

# City of White Salmon



## Report

on the

### Management Review

of the

### Public Works and Executive Departments

Prepared by

Butkus Consulting, Inc.



Charting a course  
for success

## **Table of Contents**

Table of Contents	2
Introduction	3
Executive Summary	3
Interviews and Findings	4
Consultant Observations and General Management Input	6
Options	8
Recommendation	10
Appendices	
Comparable Local Governments	11
List of Interviewees	12
Butkus Consulting Information	13

## **Introduction**

The City of White Salmon, Washington is located in the scenic Columbia River Gorge at the western edge of Klickitat County. Directly to the west is Skamania County; Hood River County, Oregon is directly south across the Columbia River. The neighboring City of Bingen abuts to the southeast of the City. Bingen and White Salmon cooperate on the provision of police services as well as their water and sanitary sewer systems.

White Salmon is classified under Washington State law as an “Optional Municipal Code” (Code) city which gives several advantages to governance and service delivery. Generally powers held by cities of the “First Class” are extended by statute to those governed under the Code. The specific legislative-executive option chosen by White Salmon under the Code is that of Mayor-Council. Under the Code, the Mayor is legally designated as the “...chief executive and administrative officer of the city....”

The Mayor and Council have in the past two years supported management audits of the Police Department and the Fire Department. Recently, the Mayor and the Council acting together requested that a management audit be performed for the Public Works and Administrative (Clerk-Treasurer) Departments. Butkus Consulting, Inc. was selected to perform the review.

## **Executive Summary**

Butkus Consulting, Inc. (hereinafter “consultant”) interviewed the Mayor, all members of the City Council, the Clerk-Treasurer, the Public Works Director and selected employees in each department.

Following the interviews the consultant considered interview input, observations made while in White Salmon and knowledge of general management practices. The consultant then developed three options for future management of the two departments. The options were reviewed as to their ability to respond to the challenges found.

City government and the public it serves could benefit by an increased emphasis on: (1) strengthening internal and external service delivery and (2) taking steps to enhance public confidence and support. Three options to accomplish these goals are explored in this Report, of these; the consultant recommends that the third option, “to establish a management position under the Mayor to support the two Departments” would provide substantial benefit.

The interviews, comparisons with similar cities, and the consultant’s injection of accepted management practices are the building blocks of the recommendation. Use of the information in the Executive Summary is complete only if the reader reviews the entire Report.

## Interviews and Findings

Interviews were conducted with elected officials and city staff on Thursday and Friday, 15 and 16 October. One staff member was interviewed by phone on Wednesday, 21 October 2009.

Interview questions focused on four general areas:

- What are the challenges for White Salmon in the next 10 years?
- Departure of the PW Director – what concerns and what opportunity does this present?
- What perceptions do you have about customer service?
- If you were the sole person in charge of city government for the next year what changes would you make? This hypothetical question assumed that the person would be acting in the place of the Mayor and City Council.

Challenges for the next 10 years, with the first tier (most frequently noted) are:

- *Development & growth* which included (a) support for retaining and expanding the modest downtown (business survival in the short-term), (b) tying tourism into downtown services (expanded or enhanced food service was noted several times), (c) residential development (noted that there over 150 single-family units anticipated as soon as the moratorium on new water hook-ups is lifted), (d) a concern over how to handle an anticipated sudden influx of development once more water is available, (e) the desire to see modest, steady growth over time, and (f) the desire to plan ahead no matter what the specific topic is.
- *Water supply and water rights* which acknowledged that bringing on the new water source, augmented with the existing deep well source is not the end of water issues. There will be a need to continue the acquisition of water rights. Historically, obtaining firm water rights is a years-long process, not months. Water distribution infrastructure needs were included with another category below.
- *Financial issues* which included (a) revenue to operate government services, (b) financial responsibility and budget practices, (c) need to budget for street and sidewalk improvements, (d) several questions about the recent labor agreement – are the wages comparable with others in the area (?), (e) difficulty in funding everything desired – the pool was given as an example several times, and (f) the long-term debt to pay off the water well improvements.

There was a second tier of challenges listed by the participants:

- *Infrastructure* which included (a) planning for needed street and sidewalk improvements, (b) water distribution system replacement and upgrade (there are still asbestos cement pipes in service), and (c) the potential that with population growth the Bingen wastewater treatment facility will have to be expanded. White Salmon would be expected to contribute to part of the investment in such an expansion.
- *Community trust* which included (a) a desire for the elected officials “to get on the same page”, (b) to overcome community concern over past management practices, and (c) the

desire to have decisions on government services be more inclusive – internally and externally.

- The *Bingen & White Salmon relationship* which included looking at ways to do more service delivery together to outright merger of the two governments. It is noted by the consultant that the joint police department and agreements on water supply and treatment of wastewater are already in place.

The planned departure of the Public Works Director generated a wide range of responses with more comments on the opportunities side. The consultant notes that challenges noted were generally Public Works Director position-specific and opportunities were generally more Public Works and Administrative Department oriented. The responses are categorized below:

- Challenges: (a) we do not need a full-time professional engineer (mentioned most frequently), (b) we need to have some professional services - just not full time, (c) concern for turnover and lack of continuity - like we have had in the positions of Mayor and Clerk-Treasurer in the recent past, (d) no professional PW oversight, (e) lack of continuity, (f) no concern if we retain the incumbent on a part-time basis, and (g) none.
- Opportunities: (a) look at a change, get someone with a different set of skills (with the following skill sets noted) – a leader, manager, supervisor, someone who can help staff manage change, who can give us new perspectives, who can look past people to positions and hold staff accountable, (b) get someone who can organize the work, set standards and evaluate the work, (c) find someone who can be a leader, a manager, a supervisor, all with human resource (personnel) skills, (d) help us move past the status quo, (e) find a professional manager who can manage the people who work in a \$6 million dollar (annual budget) business, (f) this is an opportunity for us to obtain a good HR (personnel) manager, (g) opportunity to get a fresh, new way of looking at things, (h) current Director too focused, (i) this is an opportunity to manage more broadly, (j) get someone to give us a White Salmon view, not that of a consultant, and (k) not fill the position - maybe not for awhile.

Customer service responses provided almost universal praise for two employees. Mike Wellman, Public Works Director, was noted for his work to guide the design, to develop and to manage the soon-to-be completed water supply and treatment project. White Salmon has suffered from water supply issues for years and this project which is on-time and on-budget is an example of the best that government can deliver to its citizens. Another very positive customer service mention was towards Roger Neal, the employee who is the primary service provider for garbage pickup services. Roger was frequently cited as the one who put the most positive face on city services with his can-do and positive attitude. The levels of admiration and appreciation expressed by elected officials and staff for these two employees is outstanding.

Customer service comments were expanded to include community credibility issues. Comments from the public to the elected and appointed officials vary – they are largely positive but have some specific issues that come to the forefront. Staff responses tended to talk more about internal customer service and staff coordination needs. Staff did note that rate

adjustments in the utilities generated additional customer service contacts and they provided positive examples of how they provided service with empathy while upholding new city policy. Key areas listed were: (a) need for cross training in the Administrative Department in general and across all of the duties, (b) for Public Works cross training noted was in equipment operation, with the road grader being cited specifically, (c) several interviewees noted that having PW (operations) employees work different schedules led to a loss of community accountability and this generated a reduced degree of confidence in the organization as a whole, (d) a desire to provide additional staff support for garbage collection duties.

## **Consultant Observations and General Management Input**

The City of White Salmon's elected and appointed officials have issues similar to those expressed in many other communities in the state – concerns about being able financially to provide services the public desires, addressing the challenges of aging infrastructure, having the potential for growth, municipal finance in general, community involvement & trust and the need to have a well-functioning city government if the community is going to prosper.

Interviewees showed a strong unanimity around the first tier of challenges for the next ten years. The second tier was also solid but less frequently noted.

The consultant identifies and recommends three levels upon which to take action:

Immediate – Now to 3 months. This is work that has limited fiscal impact and can provide overall improvement to community services. They include:

- Clearly defining and setting standards for city employee hours of work so that discomfort over some staff working 10-hour days, 4 days a week and those working 8-hour days 5 days a week are addressed. It is common for 10-hour days to be used in local governments to cover certain workloads, like large-scale roadway chip sealing by crews in the summer and by those same crews to address the need for snow and ice control in times of extended adverse weather. The latter case is a prime example of good time management where 8- 10- or 12-hour days may have advantages, especially if work crews are divided into two or more teams for coverage.
- Upgrading computer software so that all city computers can work together. Recognizing this would be a budget impact in tight fiscal times, splitting the work into two elements, Administrative Department first and all others second could be considered. This is a matter of staff efficiency and work productivity. The recent acquisition of budget management software is not an element of this point. The need in this case is to have compatible operating systems as well as word processing and spreadsheet software.
- Developing personnel standards. White Salmon could benefit by adopting a written set of expectations and standards of conduct by all employees in addition to the work hours issue noted above. At a minimum, this should include policies and procedures on anti-harassment, privacy of personnel records, and progressive discipline. Such standards should integrate well with the existing labor contract. White Salmon does not need to do

this alone – it is recommended that the City take advantage of the experiences of other cities of similar size. The Town of Friday Harbor, for example, posts its personnel standards on its web site, along with its labor agreement. The Association of Washington Cities staff could also provide suggestions.

Short-term – Now to 12 months. This is work that has the potential to set the stage for future work for the long-term benefit of the City. The two points noted below have immediate fiscal impact for the 2010 Budget.

- Implement the consultant recommendation for retaining a professional to be found later in this Report. This will involve budget development, position definition, recruiting, and selection. Several of the cities listed in the comparable local government table, Cle Elum, Friday Harbor and Leavenworth, as well nearby Goldendale, can serve as guides for this work.
- Provide funds for several of the City Council and the Mayor to attend the 2010 Association of Washington Cities Annual Meeting in June. It is further suggested that the elected officials develop a list of issues they want to cover with their peers and then aggressively seek information from them on how other communities have addressed many of the same issues that White Salmon faces. For example, in the area of street improvement and maintenance how other communities: (a) developed a pavement inventory using community volunteers (limited consultant costs), (b) how others developed their standards for streets and sidewalks, (c) how the development of a Capital Facility Plan (hereafter “CFP”) for their roads was accomplished and (d) how other communities financed modest street and sidewalk improvements. This line of questioning could be repeated on the challenges of water, sewer, finance and growth.

Long-term – Now to 3 years and beyond. This is work that builds on the immediate-and short-term efforts and begins to delve deeply into the challenges for the next 10 years. This is not to imply that these challenges are ignored until then; to the contrary, working on the challenges goes hand in hand with daily service delivery. If one thinks of the 10-year challenges as building a new house, then there needs to be substantial foundation building before the floor and walls are constructed. The consultant recognizes the desire on the part of some in the community to have immediate changes to address the 10-year challenges. To take action without careful consideration only puts the community right back to the kind of issues it has experienced with the water system deep well field that took years to overcome by the most recent water supply and treatment project. Haste on issues of this magnitude all too often makes waste. Suggested work elements are:

- Elected officials are strongly encouraged to initiate a community visioning process, which might include a community survey, to assist in the long-term view of what White Salmon can become. This recommended action would be beyond the land use concepts as provided in the existing Comprehensive Plan. This effort needs to be integrated with water and sanitary sewer CFP’s to avoid improving a street in year one and then in year three tearing it up to replace water or sewer lines.

- The entire function of equipment maintenance (motor pool) could be examined for efficiencies through contracting out (and in) of maintenance services.
- Provide the community with financing options and then take input through City Council meetings, community meetings or the ballot to determine which revenue options will be implemented to accomplish specific goals.
- Evaluate efforts to date, make adjustments and continue.

General comments - not time-specific.

- Community trust and involvement can be addressed by better planning, organizing and delivering of city services as well as expanded specific public information efforts for major community decisions. Several interviewees noted that community trust had increased over that of previous administrations.
- White Salmon can't do it alone. The opportunity to move beyond the existing agreements with Bingen (police, water & sewer), with Hood River County (development services) and the state Department of Natural Resources (road grader for snow removal) presents itself. The physical location of White Salmon places it near two cities, three counties, two county road departments (Hood River County not included) and two Public Utility Districts with opportunities to explore joint savings. Such efforts may assist White Salmon to get the most out of its limited tax and utility funds.
- While the person holding the position of Mayor is legally the chief executive and administrative officer, a city government the size and complexity of White Salmon could greatly benefit by having additional professional management experience in house. No private sector business would expect to run a several million dollar operation with a part-time executive. Additionally, Mayors change over time, therefore a professional position reporting to the Mayor can help with providing community continuity and stability as well as to address the challenges identified in the Report.

## Options

Given the opportunity presented with the existing Public Works Director leaving his position, and the other issues identified through the interview process, three options are presented for consideration.

Option One: Fill the Public Works Director position with a full-time person similar to the incumbent who can initiate key tasks and complete them. Responding and resolving existing work schedule and personnel issues in Public Works would be a priority. The position could also address the development of water, street and sanitary sewer CFP's - covering facility improvement, upgrade and replacement needs. The person retained for this position would ideally have the skills to advocate for financial assistance from regional, state or federal sources and, as necessary, internal matching funds. Leave the Administrative Department as it is presently constituted.

- Pro. This skill sets noted herein are generally found throughout the Public Works profession. The option would cause little disruption to the over-all city administrative structure. Recruitment would be relatively quick.
- Con. This option does not address managerial needs in the Administrative Department, especially those that are training or personnel related. This option does not address the other challenges identified in this Report. The City does not appear to need a full-time registered professional engineer for the foreseeable future.

Option Two: Retain a part-time registered professional engineer to oversee some aspects of the Public Works Department. This option would include retaining consultants from time to time to design major infrastructure projects. A part-time city engineer could provide oversight and give a “White Salmon perspective” on project design – both from adequacy as well as the financial investment required. Leave the Administrative Department as it is currently constituted.

- Pro. Provides a low level of technical oversight for Public Works saves the City money by going to a part-time professional position to manage technical issues. It is anticipated that water system and water rights issues would consume a large part of the time budgeted to this position.
- Con. Does not address managerial needs in the Administrative Department. The pool of professional engineers in the region that are interested in part-time work is thought to be limited. This option does not address the challenges identified in the interviews.

Option Three: Provide for a new professional position under the Mayor that could provide the Public Works and Administrative Departments with much-needed personnel management, supplement the excellent financial skills of the incumbent Clerk-Treasurer, and provide knowledge of CFP development and financing, motor pool management and working with other nearby local governments. This option assumes that some level of Public Works expertise at the level of a registered professional engineer would be obtained by professional services contract or interlocal agreement.

- Pro. This position offers the most complete response to the wide-range of issues identified through the interviews and the consultant’s observations. Strengthening internal and external service delivery as well as enhancing public confidence and support are all key expectations under this option. This option is the only one that provides the much needed broad-based professional assistance to the elected officials and the citizens to address the challenges that have been identified. As noted earlier in this Report: “No private sector business would expect to run a several million dollar operation with a part-time executive.”
- Con. There will be modest increase in cost. The time needed to create and fill this position will take several months to see the start of positive change.

## **Recommendation**

Given the challenges identified in the interviews, the observations made while the consultant was in the community, together with knowledge of Washington law and the needs for managing to the future, the consultant recommends the third option:

### **Provide for a new professional position under the Mayor**

be implemented, effective with the 2010 Budget.

The knowledge and supervision a person in this position is expected to bring to White Salmon can be expected to pay for itself based on direct organizational coordination, better utilization of human and equipment resources, knowledge of state and federal requirements and in seeking and managing outside financial assistance. Indirectly, the filling of this position can be expected to decrease the city's liability for errors and omissions in all aspects of its operation. The consultant notes that management of a government business of the size of White Salmon in terms of annual budget, legal complexities and number of personnel has long ago outgrown being managed by a part-time volunteer. All of this is noted with respect for the Mayor and his predecessors; however, as the complexity continues to grow, the time required and skills needed are not likely to be found in the Mayor's position no matter who occupies it.

This recommendation needs the following actions to implement it:

- Agreement by the Mayor and Council.
- An estimate of the annual budgetary impact and inclusion of this in the 2010 Budget. Based on the consultant's observations and experience the cost of this position would be approximately 85% from the three utilities: water, sanitary sewer and garbage. The remaining 15% is reasonably attributed to the General Fund.
- Obtaining assistance in developing a position description, recruitment and hiring. The Association of Washington Cities (AWC) can be of assistance in identifying a competent consultant to perform these services. Butkus Consulting, Inc. does not provide these services.

## Table of Comparable Local Governments

City	Population	Water meters	Sanitary Sewer	Solid Waste	C-T + Finance staff #	2009 Budget	Comments
Castle Rock	2145	900	Y	Y	3	\$10.4M	State hwy, Interstate nearby, timber, out-commute
Cle Elum	1870	1057	Y	Y	3	\$12.9M	State hwy, Interstate nearby tourism, out-commute, city administrator
Friday Harbor	2260	1318	Y	Y	4	\$15.2M	State ferry, tourism, out-commute town administrator
Leavenworth	2300	1559	Y	Y	1.5	\$9.8M	State hwy, tourism, out-commute, city administrator
White Salmon	2220	1701	Y	Y	3	\$8.9 M	State hwy, Interstate nearby, tourism, aerospace, out-commute

Notes: population is from the WA State Office of Financial Management, 2009 data; sanitary sewer and solid waste are a simple Y/N; CT + finance staff is rounded to the nearest .5 FTE and does not include planning functions; 2009 Budget includes all funds and functions except Leavenworth which does not include capital and debt service; comments are ordered in term of transportation access, major work centers or economic generators and an indication of municipal management support.

## List of Interviewees

Thursday, 15 October 2009, in White Salmon

Dave Poucher, Mayor

Mark Peppel, Council Member

Brad Roberts, Council Member & Mayor Pro-Tem

Lori Kreps, Clerk-Treasurer

Leana Johnson, Council Member

Bob Landgren, Council Member

Friday, 16 October 2009, in White Salmon

Dixie Walker, Planner

Lyn Stevens, Utility Clerk

Judi Culp, Deputy Clerk

Denise Peppel, Part-Time Clerk

Ricky Marx, Council Member

Mike Wellman, Public Works Director

Wednesday, 21 October 2009, by telephone

Tom Smith, Deputy Public Works Director

## Butkus Consulting, Inc.



Charting a course  
for success

22525 NE 19 Place

Sammamish, Washington 98074

[www.butkusconsulting.com](http://www.butkusconsulting.com)

Butkus Consulting, Inc. is a Washington-based consulting firm specializing in small business and government development, management, finance and training. Pete Butkus, the primary consultant for this Report, has worked with many professional and government service delivery organizations. His work includes a broad range of environmental finance, public process, innovation and creativity, capital finance, customer service focus, governance models, and financing options under interlocal agreements. His professional experience includes:

- Butkus Consulting Inc, Vice President
- Deputy City Manager, City of Sammamish
- Administrative Services Director, City of Sammamish
- Executive Director, Washington State Public Works Board (Public Works Trust Fund & Drinking Water SRF)
- Mayor, City of Pullman
- Police Officer, City of Pullman

He holds a Master of Adult and Continuing Education and a Bachelor of Science in Criminal Justice, both from Washington State University.