TO: Town of Essex Selectboard
   Village of Essex Junction Board of Trustees

FROM: Public Works Assessment Committee

DATE: October 2, 2017

SUBJ: Final Report

The Memorandum of Understanding enacted by the Town Selectboard and Village Board of Trustees on January 13, 2015 stipulates that both Boards must convene a Review Committee to assess the shared public works operations. In spring 2017 the Boards appointed Selectboard members Sue Cook and Mike Plageman, and Trustees Andrew Brown and Elaine Sopchak to the Committee. The fifth appointed member is Essex Junction resident Justin Rabidoux, who is also the Director of Public Works in South Burlington, and who served as the Committee’s “qualified outside technical agent” as required by the MOU. The Committee met six times over the course of the summer to review the progress made to date on the consolidation of the public works departments of the Town of Essex and Village of Essex Junction.

The MOU stipulates that the Review Committee must make recommendations to the Village Board of Trustees and Town Selectboard “whether to continue or modify the shared public works services model developed pursuant to this Agreement, revert to the model existing prior to this Agreement, or establish a permanent and combined public works department for the Town and Village to become effective July 1, 2018.” This report contains the recommendations of the Committee after completing its research and analysis.

Resources

The Committee had access to many resources to complete its work. Five of the Committee’s six meetings were attended by Town Public Works Director Dennis Lutz. Village Public Works Superintendent Rick Jones attended three of the meetings. Municipal Manager Pat Scheidel and Town Financial Director Lauren Morrisseau each attended one meeting. These staff members made themselves available to answer many questions, and the Committee found the binder Mr. Lutz provided to be particularly helpful.

The basis of the Committee’s work was to determine whether the consolidation of the public works departments to date has been successful, partially successful, or unsuccessful in terms of:
1. Integrating the Village highway budget into the Town’s general fund budget;
2. Providing the component elements of an integration study as outlined in section 6 of the MOU;
3. Reducing costs where such reductions are quantifiable;
4. Providing management or engineering assistance as needed or requested;
5. Coordinating activities for mutual support;
6. Developing procedures and implementing tools for infrastructure management and operations; and
7. Providing timely and quality public works services to residents and businesses in the Town and Village.

It is the Committee’s conclusion that the consolidation of the public works departments thus far has been successful in all seven respects.

Below is a non-inclusive list of the many resources analyzed:

- Public works integration study
- Minutes from Selectboard and Trustee meetings regarding the MOU
- Town and Village annual reports from public works departments
- Examples of joint project work, including paving bids, winter operations plan, joint training sessions
- Results of shared manager model evaluation survey
- Town and Village public works budgets for FY14, 15, 16, 17, 18
- Town and Village rolling stock and capital plans

**General Recommendations**

After a thorough review of the materials, extensive conversations with administrative staff, and multiple discussions amongst members, the Committee unanimously recommends full consolidation of the public works departments of the Village and the Town based on incremental steps and recommendations outlined in this report.

The Committee recommends maintaining the existing MOU without change until it expires June 30, 2018. Between now and that time, the Committee recommends conducting certain studies as outlined below. The Committee then recommends extending the current MOU from July 1, 2018 until the studies are well underway or completed, at which time the MOU should be modified to accommodate the findings of the studies. The goal is to fully consolidate both public works departments eventually; the Committee does not recommend a particular timeline for the full consolidation but rather suggests that both Boards adopt the
recommendations, conduct the studies, and plan to fully consolidate based on benchmarks established by the outcomes of the studies. In addition, the Committee recommends that both Boards set aside funds to enable the full consolidation of the departments over time.

Specific Recommendations

The path to full consolidation will involve changes to business practices, funding streams, operations, contractual agreements, and organizational structure. The Committee’s recommendations are divided into three functional areas that group similar elements. Within these areas, the recommendations are listed starting with the highest priority. More detailed descriptions follow each functional area.

- Personnel
  - Cross-train staff
  - Identify and institutionalize common best practices and procedures
  - Align rules and regulations
  - Analyze and align job descriptions
  - Establish a single employment contract for both Village and Town, including a unified organizational chart

In conducting this assessment, the Committee spoke to administrative staff—primarily Mr. Lutz and Mr. Jones—and not with staff in the field. The Committee also reviewed the results of a staff survey regarding the effect of the unified manager model on their work.

Currently, Village public works staff are cross-trained in all positions, allowing for efficiency and cost savings. Town public works staff are not cross-trained. The Committee recommends that Town staff begin cross-training as soon as possible to achieve maximum efficiency. In addition, it is recommended that Town and Village staff receive cross-training, so that eventually they can work in both municipalities. Longer term, common best practices and regulations will need to be established, with the recommended end goal of a single Agreement for public works staff that aligns all job descriptions, consolidates public works administrative staff, and establishes a unified organization chart.

- Financial
  - Study and implement a single rolling stock fund
  - Establish a common purchasing policy
  - Study and establish a single, consolidated capital project planning, funding, and implementation process
Study and establish guidelines for assuming future debt for equipment and projects, and for joint bonding

Full consolidation will impact how budgets are built, how revenues are collected and shared, and how expenditures are made. It will be necessary to analyze multiple aspects of public works finance to understand the full impact of consolidation on taxation in the Village and the Town. The Committee recommends consolidation of the Village rolling stock and the Town vehicles and equipment budgets in the near future; this consolidation appears to be manageable based on similar business practices in both the Village and Town. At the same time both Boards should review all existing purchasing policies and create a single policy.

The Committee recommends that the capital project planning, funding, and implementation process should also be consolidated. The existing Village capital committee and ranking system is one model that should be considered. Whatever process that is adopted for both the Village and Town should retain a ranking for public input. In addition, the Committee recommends that the Boards should seek the assistance of outside expertise when the conversation about consolidation of the capital process turns to impacts on taxation and protocols for assuming debt.

- Resource management
  - Research and implement common asset management software
  - Establish common service call management and communications processes
  - Establish a single location for public works administration, and consider doing the same for all staff

The Town uses Micro Paver, a management system covering the entire street network; the Village does not use such a system. Currently the CCRPC is investigating a standard paving program that could combine and prioritize paving projects in both municipalities; this program may be the best way to combine both paving budgets. The Town is also able to efficiently deploy equipment and personnel in the field using GPS-based software that the Village does not use. The Committee recommends exploring if Village streets and equipment can be integrated into the Town system to maximize efficiency and improve service and mutual aid. If this integration is not possible, steps should be taken to find software that can facilitate management of the entire street network.

In the Town service calls are handled by an administrative assistant, as are other administrative tasks such as billing and work orders. In the Village service calls and administrative needs are handled directly by public works staff. Both departments use See Click Fix; neither uses it as the
primary repository for work orders. The Committee recommends developing a common system for handling service calls, and establishing a system to record basic data about all calls (regardless of how they came in) so that progress can be measured. The Committee also recommends that the Village and Town share an administrative assistant for service call intake and administrative tasks. In addition, both departments should develop a common public communications protocol. Finally, the Committee recommends locating consolidated public works department management and administration into one location to optimize communications, organization, and service call management.