Department Collection Activity	15	15
	9	Department Collection Activity	15	15
	10	Department Collection Activity	15	15
	11	Department Collection Activity	15	15

While increasing staffing for yard waste collections activity while these programs are active will require diverting resources from other activities, it is likely that these enhanced collection activities will reduce yard waste runoff into stormwater infrastructure. This in turn will reduce the Department's workload burden associated with clearing storm drains. The following figure illustrates total staff hours associated with storm drain cleaning in 2016.
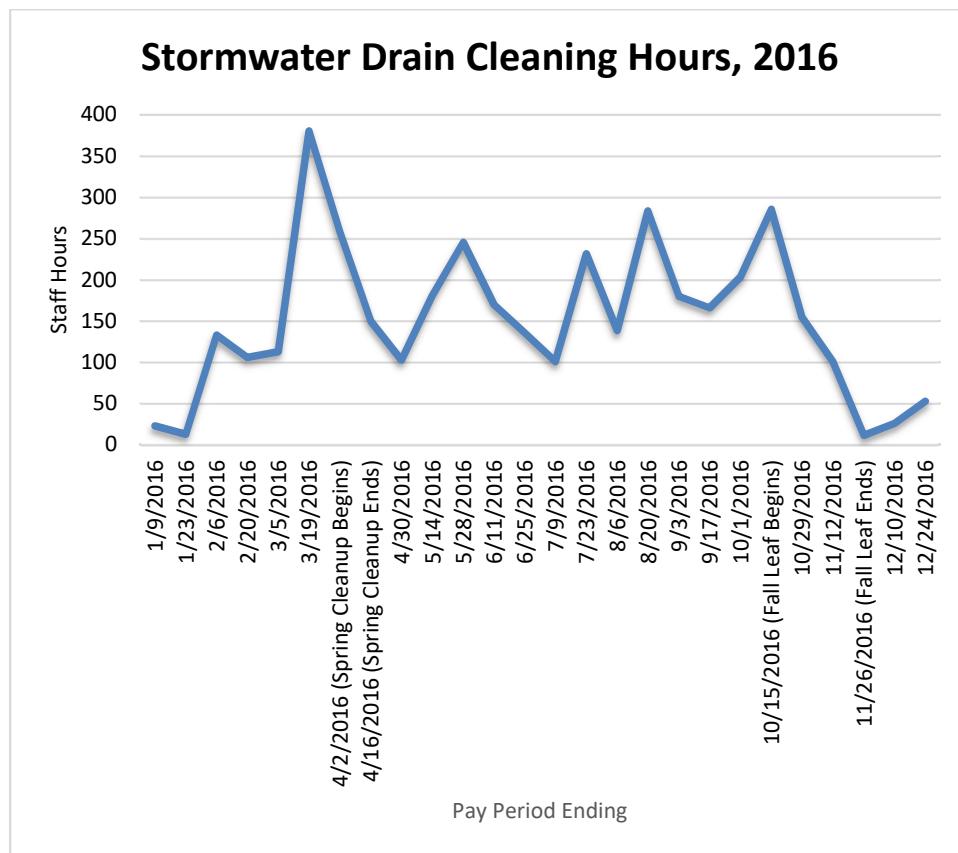
Figure 19: Storm Drain Cleaning Hours, 2016

It is likely that the increases in storm drain cleaning activities following the conclusion of the Spring Cleaning and Fall Leaf Collection events are partially attributable to the current method of yard waste collection. Increasing the frequency of collection while these programs are ongoing will help to divert yard waste from the stormwater system and minimize the need to focus so heavily on storm drain cleaning after each program has concluded.

In addition to increasing the frequency of collection, it is important to notify residents of their expected collection dates. To the greatest extent possible, the Department should notify residents when they should expect their street to be cleared of yard waste during each program. This will enable the Department to prioritize heavy-impact areas while simultaneously communicating service intervals to residents. The City may also discourage residents from raking their debris into the street until the week before anticipated collection in order to minimize the risk that debris will wash into storm sewers. The Department should coordinate closely with the Public Information Coordinator in the City Manager's Office to actively market and communicate program periods, estimated service dates, and other information to City residents. This should occur through a number of channels, including the use of the City's newsletter, social media accounts, and by posting information on the City's website.

Should changing weather patterns continue to significantly affect the timing of these seasonal programs, it will be important for the Department to work closely with the City Manager's Office and elected officials to reevaluate yard waste collection periods. This will become particularly relevant for the Fall Leaf Collection program if trees do not drop leaves until late in the season, concurrent with the beginning of the winter snow season. Increasing overlap between leaf collection and snow plowing events will strain the Department's ability to manage yard waste raked into the street, and challenge staff's ability to proactively address both functions.

Alternatively, the Department could consider contracting out for yard waste collection services associated with these programs. One option is to include these programs as part of the City's effort to rebid solid waste services (discussed in the Community and Neighborhood Services section of this report). The City could also consider issuing an RFP seeking a willing contractor to haul and dispose of residential yard waste. In the latter case, the City may wish to identify construction firms and other contractors who experience seasonal slowdowns but employ sufficient personnel and experience to accomplish collection activity.

While contracting out for seasonal yard waste programs will not save the City labor costs, it represents an opportunity to rededicate Transportation staff to other functions which may represent a higher and better use of staff. This could include asset inventories and condition assessments, particularly regarding sidewalks and signs, as well as street and stormwater maintenance.

Community and Neighborhood Services

The Community and Neighborhood Services Department is responsible for several core community development functions in the City of Holland, including community planning, plan review and permitting, building and trades inspections, property maintenance code enforcement, multifamily rental unit inspections, and overseeing the City's solid waste contract. According to the City's budget, the mission of Community and Neighborhood Services is to focus on "physical, social and economic needs of the community, with an emphasis on residential neighborhood improvements and maintenance of a diversified and viable downtown, commercial and industrial areas."

Department Structure

The Department currently consists of 17.0 full-time and 1.68 part-time positions. The following figure illustrates the Department's organizational structure as it existed when the Director and Assistant Director positions were filled.
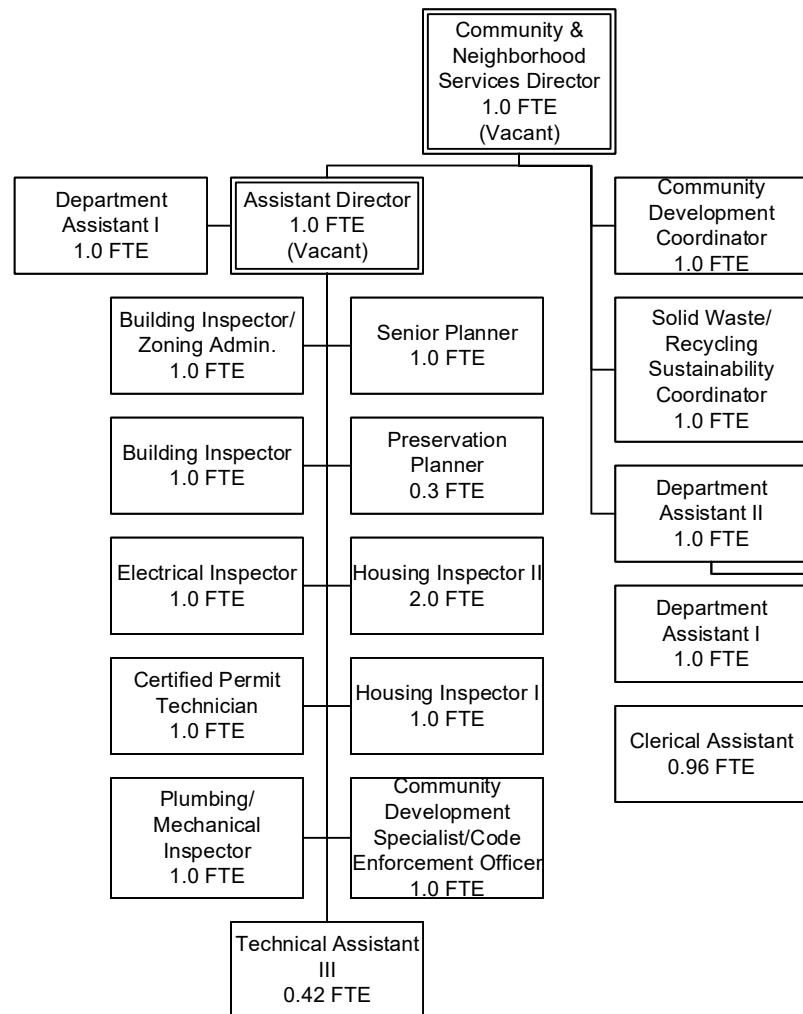
Figure 20: Community and Neighborhood Services Organizational Structure, 2017

The Director and Assistant Director positions are currently vacant, and the Senior Planner functions as the Department's Interim Director. Reporting relationships in the Department are relatively flat, with most staff reporting directly to the Interim Director, as illustrated in the figure above.

The Department is organized into several functional divisions. Many of the Department's staff play a critical role in multiple divisions due to cross-training and cross-functional responsibilities.

Planning functions are currently performed by one-full time employee (a Senior Planner) and one part-time employee (a Preservation Planner). These staff are responsible for coordinating community-wide planning efforts, such as the City's Resilient Holland Master Plan, and area-wide planning efforts, such as the Downtown Holland Area Master Plan and neighborhood plans. Planning staff also coordinate historic preservation planning efforts, engage in site plan reviews for major developments, and serve as liaisons to the Planning Commission and the Historic District Commission.

Zoning and construction inspection functions are performed by five full-time staff. The Building Inspector/Zoning Administrator coordinates the City's zoning and land use functions, and reviews permits and plans for zoning appropriateness. Additionally, this position is responsible for overseeing variances and other zoning determinations, serves as a staff liaison to the Zoning Board of Appeals, and performs building inspection activities. The remaining staff in this division consist of an additional Building Inspector and two trades inspectors – Electrical and Mechanical/Plumbing. These staff are responsible for conducting trades inspections on construction projects which require permits, such as new construction, rehabilitation, and remodeling activities. In addition to these positions, a Certified Permit Technician is responsible for working with developers and contractors to issue permits and record permit-related activities.

Housing and environmental health functions are performed by four full-time staff, including two Housing Inspector IIs, a Housing Inspector I, and a Community Development Specialist/Code Enforcement Officer. These staff perform inspections for property maintenance, rental housing, public lodging, home businesses, and vacant properties. Additionally, staff coordinate sign and driveway permits, assist with solid waste enforcement, and inspect homes for compliance with the City's smoke detector ordinance prior to the sale of residential property.

Neighborhood liaison functions are the responsibility of the full-time Community Development Coordinator. This position coordinates the City's Community Development Block Grant (CDBG) programs and prepares annual plans and reports to comply with federal funding requirements. Additionally, this position serves as a staff liaison to various neighborhood associations and groups, and provides dispute resolution resources to landlords and tenants. Other responsibilities include graffiti abatement and serving as the City's Americans with Disabilities Act (ADA) Coordinator.

Solid waste functions are assigned to the full-time Solid Waste/Recycling Sustainability Coordinator. This position is responsible for managing the City's single-hauler contract for residential solid waste collection and works closely with the Community Development Specialist/Code Enforcement Officer to resolve service issues, customer complaints, and audit the contractor's performance. Other assigned functions include community education and engagement regarding sustainability issues, creating a sustainable materials maintenance plan, and promoting City-wide sustainability initiatives.

The Department also employs three full-time and two part-time administrative staff. These staff provide support to senior leadership positions and the functional groups described above, particularly regarding customer service, permit intake, scheduling inspections, data entry, and annual reporting.

In addition to these functional divisions, the Department is also closely affiliated with two component units: the Downtown Development Authority (DDA) and the Principal Shopping District (PSD). Employees in these functional units are considered City employees, but as component units, staff report to discrete boards and utilize dedicated funding mechanisms for operations.

The DDA is funded by a district-wide tax levy in the downtown area and serves as a coordinating agency for improving the downtown area's aesthetic appeal, reducing business vacancies, and effective land management. This agency serves as a key point of contact for businesses and customers regarding a variety of issues and works closely with the PSD and other City departments. Other key DDA functions include coordinating parking and snowmelt maintenance and expansion activities, reviewing sign applications for compliance with the downtown district code, and assisting other City Departments with planning efforts related to the downtown area. The DDA includes one full-time Event Coordinator and a part-time Office Assistant position which is shared with the Principal Shopping District.

The PSD is funded by an annual assessment as well as membership fees. PSD staff engage in marketing, promotional, and special event efforts in the downtown area and at the Holland Farmer's Market, including media buys, print promotions, and communication with downtown members. This unit is also responsible for coordinating initiatives which foster closer relationships within the business community. For example, PSA goals identified in the City's FY2017 budget include creating a Friends of Downtown Holland community partnership program and developing a spring art event. PSD staff include one full-time Interim Downtown Development Authority Coordinator, one part-time Marketing Assistant, a part-time Event Coordinator, a part-time Market Master to oversee the farmer's market, and part-time Market Assistant to assist with farmer's market activities.

In the last several years, the DDA and PSD have been managed by a Downtown Manager and reported to the City Manager's office. However, these units have been included as part of the Community and Neighborhood Services budget due to the functional similarities with other Department operations.

Department Staffing

According to the City's budget documents, the number of full-time staff in Community and Neighborhood Services has remained relatively consistent over the last several years, while the number of part-time staff has declined approximately 29%. The Percent Change column compares Actual FY2013 staffing to Authorized FY2017 staffing.

Table 28: Community and Neighborhood Services Department Staffing Trends, FY2013-FY2017

Department Staff	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Full-Time	17.00	16.00	17.00	17.97	17.97	6%
Part-Time	8.60	6.95	6.45	5.65	6.10	-29%
Total	25.60	22.95	23.45	23.62	24.07	-6%

It should be noted that the City allocates the time of some employees located in other departments to Community and Neighborhood Services. This includes portions of the City Manager and Assistant City Manager's time dedicated to economic development functions, as well as positions associated with the DDA and PSD, which have not reported to the Community and Neighborhood Services Director in recent years.

Department Expenditures

The following table illustrates the Department's expenditures over the last five fiscal periods, along with the percentage change since 2013.

Table 29: Community and Neighborhood Services Department Staffing Trends, FY2013-FY2017

Budget Category	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Personnel Services	$1,671,931	$1,802,908	$1,771,292	$1,752,734	$1,698,474	2%
Other Current Expenditure	$2,668,847	$2,624,330	$3,008,282	$3,183,194	$3,302,444	24%
Capital Outlay	$2,952	$49	$0	$0	$0	-100%
Debt Service Payments	$2	$0	$0	$0	$0	-100%
Transfers Out	$315,840	$327,309	$353,734	$353,159	$423,097	34%
Contingencies	$0	$0	$0	$0	$40,000	-
Total	$4,659,572	$4,754,596	$5,133,308	$5,289,087	$5,464,015	17%

Overall expenditures across the Department's budget have increased in recent years. This increase is largely attributable to additional expenditures for supplies and maintenance costs, as well as transfers associated with the City's Downtown parking deck project. Notably, personnel services costs billed to Community and Neighborhood Services have remained flat compared to FY2013.

Analysis and Recommendations

The Community and Neighborhood Services Department possesses a strong internal culture and productive working relationships among staff. During interviews, staff consistently reported high levels of satisfaction with their peers, office culture, and interpersonal relationships.

This feedback correlates well with results from the Employee Survey. Most Community and Neighborhood Services respondents (94%) stated they would recommend working for the Department to a friend, and 100% agreed that they felt positive and optimistic about what the Department can accomplish. It is also notable that 100% of Department respondents agreed they are determined to do their best at work each day, doing their jobs gives them a sense of personal satisfaction, and they are satisfied with their overall job security. Approximately 88% of Department respondents agreed that employees in the Department cooperate as a team. These are significant majorities which speak to the vitality of relationships among the Department's staff.

Aside from the strength of the work environment, the Department demonstrates significant customer service and efficiency capabilities. Most staff are cross-trained in more than one program area, and during interviews staff articulated respect for the judgment and common sense of other personnel in the Department. Additionally, the Department utilizes technology assets to streamline work and increase

efficiency where appropriate. For example, Housing Inspectors currently use tablet computers to record property maintenance code enforcement activities.

While the Department's culture and practices support a positive working environment, opportunities to enhance its structure and operations are evident. The opportunities involve creating a more formal organizational structure and reporting hierarchy, and adjusting staff to more effectively meet present workload demands.

The following analysis and recommendations describe workload trends and processes in the Department's major functional areas, as well as staffing, process, and management practice improvements which will enhance the Department's operations.

Department Structure

The clearest need in Community and Neighborhood Services is related to the Department's organizational structure and staffing, particularly regarding upper and mid-level management staff. Over the last year, the Department has experienced turnover at the Director and Assistant Director level. This has created a lack of clear reporting relationships and a sense of a leadership vacuum among staff. As positions have become vacant, existing staff have pivoted to take on additional duties. While the willingness and ability of staff to take on multiple roles in the Department is commendable, the Department's structural hierarchy has become increasingly diluted. The following recommendations are intended to bring clarity to the Department's organizational structure, redefine reporting relationships, and strengthen management capacity.

RECOMMENDATION 29: Create formal divisions in the Community and Neighborhood Services Department, including Planning, Zoning, and Permitting; Neighborhood Inspections; Residential Services; and Downtown Management.
Although the City's budget describes several divisions in Community and Neighborhood Services, in practice the Department's structure is relatively flat. During interviews, most staff indicated they reported to the Community and Neighborhood Services Director, with some staff offering conflicting perspectives on reporting relationships, management practices, and leadership roles. While the City's budget distinguishes functional and programmatic responsibilities in Community and Neighborhood Services, it is not clear how staff performing these functions fit into an overall organizational hierarchy of the Department.

This lack of structural clarity is primarily attributable to the Department's leadership history. In previous years, the Department was led by a Director and an Assistant Director. The Assistant Director was responsible for managing planning, zoning, rental property, and building functions, while the Director was responsible for managing the remainder of the Department's operations. In March 2016, the Assistant Director retired and the position was not filled. Instead, the Director designated four existing staff members as "Coordinators" in charge of consolidated functional areas, including Community Planning, Building and Zoning, Rentals and Lodging, and Code Enforcement and Solid Waste. While the Coordinator positions exercised nominal supervisory authority over their program areas, this designation was never formalized and staff were not officially promoted to a management capacity, nor were they provided appropriate training for supervisory responsibilities.

In December 2016, the Director left the organization. As a result of this departure, the Community and Neighborhood Services Department experienced a complete turnover of its senior leadership staff within

a span of nine months. In January 2017, the City Manager designated the Senior Planner as Interim Director, and the City intends to begin a search for a replacement Director by the end of 2017.

While this leadership transition creates several challenges for the organization, it also highlights an opportunity to reorganize the Department's functional divisions to create clearer lines of responsibility. To accomplish this, the Department should utilize a consistent and clear structure, and also define more cohesive formal divisions.

The first task is to establish consistent and clear hierarchy, which involves replicating the Department's leadership structure as it existed prior to March 2016. This cannot be accomplished without dedicated leadership at the Director and Assistant Director level. Filling these positions provides staff with a focal point for management decisions, and creates staff capacity to make strategic leadership decisions for the Department. These positions and additional staffing needs are discussed in separate recommendations below.

The second step builds on the process used to identify the four Coordinator positions. To assign these responsibilities, the previous Director consolidated eight of the Department's major functional areas into four broad categories. The table below provides an overview of functional areas assigned to each Coordinator, as well as examples of core services provided by each function and the estimated number of FTEs assigned to each functional area.

Table 30: Coordinator Functional Assignments and Example Core Services, 2016

Coordinator	Broad Functional Areas	Example Core Services
Community Planning	Planning	Community planning, Master planning
	Neighborhoods	Neighborhood grant programs, Community Development Block Grant programs, Landlord-tenant dispute resolution
Building and Zoning	Building	Permits, Plan review, Construction inspections
	Zoning	Zoning ordinance revision, plan review
Rentals and Lodging	Rentals	Annual rental housing inspections and licensing
	Public Lodging	Annual life, health, safety inspections
Code Enforcement and Solid Waste	Code Enforcement	Property maintenance inspections, Trash complaints, Grass complaints
	Solid Waste	Oversee contract with solid waste hauler, Delinquent collections

While this effort to clarify responsibilities and refine the Department's management structure is commendable, adjusting the distribution of these functions will help the Department further streamline its structure. The ultimate goal is to group similar functions into distinct organizational units utilizing a minimum of middle-management staff necessary to effectively manage the workload.

It is recommended that the Community and Neighborhood Services Department create four formal divisions:

- Planning, Zoning, and Permitting
- Neighborhood Inspections
- Residential Services
- Downtown Management

The proposed organizational structure of these divisions is illustrated in the following figure.
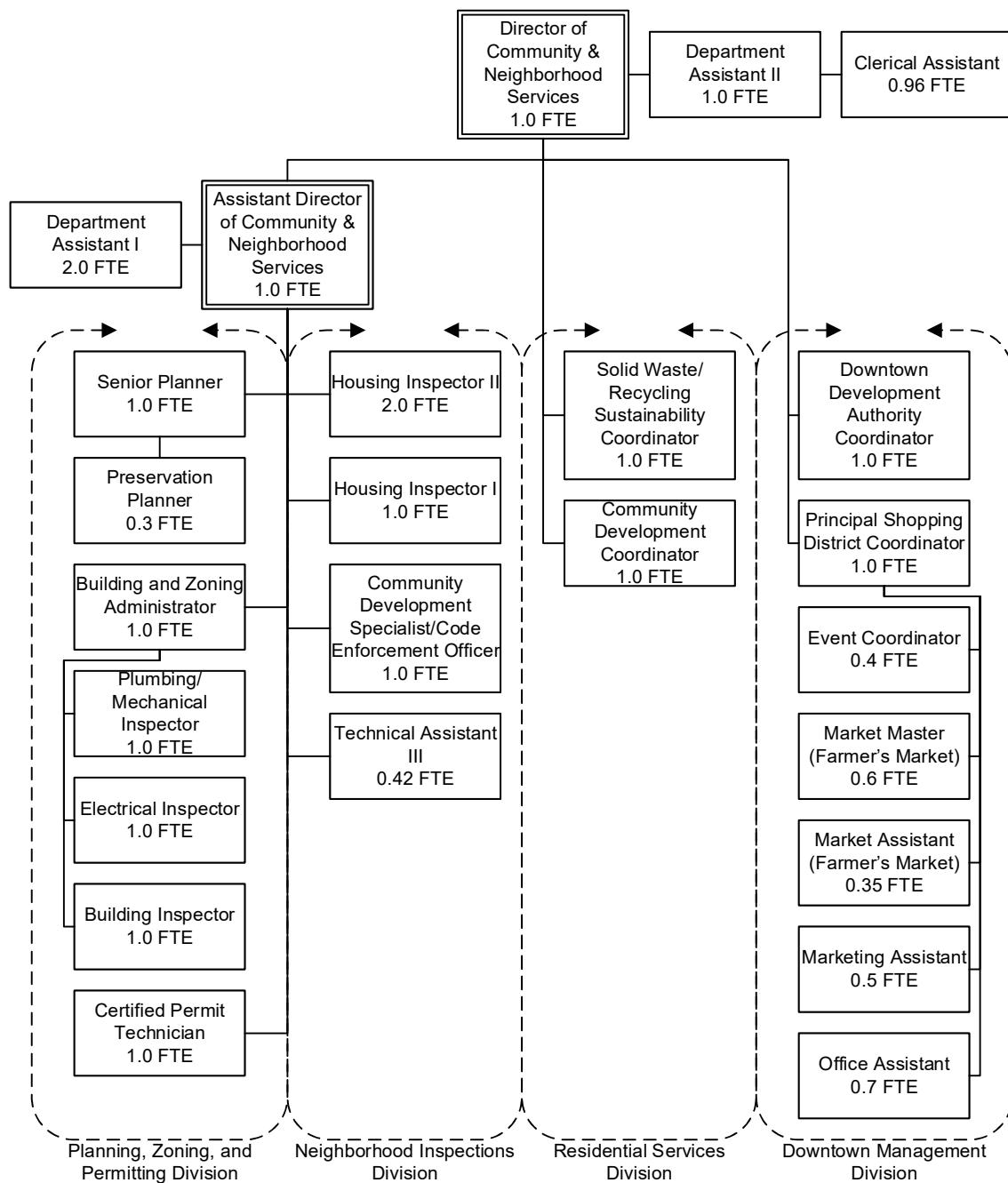

Figure 21: Proposed Organizational Structure of Community and Neighborhood Services, 2017

The Planning, Zoning, and Permitting Division will encompass all development review-related activity performed by the Department, including community planning, zoning, plan review, permitting, and building inspections functions. This Division effectively encompasses all staff with planning, permitting, development review, and construction inspection functions.

The Neighborhood Inspections Division will accomplish all other inspections activity currently performed by the Department, such as rental housing, public lodging, and property maintenance code enforcement inspections. This Division will include all staff with rental, public lodging, and property maintenance code enforcement functions.

The Residential Services Division will perform functions which directly support neighborhood residents, including grant programs, landlord-tenant dispute resolution, and oversight of solid waste services. This Division will encompass staff with neighborhood support functions, as well as staff devoted to solid waste and sustainability.

The Downtown Management Division formally reassigns supervisory responsibilities for the Downtown Development Authority and Principal Shopping District to the Community and Neighborhood Services Director. This restructuring is discussed in greater detail in the following recommendation.

The following table summarizes the broad functional areas assigned to each division after the proposed restructuring is complete.

Table 31: Proposed Division Assignments and Example Core Services, 2016

Division	Broad Functional Areas	Example Core Services
Planning, Zoning, and Permitting	Planning	Community planning, Master planning
	Zoning	Zoning ordinance revision, plan review
	Building	Permits, Plan review, Construction inspections
Neighborhood Inspections	Rentals	Annual rental housing inspections and licensing
	Public Lodging	Annual life, health, safety inspections
	Code Enforcement	Property maintenance inspections, Trash complaints, Grass complaints
Residential Services	Neighborhoods	Neighborhood grant programs, Community Development Block Grant programs, Landlord-tenant dispute resolution
	Solid Waste and Sustainability	Oversee contract with solid waste hauler, Delinquent collections
Downtown Management	Downtown Development Authority	Parking and snowmelt system, downtown planning, economic development
	Principal Shopping District	Marketing and advertising, event management

To provide accountability and streamlined reporting relationships, the Planning, Zoning, and Permitting and Neighborhood Inspections divisions should report directly to the Assistant Director, while the Residential Services and Downtown Management divisions should report to the Director as illustrated in the organizational chart above. This reporting structure provides the Community and Neighborhood Services Director with management capacity to strategically evaluate the Department and its role in the City organization, as described later in this report, while providing critical oversight for major functions in the City.

The final step in the reorganization process is to amend the City's budget to more accurately reflect these structural changes. The City budget currently identifies several sub-units of Community and Neighborhood Services which are distinguished largely by program area or fund. While this information is valuable, it is

important to describe how the Department's structural elements correlate with available funding sources and expenditures.

It must be emphasized that the purpose of organizing the Department's divisions in this manner is not to create silos or discourage cross-training activities performed by Department staff. Rather, this organizational structure provides staff with clear hierarchies which encompass the Department's priority functions and service areas. It is important that staff continue cross-training efforts and responsibilities between the proposed divisions as a way of building staff capacity. It is important to note that as the Director and Assistant Director positions are filled, the City may choose to amend the portfolios of each position, based on the skillsets of the successful candidates and the expanding needs of the Downtown corridor.

RECOMMENDATION 30: Assign supervisory responsibility for Downtown Development Authority and Principal Shopping District Coordinators to the Community and Neighborhood Services Director.
The City's approach to managing two component units of Community and Neighborhood Services – the Downtown Development Authority (DDA) and the Principal Shopping District (PSD) – have experienced a variety of changes over the last several years. Prior to 2013, each of these units was led by a Coordinator who reported to the Community and Neighborhood Services Director. This practice changed in 2013 when a Downtown Manager position was created to oversee the operations of both units. The Downtown Manager reported directly to the City Manager until May 2016, when a resignation left this position vacant. Since that time, the DDA and PSD have been led by separate Coordinators.

While the effort to consolidate leadership of these component units under one staff member is commendable, there are several factors which complicate the management and administration of a Downtown Manager position. First, the DDA and PSD each have separate funding sources, budgets, and boards. This requires the Downtown Manager to be accountable to several independent sources, including the DDA board, the PSD board, and City leadership. Second, requiring the Downtown Manager to report to the City Manager complicates the relationship between the DDA and PSD as component units of Community and Neighborhood Services. To promote greater collaboration with department staff, it is more appropriate for oversight of these units to be located in the Community and Neighborhood Services Department.

Rather than fill the existing Downtown Manager position, it is recommended that the existing DDA Coordinator and PSD Coordinator report directly to the Community and Neighborhood Services Director as part of a Downtown Holland division. By reporting to the Director, these positions will be able to collaborate with Department leadership on strategic initiatives, long-range plans, special events and programming, marketing, and other initiatives that involve the resources of multiple Department staff and divisions.

This recommend structure also avoids complications between City leadership and the DDA and PSD boards. By allowing each board to make independent decisions regarding their respective Coordinator positions, potential tensions between City leadership and downtown boards will be minimized.

In future years as the relationship between the DDA, PSD, and Community and Neighborhood Services continues to mature, the City may determine that a Downtown Manager position is warranted to coordinate the workload, projects, and functions performed by the DDA and PSD. Should this discussion continue, the City may wish to explore the feasibility of consolidating the DDA and PSD into a single component unit with one board to facilitate greater interoperability between these agencies and City

staff. Such a consolidation may lead to increased efficiency within the DDA and PSD and streamline staff reporting relationships.

RECOMMENDATION 31: Fill the vacant Community and Neighborhood Services Director position.
As previously noted, the Community and Neighborhood Services Director position has been vacant since December 2016. While the Senior Planner is currently serving as Interim Director, it is imperative to fill the Director position as rapidly as possible in order to provide a stable source of management oversight and strategic leadership for the Department and its staff.

When discussing the qualities they would like to see in a new Director, Community and Neighborhood Services staff offered several attributes which they felt are important qualities for the Director to possess. These attributes are summarized in the following figure, with more frequently-mentioned attributes appearing in larger text.

Figure 22: Desired Attributes of Future Community and Neighborhood Services Director, 2016

Based on these attributes and feedback obtained during interviews, staff are particularly interested in upper management staff with experience across the Department's functional areas who are able to listen and delegate effectively. These are qualities which should be sought in any management staff, and the City's efforts to find a candidate who practices these leadership virtues will have positive impacts on the Department's morale and culture.

In addition to the soft skills described above, it is important for the Director to have experience in technical practices which comprise the core of the Department's operations, including community planning, zoning and development review, property maintenance code enforcement, and inspections. While the Assistant Director will be responsible for directly overseeing these functions, it is critical for the Director to have a familiarity and understanding of the work staff performs each day. This will inform the Director's ability to make strategic decisions regarding the Department's service levels, goals, staffing, and budget.

The Director should primarily be responsible for providing the Community and Neighborhood Services Department with strategic leadership, particularly regarding its annual budget, staffing practices, goal setting, and performance management. In this capacity, the Director will be responsible for balancing strategic initiatives proposed by the City Council, City Manager's Office, component units, and staff to ensure the Department achieves its goals while providing consistent and quality services.

With respect to supervisory and management duties, the Director will oversee staff in the Residential Services Division as well as the Coordinators for the DDA and PSD. These operations are less regulatory in nature and involve strategic service delivery to City residents and businesses. The Director is in a unique position to mediate issues, concerns, and initiatives raised by these functions in the context of the City's larger strategic goals and efforts.

Because the Assistant Director will oversee the Department's core operational and regulatory functions, the Director's span of control will decrease from its present level of 16 staff to a total of six staff. This management responsibility is more appropriate for a Director position and provides the Director with capacity to coordinate the Department's strategic priorities without undue focus on day-to-day management responsibilities.

The City has articulated plans to begin recruiting for the Community and Neighborhood Services Director position, with a goal of completing the recruitment in early 2017. While it is important to fill this position as rapidly as possible, the City should exercise sufficient care to recruit the best, most qualified applicant who can meet the Department's need for cohesive leadership and restructuring.

The estimated cost of this position is anticipated to have a neutral effect on the City's budget because this position is already authorized and was recently vacated. The actual cost impacts of filling this position will be dependent on the qualifications and experience of the selected candidate, as well as the outcome of any salary negotiations with the finalist candidate.

RECOMMENDATION 32: Fill the vacant Community and Neighborhood Services Assistant Director position.
The Assistant Director position is the second major leadership position which is currently vacant and should be filled as quickly as possible. In recent years, the Assistant Director has played an important management and supervisory role in the Department by overseeing several Department functions, such as development review, planning and zoning, and rental inspections. However, the current unfilled vacancy directly contributes to the Department's flat reporting structure and prevents the Department from articulating clear lines of accountability.

To create a more formal organizational structure and effectively balance management and supervisory responsibilities, it is important for the Department to fill the vacant Assistant Director position. Utilizing this position will positively impact the Department in several important ways. First, the Assistant Director will undertake management and supervisory duties for the Department's core operating divisions, including the Planning, Zoning, and Permitting Division and the Neighborhood Inspections Division. These Divisions, along with two administrative positions, represent a total of 14 Department staff. This will relieve the Director of significant supervisory responsibilities and help ensure the Director has sufficient capacity to focus on more strategic leadership efforts.

Second, the Assistant Director will be able to identify operational and staffing needs in the Planning, Zoning and Permitting and Neighborhood Inspections divisions, and should adjust workload levels as necessary to meet service level demands. Because the Department's culture is heavily focused on cross-training and deepening the skillsets of existing staff, it is important for the Assistant Director to coordinate these efforts and create opportunities for staff to broaden their skills in ways that benefit the Department. Consequently, a major component of the Assistant Director's regular responsibilities will include evaluating staffing needs and creating professional development opportunities on an ongoing basis.

The Assistant Director will also play an important role in troubleshooting issues, particularly those related to customer service complaints, special cases, and unusual circumstances. These issues should be evaluated and resolved by the Assistant Director, with appropriate communication and consultation with the Director. This prevents minor issues from rising to the Director's level, but keeps the Director apprised of major issues and concerns which could impact the Department's services or involve other entities such as the news media and City Council. By serving as a gatekeeper for customer relations activities and exercising appropriate discretion, the Assistant Director will be able to address customer and community concerns in a timely manner without unnecessarily involving the Director.

When recruiting for this position, it important for the City to identify candidates with relevant experience in planning, zoning, development review, and inspections. Because the Assistant Director will be heavily involved in the operational aspects of these functions, sufficient experience will serve as a valuable professional resource and allow the selected candidate to step into position with a more complete understanding of the work and the management issues involved in supervising staff. Additionally, a candidate with sufficient skills and experience will be able to provide backup support for staff in each division. This is particularly relevant with respect to supervisory and management experience, as the Assistant Director will be directly responsible for supervising approximately nine direct reports.

Because the Assistant Director position is already authorized in the City budget, filling this position is not anticipated to result in significant additional costs to the Department. The actual cost impacts of filling this position will be dependent on the qualifications and experience of the selected candidate, as well as the outcome of any salary negotiations with the finalist candidate.

Management Practices and Process Improvements

RECOMMENDATION 33: Articulate formal service level standards and track key performance indicators for Community and Neighborhood Services functions.

The Community and Neighborhood Services Department currently utilizes BS&A software to track a variety of workload tasks and processes performed by staff, including plan review, permitting, and inspections activity. Workload indicators, such as the number of site plans processed, inspections conducted, and permits issued, are summarized annually and included as part of the City budget. However, the Department does not utilize formal service level targets related to these activities.

A formal service level standard describes an organization's commitment to render a service within a specific timeframe. Effective service levels describe what a customer should expect when they engage with the Department and how the Department will hold itself accountable to meet customer service goals. In order to track the organization's ability to deliver on its service level goals, it is important to track key performance indicators (KPIs) to evaluate how services are being rendered. A key performance indicator relies on workload data and process timeframes to determine whether the organization is meeting its service level goals.

While the Department does not currently utilize formal service level standards, several informal service goals are already in place. For example, staff attempt to schedule all requested construction inspections within a 24-hour period, and target a 10-day timeframe for soliciting plan review comments from City staff. While these informal goals represent commendable efforts to prioritize customer service delivery, it is essential to both formalize these goals as well as to track whether the goals are being met. The following table provides examples of areas which should receive formal service level definitions, as well as examples of key performance indicators associated with evaluating the organization's ability to meet the service level goal.

Table 32: Proposed Service Level Areas and Key Performance Indicators, 2017

Division	Service Level Area	Key Performance Indicator
Planning, Zoning, and Permitting	• Determine service timeframe associated with plan review	• Percent of plan reviews completed on time
	• Determine service timeframe associated with scheduling and accomplishing inspections	• Percent of inspections scheduled within 24 hours • Percent of inspections performed on-time as scheduled
	• For cases which require approval by Planning Commission or Zoning Board, establish a target service timeframe for appearing before the Board/Commission	• Percent of applicants that appear before the Board/Commission within the expected timeframe
Neighborhood Inspections	• Establish a formal goal for proactive property maintenance enforcement	• Percent of proactive enforcement efforts accomplished
	• Determine service timeframe for responding to customer complaints	• Percent of customer complaints with on-time responses
	• Determine service timeframe associated with scheduling rental, public lodging, and other required inspections	• Percent of inspections scheduled within acceptable timeframe • Percent of inspections conducted on-time as scheduled
Residential Services	• Determine service timeframe for responding to customer requests for assistance	• Percent of responses which were issued on-time

In many cases, decisions about the appropriate standard of service for these activities will involve policy discussions and determinations which should be considered by the City's elected officials. It is important for these discussions to occur in consultation with community members, City leadership, the Department's customers, and the Department's leadership team.

After formal service levels are finalized, the Department should identify key performance measures which will provide an accurate picture of staff performance and begin tracking data associated with each KPI. Each service level standard should be periodically reviewed and evaluated to ensure services rendered are consistent with community expectations and the Department's ability to deliver services. As part of this evaluation, the Department should identify performance gaps, process improvements, and staffing needs which will inform future practices and budget requirements.

Formalizing service level standards and measuring performance will enable the Department to communicate more clearly with elected officials and customers regarding how services will be rendered. This process will result in setting clearer expectations for customers and staff and enable the Department to provide greater context on its ability to meet service goals given current staffing and budget constraints. In future years as service standards are evaluated and modified, the Department will be able to more accurately estimate staffing and budgetary implications associated with service level changes, which will inform the City's overall planning efforts and establish reasonable expectations about its capabilities.

RECOMMENDATION 34: Leverage existing technology systems to track additional workload data.
While the service level standards described above will inform the Department's priorities and staffing considerations, it is important to begin tracking additional workload indicators which can shed light on actual timeframes associated with core activities. Department staff currently utilize a mix of software approaches to track workload and performance indicators, including BS&A software, spreadsheets, and

paper records. These measures are included in the City's annual budget as part of the Department's annual reporting process. However, available data on process timeframes, task times, and related indicators is largely unavailable.

In order to provide more robust workload estimates, improved forecasting, and enhanced staffing analysis, it is necessary to capture workload and performance data which is not currently tracked consistently. Some key examples of workload information which would enhance staffing analysis of the Department's activities include:

- Staff members assigned to major functional tasks, such as issuing permits and plan review activities
- Timeframes associated with critical phases of the development review process, such as the date an application was received, the date it was reviewed, the length of time needed for review, the date it was returned to the applicant for corrections, and the date the application was approved
- The amount of travel, field time, and administrative time spent on inspections of various types
- Inspection activity indicators, such as whether a code inspection was required (e.g., as part of a permit or license), proactive (e.g., staff initiated), or reactive (e.g., complaint-based)

This information will enable supervisory staff to more clearly identify process gaps and time constraints associated with major departmental functions. Additionally, applying these indicators to current and projected workload demands will provide the Department with more accurate estimates about the number of staff hours needed to accomplish tasks, which will help inform ongoing cross-training efforts and provide context regarding the Department's hiring practices.

It must be emphasized that it is not necessary for all Department staff to begin tracking tasks associated with each hour of each day in minute detail. Rather, capturing timeframes and indicators associated with an appropriate sample size of activities will provide sufficient information without overburdening staff. This approach increases the likelihood that staff will participate in data collection efforts while avoiding overly rigorous attempts to categorize staff time.

In future years, the Department should periodically re-sample and reevaluate data associated with these indicators, as well as gather information related to new indicators that reflect its core practices and procedures.

Planning and Zoning

Community and historic district planning is currently performed by the Senior Planner and a part-time Preservation Planner, with the assistance of a Department Assistant. These staff are responsible for coordinating community-wide planning efforts such as the City's Master Plan and land use plan, conducting consultation meetings with developers, and engaging in plan review activities.

Much of the work performed by these positions involves site plan review related to new development and Certificate of Appropriateness review for development in the historic district. Planning staff currently track several workload indicators related to these tasks, as illustrated on the following table.

Table 33: Planning Staff Workload Indicators, 2012-2016

Planning Commission Site Plan Reviews	2012	2013	2014	2015	2016
Approved by Planning Commission	11	11	10	14	10
Administrative Approval	5	9	6	7	6
Approved New Construction (Non-Residential Square Feet)	92,000	159,587	110,326	220,507	146,240
Approved Residential Units	5	137	96	65	72
Historic District Commission Activities	2012	2013	2014	2015	2016
Community Education Sessions	1	2	0	1	Not Available
Certificates of Appropriateness Reviewed	34	40	34	36	40
Certificates of Appropriateness Approved	34	40	33	35	37

While much of this workload has remained steady over the last several years, the number of approved residential units in the City increased in 2013 and has remained elevated compared to new residential unit construction prior to this time. This correlates with housing market trends following the market-wide recession in 2008 and indicates the City's residential housing market is experiencing renewed growth.

In addition to these reviews, the Senior Planner serves as a staff liaison to the Planning Commission and Sustainability Committee on a monthly basis. The Senior Planner and a Department Assistant provide staff support preparing agendas, packets, and minutes, as well as compile staff reports for each body's consideration. The Preservation Planner serves as a staff liaison to the Historic District Commission and prepares agendas, packets, and minutes, as well as prepares staff reports related to Certificate of Appropriateness reviews.

The Building Inspector/Zoning Administrator currently coordinates the City's zoning code administration and serves as the primary staff liaison to the Zoning Board of Appeals, which meets monthly. Major zoning workload indicators tracked by the Department are illustrated on the following table.

Table 34: Zoning Staff Workload Indicators, 2012-2016

Zoning Board of Appeals	2012	2013	2014	2015
Rezonings	4	4	3	3
Text Amendments	6	8	0	7
Street Vacations	2	2	1	1
Master Plan Amendments	0	2	0	0
Other	2	5	0	0

Similar to workload indicators tracked by Planning staff, the Building Inspector/Zoning Administrator's zoning-related workload has remained steady over the last several years.

The following recommendations are intended to streamline structures and operations related to planning and zoning in order to more effectively allocate existing workload.

RECOMMENDATION 35: Assign supervisory responsibilities for the Preservation Planner to the Senior Planner.

After assigning supervisory responsibility of the Planning, Zoning, and Permitting Division to the Assistant Director, it is important for the Department to create clear reporting structures in major functional areas. For planning functions, this involves formally assigning supervisory responsibilities for the Preservation Planner to the Senior Planner, as illustrated in the following figure.

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┌─────────────────────┐
│  Assistant Director  │
│   of Community &     │
│    Neighborhood      │
│      Services        │
│      1.0 FTE         │
└─────────────────────┘
          │
┌─────────────────────┐
│   Senior Planner     │
│      1.0 FTE         │
└─────────────────────┘
          │
┌─────────────────────┐
│    Preservation      │
│      Planner         │
│      0.30 FTE        │
└─────────────────────┘
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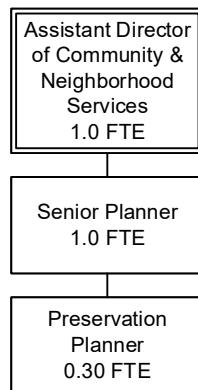
Figure 23: Proposed Organizational Structure of Planning Staff, 2017

This supervisory distinction will create several advantages for planning operations as well as the Department overall. Assigning supervisory responsibility for the Preservation Planner to the Senior Planner centralizes accountability for planning functions in the Senior Planner position. Additionally, this arrangement creates opportunities for the Senior Planner to cross-train personnel in the Preservation Planner position, which will help Planning staff prepare for periods of peak activity more effectively.

As a supervisor, the Senior Planner will be able to evaluate the Department's overall planning workload and delegate tasks to the Preservation Planner to ensure work is accomplished in a timely manner. Periodically assessing planning workload and the performance of the Preservation Planner will enable the Senior Planner to recommend staffing and process changes which can improve the Department's operations in future years. For example, if development patterns continue to increase in future years and the Department's site plan review workload increases, the Senior Planner will be able to identify this trend and alert the Assistant Director that hiring additional staff or transitioning the Preservation Planner from part-time to full-time may be warranted.

Creating this structure also conveys benefits to the Department at large. This reporting relationship provides the Assistant Director with a designated contact regarding planning functions and reduces the Assistant Director's overall span of control. The Senior Planner will be responsible for communicating high-priority issues and concerns to the Assistant Director so that they can be referred to other staff as necessary, such as the Community and Neighborhood Services Director and the City Manager.

Given the relative stability of planning-related workload as described above, it is anticipated that formalizing this reporting relationship will not result in overburdening the Senior Planner's responsibilities. The cost implications of implementing this recommendation are also anticipated to be minimal given that no new staff are recommended. However, it is appropriate for the City to review the Senior Planner's compensation in light of these additional responsibilities, and to augment the position's compensation if warranted in the context of the City's compensation and classification plan.

Permitting and Inspections

The Community and Neighborhood Services Department issues a variety of permits across several major categories, including building, electrical, land use, mechanical, and plumbing permits. Other less-frequently issued permits include survey, fire suppression, food service, and smoke detector permits; these permits constitute approximately 1% of all submitted applications in an average year. The following figure summarizes permits issued by Department staff over the last several years. Most of these permits are issued by the Certified Permit Technician and a Clerical Assistant, although the Department does not currently track which positions issue specific permits.

The following figure illustrates permit application trends in each major category over the last several years. The total number of permits issued each year is indicated in bold.
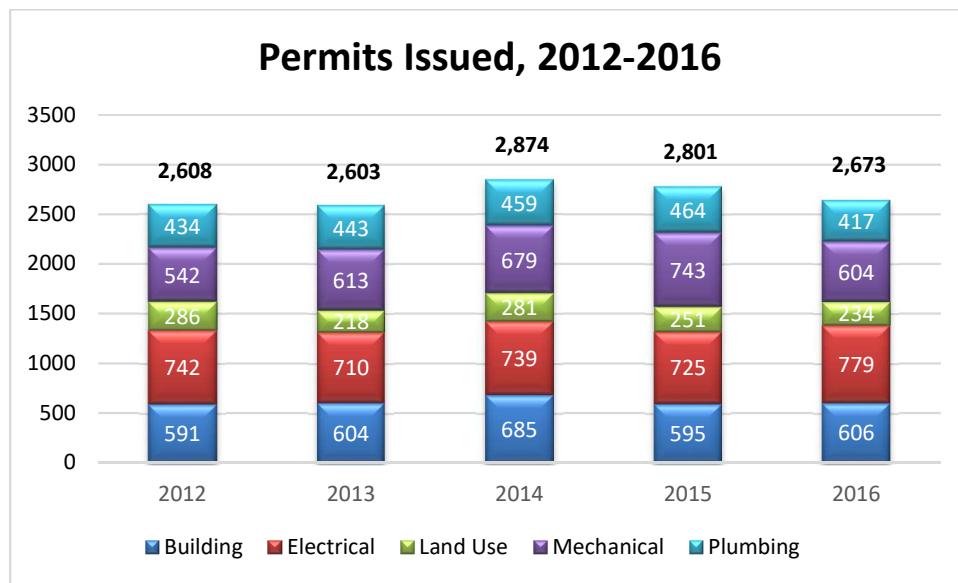
Figure 24: Permits Issued, 2012-2016

Permit activity has remained largely flat over this timeframe, averaging 2,700 permits issued per year. Comparing 2016 to 2012 reveals a 2% overall increase in permits issued. Additionally, the proportion of permits issued each year has remained consistent across all permit categories.

Because permits can encompass large development projects as well as simple repairs, it is useful to examine the total project value of new construction activity to help gauge whether development is increasing in the community. The Department currently tracks construction values associated with building permits, as illustrated in the following figure.
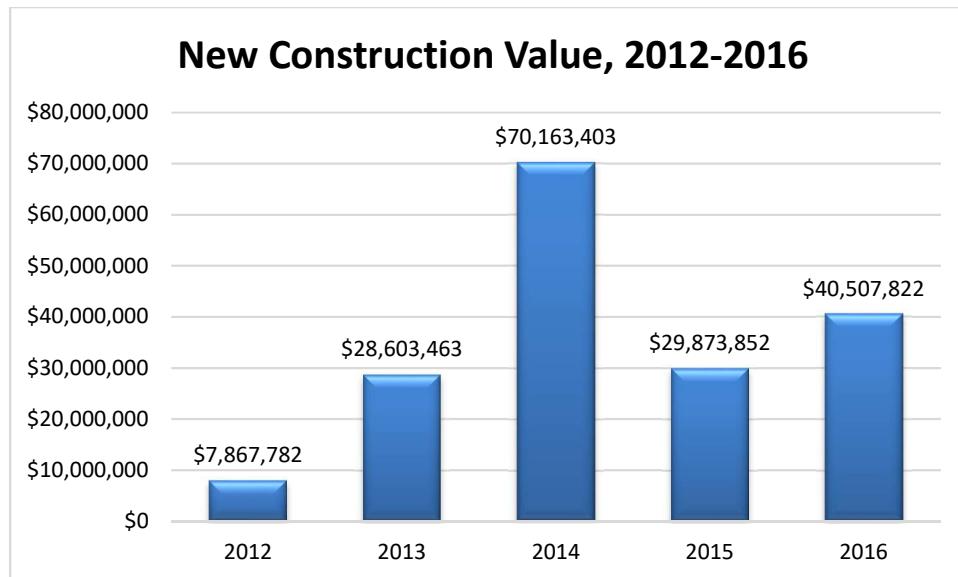
Figure 25: Value of Building Permits Associated with New Construction, 2012-2016

Notably, the total value of building permit projects peaked in 2014 due to the conversion of a golf course to residential condominium housing. In 2015 and 2016, the total construction value of projects has increased as a result of additional single-family housing projects. This is a positive indicator of economic development activity in the City.

The Department conducts inspections in two broad categories: neighborhood inspections and construction inspections. Neighborhood inspections involve life, health, safety inspections for rental units, public lodging, and vacant structures, as well as property maintenance inspections. Housing Inspectors are primarily responsible for conducting these inspections, although monthly monitoring of vacant properties is performed by the Fire Department.

Construction inspections occur in conjunction with permitted building projects, such as those described above in Figure 24: Permits Issued, 2012-2016. This activity involves detailed building, electrical, mechanical, and plumbing trades inspections, which are conducted by the Building Inspectors, the Electrical Inspector, and the Mechanical/Plumbing Inspector. The following figure illustrates total completed inspection activities in these areas from 2012 to 2016.
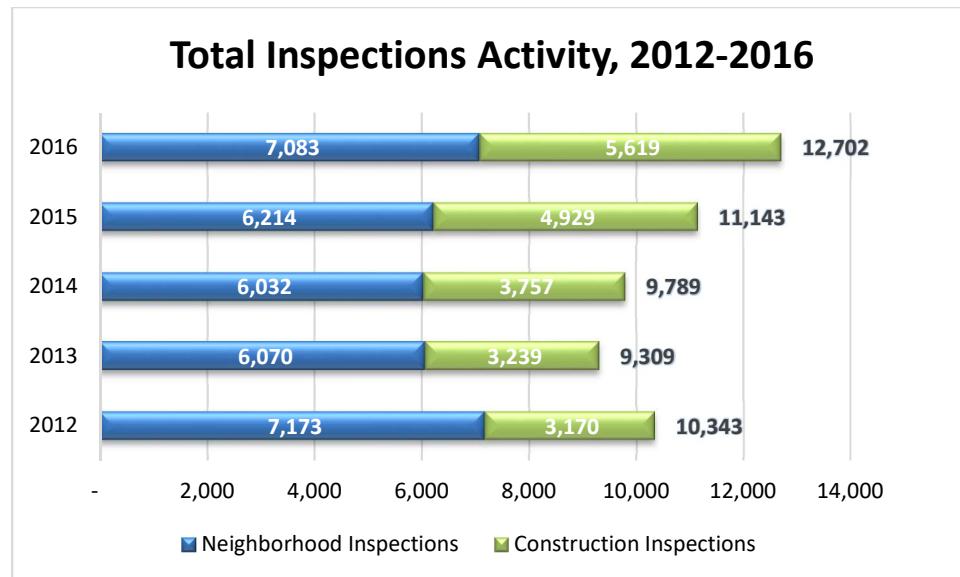
Figure 26: Total Inspections Activity, 2012-2016

While the number of neighborhood inspections decreased after 2012, there was a 33% increase in property maintenance code enforcement inspections from 2015 to 2016, due primarily to additional weed enforcement and inoperable vehicle enforcement. This increase in property maintenance inspections has largely been offset by an 81% decline in vacant structure inspections due to ongoing recovery in the City's housing market. These trends are illustrated in the following table.

Table 35: Neighborhood Inspections by Type, 2012-2016

Neighborhood Inspection Type	2012	2013	2014	2015	2016	Percent Change 2012 to 2016
Home Business	12	6	25	12	17	42%
Neighborhood Enterprise Zone	4	10	17	23	5	25%
Sidewalk Cafes	1	2	2	0	2	100%
Property Maintenance Code Enforcement	4,480	3,825	4,072	3,885	5,181	16%
Public Lodging	35	0	4	8	11	-69%
Rental	846	1,076	998	1,525	1,201	42%
Smoke Detector	212	256	244	349	361	70%
Uncategorized	0	0	31	0	0	Not Applicable
Vacant Structure	1,583	895	639	412	305	-81%
Total	**7,173**	**6,070**	**6,032**	**6,214**	**7,083**	**-1%**

Notably, the number of rental inspections tracked by the Department in the table above reflects the number of inspections by property, not the number of individual rental units inspected. The City is currently home to approximately 1,765 rental properties containing 4,465 rental units. The Department's goal is to inspect 33% of existing rental units each year as part of the rental licensing process. This goal generates an estimated 1,488 rental unit inspections each year.

The Department began tracking rental inspections by unit beginning in 2015 after hiring an additional Housing Inspector. Unit inspections have exceeded the Department's goal in 2015 and 2016, as illustrated in the following figure.

Rental Inspections by Unit, 2015 and 2016
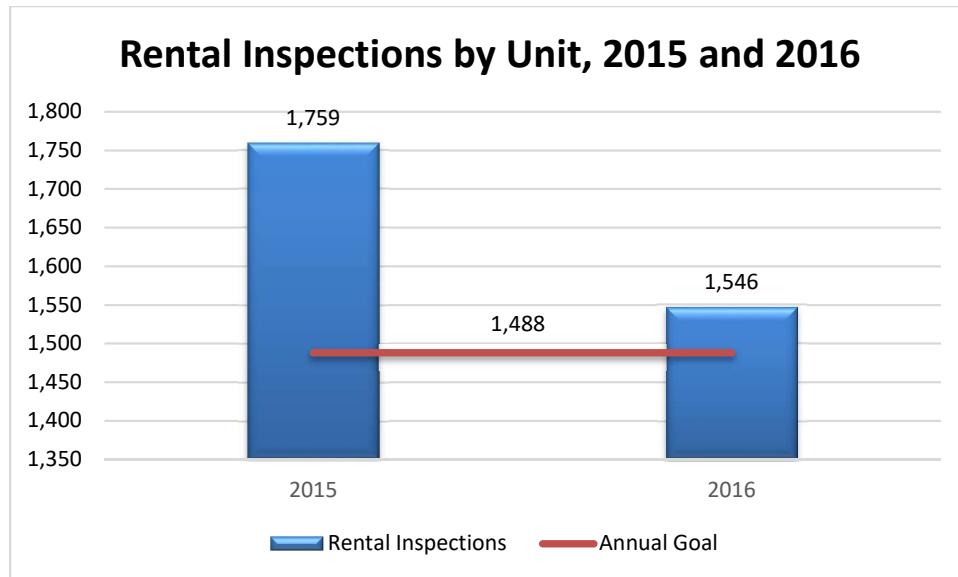
Figure 27: Rental Inspections by Unit Compared to Annual Goal, 2015 and 2016

The Department currently employs four staff with shared responsibilities for neighborhood inspections activity. These staff utilize an average of 800 hours of paid time off (PTO) per year collectively, leaving 7,520 available staff hours per year to accomplish inspection functions. While the amount of time spent on inspections is not tracked, staff provided estimates of administrative, field, and travel time associated with each inspection type. Given the workload described above and the Department's time estimates regarding the length of typical inspections, the number of available staff is sufficient to accomplish these tasks. These time estimates were applied to 2016 inspections activities in order to estimate the number of work hours needed to accomplish inspections, as summarized in the following table.

Table 36: Neighborhood Inspections Workload Estimate, 2016

Neighborhood Inspections Workload Hours	2016
Number of Neighborhood Inspections	7,083
Estimated Hours to Complete Inspections	4,664
Available Inspector Hours	7,520
Excess/(Deficit) Hours	2,856

While this analysis indicates Neighborhood Inspections staff may have excess capacity, it is important to note that these staff perform several ancillary duties which are not captured in the above data. This includes filling in for administrative staff to handle and process customer service requests, managing and maintaining the Department's software systems, running software reports and queries, assisting with solid waste billing and auditing procedures, and maintaining appropriate records for programs and cases. Attempting to quantify the time associated with some of these tasks as described earlier will help the Department more accurately evaluate true workload demands; however, staffing for residential inspections currently appears adequate.

In contrast, construction inspections related to permits has increased 77% since 2012. The following table provides a breakdown of construction inspections activities as illustrated in Figure 26: Total Inspections Activity, 2012-2016 above. Because permitted projects frequently involve more than one inspection, the inspection totals displayed below are higher than the number of permitted projects described in Figure 24: Permits Issued, 2012-2016.

Table 37: Construction Inspections by Type, 2012-2016

Construction Inspection Type	2012	2013	2014	2015	2016	Percent Change 2012-2016
Building	793	781	1,005	978	1,016	28%
Electrical	1,027	1,035	1,098	1,146	1,373	34%
Land Use	117	97	46	39	60	-49%
Mechanical	630	652	871	1,912	2,382	278%
Plumbing	603	674	737	854	788	31%
Total	3,170	3,239	3,757	4,929	5,619	77%

Most of the increase in construction inspections activity is attributable to mechanical permits. In 2015, the City engaged in a contractual relationship to provide Holland Township with mechanical inspections services. This service delivery was further expanded to Zeeland City beginning in July 2016. Each of these jurisdictions compensates the City of Holland for these services, as described in detail below.

Because the Department currently employs one staff member who is responsible for both mechanical and plumbing inspections, this increase in workload has created significant impacts for staff, as discussed in the following recommendation.

RECOMMENDATION 36: Investigate collaborative, multi-jurisdictional approaches to accomplish trades inspections.
The City currently provides plumbing and mechanical trade inspection services to neighboring jurisdictions, including Holland Township and Zeeland City. These inspections are performed by the City of Holland's Plumbing/Mechanical Inspector, and are scheduled upon request similarly to inspections requested by City of Holland residents. These contractual arrangements began in 2015 and have grown significantly since that time.

The following table illustrates plumbing and mechanical inspections trends over the last several years, as well as the total workload represented by these inspections. It is assumed that each inspection required 90 minutes of staff time to account for travel, field work, and administrative tasks following each inspection.

Table 38: Plumbing/Mechanical Inspections Workload, 2012-2016

Plumbing/Mechanical Inspections	2012	2013	2014	2015	2016
Holland Township	0	0	0	820	1,493
Zeeland City	0	0	0	138	301
City of Holland	1,233	1,326	1,608	1,808	1,376
Total Plumbing and Mechanical Inspections	1,233	1,326	1,608	2,766	3,170
Estimated Hours to Perform Inspections	925	995	1,206	2,075	2,378
FTEs Required to Achieve Workload	0.44	0.48	0.58	1.00	1.14

Notably, the number of plumbing and mechanical inspections conducted for external jurisdictions increased 87% from 2015 to 2016, and a majority of all plumbing and mechanical inspections were conducted for outside agencies in 2016. This has directly contributed to a significant increase in inspection requests and placed significant workload burdens on the Plumbing/Mechanical Inspector. As a result, the estimated time associated with plumbing and mechanical inspections currently requires more than one full-time employee to accomplish. This is a significant workload burden, and it is unreasonable to expect the current Plumbing/Mechanical Inspector to accomplish these tasks without additional support.

In addition to the workload demands imposed by these inspections, it is important to consider the monetary return they present to the City. According to the latest available contracts between the City of Holland and the third-party jurisdictions, each jurisdiction is expected to pay $60 per inspection, plus $60 per hour of administrative and ancillary services provided by the City's Plumbing/Mechanical Inspector. Applying this rate to the number of inspections requested by Holland Township and Zeeland City results in expected City revenues of approximately $107,640 for 2016.

Based on this analysis, the City generates enough revenue from other jurisdictions to offset the Plumbing/Mechanical Inspector's total compensation, which is estimated at $82,650. However, this revenue stream is not sustainable given the Plumbing/Mechanical Inspector's workload and current tenure with the City. Should the Plumbing/Mechanical Inspector leave the organization, the City will be unable to perform required inspections for City residents as well as Holland Township and Zeeland City.

Under ideal circumstances, there are two primary ways of addressing this workload imbalance. The first is to cease providing contracted services to third-party jurisdictions and only perform inspections for City customers using City staff. The second option is to contract out for all plumbing and mechanical services.

While these options are theoretically viable, unique constraints in Michigan's current economy and licensing practices have placed significant limits on these choices. According to Department staff, there are few available, currently licensed trades inspectors in the Western Michigan region, particularly inspectors who are certified in multiple disciplines (such as plumbing and mechanical inspections). To recruit inspectors, the City must compete with other jurisdictions or lure private sector trades workers to the public sector. The latter option is complicated by pay disparities between public sector and private sector workers.

Many of these observations are corroborated by a 2015 report issued by the Michigan Department of Technology, Management and Budget titled "Employment and Occupations in the Skilled Trades."[35] This report, most recently updated in December 2015, concludes that skilled trades workers are in increasingly high demand and earn above average wages across Michigan. This report also emphasizes the importance of on-the-job training and apprenticeships to the skilled trades, which inform current State requirements regarding inspector licensing. Currently, the State requires trades inspectors to have current licenses and several years of experience performing trade work prior to applying for certification as inspectors.

These findings have important ramifications for the City's ability to provide continued trades inspection services. First, the availability of persons eligible to become trades inspectors is contingent upon growing participation in trades occupations. While the Department of Technology report indicates that the number of apprenticeships increased by nearly 1,000 enrollees between 2013 and 2015, it will be several years before any of these apprentices possess enough on-the-job experience to begin the certification process as inspectors.

Second, the relatively high wages earned by trades practitioners is a function of high demand and a limited supply of qualified workers. It is not unreasonable to expect that the City's costs related to trades inspection services will increase in future years due to these market forces. This means that the City may expect to pay a premium to recruit persons from the private sector, and even to recruit private sector firms to perform inspection services on a contractual basis.

As the current generation of skilled inspectors begins to retire and leave the workforce, the City and its peer jurisdictions will be faced with difficult choices regarding how to best provide trades inspection services. To the greatest extent possible, the City should capitalize on its existing multi-jurisdictional relationships to identify solutions which benefit all organizations and help to secure the future availability of trades inspectors. These partnerships may include, but are not limited to, collaboratively contracting for inspection services, pooling resources to recruit a qualified inspector or inspectors, and lobbying efforts to make inspection certification easier to obtain.

In the short term, the City should reexamine service level standards, particularly regarding plumbing/ mechanical inspections, to create more reasonable workload expectations for staff. While the Department records the scheduled date of each inspection, the actual completion date is not always recorded. However, evaluating available data reveals that the turnaround time for plumbing/mechanical inspections are among the lowest in the Department, averaging 1.7 days for mechanical inspections and 3.6 days for plumbing inspections. By lengthening the target turnaround date, it will be possible to create a more equitable workload burden for City staff in order to prevent burnout and ensure the development process moves forward at a reasonably rapid rate.

RECOMMENDATION 37: Reclassify the Building Inspection/Zoning Administrator position as a Building and Zoning Administrator, and assign supervisory responsibilities for inspections activity to this position.
The Building Inspector/Zoning Administrator position is currently responsible for conducting building inspections in the field as well as engaging in plan review activities for all new construction projects. The Department currently tracks the number of inspections performed by each inspector, as well as the number of permit applications related to new construction projects. While the actual staff time associated

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[35] http://milmi.org/Portals/137/publications/Skilled_Trades_Report_2015_Update.pdf

with performing inspections and reviewing permits is not known, it is possible to estimate the total number of staff hours needed to accomplish this workload in a given year.

For the purposes of this analysis, it is assumed that each building inspection requires approximately 90 minutes to account for travel, field inspection activity, and administrative time. To estimate the time associated with plan review activities, staff provided an estimated average review time for building permits of various types, including new residential, commercial, and industrial construction as well as alterations/additions. This review time was applied to the total number of building permits generated each year to compute the estimated total hours associated with plan review.

It must be noted that the actual timeframes associated with these activities – particularly regarding plan review – may vary considerably due to the size and scope of various development projects. However, applying these average estimates to the overall workload assigned to the Building Inspector/Zoning Administrator provides useful insights into the time required to accomplish these tasks. The following table illustrates these estimates and provides an analysis of the total amount of hours needed to accomplish tasks assigned to the Building Inspector/Zoning Administrator.

Table 39: Building Inspector/Zoning Administrator Total Workload Hours Estimate, 2012-2016[36]

Building Inspector/Zoning Administrator	2012	2013	2014	2015	2016
Inspections Performed	737	729	937	904	633
Estimated Hours to Perform Inspections	1,106	1,094	1,406	1,356	950
Total Building Permits Issued	512	568	608	546	575
Estimated Hours for Permit Review	555	734	805	647	631
Total Estimated Annual Work Hours	1,661	1,828	2,211	2,003	1,581

The Building Inspector/Zoning Administrator is currently scheduled for 2,080 hours per year and utilizes approximately 225 hours of PTO each year, resulting in approximately 1,855 available working hours. According to the analysis above, the total amount of time needed to accomplish inspections and new construction plan review has approached or exceeded the available hours of this position on several occasions over the last five years, particularly from 2013-2015.

In addition to the activities described above, the Building Inspector/Zoning Administrator provides staff support to the Zoning Board of Appeals and writes case reports for zoning items which appear before the board. While the amount of time associated with these activities is not readily quantifiable, it is important to remember that staff support reduces the amount of time the Building Inspector/Zoning Administrator can dedicate to inspections and plan review.

Given these workload responsibilities and the estimated time associated completing these tasks, it is not sustainable to continue assigning all of these functions to the Building Inspector/Zoning Administrator position. Rather, the Building Inspector/Zoning Administrator should be reclassified as a Building and Zoning Administrator with three primary responsibilities: conducting all new construction plan review, supervising building inspections staff, and coordinating zoning issues and administration.

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[36] Estimated Hours to Perform Inspections assumes that each inspection requires an average of 90 minutes total, including travel and administrative time associated with fieldwork activities.

Eliminating building inspection responsibilities from this position will reduce the Building and Zoning Administrator's workload by an estimated 950 hours per year, which will create additional capacity to conduct plan reviews, coordinate the activities of inspections staff, and pursue zoning priorities, such as code updates and amendments.

Based on the latest workload data provided by the Department, overall building inspections workload may be assigned to one inspector without overburdening that inspector. The following table illustrates the total number of building inspections performed over the last several years, as well as the estimated number of hours needed to accomplish inspections.

Table 40: Overall Building Inspections Workload and Estimated Hours, 2012-2016

Overall Building Inspections Workload	2012	2013	2014	2015	2016
Total Building Inspections Performed	793	781	1,005	978	1,016
Estimated Hours Needed to Perform Inspections	1,190	1,172	1,508	1,467	1,524
FTEs Required to Accomplish Workload	0.57	0.56	0.72	0.71	0.73

In January 2017, the Department hired an additional full-time Building Inspector to undertake building inspections and some permitting and plan review functions. This position should be assigned primary responsibility for conducting all building inspections, with the Building and Zoning Administrator providing supporting inspections activities only during peak inspection periods.

Reclassifying the Building and Zoning Administrator and reassigning responsibilities for inspections functions to the Building Inspector will benefit the Department in two primary ways. First, construction inspections staff will have a clearer sense of organizational reporting relationships. The Building and Zoning Administrator will serve as a direct supervisor for these staff and oversee their operations, creating distinct lines of accountability. This supervisory arrangement will also reduce the number of employees who report to the Assistant Director, as illustrated in the following figure.
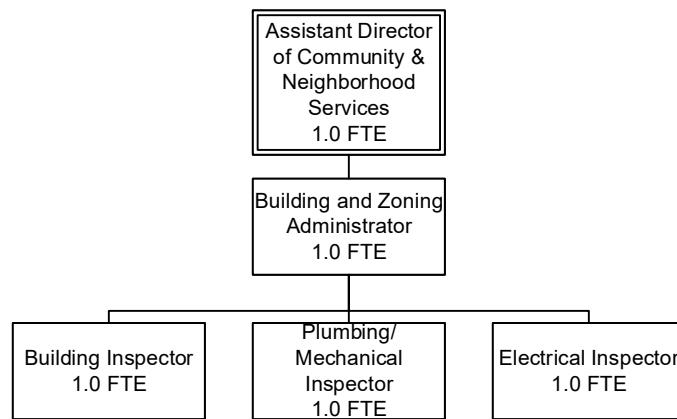
Figure 28: Proposed Organizational Structure of Zoning and Construction Inspections Staff, 2017

Second, this distribution of functional and supervisory responsibilities creates additional opportunities for the Department's staff to continue cross-training and professional development initiatives. As supervisor of inspections-related activities, the Building and Zoning Administrator will be uniquely positioned to

identify overall trends in inspection activities and recommend staffing and training solutions which will maximize the Department's efficiency. This could involve utilizing inspectors for plan review activities, requiring inspectors to attend professional development trainings and obtain specific professional certifications, and regularly evaluating inspector performance.

Due to the reclassification of this position and the clarification of its supervisory responsibilities, it is appropriate for the City to augment the position's compensation if warranted in the context of the City's compensation and classification plan.

Solid Waste and Recycling

The City currently contracts with a private, third party solid waste hauler for all residential refuse and recycling services. This contract was awarded to Chef Container in 2010 and is effective from July 1, 2011 through June 30, 2018. The contract specifies a variety of services and options to be provided by Chef Container, including single-family residential refuse disposal, large item pickup, recycling services, and yard waste composting. All single-family residential units in the City are covered under the contract, as well as multi-family residential consisting of four units or less. According to the latest available information from the City and the contractor, approximately 10,400 customer accounts currently receive solid waste services. Commercial organizations are permitted to contract for solid waste services with a licensed hauler of their choice.

The Solid Waste/Recycling Sustainability Coordinator and Community Development Specialist/Code Enforcement Officer are responsible for contract oversight and resolving customer service and billing issues associated with the City's solid waste contract. These positions are also heavily involved in functions which are unrelated to the solid waste contract. The Solid Waste/Sustainability Coordinator also serves as Assistant Manager to the Airport Authority, which consumes an estimated 30% of this position's annual hours. The Community Development Specialist/Code Enforcement Officer is primarily responsible for property maintenance code enforcement inspections, and assists with processing and evaluating the solid waste contractor's reports and invoices.

RECOMMENDATION 38: Simplify service level, billing, collections, and payment components related to solid waste contracting.
When the solid waste contract first began in 2011, billing for solid waste services was coordinated by the Holland BPW. These charges appeared on monthly utility bills sent by BPW to utility customers in the City. In 2013, billing responsibilities were transferred to Chef Container. Under the current structure, Chef Container bills residential customers on a quarterly basis and collects payments for solid waste services on behalf of the City. The contractor then deposits these funds into a designated City account twice weekly. Chef Container then invoices the City for services provided, and the City remits payment to Chef Container from its designated solid waste account.

This approach to billing, invoicing, and collections unnecessarily complicates the transfer of funds between residents, the City, and Chef Container. Customer payments are effectively passed between Chef Container and the City rather than remitted directly to one entity. While the contract requires Chef Container to submit various reports to the City describing cash flow, delinquencies, and workload measures, the number of reports, frequency of billing cycles, and significant customization of services between customers significantly complicates contract management.

A fundamental challenge associated with this approach involves delinquent and unpaid accounts. According to the contract, if a customer does not remit payment within 60 days, Chef Container should

notify the Community and Neighborhood Services Department using a monthly reporting process. The Solid Waste/Sustainability Coordinator then verifies that the accounts are delinquent and begins the process of notifying the account holder.

If the account holder does not remit payment, the Solid Waste/Sustainability Coordinator works with City staff in Fiscal Services to begin the process of initiating tax liens against each delinquent property. Tax liens are filed every six months and include a $50 administrative fee for each lien filed. In recent years, the number of liens and the value of these assessments has increased significantly due to increased enforcement efforts, as illustrated in the following table.

Table 41: Solid Waste Tax Lien Assessments and Amounts, 2014-2016

Solid Waste Assessments	2014	2015	2016	Percent Change 2015 to 2016
Liens Filed	149	1,095	1,866	70%
Total Amount of Liens Filed	$14,524.11	$244,934.00	$300,832.97	23%

Notably, these delinquent accounts comprise approximately 20% of the City's annual spending associated with Chef Container. This delinquency rate indicates that a systemic issue exists regarding the City's ability to secure payments from solid waste customers. Because the City is contractually obligated to pay Chef Container regardless of whether residents pay the City, it is important to create a sustainable funding stream which reliably generates revenue to provide solid waste services.

Additionally, the City's financial auditors have previously identified significant deficiencies or material weaknesses associated with accounting for solid waste services. These issues were raised in audit reports regarding FY2013, FY2015 and FY2016 financial statements. While the deficiencies identified in FY2013 and FY2015 have been resolved, issues identified during the FY2016 audit were not corrected at the time the audit was performed. This includes deficiencies in internal controls regarding refuse and recycling account balances, such as delays reconciling year-end balances and adjusting cash balances in the refuse and recycling account. The auditors also found that while the City maintained a rolling balance of delinquent accounts, it was unable to provide detail regarding specific delinquent accounts and could not explain shifts in the number of accounts which were 90 or more days past due.

While the City is in the process of rectifying these issues, it is important to emphasize the current billing and collections arrangement between Chef Container and the City of Holland is overly complex and requires significant accounting oversight and information exchange. It is essential for the City to simplify the existing contractual arrangement with its solid waste hauler to resolve ongoing issues with billing and collections and create a more fiscally transparent payment process.

This can be accomplished in two primary ways. The first option is to negotiate an exclusive franchise service agreement with a qualified solid waste hauler. Under this arrangement, the contractor would pay the City an agreed fee to administer the contract and set prices for residential customers according to a negotiated rate. Customers would then interface directly with the contractor for all solid waste services, including billing, collections, account openings and closures, and complaints. This effectively removes the City from the billing and collections process, but preserves the City's role to specify services and enforce the rules of the franchise contract.

A second option is to assess an annual fee to each residential property owner who will be provided solid waste services. In this scenario, the City will annually collect solid waste assessments and negotiate with

a single solid waste hauler to provide specified services for a designated annual fee. By assessing property owners once per year, administrative overhead regarding changing customer accounts and delinquent payments is minimized. Rental property owners would be free to pass along costs to their tenants as necessary, and tenants would not have to worry about starting or stopping service accounts for solid waste. This approach minimizes City overhead associated with customer accounts and billing.

By changing the essential nature of the contract for solid waste services, the City will dispense with the need to engage in complex accounting procedures and create additional capacity for all staff involved in solid waste. Rather than focus on reporting, billing, collections, and account reconciliation, staff will dedicate increased time to strategic recycling initiatives, such as improving residential recycling and yard waste composting participation. These initiatives have historically comprised core focus areas of the Solid Waste/Sustainability Coordinator's position, but have not received priority attention due to the billing issues described above and the need to respond to customer service inquiries. Additionally, other staff who currently provide solid waste billing support, such as the Community Development Specialist/ Code Enforcement Officer, will have additional capacity to dedicate to proactive code enforcement efforts.

RECOMMENDATION 39: Engage in a competitive bidding process for solid waste services at the next contract opportunity.
As described above, the City's current solid waste contract covers a seven-year term from July 1, 2011 through June 30, 2018. The contract also specifies that the City has an option to renew the existing agreement for an additional five years via competitive renegotiation. In 2013, the contract was amended to reflect the transfer of billing responsibilities to Chef Container and to add additional monthly reporting requirements for the contractor.

The current contract permits residents to choose from a wide array of services and adjusts billing rates for each customer based on their service preferences. While this creates a high degree of flexibility for City residents, it also places a significant demand on staff to properly reconcile and account for billed services as described above. The effort to simplify the existing contract presents a unique opportunity for the City to competitively re-bid for residential solid waste services, rather than automatically renew services with the current contractor.

While automatic renewal and renegotiation offer a streamlined approach to continue a satisfactory contractual relationship, the City runs the risk of overlooking other service providers who may have entered the market since the initial contract's inception. This is particularly relevant for contracts with longer terms, such as the existing solid waste contract.

In addition, rebidding the existing contract presents several other advantages which make this option more advantageous for the City. First, rebidding allows the City to reformulate, streamline, and redefine service level standards, reporting expectations, billing and collections procedures, and other processes which may have changed since the contract was last amended. Second, a competitive bidding process will allow the City to reevaluate the current capabilities of other area haulers and compare these capabilities to those currently offered by its existing contractor. Third, competitive bidding encourages haulers to compete for the City's business and may result in lower overall pricing for solid waste services.

After completing the competitive bidding process, the City should enter into a contractual arrangement for an agreed upon term, with an option to renew for an additional term at the City's discretion. Although a seven-year term is not unusual for contracted solid waste services, it is important for the City to preserve its capacity to competitively bid these services at regular intervals.

Parks and Recreation

The Parks and Recreation Department has responsibility for the coordination and quality of all recreational and cultural opportunities for City residents and visitors. Parks and Recreation also maintains all associated facilities, including Windmill Island Gardens, Civic Center, DeGraaf Nature Center, community parks, recreation fields, and cemeteries. The Department's overall objective is "to provide safe, functional, and beautiful facilities for the pursuit of leisure time activities, and to continue the development of such facilities for the presentation of the natural beauty of the City and the enjoyment of all age groups."

Department Structure

The Department currently consists of 22.3 full-time and 32.95 part-time positions. Many Parks and Recreation functions are seasonal in nature; therefore, the Department relies heavily on part-time employees. The following figure shows the reporting structure of the Department. Seasonal positions are shown in grey.
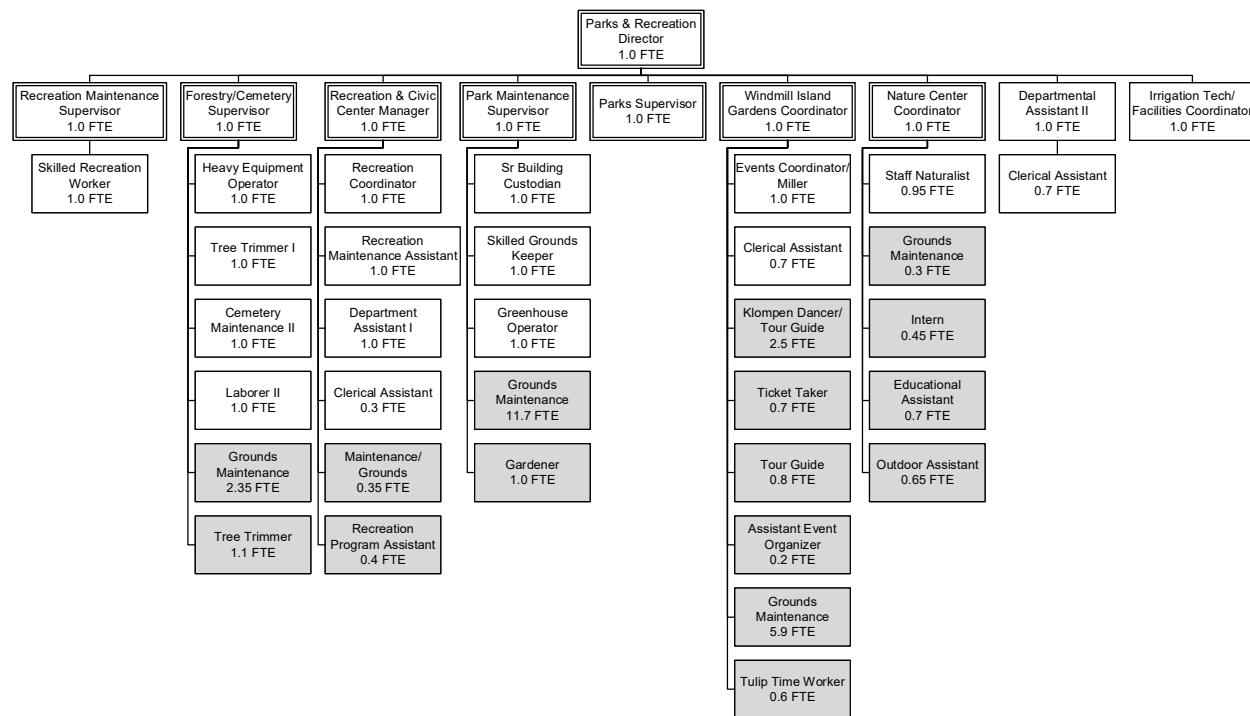
Figure 29: Parks and Recreation Organizational Structure, 2017

The Department is organized into seven divisions:

- The Administration Division provides the Department with overall direction and support. The Division is responsible for establishing and updating Department policies and procedures, managing Department personnel, managing the budget, and administering grant funding. While several divisions of the Department have dedicated administrative support, the Administration Division coordinates across all the divisions.

- The Parks Division is responsible for maintaining the City's 392 acres of parks and planting and maintaining tulip beds, lanes, and boulevards.
- The Cemetery Division is responsible for maintaining the City's two cemeteries, conducting burials, and caring for cemetery plots.
- The Forestry Division is responsible for trimming, planting, and removing trees in the public park system and the public right-of-way.
- The Recreation/Civic Center Division provides recreational, cultural, and leisure time activities and special events to the community. In addition, the Division is responsible for maintenance of all recreation facilities. The Civic Center recently closed for renovations and Civic Center staff have been permanently transferred[37] to other divisions within the Department.
- The Windmill Island Gardens Division operates and maintains a local tourist attraction that includes a working mill as well as public gardens. Staff coordinate the many events that are hosted throughout the open season, which runs from April through October.
- The DeGraaf Nature Center is an 18-acre preserve located within the City limits and includes an interpretive center with interactive displays and live animal exhibits. The nature center hosts field trips, eco tours, birthday parties, and other environmental events.

Department Staffing

The Department's staffing level has increased by 5.86 FTEs over the last five years, as illustrated in the City's annual budget documents. During this time period, the Department added a Windmill Island Gardens Coordinator position, a Recreation/Civic Center Manager position, a Parks Supervisor position, a Building Custodian Position, additional part-time recreation programming assistance, and additional part-time grounds maintenance positions. The following table shows the number of full-time and part-time positions each year, and the Percent Change column compares Actual FY2013 staffing to Authorized FY2017 staffing. As can be seen in the table, the number of full-time FTEs increased by 17% over the last five years, while the number of part-time employees increased by 8%. Overall, the Department's staffing level increased by 12% during the last five fiscal periods.

Table 42: Parks and Recreation Department Staffing Trends, FY2013-FY2017[38]

Department Staff	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Full-Time	18.99	19.90	19.90	21.30	22.30	17%
Part-Time	30.40	29.95	33.30	34.10	32.95	8%
Total	49.39	49.85	53.20	55.40	55.25	12%

Department Expenditures

The following table illustrates the Department's expenditures over the last five fiscal periods, along with the percentage change since FY2013.

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[37] When the Civic Center reopens following renovations, the Parks and Recreation Department will no longer manage the operations of that facility

[38] Holland Historical Trust employees have been excluded from this table

Table 43: Parks and Recreation Department Expenditure Trends, FY2013-FY2017[39]

Budget Category	Actual FY2013	Actual FY2014	Actual FY2015	Estimated FY2016	Authorized FY2017	Percent Change
Personnel Services	$2,159,246	$2,146,902	$2,354,904	$2,450,880	$2,566,700	19%
Other Current Expenditure	$2,695,863	$2,892,031	$3,056,536	$3,233,955	$3,131,638	16%
Capital Outlay	$144,343	$743,369	$111,795	$70,242	$1,207,500	737%
Depreciation	$103,825	$109,767	$119,862	$120,000	$130,000	25%
Transfers	$123,133	$118,747	$261,085	$100,000	$131,000	6%
Total	$5,226,410	$6,010,816	$5,904,182	$5,975,077	$7,166,838	37%

The Capital Outlay budget category saw the largest increase (739% or $1,066,157) between FY2013 and FY2017. This increase is the result of increased investment at Windmill Island Gardens. The Personnel Services budget category increased by 18%, or $442,570. This is due to a combination of additional positions (5.86 FTEs total) and the increasing cost of benefits. Depreciation expenses decreased during the five-year period of interest.

Analysis and Recommendations

Employees in the Parks and Recreation Department are dedicated to providing quality services to the community. The Department's ability to strategically adapt by delaying preventive maintenance and cross-training to cover vacancies has allowed the Department to maintain service levels in many areas. This may be the reason the Department has maintained such a positive culture after going through a recession as employees are motivated by providing quality services. In fact, the Department received the second highest scores (after Management and Admin Services) on the employee survey in the areas of employee engagement, department culture, and organizational culture. Staff report feeling supported by management and appreciate being provided with quality equipment with which to complete their work.

The Department aims to be an excellent financial steward of the funds it receives. Several of the Department's operations are cost neutral or revenue-generating and, on an annual basis, the Department reviews its fees and charges to ensure they are appropriate. The Department has also leveraged partnerships with community organizations to stretch its resources and provide expanded service levels.

The following recommendations are intended to continue the Department's focus on providing excellent services with limited resources by providing guidance on strategically investing in and allocating resources and improving the efficiency and effectiveness of operations.

Parks, Forestry, and Cemetery Staffing
In the last 10 years, the Parks and Recreation Department's staffing levels have fluctuated, with reduction in 2011 and 2012 followed by steady increases through 2016. These staffing changes were in reaction to the Recession and the need for the City to reduce expenditures in the face of restricted revenue growth. While the Department's staffing levels have increased in recent years, they are still down by 2% overall for the last 10 years. The following figure shows the number of FTEs (full-time and part-time) by division.

[39] Holland Historical Trust expenditures have been excluded from this table
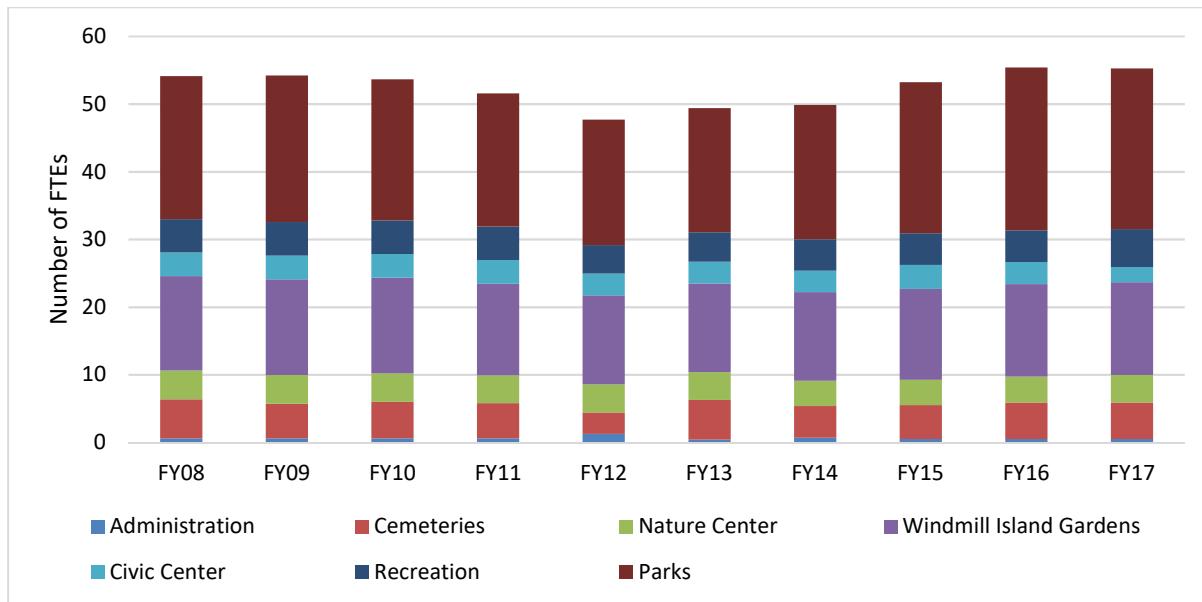
Figure 30: Parks and Recreation Department Staffing Levels by Division, FY2008-FY2017

A key way the City reduced expenditures during this period was by leveraging part-time labor rather than paying the salary and benefit costs associated with full-time employees. This is a reasonable approach for many Parks and Recreation functions as they tend to be seasonal in nature. For example, mowing, which is a major part of the park maintenance function's workload, is typically only necessary during the summer months when grass is growing. Similarly, Windmill Island Gardens is only open for six months out of the year, so leveraging seasonal staff is a prudent strategy to minimize costs. Conversely, most of the work completed by the Cemetery Division is consistent throughout the year. As can be seen in the following figure, certain Parks and Recreation Department functions are more seasonal in nature (e.g., Parks, Recreation, and Windmill Island) than others (e.g., Cemetery, Forestry, and the Nature Center).
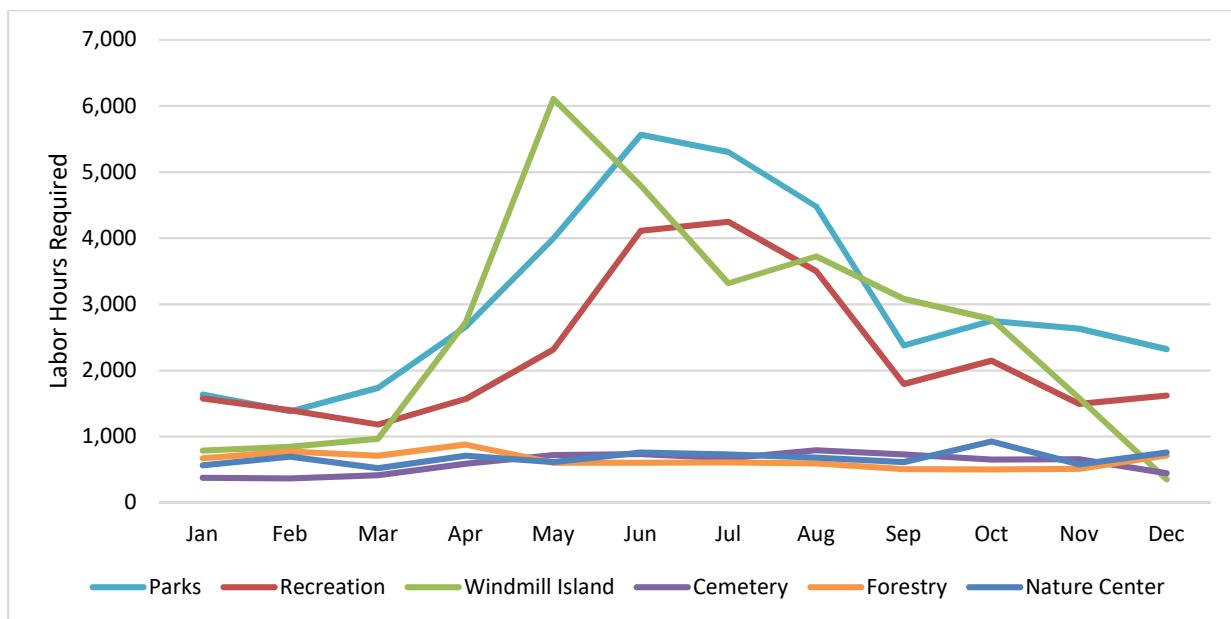
Figure 31: Labor Hours (Full-Time and Part-Time) Required Each Month by Division, 2016

However, relying heavily on part-time employees presents several challenges. Hiring employees every year creates a significant administrative burden as positions must be advertised, applications reviewed, and candidates interviewed. In addition, training employees requires a significant investment of time, which detracts from staff's daily responsibilities. Part-time employees are often looking to increase their skills and find full-time work, which means that once they are trained they may leave suddenly for a full-time job. Finally, relying heavily on part-time employees presents supervision issues as the number of direct reports to full-time supervisors increases significantly (for example the Parks Maintenance Supervisor is responsible for directly managing approximately 27 seasonal employees each summer), the organization is forced to have part-time employees supervise the work of other part-time employees.

Due to their seasonal nature, many Parks and Recreation Department functions operate most efficiently with a mixture of part-time and full-time labor. This section provides recommendations aimed at finding the appropriate mixture of part-time and full-time employees to ensure consistent quality service delivery.

RECOMMENDATION 40: Increase Forestry Division full-time staffing level to three FTEs.
The City of Holland has been a Tree City USA for nearly 40 years. Unlike many public infrastructure assets, trees can increase in value over time. However, a city's urban forest requires proper arboricultural techniques and management practices to thrive. The most common tree maintenance activities include inspecting, pruning, planting, and removing trees. As with any asset management program, tree maintenance involves two approaches: responding to crisis situations that demand immediate attention and completing scheduled maintenance activities. While every forestry function must be flexible enough to respond to crises when necessary, organizations should strive to maximize the amount of scheduled work completed.

The Forestry Division estimates that it is responsible for maintaining an urban forest and street tree inventory totaling 20,000 trees. Parks and Recreation Department management reports having approximately 100 trimming or removal requests at any given time. As such, the City of Holland's Forestry Division spends the majority of its time responding to unplanned calls for service, leaving little time for proactive maintenance. In 2014, the Forestry Division's tree removal and stump disposal workload peaked. During that same period, tree planting and trimming activities decreased. The following figure shows the tree maintenance activities completed each year by the Forestry Division.
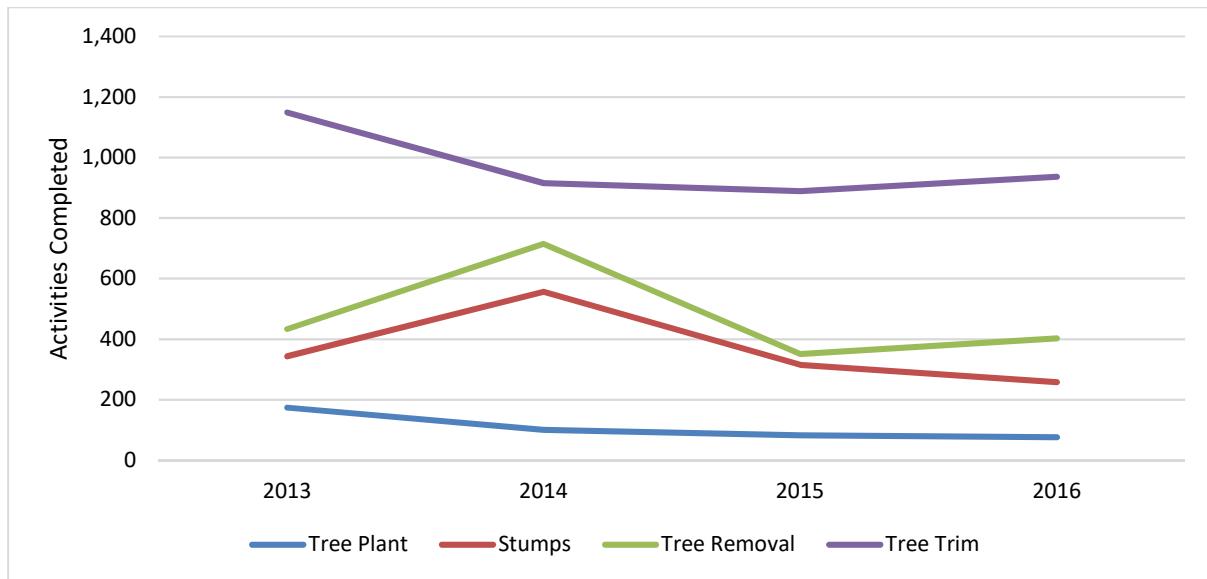
Figure 32: Tree Maintenance Activities Completed by the Forestry Division, 2013-2016

Not proactively maintaining the City's urban forest is a problem for several reasons. First, improper maintenance or neglect of an established tree may result in damage to property or people. Second, the long-term viability of the City's urban forestry depends on maintenance. Third, planning is required in order to have a stable and diverse tree population in the future.

The Forestry Division is currently staffed by two full-time employees (one Tree Trimmer I and one Heavy Equipment Operator) and a full-time Laborer II that is shared with the Cemetery Division. While data on the actual breakout of the Laborer II's time between the two functions is not available, staff report that the majority of that position's time is dedicated to the Cemetery Division. In addition to these full-time employees, the Forestry Division has part-time employees. In 2016, the Forestry Division used 3,294 hours of part-time labor. The following table shows the labor hours recorded by full-time and part-time Forestry Division employees and the equivalent number of FTEs.

Table 44: Forestry Division Labor Hours Recorded by Month, 2016

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Hours	**493**	**590**	**526**	**712**	**429**	**427**	**435**	**413**	**328**	**335**	**335**	**522**
Full-Time Labor Hours	376	383	379	347	359	358	356	375	363	340	347	413
Part-Time Labor Hours	297	389	331	533	248	248	252	222	144	163	164	303
Full Time Employees	2.2	2.3	2.1	2.1	2.0	2.0	2.1	2.0	2.1	2.0	2.0	2.3
Part Time Employees	1.8	2.3	1.8	3.2	1.4	1.4	1.5	1.2	0.8	1.0	0.9	1.7
Total FTEs	**4.0**	**4.6**	**3.9**	**5.2**	**3.4**	**3.4**	**3.6**	**3.2**	**2.9**	**3.0**	**2.9**	**4.1**

As can be seen in the previous table, the work completed by the Forestry Division does not fluctuate significantly from season to season. While staffed with two dedicated full-time employees, the Division is usually operating with the equivalent of three or more FTEs. In order to fill this gap, the Division relies on seasonal labor throughout the year. While this is an efficient approach to staffing some functions, this is

an issue in the Forestry Division because the work this function completes is specialized. As a result, the Division is relying on seasonal labor to complete a specialized job.

There are two reasons the Division's reliance on seasonal labor to fill specialized positions is problematic. First, there are safety concerns. To safely equip a forestry crew often requires three individuals - one up in a tree, one operating heavy equipment, and one on the ground. It should also be noted that, according to the American Public Works Association (APWA), cities of similar size to the City of Holland have an average of four employees dedicated to forestry (and this does not take into consideration the fact that the City of Holland is a Tree City USA). Second, due to the specialized nature of the work, training new employees can be a time intensive process that requires valuable staff time. Currently, City of Holland Forestry Division staff spend six weeks training new employees. Since the Division must train approximately three part-time employees each year, this presents a significant investment of time by full-time staff on an annual basis that would not exist if a third full-time employee were assigned to the Forestry crew. This time would be better spent completing the proactive tree maintenance activities the Division has ignored as it focuses on responding to complaints.

Staffing the Forestry crew with three full-time employees would enable the Division to safely and efficiently complete its work while possibly taking on additional preventive maintenance work. Adding a third full-time position to the Forestry Division will enable the Forestry crew to function safely while also moving away from being solely reactive to being more proactive. The Division spent an estimated $33,764 on part-time labor in 2016.[40] In addition, it is estimated that the City spends approximately $1,500 each year hiring and training part-time Forestry Division employees - expenditures which are not dedicated to providing service. By converting some of the part-time labor to a full-time position, the Division would need to spend an extra $33,167 (a total of $66,930[41]) on combined full-time and part-time employees.

RECOMMENDATION 41: Assign full-time Laborer II to the Cemetery Division, bringing the function's full-time staffing level to two FTEs.
The work of the Cemetery Division is unique and operates throughout the year. A combination of specialized and nonspecialized activities make up the workload of the Division. During the growing season, employees must mow and maintain the cemeteries and in the winter, they must plow snow. Throughout the year, employees must complete burials. Burials require specialized skills as the plot must be accurately identified, heavy equipment must be maneuvered within small spaces, and the process must be executed smoothly in the presence of mourners during funerals.

The Cemetery Division is currently staffed by one Cemetery Maintenance II position and a Laborer II (shared with the Forestry Division). While data is not available on the amount of time the shared Laborer II works for the Cemetery Division, staff estimate that the majority of that employee's time is spent in this Division. Full-time employees spend most of their time completing the specialized task of burials.

In addition to the two full-time employees, the Division hires seasonal employees to complete mowing, maintenance, and snow removal tasks. In 2016, the Division used a total of 2,715 hours of part-time labor. As a result, the Division spent an estimated $27,829 on part-time labor in 2016.[42] In addition to the full-time and part-time employees that work in the cemeteries, the Division contracts with Ottawa County Jail

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[40] Assumes wage rate of $10.25 per hour
[41] Assumes Service and Maintenance salary range level C ($38,522) and 32.9% benefits plus the cost of 1,337 hours of part-time labor with a wage rate of $10.25 per hour
[42] Assumes wage rate of $10.25 per hour

to hire six inmates and a supervisor (four inmates and a supervisor during the winter months). These inmates complete a lot of weeding, move snow for burials, etc.

Other than seasonal mowing activities, cemetery work is fairly constant throughout the year. The following table shows the number of full-time and part-time labor hours recorded by the Division each month and the equivalent number of employees.

Table 45: Cemetery Labor Hours Recorded by Month, 2016

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Hours	**380**	**367**	**417**	**592**	**720**	**734**	**673**	**795**	**731**	**655**	**657**	**444**
Full-Time Labor Hours	380	367	378	352	387	362	345	383	374	354	370	397
Part-Time Labor Hours	0	0	39	240	333	372	328	412	357	301	287	47
Full Time Employees	2.3	2.2	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.3
Part Time Employees	0.0	0.0	0.2	1.4	1.9	2.1	1.9	2.2	2.0	1.8	1.6	0.3
Total FTEs	**2.3**	**2.2**	**2.3**	**3.5**	**4.1**	**4.2**	**4.0**	**4.3**	**4.2**	**3.9**	**3.7**	**2.5**

As can be seen in the prior table, the Division requires a minimum of two full-time employees every month of the year. Given the specialized nature of burials, the Department should assign the full-time Laborer II, who reportedly spends a majority of time working in the cemeteries, to the Cemetery Division.

RECOMMENDATION 42: Separate the existing Irrigation/Facility Maintenance Technician position into two full-time positions – an Irrigation Technician and a Facilities Coordinator (transferred to the General Services Division).

Every year, the City of Holland plants nearly 4.5 million tulips and 60,000 annuals throughout its parks, public attractions, and along City streets. Plants contribute to the atmosphere of the City of Holland, and they also represent a significant investment of the City organization. The irrigation function of the Parks Division is critical to protecting that investment. For irrigation systems, as with all types of machinery, investing in routine preventive maintenance during the off-season can extend the life of the equipment, avoid costly repairs, and save valuable time during the busiest months of the planting and growing season. In addition, minor repairs and maintenance are also often necessary during the growing season in order to keep the system operating smoothly.

Historically, the City has employed one full-time Irrigation Technician. This position is responsible for maintaining irrigation infrastructure throughout the City. However, in recent years, that position has also taken on responsibility for facility maintenance throughout the City. While data on the amount of time the Irrigation/Facility Maintenance Technician spends completing irrigation system duties is not available, anecdotes from staff indicate that the amount of time spent dedicated to irrigation responsibilities has decreased as facility maintenance responsibilities have increased. For example, park maintenance and recreation maintenance employees have tried to learn enough about irrigation systems to assist when the Irrigation/Facility Maintenance Technician is busy with facility maintenance activities, but the complexity of irrigation system maintenance makes informal training difficult. In fact, staff report that many of the perennial beds died last year because of unresolved irrigation issues.

The workload of the facility maintenance function is discussed in detail in the Transportation section of this report. However, the City's facility maintenance needs require a dedicated employee and do not leave room for the additional responsibilities of irrigation system maintenance. Therefore, a new Irrigation Technician position should be created to provide the City's irrigation systems with both the preventive maintenance and emergency repair attention they require. When not addressing issues, the Irrigation Technician would be expected to develop and execute an annual irrigation system work plan. The work plan would include tasks such as winterizing the system in the late fall and turning it on (and making necessary repairs) in the early spring, conducting weekly visual inspections (looking for seeping water onto walkways, or displaced soil and holes) of irrigation systems, and other similar preventative maintenance needs. It should be noted that Parks Division and Recreation Division employees should be trained to complete handle basic repairs while out in the field.

Creating this additional Irrigation Technician position will cost an estimated $51,196.[43]

RECOMMENDATION 43: Shift emphasis of the Parks Supervisor position from Windmill Island Gardens Division to Parks Division to provide additional supervision of seasonal crews.
A total of seven supervisors currently manage operations of the Parks and Recreation Department, one of which is a new full-time Windmill Island Gardens Coordinator position that was created in 2016. Prior to the creation of that position, a Parks Supervisor managed the Windmill Island Gardens operation. Since the Coordinator position was created, the Parks Supervisor incumbent has been overseeing the ornamental gardens at Windmill Island Gardens, reporting directly to the Parks and Recreation Director.

In the future, as the new Windmill Island Gardens Coordinator develops comprehensive experience with Island operations, it will be appropriate to shift the emphasis of the Parks Supervisor position away from Windmill Island Gardens and toward the Parks Division.

Currently, the Parks Division is staffed by four full-time employees and approximately 27 seasonal employees. The Park Maintenance Supervisor manages all employees in the Division, but the Skilled Groundskeeper and the Greenhouse Operator both provide some supervision of seasonal employees on a daily basis from the field. The 27 seasonal employees are assigned as follows: six to mowing crews (three crews of two employees) that mow most of the City's parks; six to utility crews (three crews of two employees) that are responsible for unstaffed parks and special projects such as planting; seven to the three largest parks; and eight to the greenhouse.

This reliance on seasonal labor is an appropriate approach to staffing the Division because of the seasonal and non-skilled nature of much of the work. However, because of the limited number of full-time staff, crews are often led by part-time employees. There are several issues with this approach to supervision. First, it can result in inefficiencies when it comes to deploying employees as supervisors are unable to closely monitor task times and assign additional work upon completion and cannot assign specialized tasks which require closer supervision. Having additional working supervisors would enable seasonal employees to be more closely monitored, making it possible for more specialized tasks to be completed. Second, it impacts the Division's quality control efforts as it is unreasonable to expect the Parks Maintenance Supervisor to inspect the work completed by 27 seasonal employees. However, it would be reasonable to expect additional supervisors to inspect the work completed by the smaller number of employees for which they are responsible.

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[43] Assumes Service and Maintenance salary range level C ($38,522) and 32.9% benefits

Shifting the Parks Supervisor position toward the Parks Division would provide the additional supervision the Division requires. The following figure shows the proposed reporting structure.
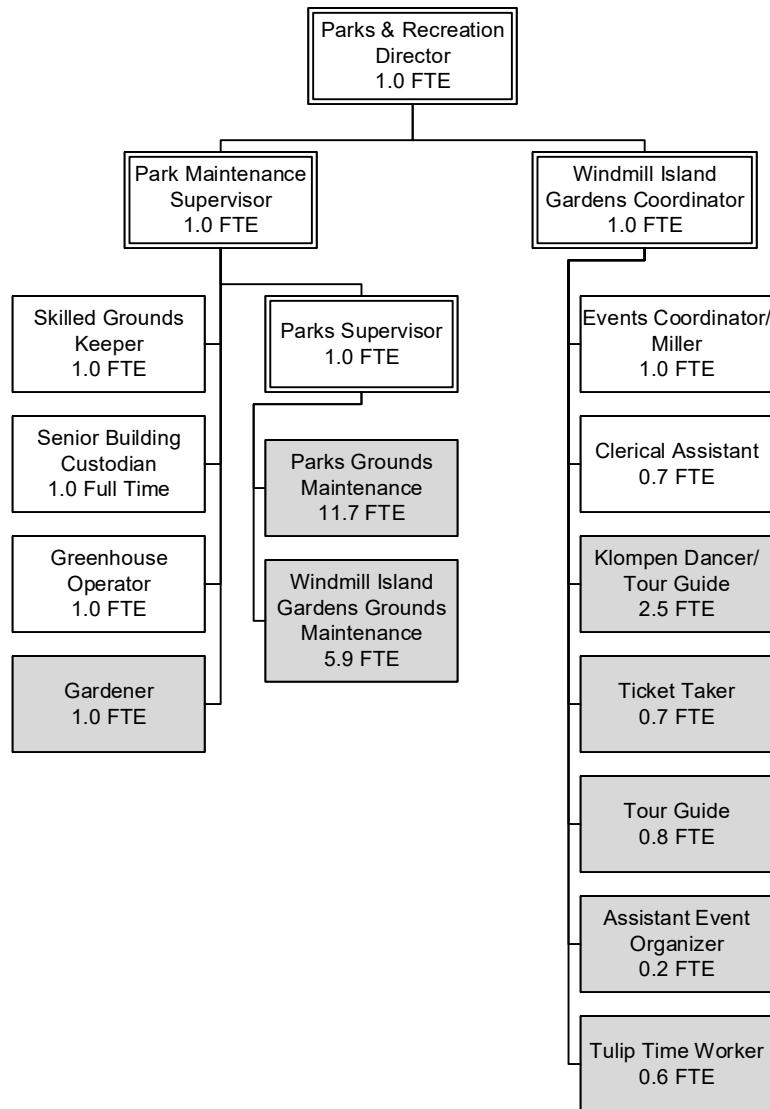

Figure 33: Proposed Organizational Structure, Parks and Windmill Island Gardens Divisions

In addition to increasing the supervisory capacity of the Parks Division, reassigning the Parks Supervisor position would enable the Department to eventually merge the grounds maintenance functions of Parks and Windmill Island Gardens. The Department currently operates under a siloed approach to grounds maintenance, as Windmill Island Gardens and Parks operate (hire, supervise, etc.) completely separate maintenance crews. Transitioning the Parks Supervisor position into the Parks function will serve to bridge the divide, enabling the Parks Division to take ownership of all maintenance activities at Windmill Island Gardens. In order for this arrangement to be successful, a service level agreement (similar to a contract) would need to be in place.

Operations of the Windmill Island Gardens Division are funded from the Windmill Island Gardens enterprise fund. An enterprise fund essentially operates as a for-profit, private sector organization. Therefore, in exchange for providing maintenance services, funds from the Windmill Island Gardens' enterprise fund would be transferred to the General Fund. Quantifying the cost of providing maintenance services would also enable Windmill Island Gardens to determine whether it is more cost-effective to contract with the City or with an outside vendor for these services.

Maintenance Work Planning

While the Department should be commended for maintaining public-facing service levels (i.e., those services directly experienced by the public such as operating hours, recreation field maintenance, etc.) for years despite staffing cuts, it is important to acknowledge the fact that this has come at the expense of preventive maintenance and other proactive activities.

RECOMMENDATION 44: Create maintenance work plans, schedules, and service standards to guide the process of determining resource requirements.

Throughout the Parks and Recreation Department, division managers and supervisors are responsible for planning the work to be completed by their crews. In general, work plans are developed based on a combination of: 1) each supervisor's understanding of the preventative maintenance that must be completed each year; and 2) any service requests or emergencies that arise. There are several challenges associated with this approach to work planning. First, it results in the Department being reactive rather than proactive, it relies too heavily on institutional knowledge, and it is not systematized or clearly documented. There is a risk that, as workloads increase or personnel changes occur, essential preventative maintenance activities may not be routinely completed.

Work plans, schedules, and service standards enable organizations to take a more proactive approach to their work. In order to develop work plans, schedules, and service standards, the Department must first have an accurate inventory of its assets. The Department has inventories of most of the assets for which it is responsible for maintaining (parks, fields, restrooms, beds/planters, etc.). The only asset that has not been inventoried are the trees for which the Forestry Division is responsible.

Once an accurate inventory is in place, the Department can begin defining the level of service required for each asset type and the labor hours associated with maintaining each service level. For example, if the service standard is to mow 100 acres of parkland each week and it takes staff an average of one labor hour per acre to complete mowing activities, then 100 labor hours are required each week. Given a full-time equivalent employee is available 40 hours per week, then 2.5 FTEs worth of weekly labor hours are required to meet the service standard (100 labor hours divided by 40 available labor hours per FTE). If the service standard is revised to reflect a target of mowing all acreage once every two weeks, instead of weekly, then target staffing levels change. Under this revised service level target, the jurisdiction must mow 50 acres per week which would require an average of 1.25 FTEs of weekly labor hours (50 acres mowed at one acre per hour, divided by 40 available labor hours per FTE).

This approach can be applied to many of the Department's maintenance activities and can be used to evaluate the impact that resource adjustments will have on service standards. Just as importantly, the establishment of target work plans and service standards will further the City's effort to place greater emphasis on asset maintenance. For example, if all playgrounds need to be inspected every year and it takes 40 hours for one employee to complete that task, that work can be scheduled. If that work is not scheduled, it is likely that time will be spent responding to complaints or requests that come in that week rather than completing important preventive maintenance work.

The following table provides hypothetical work plan calculations for the park mowing function based on estimates provided by City staff to further illustrate the methodology.

Table 46: Hypothetical Work Planning and Resource Identification Template

Work Activity	Service Standard	Infrastructure Inventory	Average Labor Hours Required to Complete Work Activity	Annual Labor Hours Required to Meet Service Standard
Park Mowing	Mow parks on a weekly basis between April and October (30 weeks)	450 acres	240 hours	7,200 hours

Enabling the Department to plan work (rather than responding to requests) will increase efficiency and efficacy. According to the APWA, scheduling work based on location can substantially reduce travel and setup time, resulting in a 50% reduction in costs.

These work plans and service standards should be incorporated into the work order system recommended in the Transportation section of this report and used as a basis for comparison against actual experience to ensure that standards are appropriately assessed, to monitor work plan progress, and make adjustments to staffing levels or assignments as necessary to meet work plan requirements.

RECOMMENDATION 45: Utilize recommended work order system to track labor hours by major task type.
Work order systems help organizations track the time and materials dedicated to completing work orders. Tracking employee time helps organizations understand the distribution of scheduled work and reactive work completed by staff and it also enables organizations to develop activity-based accounting. Activity-based accounting is useful when making service-level decisions or evaluating opportunities to contract out services.

In addition to developing annual work plans for each division and implementing the work order system recommended in the Transportation section of this report, the Parks and Recreation Department should begin tracking use of resources. Implementation of an electronic work order system will better enable the Department to monitor the completion of preventive maintenance work, complaint-driven work, and emergency work. This level of data would allow for regular, holistic analysis of departmental workload and will allow the Department to better quantify whether service expectations are being met and, if not, to respond in a proactive manner. The Department currently tracks employee time associated with each Parks and Recreation Department division (since employees flow between divisions as the workload requires). However, time employees spend completing various types of tasks is not captured.

The Department currently tracks the following information related to employee time: location, equipment/vehicles used, and hours. Each employee fills in their time sheet by hand and submits it to administrative staff for input into the MainTrac system. Detailed activity codes are available in MainTrac but, in the interest of time, most work is currently categorized as either grounds maintenance or miscellaneous. The Department should be commended for tracking this level of detail. This information

lends itself to calculating the full cost of providing various services. However, tracking one additional piece of data would make this information much more useful to the Department: work activity completed.

It is important the tracking of employee time not be overly burdensome. Therefore, categories should be relatively broad, focusing on asset type and maintenance type (preventative or reactive) rather than detailed activities. Approximately 25 categories may be necessary. The following list includes some examples of possible categories of activities:

- Tree trimming
- Tree removal
- Park mowing
- Cemetery mowing
- Burial
- Playground inspection
- Snow removal

The Department has two options when it comes to assigning responsibility for work order completion and data entry tasks. Such tasks could either be the responsibility of individual front-line employees and/or crew supervisors or administrative staff, of which the Department has access to five, several of which already assist with the Department's timekeeping responsibilities.

Recreation Operations

The Recreation Division provides a wide variety of services to the community, including recreation classes, tournaments, and adult and youth athletics programs. The recommendations in this section are intended to assist the Division as it seeks to improve upon its services.

RECOMMENDATION 46: Adopt formal cost recovery goals for recreation programs.
According to the GFOA, organizations should charge user fees for the following reasons: 1) individuals should be responsible for the cost of the public resources they consume and from which they benefit; 2) user fees encourage accountability and fair representation, and give citizens options for using services in ways that best meet their needs; and 3) there is a direct correlation between user fees, demand, and consumption.

The City of Holland's Recreation Division has internally (and informally) adopted the following cost recovery goals:
- 100% of adult programs
- 50% of youth programs
- Everything else is subsidized (the level of subsidization has not been established)

However, the Recreation Division is not consistently meeting these cost recovery targets. In 2016, Recreation Division programs had an overall cost recovery rate of 83%, down from 110% in 2013. While the informal cost recovery goal for adult programs is 100%, the average cost recovery rate for adult programs in 2016 was 79%. The following table shows the cost recovery rate for each Recreation Division program for the last four years.

Table 47: Recreation Program Cost Recovery, 2013-2016

Recreation Program	2013 Cost Recovery	2014 Cost Recovery	2015 Cost Recovery	2016 Cost Recovery
Adult Basketball	87%	85%	96%	74%
Adult Golf	112%	62%	25%	100%
Adult Soccer	83%	88%	Program Not Provided	
Adult Softball	83%	98%	107%	82%
Women's Fast Pitch Softball	46%	47%	48%	48%
Men's Flag Football	87%	95%	80%	107%
Adult Volleyball	19%	26%	26%	25%
Jr. Adventure	211%	271%	209%	100%
Basketball	85%	67%	84%	95%
Soccer	30%	35%	41%	37%
Lacrosse	Program Not Provided	84%	45%	65%
Gymnastics	83%	84%	88%	84%
Instructional Tennis	161%	148%	130%	140%
Instructional Swimming	75%	80%	58%	125%
Playground Program	0%	0%	0%	0%
Girls Volleyball	71%	48%	56%	89%
Start Smart	78%	64%	126%	71%
Football	Program Not Provided	206%	69%	70%
Golf	64%	55%	45%	65%
Other Sponsored Activities	853%	126%	77%	56%
Track and Field Camp	Program Not Provided			84%
Wrestling	Program Not Provided			52%
Total	**110%**	**100%**	**94%**	**83%**

A formal cost recovery policy allows an organization to provide an ongoing, sound basis for setting and periodically updating user fees based on predetermined and supportable criteria that can be made available to the public. The City does not currently have a formal policy in place.

The City Council should formally adopt a cost recovery policy. Adopting a formal policy will ensure that the City's fees are in line with its fee philosophy.

Many recreation functions have adopted formal cost recovery goals. For example, the City of Corvallis, Oregon has a robust cost recovery policy in place. The City of Corvallis's Parks and Recreation Department adopted a tiered approach that involved employees and the public in sorting the Department's services into different categories that are defined based on the primary beneficiary of the service. Utilizing a tiered approach allows organizations to price programs based on the expectations, ability to pay, and priorities of the governing body. Where the governing body is willing to subsidize some programs and activities, the organization can adjust prices so they are lower for the community.

A listing of the City of Corvallis's tiers and their cost recovery targets are as follows:
- Mostly Individual Benefit (Minimum Cost Recovery 200%)
  - Concession/vending
  - Merchandise for sale
  - Private/semi-private lessons
  - Rentals – private/commercial
  - Long-term leases
  - Trips
  - Organized parties
  - Drop-in childcare
- Considerable Individual Benefit (Minimum Cost Recovery 100%)
  - Classes and programs (intermediate to advanced)
  - Preschool
  - Social clubs
- Balanced Community/Individual Benefit (Minimum Cost Recovery 90%)
  - Health services, wellness clinics and therapeutic recreation
  - Classes and programs (beginner/multi-ability)
  - Tournaments and leagues
  - Specialized events/activities
  - Camps/after-school care
- Considerable Community Benefit (Minimum Cost Recovery 45%)
  - Life/safety classes
  - Supervised park/facility
  - Community-wide events
- Mostly Community Benefit (Minimum Cost Recovery 0%)
  - Non-supervised park facility
  - Inclusionary services
  - Support services

As the City of Holland develops its cost recovery policy, it should consider the following factors when setting user fees:
- Consistency with City Policies and Objectives: City policies and Council goals focused on long-term improvements to community quality of life may impact desired fee levels as fees can be used to change community behaviors, promote certain activities or provide funding for pursuit of specific community goals (e.g., health and wellness).
- Population Served: The use of general purpose revenue is appropriate for community-wide services while user fees are appropriate for services that are of special benefit to individuals or groups. Full cost recovery is not always appropriate.
- Necessity: User fees are appropriate for services that are desirable and are priorities for the community, but may not be paramount to the wellbeing of the community.
- Competitive Position: The level of service provided by the private sector or by others in the community may impact fee levels.
- Feasibility of Collection: It may be impractical or too costly to establish a system to appropriately identify and charge each user for the specific services received. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.

RECOMMENDATION 47: Develop marketing plan for recreation programs.
Many of the costs associated with recreation programs are fixed up to a certain attendance level (i.e., it costs the same amount of money to plan and deliver a fitness class whether there are 2 attendees or 30 attendees). Therefore, expanding attendance would have the impact of increasing revenue while costs remain constant. Expanding marketing activities would help the Recreation Division maximize enrollment in existing programs.

Marketing of recreation programming is handled internally with a decentralized approach and is currently the responsibility of Recreation Coordinators and administrative staff. The primary marketing tools currently used by the Recreation Division are: programming guide, postings in schools, direct email, and Facebook. However, due to security concerns, schools are limiting access, and Division staff report that emails are frequently not opened.

The National Accreditation Standards published by the Commission for Accreditation of Park and Recreation Agencies (CAPRA) recommend agencies establish marketing plans in order to gain an understanding of customer needs, wants, concerns and behaviors. According to CAPRA, the marketing plan addresses the appropriate mix of communications tools to promote agency programs, facilities, events and services and to provide accurate, timely and useful information to the various segments of the target audience. A marketing plan typically includes the following components:

- Marketing objectives
- Situation assessment, to include:
    - Examination of demographic trends
    - Economic climate
- Market coverage by alternative providers
- Segmentation, targeting, and positioning
- Marketing mix
- Marketing methods
- Evaluation criteria and methods

It is recommended that the City develop and implement a marketing plan for recreation programs in order to maximize its current investment of resources. It is also recommended that responsibility for marketing activities be assigned to one position (a best practice recommended by CAPRA). This position would be responsible for developing and implementing the marketing plan. This would include conducting research, which is necessary to support segmentation, targeting, and positioning. CAPRA recommends the following common evaluation methods: surveys, focus groups, customer comment cards, and mystery "shopping." This position would also be expected to coordinate Parks and Recreation Department marketing efforts with the Public Information Coordinator in the City Manager's Office.

The workload associated with a more proactive marketing program is difficult to quantify. However, as the Division enhances its marketing activities, it may become clear that these additional responsibilities are too much for one individual to handle in addition to ongoing duties. If that is the case, the Department may need to consider creating a position dedicated to marketing. Such a position is likely to be necessary once the City's new Recreation Center opens (construction currently scheduled to begin in 2020). In the meantime, a new position could provide the Parks Division with marketing assistance for events and venues.

RECOMMENDATION 48: Stagger the schedules of full-time recreation maintenance function employees to enhance weekend supervision.

In 2014, the Recreation Division decided to actively pursue baseball and softball tournaments, putting its four fields to better use and positively impacting the local economy. As a result, April through October have become busy months for the recreation maintenance function, which essentially becomes a seven day per week operation during the summer. The Recreation Division as a whole is responsible for prepping fields and serving as an on-site representative while the fields are being used. However, the separation of responsibilities within the Division differs on weekdays and weekends. On weekdays, the recreation maintenance function is staffed from 7:30am through 6:00pm (when they finish prepping the fields for night games). Other Recreation Division part-time employees then come on duty to serve as on-site representatives for the duration of all night games. On weekends, the recreation maintenance function is responsible both for prepping fields and serving as on-site representatives during tournaments.

The recreation maintenance function is staffed by two full-time employees and is supplemented in the summer months by approximately three part-time seasonal employees. The two full-time recreation maintenance function employees work weekdays from 7:30am-4:00pm and one part-time employee works from 10:00am-6:30pm. Weekends are staffed by two part-time employees that work Thursday through Monday (full-time employees are sometimes required to fill in on an overtime basis). On weekends, they work from 5:00am-1:00pm.

The current approach to scheduling results in part-time employees operating without any full-time supervision. However, by staggering the shifts of the full-time workers, one full-time employee would be scheduled to work Saturdays and one would be scheduled to work Sundays from April through October. The Cemetery Division also operates seven days per week. It is recommended that full-time employees from that function provide the necessary supervision of part-time employees when a full-time recreation maintenance employee is not available.

RECOMMENDATION 49: Provide certification training for the Skilled Recreation Worker to allow for proactive playground inspections.

Parks and Recreation Department routinely inspect playgrounds in order to proactively identify and address safety hazards. The Department's goal is to thoroughly inspect all playground equipment on an annual basis. Parks Division employees are also asked to conduct cursory inspections while out in the field.

Currently the Recreation Maintenance Supervisor and the Parks and Recreation Director are the only certified playground safety inspectors on staff. However, rightly so, the Director no longer conducts inspections. The workload of the Recreation Maintenance Supervisor is such that every piece of playground equipment is not being thoroughly inspected every year. Instead, inspections are completed in response to complaints from residents or referrals from Parks Division employees that notice a problem.

When the Civic Center closed for renovations, a Skilled Recreation Worker position was reassigned to the Recreation Maintenance function. Getting this employee certified to conduct playground equipment inspections (a certification which requires 24 hours of training and an exam) would enable the Department to meet its goal of proactively inspecting all playground equipment on an annual basis. The Division should continue the practice of having Parks employees check on equipment when out in the field.

RECOMMENDATION 50: Develop an operational plan for the City's new Recreation Center.
Construction on the City's new Recreation Center is planned to begin in 2020. Adding a Recreation Center will increase the ability of the Parks and Recreation Department to meet the recreation needs of the community. Enhancing the City's recreation offerings in this manner will have a significant operational and financial (both revenue and expenditure) impacts. Of course, the operational and financial implications will depend on the services and service levels the Department intends to deliver through the new Recreation Center.

As of yet, the City has not completed any extensive planning for the new Recreation Center. To determine which services the City should offer through its new Recreation Center, the Department should conduct a recreation programs and services needs assessment. The first step will involve soliciting community input through either a community survey, community meetings, or a combination of both. Once community expectations have been captured, the profile of the community (e.g., population growth, demographics changes) and research related to lifestyle trends (senior activities, etc.) must be taken into consideration. An analysis of the facilities and amenities available from competing providers and neighboring communities' must be completed. Identified needs should then be prioritized. Finally, full costs associated with each service must be estimated. The end result of this process will be a staffing and operations plan the City can then consider as part of its operating and capital budgeting processes.

Conclusion

This Management, Organizational Structure and Efficiency Study was undertaken to evaluate current management structures, associated staffing workloads and assess potential staffing needs. The Study identified opportunities to improve efficiencies and effectiveness and ways to enhance the City's internal capacity to deliver services.

The City is very fortunate to have employees throughout the organization who enjoy their work, are committed to their jobs, and provide a high level of service. It is evident that they take great pride in the community they serve.

The recommendations in this report should serve as a guide for assisting the City with its efforts to continually improve its internal processes and customer service standards. Operationalizing these recommendations will take time and hard work to be successful. Given the City's resource constraints, prioritization of these recommendations and a thoughtful, planned implementation is needed to ensure resources are expended prudently.

Appendix A – Core Services Matrix

Department/Division	Program Area	Activities & Services Levels
Management & Administration		
City Manager's Office	City Operations	• Responsible for day to day operations of the City • Supervise and direct staff • Develop and manage the Annual City Budget • Develop and manage the Municipal Capital Improvement Fund • Special Projects
	Implementation of Council Policies	• Work with staff to ensure Council goals and priorities are being met
	Business & Economic Development Activities	• Assist with business development • Assist with business recruitment, attraction and retention activities for the City • Assist with grant writing activity for the City
	City Council Agenda	• Develop and set the Council Agenda • Create and distribute the agenda through iCompass
	Support Services	• Provide administrative support to the City Manager, Mayor and HR Director • Assist the public with customer service related needs
Human Resources	Employment	• Work with departments to revise and update job descriptions • Post and recruit for open positions • Interview applicants • Assist with the selection of applicants • Conduct background and reference checks • Conduct onboarding of new employees • Conduct exit interviews • Review and approve staffing changes/position reclassification requests (during budget process)
	Personnel Management	• Manage all personnel files • Respond to needs of supervisors • Respond to the needs of employees • Work with supervisors to complete performance appraisals
	Labor Relations	• Negotiate with the City's Unions • Maintain communication/relationship with Union representatives
	Employee Benefits & Compensation	• Manage the City's Employee Benefits and Health Insurance program • Manage the City's Wellness Program • Administer tuition reimbursement program • FMLA/Disability administration • Administer the City's Workers Compensation Program
	Employee Training & Development	• Provide professional development training opportunities for staff
	Employee Safety	• Provide safety training and resources for staff
	Employee Relations	• Communicate HR information with staff throughout the organization • Maintain clear and consistent policies and procedures • Conduct HR events for employees • Administer Service Awards for employee anniversaries • Oversee employee coaching and discipline process • Serve as a resource for employees
Human Relations	Social Justice Programs	• Protect the equal rights and equal opportunities of Holland citizens by preventing discrimination in the areas of housing, education, employment & public services • Human Relations Commission • International Relations Commission

Department/Division	Program Area	Activities & Services Levels
		• Equal Employment Opportunity • American with Disabilities Act • Youth Services Commission
	Volunteer Services	• Develop and sustain volunteer opportunities on City boards, committees and commissions
Technology Services	Internal City Information Systems	• Manage and maintain the City's Information Technology Infrastructure • Maintenance of the City's wired and wireless network • Maintenance of the City's phone system • Maintenance of the City's security cameras and security system • Maintenance of the City servers, computers and software
	Maintain Personal Computers	• Assist with trouble shooting of computers • Manage Information Technology Help Desk/Work Order System • Replace and update computers as needed
	GIS	• Manage, maintain and update the City's Geographic Information System • Respond to requests for maps and data analysis
	Multi-Media Production	• Manage the City's three Cable TV channels • Broadcast Council Meetings • Create and produce on-air/web video content
	Communications	• Oversee the City's branding message • Manage the City's social media accounts • Publish a monthly e-newsletter • Manage the City's website (main page content) • Provide public information services for the City • Manage the City's Communication Plan
City Clerk	Meeting Management	• Post City Council Agenda Packet • Manage City Council Minutes • Meeting Postings • Prepare Public Hearing Notices • Budget Resolutions • Process Resolutions • Assist Boards & Commissions
	Licenses	• Manage Annual Business Licenses • Process Liquor Licenses annually • Process Special Event permits/licenses annually • Coordinates uses of City facilities applications
	Elections	• Voter Registration • Election Management • Voter Education
	Records Management	• Responsible for the City's Record Retention • Process Records in Laser fiche • FOIA Requests • Property Documents • Process contracts/agreements • Accepts various applications for NEZ, IFT, Claims
	Passport Services	• Process Passports
	Customer Service	• Manage Front Desk • Manage Welcome Desk Answer Phones • Assist Walk-in Customers • Notary Services • Issues Project Pride coupons • Assists various departments • Posts meetings in City Hall daily on electronic monitors • Respond to @info emails

Department/Division	Program Area	Activities & Services Levels
		• Answer the City's x1300 phone line
	General Code	• Responsible for updating and maintaining the City's General Code (codification)
Fiscal Services		
Administration	Administration	• Establish and update Department policies and procedures • Personnel management • Recruitment • Maintain time and attendance records • Oversee City's property and casualty, workers comp, liability, and all other insurance programs • Facilitate all insurance claims
	Purchasing	• Manage bid process • Oversee all buying and selling of City assets • Approval of purchase orders • Enforce Purchasing Ordinance
Treasury	Billing and Collections	• Billing and collections of property taxes and utility bills • Collect and process fees and payments for permits, tickets, licenses, registrations, bus passes, rental housing fees, and dog licenses • Handle all cash deposits for four entities
	Investing	• Invest public funds • Facilitate sale of bonds and financing as needed
Property Assessing	Annual Property Reassessment	• Appraise properties • Maintain parcel records and assessment rolls • Estimate value of real property • Calculate real property tax amounts • Participate in appeals process
Finance	Payroll	• Compile timesheet data from various departments • Input and process payroll through New World system • Prepare W-2 and 1099 forms
	Budget	• Process departmental requests • Prepare estimates and forecasts • Update and coordinate information in New World system • Prepare budget document
	Accounting	• Reconcile bank account statements, purchase orders, and receivables • Process payments for all City expenditures • Account for all revenues and expenditures for four entities • Establish and enforce internal controls • Provide monthly financial reports to City Council • Coordinate annual financial audit
Transportation		
Management & Engineering	Administration	• Manage and supervise Department staff • Coordinate Department budget • Provide customer service and respond to inquiries • Coordinate activities with other departments (e.g. Parks & Recreation, Board of Public Works) • Process permits for street cuts and driveways • Coordinate and oversee contracts with third parties for infrastructure construction and repair
	Asset Management	• Maintain inventories of Department infrastructure assets, including streets, and stormwater • Compile infrastructure asset information in Geographic Information Systems (GIS) • Administer pedestrian and street light infrastructure
	Condition Assessment	• Perform annual street condition assessments on approximately 150 center line miles (365 lane miles) of roadways utilizing the PASER scale

Department/Division	Program Area	Activities & Services Levels
		• Incorporate condition assessment data into GIS • Connect video capture and condition assessments of stormwater system to the GIS system
	Planning	• Review site plans • Prioritize infrastructure maintenance and replacement projects • Develop long-range capital improvement plans (e.g. Five-Year Street Improvement Plan) • Participate in strategic planning efforts (e.g. Parks & Recreation and Transportation Strategic Plan)
	Snowmelt System	• Coordinate planning and operations/maintenance efforts for the City's snowmelt system with other relevant departments (Board of Public Works, Downtown Development Authority)
Streets	Street Maintenance	• Maintain 173 lane miles of streets and roadways • Perform minor street cut and asphalt repairs • Engage in snow plowing during snow events • Repair and rebuild damaged curbs and gutters • Maintain gravel shoulders • Perform ditch maintenance as necessary
	Sidewalks	• Repair damaged sidewalks on a complaint basis • Survey surrounding sidewalks for critical infrastructure failures • Maintain approximately 160 miles of sidewalk
	Stormwater	• Engage in regular street sweeping • Maintain 1,060,700 feet of stormwater pipes • Maintain 400,000 feet of open channels • Maintain 22,000 feet of culvert pipes • Maintain approximately 10,000 manholes • Maintain approximately 10,000 catch basins • Maintain approximately 10,000 inlets • Annually inspect 10% of the City's stormwater assets utilizing closed-circuit television to record asset condition • Clean culverts, drainage ditches, and clogs in the stormwater system
	Mowing	• Mow rights-of-way as needed during growing season
	Bridge/Tunnel Maintenance	• Operate and maintain 6 traffic-bearing bridges and conduct safety inspections every 2 years • Operate and maintain one traffic-bearing tunnel and conduct safety inspections every 2 years • Inspect and maintain tunnel systems, including lighting, fire detection and suppression, stormwater pumps, communication, backup generators) • Maintain five bridges in public areas/parks and conduct safety inspections every 2 years • Maintain
	Parking Decks	• Operate and maintain two parking decks • Inspect every 2 years
	Special Programs	• Perform Spring and Fall yard waste cleanup programs annually • Provide staff support for the annual Tulip Time festival
	Pavement and Signage Markings	• Perform regular maintenance on arrows and crosswalks in-house • Provide contract management oversight for lane marking services • Oversee third-party construction of street and right-of-way signs
Vehicle Maintenance	Vehicles	• Maintain and service over 200 vehicles, including 35 MAX public transportation buses • Fabricate parts and components to meet customer requirements

Department/Division	Program Area	Activities & Services Levels
		• Rebuild vehicles and vehicle components when necessary • Surplus used vehicles on GovDeals
	Equipment	• Maintain and service over 550 discrete pieces of equipment, rolling stock, and attachments • Fabricate equipment components when necessary • Surplus used equipment on GovDeals
	Inventory	• Manage and maintain the City's central parts inventory for vehicle and equipment maintenance • Engage in procurement activity to ensure repairs can be made in a timely and efficient manner
	Administrative Duties	• Perform record-keeping and administrative duties related to fleet inventory, maintenance, procurement, and inventory • Provide vehicle specifications and employee feedback for new vehicle/equipment purchases
	Auxiliary Staff Support	• Provide auxiliary staff support to the Streets Division on an as-needed basis for snow plowing and other activities • Provide off-site repair services for various departments, including welding services • Perform large-scale painting utilizing the Department's paint booth
Community & Neighborhood Services		
Administration	Administration	• Manage and supervise Department staff • Coordinate Department budget • Provide customer service and respond to inquiries
Planning and Zoning	Comprehensive Planning	• Coordinate the City's master planning process • Revise and amend the Zoning Ordinances as necessary to comply with the City's master plan • Create and maintain specialized plans to address redevelopment, sustainability, the Downtown area, historic districts, and neighborhood commercial areas
	Development Review	• Coordinate the City's development review process • Meet with developers to discuss projects • Review submitted plans and applications for code compliance • Provide applications to other department staff for review • Consolidate feedback and provide information to developers • Work with developers and applicants to address deficiencies in plans and applications • Refer applications to Planning Commission, Board of Appeals, Neighborhood Improvement Committee and City Council as necessary • Approve and issue permits • Administer Certificate of Appropriateness process for the Historic Districts
	Zoning Administration	• Consultations on land use regulations and application to land owners and developers • Written formal zoning interpretations and certifications • Administer zoning regulation process
	Staff Support	• Provide staff support to Planning Commission, Board of Appeals, City Council, Sustainability Committee, and other boards/committees • Prepare agendas and packets as necessary • Take minutes as necessary • Answer questions and provide staff perspective and expertise
Environmental Health & Inspections	Property Maintenance Code Enforcement	• Respond to property maintenance code enforcement complaints, including long grass, inoperable vehicles, and garbage/rubbish complaints • Work with homeowners and property owners to respond to issues

Department/Division	Program Area	Activities & Services Levels
		• Issue violation notices where necessary
	Rental Housing Program & Inspections	• Address expired rental housing certificates • Annually inspect 33% of rental units in the City (1,488 units per year) to verify living standards • Administer rental licensing program
	Neighborhood Enterprise Zones (NEZ)	• Coordinate the NEZ application and approval process • Conduct annual inspections of NEZ properties
	Home Business Inspections	• Meet with business owners to determine licensing and inspection requirements • Schedule and perform life, health, safety inspection prior to issuing home business license • Process license issuance and renewals
	Public Lodging	• Conduct annual life, health, safety inspections of hotels, bed & breakfasts, and similar public lodging establishments • Issue business licenses upon passing inspections • Schedule reinspections as needed
	Short Term Vacation Rental	• Perform life, health, safety inspections on all short-term vacation rental properties
	Smoke Detector Inspection	• Inspect presence and functionality of hardwired, interconnected smoke detector systems in each residential unit sold in the City
	Construction Inspections	• Schedule inspections related to building and trades permits within 24 hours of customer request • Perform inspections in the field • Issue correction notices where necessary • Approve construction which complies with City codes • Provide mechanical inspection services for third party agencies
	Sign Permits	• Respond to sign complaints • Review and process sign permit applications • Perform sign inspections
	Foreclosed Home Inspections	• Coordinate foreclosed home inspections with Fire Department • Issue violation notices where necessary
Housing and Neighborhoods	Community Development Block Grant (CDBG)	• Oversee the City's CDBG program, grant funding, and programs provide through grant funds • Create annual plans related to CDBG programs and funds • Supervise and manage home improvement and home energy retrofit programs
	Landlord/Tenant Resolution	• Assist tenant/landlord disputes and provide references for dispute resolution
	Community Assistance	• Provide staff support to community agencies and neighborhood groups • Enforce graffiti ordinance and coordinate graffiti remediation • Coordinate compliance with Americans with Disabilities Act (ADA)
	Home Energy Retrofit	• Administer Home Energy Retrofit Program
Solid Waste & Recycling	Single Hauler Contract	• Oversee and coordinate the City's solid waste contract with Chef Container • Perform regular audits of delinquent customer accounts • Initiate collection activities against delinquent accounts where feasible and appropriate
Downtown Development Authority	Parking and Snowmelt Systems	• Review assessments for parking and snowmelt systems attributable to downtown properties • Prepare and write reports presenting assessments to City Council • Serve as point of contact for assessment disputes • Coordinate maintenance and repair activities with Board of Public Utilities and Transportation Departments

Department/Division	Program Area	Activities & Services Levels
		• Supervise day to day operations of parking system • Serve as initial point of contact for all snowmelt inquiries • Engage in budget development, purchasing and record keeping
	Planning	• Conduct sign permit review and review other design elements for applicants in the downtown area • Issue all sign/café permits for the C-3 zoning district
	Economic Development	• Coordinate the hanging banners program • Identify how proposed new development fits within the Downtown Holland Strategic Plan
	Staff Support	• Provide staff support to the Downtown Development Authority Board, Downtown Parking Board, and Design Review Board • Maintain productive relationships with City Council and City Administrative staff
Principal Shopping District	Assessments	• Review assessment policies to ensure downtown property owners are accurately and equitably assessed
	Marketing and Advertising	• Engage visual, audio, and print media to promote business activity downtown • Generate revenue for the PSD through corporate sponsorships and event sales • Manage and maintain the Downtown Holland website • Market downtown to businesses and residents
	Event Management	• Coordinate marketing and promotional events in the downtown area and at the Holland Farmer's Market • Compile and promote a list of all downtown events in consultation with downtown businesses
	Staff Support	• Provide staff support to the Principal Shopping District Board
Parks and Recreation		
Administration	Administration	• Establish and update Department policies and procedures • Personnel management • Recruitment • Budget and financial management • Maintain time and attendance records • Purchasing • Administer grant funding
	Facility Maintenance	• Perform general maintenance and repairs on all City facilities • Manage contracts for all • Provide custodial services for City Hall, Parks Administration, and Civic Center facilities
	Irrigation	• Maintain and perform minor repairs on irrigation pipe and sprinkler heads
Parks	Mowing	• Mow and maintain 392 acres of parks seasonally • Mow and maintain boulevards
	Downtown Mall	• Pick up trash • Maintain flower beds and planters
	Snow Plowing	• Plow sidewalks throughout the City • Assist Department of Transportation with plowing of City streets
	Leaf Collection	• Collect leaves in parks
	Compost/Mulch	• Assist Department of Transportation with hauling of leaves to compost site • Regularly turn leaves • Distribute mulch in the fall
	Garden/Flower Beds	• Plant flowers in spring and remove them in the fall • Plant approximately 400,000 Tulips each fall • Perform general garden maintenance tasks, such as weeding/mulching
	Greenhouse	• Grow all plants

Department/Division	Program Area	Activities & Services Levels
		• Maintain beds • Manage fall planting
	Bathrooms	• Clean two facilities daily • Manage port-a-let contractor
	Reservations	• Manage rentals of park facilities
	General Maintenance	• Complete routine maintenance of other parks assets (benches, etc.)
Cemetery	Mowing	• Mow and maintain two cemeteries • Complete trimming and detail work
	Burials	• Sell plots • Conduct burials
	Cemetery Administration	• Billing • Plan for future burials • GIS mapping of plots • Data management
Forestry	Tree Planting	• Plant new trees
	Tree Removal	• Tear down and dispose of trees
	Tree Trimming	• Trim trees in rights-of-way
	Leaf Collection	• Assist Department of Transportation
Recreation	Recreation Maintenance	• Maintain wo sports complexes, baseball fields, and soccer fields
	Tournament Management	• Schedule and staff all tournaments
	Playground Equipment Maintenance	• Inspect playground equipment • Perform general maintenance and repairs on playground equipment
	Educational Programs	• Plan and program a variety of youth-oriented educational activities throughout the year • Coordinate instructor schedules • Process registrations and associated fees
	Youth and Adult Athletics Programs	• Plan and program a variety of youth and adult sports activities throughout the year, such as baseball, basketball, and volleyball soccer, and sports camps • Coordinate adult fitness and sporting opportunities, • including individual classes and adult leagues • Coordinate instructor schedules • Process registrations and associated fees
	Special Event Management	• Plan and coordinate special events • Arrange tables/chairs/equipment as necessary
Windmill Island and Gardens	Mill Operation	• Mill flour • Package and sell flour
	Garden/Flower Beds	• Plant flowers in spring and remove them in the fall • Perform general garden maintenance tasks, such as weeding/mulching • Plant 130,000 Tulips in fall
	Event Management	• Coordinate and plan special events
	General Operations	• Host visitors 6 months out of the year
	Facility Maintenance	• Perform general maintenance and repairs
Nature Center	Environmental Education	• Provide educational programming to approximately 9,000 students annually
	Community Events	• Plan and manage special events at the Nature Center
	Eco Trips	• Plan and conduct national and international trips for Holland residents