

City of Hastings  
Organizational Assessment

Final Report

October 2015



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October 6, 2015

Mr. Joe Patterson  
City Administrator  
City of Hastings  
220 N. Hastings Avenue  
Hastings, NE 68901

Dear Mr. Patterson:

We are pleased to provide you with our final report relative to the Organizational Assessment for the City of Hastings. This report includes recommendations designed to improve the overall effectiveness and efficiency of City services.

The recommendations contained in this report are based on the input and information provided by City staff as well as identified industry standards and best practices that are appropriate for Hastings. The City of Hastings is fortunate to have dedicated employees who want to provide excellent services to the community. We are confident that these recommendations can serve as a framework for improving operational performance and making strategic resource allocation and organizational structure decisions. Implementation of the recommendations will require careful coordination among the departments involved in this study.

Thank you for the opportunity to work with the City of Hastings.

Sincerely,

A handwritten signature in black ink, reading "Michelle Ferguson", is displayed on a light grey, textured rectangular background.

Michelle Ferguson  
Organizational Assessment Practice Leader

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## Executive Summary

In April 2015, the City of Hastings engaged The Novak Consulting Group to conduct an Organizational Assessment. The purpose of this review was to evaluate the current organizational structure and make recommendations regarding best practices to reorganize the City's municipal departments to improve efficiencies and enhance internal and external customer service. This study, conducted from May through August 2015, included a review of organizational structures, policies, procedures, and operations. The methodology of the study included over 60 interviews, including individual conversations with the Mayor and each City Council Member, the City Administrator, all department directors, and staff at all levels of the organization in every department. Best practices research, staffing and workload analyses, and a review of a significant number of documents and other materials provided by City staff, such as budgets, financial information, work plans, performance data, City Code, State of Nebraska statutes governing its municipalities, and various other staffing, structure, and operational information from each department was also conducted.

This report details The Novak Consulting Group's findings, analysis, and recommendations that, once implemented, will result in organizational improvements. While the focus of this assessment was on organizational structure, other non-structure related recommendations have been identified. Some of these are designed to reduce expenses and others are designed to enhance and modernize the organization's resources, practices, and procedures. These recommendations are specific and action-oriented, and, in combination with the structural recommendations, will work to improve the efficiency and effectiveness of municipal operations in Hastings.

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 City organization has been entrenched in a dichotomous culture for decades between Hastings Utilities and all other municipal operations in Hastings. The governance model that was put in place when the Board of Public Works was created in 1936 served an important purpose. The utility operated in a time when professional management was nascent and concerns about undue political influence existed. These conditions, however, no longer exist.

Nonetheless, Hastings Utilities has perpetuated an autonomous relationship with the City organization in virtually all aspects of its management and operations. This culture has led to a lack of efficiency and best practice application. Because of the depth of this divide, a change in governance model and organizational structure is warranted.

The recommendations for change in this report were not developed lightly, as they will require political and organizational fortitude. However, based on the review conducted, it is our recommendation that these changes are necessary in order to affect positive change in the entirety of the City organization.

In addition to the governance issues involving Hastings Utilities, The Novak Consulting Group found many practices within the City organization that have been in place for years. When first designed, these practices represented appropriate solutions; now they need to be evaluated to determine how they can be improved to provide more effective and efficient delivery of services to the Hastings community. This report provides guidance for the organizational leaders as they work to effectively implement the priorities of the Hastings Mayor and City Council and develop a high performing, strategic, modernized government.

## Summary of Recommendations

As stated previously, one of the desired outcomes of this review was the identification of organizational improvements and implementation of best practices. As discussed in detail throughout this report, many opportunities exist to improve efficiency through modernization and/or reengineering of current work processes and procedures. Some of these will require initial investment in order for long term savings to be realized. In other cases, the analysis has identified the need for reinvestment in areas to improve service delivery.

A number of cost saving and/or revenue enhancement opportunities are recommended in this report. Where possible, the impact to the City's General Fund was calculated. Limitations in financial and workload data, as discussed throughout this report, impeded the calculation of financial impact in all cases.

The following is a categorized listing of all recommendations contained within this report.

### Administration

1. Create an Administrative Services Department.
2. Create a centralized, professional human resources function.
3. Issue a request for proposals (RFP) for payroll services.
4. Implement electronic timekeeping.
5. Create a centralized Purchasing function.
6. Create a collaborative annual budget process.
7. Establish formal financial policies.
8. Utilize a single, electronic software suite for budgeting and financial accounting.

### Hastings Utilities

9. Eliminate the Board of Public Works and reorganize Hastings Utilities under the authority and direction of the City Administrator.
10. Create a 10 year strategic plan for Hastings Utilities.
11. Develop a performance management system for Hastings Utilities.
12. Implement a performance measurement system.
13. Integrate Hastings Utilities and City of Hastings corporate functions of finance, human resources, information technology, fleet and facilities.
14. Conduct an independent joint City and Hastings Utilities comparability assessment.
15. Conduct a national search for a new financial auditing firm.
16. Develop annual work plans for each operating unit of Hastings Utilities.
17. Implement an electronic work order system to streamline work planning, assignments, and performance measurement data collection.
18. Integrate Hastings Utilities into the City's snow management plan.
19. Contract for a comprehensive operations and staffing study for Hastings Utilities.

### Public Works Department

20. Create a comprehensive six year capital improvement planning process and Capital Improvement Plan (CIP).
21. Implement a formal Pavement Management System.
22. Create a consolidated City-wide Fleet Maintenance function and add a full-time Fleet Mechanic's Assistant position.
23. Develop a fleet replacement schedule and incorporate into the Capital Improvement Plan.
24. Implement direct cost allocation of fleet maintenance expenses to City departments.

25. Create a central facilities maintenance crew in the Streets Division staffed with 4 FTEs.
26. Issue a Request for Bids for City-wide custodial services.
27. Create a consolidated City-wide General Services function responsible for fleet and facility maintenance for the City and Hastings Utilities.
28. Reorganize Streets Division's organization structure to improve span of control.
29. Develop a strategic plan for landfill decommissioning.
30. Increase hanger rental rates to fully fund the cost of Municipal Airport operations.

### **Police Department**

31. Maintain current minimum staffing goal of at least three police officers per shift and staff shifts adequately to meet this goal.
32. Adopt a new "power shift" to enhance staffing during peak workload period.
33. Adopt 911 Center staffing level based on call volume.
34. Implement a rotating schedule to more efficiently meet the staffing level established for the 911 Center and to handle fluctuations in workload throughout the day.
35. Pursue regionalization of dispatch.
36. Adjust sergeants' schedules to overlap in order to support information sharing and coordination.
37. Eliminate or reduce gaps in supervision.
38. Implement an aggressive recruitment and retention program.
39. Develop plan for restoration of specialized assignments as staffing permits.
40. Install Mobile Digital Terminals (MDTs) in patrol vehicles.
41. Appoint a committee to evaluate replacement of the current CAD/RMS system.
42. Formalize criteria for investigative referrals and case closings.
43. Monitor investigations workload and performance measures, reviewing staffing levels once data is available.
44. Reassign Community Service Officers to the Operations Division to reflect changed responsibilities.
45. Track ongoing community relations efforts and diversity training.
46. Issue Request for Quotes for background checks for other City agencies.
47. Update the pricing structure of the direct alarm monitoring service.
48. Implement an intelligence-led, proactive policing strategy.
49. Pursue accreditation of the Department.
50. Implement and monitor comprehensive performance measures.
51. Update the Department Manual.

### **Fire Department**

52. Establish service level standards for services provided within City limits.
53. Develop a cost recovery policy for providing services outside of City limits.
54. Determine technical services to be provided by HFD and explore regional consolidation of some specialized services.
55. Consistently staff each shift with at least seven firefighters.
56. Increase the number of paramedics on duty.
57. Schedule Assigned Time Off coverage further in advance.
58. Review the validity of the physical agility test used during the hiring process.
59. Adopt a policy to address frequent and repeat EMS patients.
60. Evaluate the impact of Emergency Medical Dispatch on EMS operations.
61. Conduct a comprehensive assessment of the EMS Billing contract.
62. Increase firefighter training hours to meet minimum training requirements and increase consistency.
63. Develop and conduct Emergency Management/joint training exercises with all partners.

64. Update all policies and procedures to consistently guide operations.
65. Launch a comprehensive false alarm reduction program, including alarm registration and false alarm fee.
66. Establish performance expectations and targets for the Fire Prevention function.

### **Development Services Department**

67. Fill the vacant Development Services Director position.
68. Expand electronic data tracking related to permit and inspection activities.
69. Create a proactive property maintenance code enforcement program.

### **Parks and Recreation Department**

70. Establish formal service delivery standards.
71. Begin tracking Parks maintenance activities and workload.
72. Utilize the recommended General Services Department for fleet and facility maintenance.
73. Develop an equipment replacement program for all Parks and Recreation vehicles, equipment, and large tools.
74. Convert the seasonal Recreation Assistant to a full-time position.
75. Establish formal cost recovery goals for Recreation programs.

### **Hastings Public Library**

76. Transition the role of the Library Board from an administrative to advisory structure, and assign supervision of the Library Director to the City Administrator.
77. Hire an owner's representative to oversee and manage the Library renovation project.

### **Hastings Museum**

78. Transition the role of the Museum Board from an administrative to advisory structure, and assign supervision of the Museum Director to the City Administrator.
79. Collaborate with the Hastings Library and the Parks and Recreation Department for community events and general service needs.

## About the Hastings Community

The City of Hastings is a first class city according to Nebraska municipal classifications. The City has a population of approximately 25,000 residents and is located in Adams County in south central Nebraska. According to the 2010 Census, the City has a total area of 13.48 square miles. The following figure shows the location of the City within the state of Nebraska.

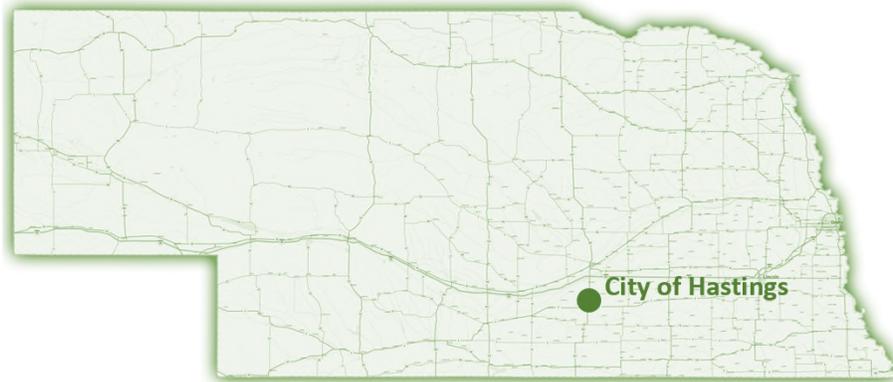


Figure 1: Map of the State of Nebraska

### Population

The City's population increased by 10% between 1990 and 2013. The makeup of the population is also slowly becoming more diverse. In 1990, 98% of the population of the City was white, while in 2010 90% of the population was white. The following table shows population trends from the Census and American Community Survey estimates.

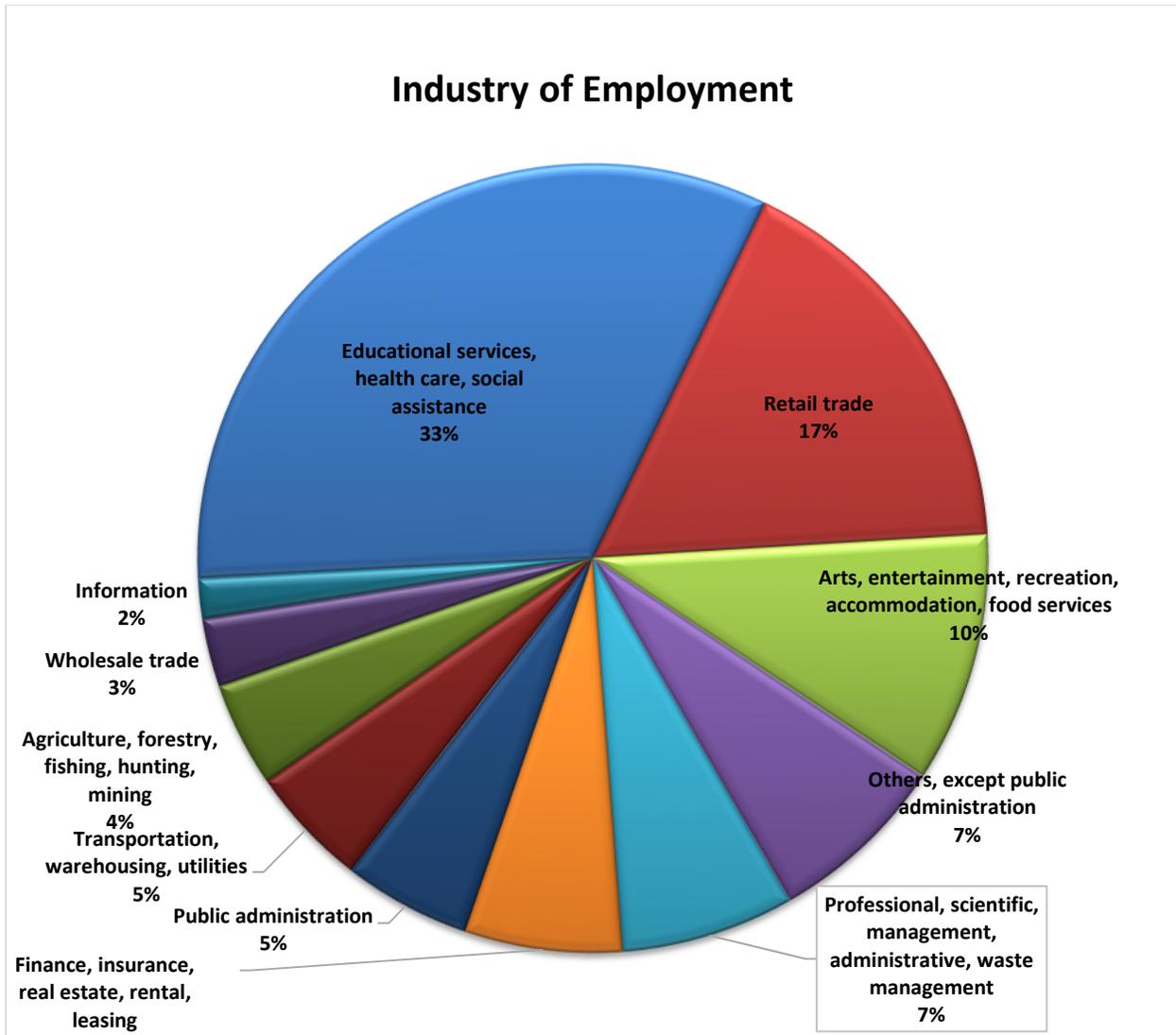
Table 1: Demographic Information, 1990-2010

	1990	2000	2010
<b>Total Population</b>	22,837	24,064	25,222
<b>Percent White</b>	98%	93%	90%
<b>Percent Hispanic or Latino</b>	1%	6%	10%

### Economy

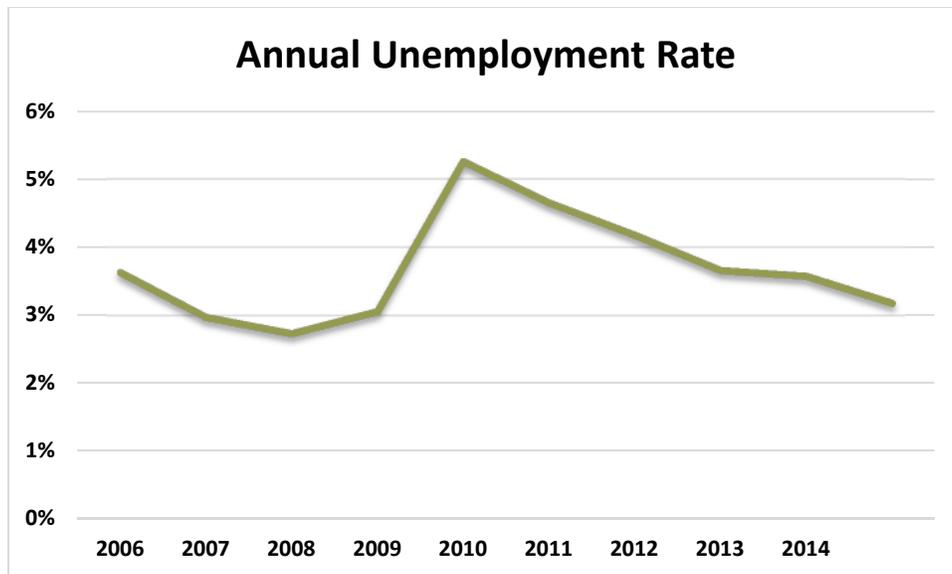
In 2010, the national median household income was \$53,046 per year while the median household income in the City of Hastings was \$51,672. The median home value in the City was \$128,000 in 2010. A total of 14.7% of the City's population lives in poverty.

The City's economy is quite diverse. The educational services, health care, and social assistance industry employs 26% of the population. Hastings College, one of the leading liberal arts colleges in the country, and the Central Community College-Hastings Campus are located in the City. The next largest industry is manufacturing, which employs 14% of the population, followed by the retail trade industry, which employs 13% of the population. The following figure shows the percentage of the population employed by industry.



**Figure 2: Percentage of Population Employed by Industry, 2010**

The City's unemployment rate in January 2015 was 3.3%. The City's unemployment rate hit a high of 6.2% in 2009. The following figure shows the average annual unemployment rate of the City of Hastings.



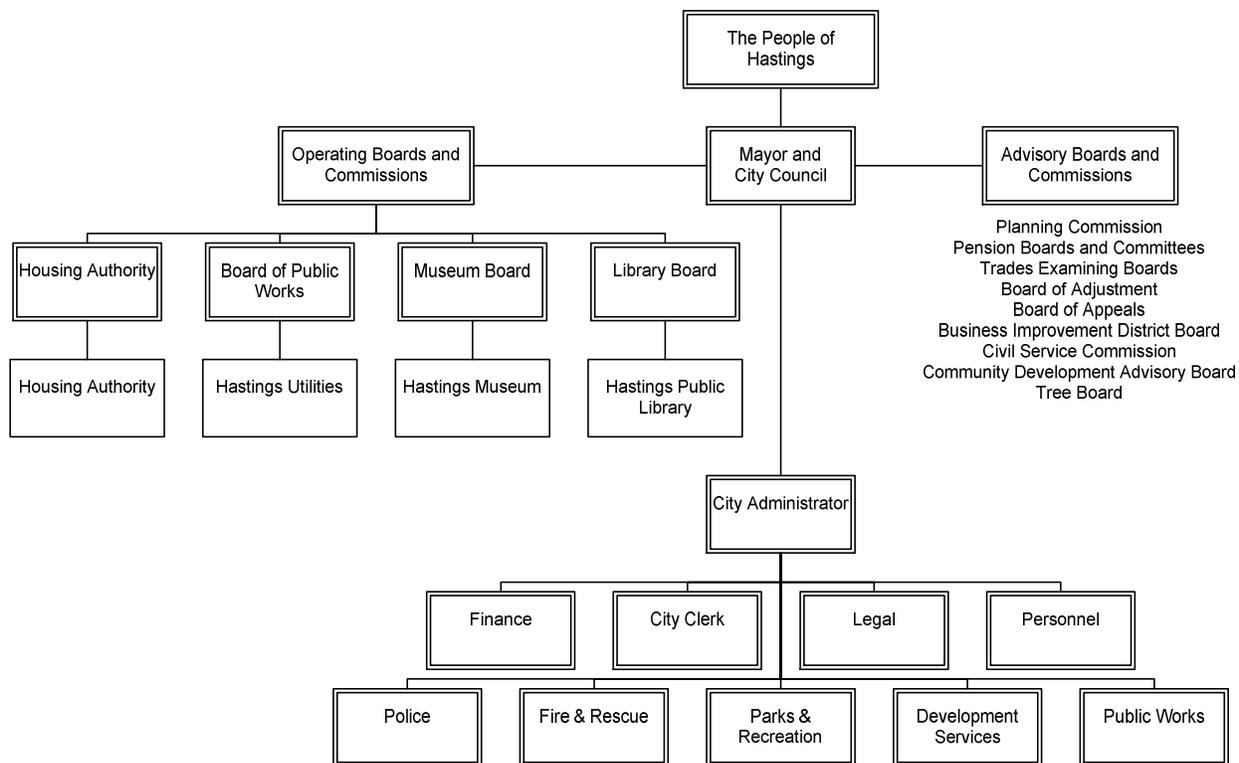
**Figure 3: Annual Unemployment Rate, 2006-2014**

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### **About the City Organization**

The City of Hastings is governed by the Mayor and an eight-member City Council. The City's fiscal year runs from October 1 – September 30. The tax rate for the City of Hastings for FY2014-2015 is \$0.456236/\$100 of assessed valuation.

The Mayor appoints a City Administrator who is then confirmed by the City Council. The City Clerk and City Treasurer are also appointed by the Mayor and confirmed by the City Council. The City Treasurer serves as the Director of the Finance Department. The organizational structure of the City of Hastings is shown in the following figure.



**Figure 4: City of Hastings Organizational Chart**

The City’s position strength for each major function is detailed in the following table.

**Table 2: City of Hastings Personnel Authorization Schedule by Department, FY 2014-2015**

Department	Full Time	Part Time	Total
<b>City Administrator's Office</b>	6	1	7
<b>Personnel/Civil Service</b>	1	-	1
<b>Legal</b>	1	-	1
<b>Information Technology</b>	1	-	1
<b>Police</b>	42	5	47
<b>Fire</b>	28	-	28
<b>911 Center</b>	10	-	10
<b>Parks &amp; Recreation</b>	13	156	169
<b>Auditorium</b>	1	5	6
<b>Cemetery</b>	3	1	4
<b>Library</b>	8	17	25
<b>Development Services</b>	6	1	7
<b>EPA Mandates</b>	1	-	1
<b>Airport</b>	1	-	1
<b>Total General Fund</b>	<b>122</b>	<b>186</b>	<b>308</b>
<b>Total Museum Fund</b>	<b>12</b>	<b>15</b>	<b>27</b>

Department	Full Time	Part Time	Total
Total Street Fund	24	8	32
Total Landfill Fund	7	5	12
Total Hastings Utilities	210	-	210
<b>Grand Total</b>	<b>375</b>	<b>214</b>	<b>589</b>

## General Fund

In Fiscal Year 2014-2015, the City has a total General Fund budget of \$20,131,963. The following table shows the General Fund budget by department and expenditure type.

**Table 3: City of Hastings General Fund Budget by Department and Expenditure Type, FY 2014-2015**

Department	Personnel	Contractual	Commodities	Capital Outlay	Total Expenditures
City Administrator's Office	\$634,975	\$85,475	\$16,400	\$1,800	\$738,650
Personnel/Civil Service	\$82,375	\$12,570	\$450	\$0	\$95,395
Legal	\$131,377	\$12,950	\$2,500	\$500	\$147,327
OGA	\$0	\$3,725,005	\$0	\$3,416,180	\$7,141,185
Police	\$3,336,663	\$360,200	\$176,500	\$0	\$3,873,363
911 Center	\$595,976	\$70,250	\$4,150	\$0	\$670,376
Fire	\$2,398,102	\$237,690	\$146,350	\$0	\$2,782,142
Parks	\$1,011,014	\$223,800	\$133,900	\$0	\$1,368,714
Auditorium	\$85,162	\$45,800	\$6,800	\$0	\$137,762
Cemetery	\$222,305	\$31,950	\$34,100	\$18,700	\$307,055
Recreation Program	\$32,296	\$73,200	\$27,600	\$0	\$133,096
Waterpark	\$178,699	\$67,900	\$76,450	\$0	\$323,049
Library	\$834,369	\$150,950	\$143,200	\$0	\$1,128,519
Mayor & Council	\$41,338	\$11,100	\$2,300	\$0	\$54,738
Development Services	\$447,578	\$29,050	\$14,900	\$1,800	\$493,328
EPA Mandate	\$52,088	\$252,410	\$19,200	\$2,000	\$325,698
Airport	\$65,932	\$84,900	\$138,000	\$0	\$288,832
Information Technology	\$66,758	\$21,250	\$34,726	\$0	\$122,734
<b>Total General Fund Expenditures</b>	<b>\$10,217,007</b>	<b>\$5,496,450</b>	<b>\$977,526</b>	<b>\$3,440,980</b>	<b>\$20,131,963</b>

The following table shows the FY 2014-2015 budgeted revenue by source.

**Table 4: City of Hastings General Fund Revenue by Source, FY 2014-2015**

Revenue Source	Total Revenue
Taxes	\$7,090,188
Licenses and Permits	\$456,500
Intergovernmental Revenue	\$4,231,453
Charges for Services	\$906,800
Fees & Forfeitures	\$21,800
Parks & Recreation	\$450,450
Other Income	\$828,546
<b>Total GF Revenue</b>	<b>\$13,985,737</b>

### Special Revenue Funds

The City has a total of 17 special revenue funds. The following table shows the FY 2014-2015 expenditures and revenues for each special revenue fund.

**Table 5: City of Hastings Special Revenue Fund Revenues and Expenditures, FY 2014-2015**

Special Revenue Fund	Personnel	Contractual	Commodities	Capital Outlay	Transfers to GF	Total Expenditures	Total Revenue
Business Improvement District 1999	\$0	\$58,500	\$1,500	\$0	\$0	\$60,000	\$60,015
Community Development	\$0	\$52,900	\$0	\$1,302,532	\$0	\$1,355,432	\$1,355,432
Library Grant	\$0	\$117,000	\$25,000	\$40,000	\$0	\$182,000	\$180,010
Library Sales Tax	\$0	\$0	\$0	\$1,250,000	\$0	\$1,250,000	\$297,820
Parks Grant	\$0	\$0	\$0	\$125,000	\$0	\$125,000	\$91,025
Parks Sales Tax	\$0	\$0	\$0	\$50,000	\$580,000	\$630,000	\$631,025
C.A.N.D.O	\$0	\$172,620	\$0	\$0	\$0	\$172,620	\$51,070
Public Safety Grant	\$0	\$120,000	\$0	\$330,000	\$0	\$450,000	\$450,000
Wireless 911	\$0	\$2,000	\$0	\$142,070	\$0	\$144,070	\$99,924
Museum	\$827,401	\$619,758	\$0	\$12,655	\$0	\$1,459,814	\$1,460,550
Street	\$1,849,693	\$452,156	\$663,560	\$456,800	\$0	\$3,422,209	\$3,208,069
Street Sales Tax	\$0	\$0	\$0	\$1,250,000	\$0	\$1,250,000	\$1,102,000
Natural Disaster Fund	\$0	\$76,414	\$0	\$0	\$0	\$76,414	\$0
Diversions	\$0	\$52,142	\$0	\$0	\$0	\$52,142	\$5,012
Keno	\$0	\$67,500	\$0	\$480,000	\$13,300	\$560,800	\$273,850
Pioneer Spirit Trail	\$0	\$0	\$0	\$31,672	\$0	\$31,672	\$0
Economic Development Revolving Loan	\$0	\$7,474	\$0	\$350,752	\$0	\$358,226	\$31,336

Detailed information regarding Hastings Utilities revenue and expenditures can be found in the "Hastings Utilities" section of this report.

## Administration

The City of Hastings is a City of the first class, with a population of approximately 25,000 people. The City is organized under a Mayor-Council form of government with an appointed City Administrator. Under this form of government, the Mayor is the chief executive officer of the City and appoints the City Administrator and department directors, who are confirmed by the City Council.

Chapter 2, Article I, Section 2-103 of the City Code identifies four primary divisions of government, each containing a number of departments. This section was last updated in 1992, however the structure was not put into practice in the organization. The Code states:

City government shall be divided generally into four divisions with the various departments of city government assigned to those divisions as follows:

- (1) Public Safety Division
- (2) Public Services Division
- (3) Public Works Division
- (4) Administrative Services Division<sup>1</sup>

According to this section of the code, the Administrative Services Division is composed of four departments: City Clerk, City Treasurer/Finance/Budget Director, Personnel/Civil Service, and Research and Development.

In practice, the distinction between these units of City administration is less clear. The City's budget and personnel schedules reflect a different grouping of organizational units, especially with respect to administrative services functions. Specifically, the City Administrator, City Clerk, and City Treasurer/Finance are grouped into a single department: the City Administrator's Office. The Personnel/Civil Service Department (also called the Human Resources Department) is accounted for separately as its own department. Together, these two departments fulfill administrative services functions related to recordkeeping, finance, personnel, and administration.

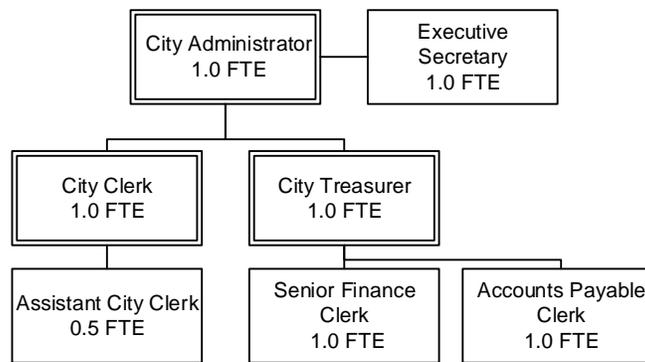
Notably, of the eight authorized positions that fulfill administrative services functions, four are accountable in some form to the Mayor and Council or another Board. The City Administrator, City Clerk, and City Treasurer are all appointed by the Mayor and confirmed by Council, while the Human Resources Technician is appointed and confirmed by the Civil Service Commission.

### City Administrator's Office

The City Administrator's Office includes seven authorized positions, six of which are staffed by full-time employees. These include the City Administrator, an Executive Secretary, the City Clerk, the City Treasurer, a Senior Finance Clerk, and an Accounts Payable Clerk. The Department also employs an Assistant City Clerk on a part-time basis. An illustration of the Office's organization follows.

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<sup>1</sup> Hastings City Code. <http://www.cityofhastings.org/assets/site/coh/documents/doccentral/Chapter+2+-+City+Code1387556872.pdf>



**Figure 5: City Administrator's Office Organizational Chart, FY2015**

The City Administrator is responsible for administering and supervising City departments and services, monitoring real property owned by the City, advising the Mayor and City Council, coordinating the City's public relations, analyzing the functions and duties of City departments, attending meetings of the governing body, and submitting fiscal reports to the Mayor and City Council.

The City Administrator may make certain personnel-related recommendations to the Mayor and City Council, including the appointment and termination of department directors and changes to their positions (such as promotions, demotions, suspensions, and terminations). While Directors work with and report to the City Administrator on a daily basis, only the Mayor and City Council have the authority to hire directors or remove them from service. Notably, the Library Director and Museum Director are hired and removed from service by their respective boards (the Library Board and Museum Board), although these Directors still report to the City Administrator on a day-to-day basis.

The Executive Secretary provides administrative support to the City Administrator and City Attorney, and recently began performing clerical work for the Building Inspector in the Development Services Department. This work involves scheduling property maintenance inspections, verifying property owner and legal information, sending notification letters, creating placards, and creating legal complaints for properties that do not comply with maintenance requests. The Executive Secretary is also responsible for briefing the City Attorney regarding property maintenance code cases that go to court.

The City Clerk provides administrative support to the Mayor and City Council by attending Council meetings, taking minutes, and digitizing official records. Approximately 50% of this position's responsibilities are related to human resource functions, particularly involving benefits administration. The City Clerk is responsible for coordinating employee insurance benefits and assists with employee payroll revisions related to benefits elections. The City Clerk also provides staff support for risk management functions and acts as the City's insurance administrator, coordinating workers' compensation claims and property, liability, and vehicle insurance.

The Assistant City Clerk provides direct staff support to the City Clerk, and assists with office administrative tasks such as answering phones and interacting with the public. This position is also responsible for liquor license administration and operates on a part-time basis.

The City Treasurer is responsible for managing the City's funds and accounts, coordinates the City's annual external audit, and is also responsible for collecting special taxes and allocating special assessments. In recent years, the Treasurer has assisted the City Administrator with annual budget preparation and coordinates the delivery of financial services with the Senior Finance Clerk.

The Senior Finance Clerk assists the City Treasurer with budget preparation and inputs budgetary information into the City's financial software system, Fundbalance by Tyler Technologies. This position also assists with processing vouchers, reconciles expenditures, and reports on the City's budget.

The City Administrator's Office budget includes financial support for all of the personnel mentioned above and their associated functions and tasks. Actual expenditures in the Department have increased 9% from FY2010 to FY2014 as a result of higher personnel and contractual expenses. The table below depicts annual expenditures by expense type.

**Table 6: City Administrator's Office Actual Expenses, FY2010 – FY2014**

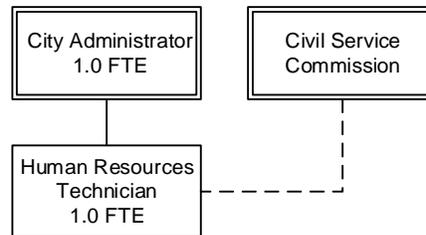
Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Personal Services</b>	\$474,388	\$478,427	\$475,833	\$487,375	\$514,342	8%
<b>Contractual Services</b>	\$67,412	\$76,326	\$63,053	\$63,147	\$83,098	23%
<b>Commodities</b>	\$17,125	\$19,606	\$23,850	\$10,537	\$10,116	-41%
<b>Capital Outlay</b>	\$0	\$0	\$2,150	\$2,318	\$2,253	-
<b>TOTAL</b>	<b>\$558,925</b>	<b>\$574,359</b>	<b>\$564,886</b>	<b>\$563,376</b>	<b>\$609,809</b>	<b>9%</b>

Wage expenses for full-time personnel and health insurance increases are primary drivers behind the Department's increased Personal Services costs. Approximately \$10,000 of the increase in Contractual Services expenditures is attributable to higher costs for outside professional services. The remaining increases involve additional expenditures related to building maintenance, electricity, and telephone expenses.

With respect to Commodities expenditures, the Department spent \$12,500 on information technology (IT) products and services in FY2012, but did not spend any money on this line item in the following years. This accounts for the significant drop in Commodities expenditures between FY2012 and FY2013. The Department had no Capital Outlay expenditures in FY2010 or FY2011, but began allocating computer equipment and furniture expenses to this category beginning in FY2012.

### **Personnel/Civil Service**

The Personnel/Civil Service Department consists of one staff member: the Human Resources Technician. This position is appointed by and serves at the pleasure of the Civil Service Commission and also acts as its Secretary. While the Human Resources Technician is appointed by the Civil Service Commission, the position reports to the City Administrator on a day-to-day basis, as shown below.



**Figure 6: Personnel/Civil Service Department Organizational Chart, 2015**

The Human Resources Technician's responsibilities are split between coordinating payroll and supporting the work of the Civil Service Commission. As the Commission's Secretary, this position is responsible for attending meetings, taking minutes, coordinating hiring applications and efforts, conducting prospective employee examinations and determining their results, keeping personnel records, and maintaining the compensation and classification system.<sup>2</sup> This position is also responsible for coordinating compliance with the Americans with Disabilities Act (ADA) and assisting with onboarding new City employees.

Because the Department consists of only one staff member, its annual expenses are less than other City departments. The table below illustrates Department expenditures since FY2010.

**Table 7: Personnel/Civil Service Department Actual Expenses, FY2010 – FY2014**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Personal Services</b>	\$68,011	\$70,535	\$73,443	\$74,972	\$77,581	14%
<b>Contractual Services</b>	\$7,778	\$8,355	\$8,138	\$9,401	\$8,655	11%
<b>Commodities</b>	\$457	\$614	\$451	\$175	\$178	-61%
<b>Capital Outlay</b>	\$0	\$0	\$3,077	\$1,592	\$0	-
<b>TOTAL</b>	<b>\$76,246</b>	<b>\$79,504</b>	<b>\$85,109</b>	<b>\$86,139</b>	<b>\$86,413</b>	<b>13%</b>

While overall expenditures have grown 13% since FY2010, much of this growth is due to wage increases, additional printing costs, and the acquisition of capital items such as office furniture and computer equipment. The reduction in Commodities expenditures is chiefly due to fewer purchases of office supplies and employee apparel.

<sup>2</sup> Hastings City Code. <http://www.cityofhastings.org/assets/site/coh/documents/doccentral/Chapter+3+-+City+Code1387556841.pdf>

## Analysis and Recommendations - Administration

Administrative staff at the City of Hastings perform a wide variety of functions. The following recommendations are intended to maximize staff efficiency while improving internal and external customer service delivery.

### Administrative Services

#### **RECOMMENDATION 1: Create an Administrative Services Department.**

While several administrative services functions are currently grouped together in the City Administrator's Office, there is an opportunity to unify and reallocate these responsibilities throughout the organization. Some administrative functions are currently decentralized across several departments, including human resources (HR), information technology (IT), finance, and purchasing. These functions are often duplicated or shared sporadically between departments, with little central coordination.

Human resources functions are currently handled by the City Clerk, who oversees benefits administration and insurance, the Human Resources Technician, who oversees payroll and civil service exams, and the Human Resources Director at the Hastings Utilities (HU). HU staff record leave balances and payroll information using the Cayenta software suite by Harris Utilities, while the Human Resources Technician uses the Fundbalance system for all other City employees. The Human Resources Technician also maintains physical employee records for all City employees, including those at the HU. The HU maintains parallel copies of these records for its employees.

Information technology provision is decentralized among several departments. Currently, the Police Department employs one Computer Support Specialist who supports Police equipment and also provides broader services to the Library and Museum. These services include general technology support and telecom upgrades. The Public Works Department has a Geographic Information Systems (GIS) position to assist with mapping and other miscellaneous IT tasks. This position also provides general technical support to other City departments, with the exception of Police and Utilities. Hastings Utilities has three IT-related positions which focus on the IT needs of the Utilities Department. These include an Information Technology Supervisor and two Computer Operator Programmers.

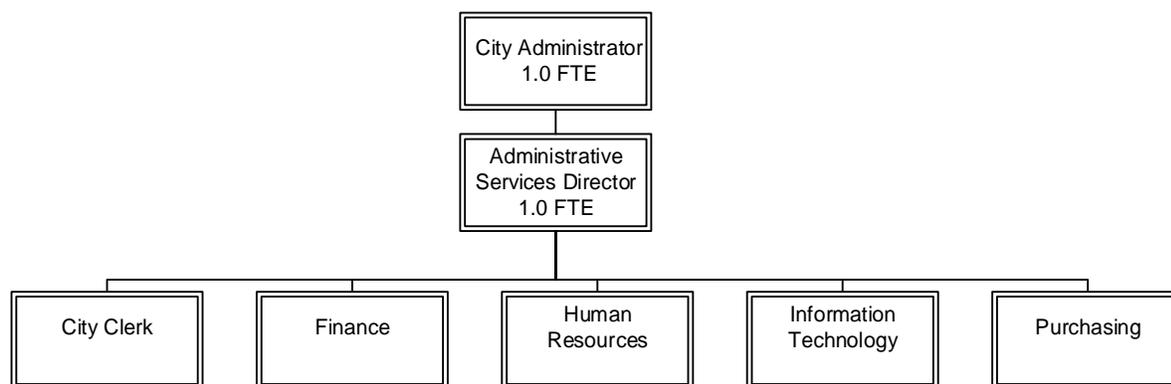
Finance operations are currently split between the City Administrator's Office and Hastings Utilities. The City Treasurer and Senior Finance Clerk coordinate recordkeeping, payments, and budgets for all City departments except HU. At Hastings Utilities, a Director of Finance oversees three Accountants, one Accountant Assistant, and two Accountant Clerks to coordinate the Department's finances. These operations are entirely separate from each other and utilize separate software systems. Much like human resources functions, Hastings Utilities uses Cayenta software to record financial information, while the City Treasurer uses Fundbalance.

Lastly, purchasing functions are handled individually by each department, and there is no centralized procurement service. While the HU maintains its own procurement division consisting of five employees, other employees assign purchasing responsibilities to a director or other personnel.

This decentralization contributes to inefficient service delivery. Each department must devote staff time and resources to issues that a centralized, dedicated team could resolve more effectively and consistently across the organization. Because departments rely on themselves, there are few

opportunities to share services, equipment, and other resources, and opportunities to achieve economies of scale are missed. This contributes to a lack of communication between departments, which hinders employee performance and introduces opportunities for inefficiency and error into everyday decision-making.

In order to bring added clarity to functional responsibilities, improve inter-departmental communications, and create greater efficiencies in administration, the City should create an Administrative Services Department. This Department should include five specific functional areas: City Clerk, Finance, Human Resources, Information Technology, and Purchasing. Staff throughout the City who provide services in these functional areas should be assigned to the Administrative Services Department and report to a Director of Administrative Services. The following figure represents the proposed functional organization of the Administrative Services Department.



**Figure 7: Proposed Administrative Services Department Functional Allocation**

The Administrative Services Department should be staffed by a full-time Director who reports to the City Administrator. The Director will oversee the operations of the Department and coordinate internal service delivery across all of the Department's functional areas, allocating staff and resources as appropriate to provide responsive services to internal and external customers. The following table identifies the type and number of full-time equivalent (FTE) employee positions across the City organization that should become part of the Administrative Services Department.

**Table 8: City Positions Related to Administrative-Services Functions, 2015**

Administrative Services Function	Position Title	Current Department	FTEs
City Clerk	City Clerk	City Administrator's Office	1
City Clerk	Assistant City Clerk	City Administrator's Office	0.5
<b>City Clerk Total</b>			<b>1.5</b>
Finance	City Treasurer	City Administrator's Office	1
Finance	Senior Finance Clerk	City Administrator's Office	1
Finance	Accounts Payable Clerk	City Administrator's Office	1
Finance	Director of Finance	Utilities	1
Finance	Accountant	Utilities	3
Finance	Accountant Assistant	Utilities	1
Finance	Accountant Clerk	Utilities	2
<b>Finance Total</b>			<b>10</b>

Administrative Services Function	Position Title	Current Department	FTEs
Human Resources	Human Resources Technician	Personnel	1
Human Resources	Human Resources Director	Utilities	1
<b>HR Total</b>			<b>2</b>
Information Technology	GIS Technician	Public Works	1
Information Technology	Computer Support Specialist	Police	1
Information Technology	Information Technology Supervisor	Utilities	1
Information Technology	Computer Operator Programmer	Utilities	2
<b>IT Total</b>			<b>4</b>
Purchasing	Stores Supervisor/Purchasing Agent	Utilities	1
Purchasing	Storekeeper	Utilities	2
Purchasing	Stores Clerk	Utilities	2
<b>Purchasing Total</b>			<b>5</b>
<b>ADMIN SERVICES TOTAL</b>			<b>22.5</b>

Grouping these employees into a centralized Administrative Services Department will help the City more efficiently allocate workload responsibilities to available personnel, and ensure the functional needs of all departments are being met. By combining resources from several departments into a single department, the City will be able to allocate administrative services workloads and responsibilities more equitably across the organization. Centralizing these functions also provides all departments with one point of contact for each functional area, and helps ensure that similar practices are being followed across the organization.

It is important to note that while this recommendation focuses on combining multiple City positions into a single Department, the City could choose to embed Administrative Services staff in various facilities and locations depending on the needs of other internal departments.

Each administrative services function is currently overseen by a Director or manager position. While coordinating the Administrative Services Department will require a full-time position, a new FTE is not estimated to be required. Rather, the workload of the Department can be effectively managed with the existing compliment of FTEs. This will, however, require a reclassification of an existing position.

## Human Resources

### **RECOMMENDATION 2: Create a centralized, professional human resources function.**

As previously stated, human resource responsibilities are currently allocated to several different parts of the City organization. HU employs its own HR personnel, and the Police Department conducts background checks on all potential hires for the City. The Personnel/Civil Service function contains just one employee dedicated to civil service testing and payroll tasks, and much of the City Clerk's time is occupied with benefits and insurance administration, which reflects a daily workload not typical of a City Clerk role. City employees must therefore interact with multiple staff members in several different departments in order to resolve HR-related issues.

This diffusion of HR responsibilities poses a potential risk to the City and its employees. Human resources is a complex field which carries significant legal and ethical responsibilities. HR professionals are educated and trained in recruitment, benefits administration, insurance,

workers' compensation, Americans with Disabilities Act (ADA) and Fair Labor Standards Act (FLSA) compliance, risk management, and other related topics. Adequately providing these services requires significant professional training and in-depth knowledge of current laws, best practices, and an appreciation for the evolving legal environment surrounding HR issues. In order to properly fulfill these functions, the City requires dedicated, professional internal resources.

Developing a professional Human Resources function will require undertaking several tasks, including:

- **Centralize Human Resources-related personnel.** As discussed in Recommendation 1: Create an Administrative Services Department, it will be important for Human Resources personnel across the organization to work together as one unit to meet the City's overall needs. Creating a human resources team composed of existing positions provides the City with an opportunity to enhance consistency across departments and reallocate workload responsibilities to achieve greater efficiency.
- **Transfer responsibilities for benefits administration, insurance, and risk management from the City Clerk to Human Resources personnel.** The primary function of the City Clerk's office is to provide administrative support for the governing body and City Administrator, and effectively coordinate agendas, packets, meetings, minutes, document retention, and other administrative tasks. Assigning HR functions to this position infringes on these responsibilities, to the detriment of both functions. Human Resources personnel specifically trained in administering benefits, insurance, and risk management functions should undertake them as part of their daily responsibilities.
- **Transition supervision of the Human Resources Technician to the City Administrator.** As previously stated, the Human Resources Technician position serves at the pleasure of the Civil Service Commission, and also serves as the Commission's secretary. This results in multiple lines of supervision and potentially creates conflicts for staff members when carrying out their responsibilities. Chapter 3-1008 of the City Code provides authority for the City Administrator to appoint a secretary to the Commission. This option should be exercised, and the City Administrator should appoint the staff person in charge of Human Resources functions to the secretary position. This action will prevent staff from having two lines of supervision while still meeting the needs and requirements of the Civil Service Commission.
- **Formalize Human Resources policies and procedures.** Currently, new hires are provided with Chapter 3 of the Hastings City Code, which codifies many policies pertaining to City employees. However, the City Code does not include all policies which affect employees. The City maintains separate administrative policies related to closing City offices, compensatory time, credit card usage, drug use and testing, overtime, accessing personnel records, smoking, recording conversations, and travel. Employees may not be aware of all policies and regulations affecting them because these documents are not centralized. In order to remedy this, Human Resources staff should create a formal employee handbook covering all aspects of employment with the City, including codified and administrative policies and procedures. Formally organizing these policies and procedures into an official employee handbook gives employees a resource to consult when issues arise. All existing employees and new hires should be provided with a copy of the employee handbook and access to all updates.

- **Establish a comprehensive onboarding and orientation process.** The City does not currently have a standardized onboarding process for new hires. This can lead to discrepancies regarding information shared with new hires and may contribute to confusion within and between departments about basic City policies. Human Resources should standardize and administer an orientation process that provides the same essential employment information (such as terms of employment and benefits information) to all new hires. Creating a formal onboarding process will ensure all employees share a common experience when first starting their jobs at the City. A formal onboarding procedure provides the City with an opportunity to explain policies and procedures in a consistent manner, and helps to ensure each new hire is adequately informed.

Creating a centralized, professional Human Resources function will allow the City to ensure it adequately meets the needs of its employees while complying with applicable State and Federal laws. In light of the increasing complexity – both practical and legal – of personnel-related matters in local government, centralizing Human Resources support will help safeguard the interests of the City and its employees while streamlining existing operations.

**RECOMMENDATION 3: Issue a request for proposals (RFP) for payroll services.**

As previously stated, the Human Resources Technician is responsible for coordinating payroll activities and manually enters timesheet records into the City's Fundbalance software. While a portion of payroll records are reported electronically, such as from time clocks at the Street Division within Public Works, most employees report payroll on paper sheets. Because the City employs approximately 216 year-round employees and 150 or more seasonal personnel during the spring and summer months, the workload associated with manually entering and reconciling payroll records increases dramatically during that time.

In most departments, a secretary position is responsible for issuing, collecting, and tracking payroll and leave data. The secretary will collect and compile this information on paper sheets and forward the sheets to the Human Resources Technician, who inputs this information into the payroll system. Rather than cut checks, the City requires direct deposit for employee payment, which is commendable.

The HU has historically conducted its own payroll process using the Cayenta software system. While this prevents additional workload from being assigned to the Human Resources Technician, this system perpetuates the bifurcation between the HU and other City departments, and prevents payroll information from being stored centrally.

Paper-driven processes introduce several obstacles to staff efficiency, especially when those records must be transcribed into a software system. Recording time on paper necessarily involves transporting physical records from place to place, and subjects those records to potential loss or damage without the availability of backup data. Transporting, transcribing, and filing these paper records increases the amount of time necessary to properly process payroll, and this workload increases as more employees are added to City staff.

In order to alleviate the workload demands and unify payroll processes among all City departments, the City should examine the cost of hiring an outside firm to coordinate timekeeping and payroll activities for all City employees, including those at Utilities. To that end, the City should issue a request for proposals (RFP) for payroll services.

As part of the RFP, the City should ask potential vendors to evaluate the cost of coordinating all timekeeping and payroll processing throughout the City, and articulate a preference for transitioning to electronic reporting. While such a system may incur additional start-up and implementation costs, it will streamline and improve payroll data collection. Contracting for these services will help the City standardize reporting practices, reduce opportunities for internal error, and alleviate the data entry burden on staff, thus allowing them to assume other responsibilities.

**RECOMMENDATION 4: Implement electronic timekeeping.**

In addition to reduced efficiency and increased time commitments involved with processing paper records, the City's current reliance on manual timekeeping introduces opportunities for staff to make errors and reduces accountability for staff time. Whether or not the City chooses to contract with an outside vendor for payroll services according to Recommendation 3 above, it should implement consistent electronic timekeeping practices for all departments.

Electronic timekeeping offers several advantages to the City, especially regarding hourly and seasonal employees. By investing in systems that track hours electronically, such as time card systems that operate in conjunction with a City identification card, the City will not rely on employees to self-report their attendance work hours. Electronic systems record attendance information in a format that is automatically reported to financial software systems. This eliminates the need for employees to manually record time, removes responsibility for collecting timesheets from secretaries, dispenses with the need to transport records, and eliminates the need to transcribe records.

While electronic timekeeping systems will require up-front investment, they also provide an opportunity for significant gains in accountability, accuracy, and workload. The City should procure electronic timekeeping software that easily interfaces with its existing software programs, and require all seasonal and hourly employees to utilize this software. This practice will improve employee accountability, reducing opportunities for error, and create capacity for human resources staff.

## **Purchasing**

**RECOMMENDATION 5: Create a centralized Purchasing function.**

Purchasing in the City of Hastings is largely decentralized in the organization. Individual departments procure goods and services needed to operate their programs, services, and facilities independently of one another. Secretaries in each department prepare a voucher and submit it to their Department Director for approval. The voucher is then forwarded to the Senior Finance Clerk, who enters the purchase information into the City's accounting software and issues a check for payment. Purchases in excess of \$5,000 require the approval of the City Administrator in addition to the Department Director, and the City is not required to engage in a bid process unless the purchase amount is in excess of \$30,000. Purchases that require a bid process also require approval from the City Council.

Most purchases are made using a vendor account (which generates an invoice) or with City credit cards. Credit cards are issued to each department and are primarily the responsibility of department secretaries. Each departmental card has a \$3,000 limit. If a purchase exceeds this amount, the department must utilize the City Treasurer's credit card, which has a \$25,000 limit.

There are currently no formal purchasing limits for City staff, and employees may make eligible purchases on their department's credit card up to the card's limit. While the current arrangement gives departments significant flexibility, it also prevents the City from combining common needs

and leveraging economies of scale to secure more competitive rates for goods and services. As part of Recommendation 1: Create an Administrative Services Department, the City should centralize procurement-related functions into a Procurement Division in the Administrative Services Department. This division should coordinate purchasing and contracting for every department in the City, including HU.

Purchasing is a professional vocation, and the City should leverage staff with purchasing experience to maximize the effectiveness of its procurement activities. The American Purchasing Society (APS) is a professional association which sponsors a certification process to become a Certified Purchasing Professional. Professional, credentialed purchasing agents work with other departments to help find and acquire products and services at the best possible price. Staff assigned to the Purchasing Division will require skills in bidding, negotiations, and contracting, and can leverage these skills to drive costs down and increase the level of service the City receives from vendors. Coordinating purchasing decisions and timing through a centralized function will also allow the City to take advantage of economies of scale and improve tracking of City funds.

In addition to the procurement of goods, the Purchasing Division should inventory the City's existing contracts and establish timelines for regular review of the City's contracted services. Many of the City's outstanding service contracts have been in place for several years, and while multi-year contracts allow for greater continuity of services, it is often useful to competitively re-bid contracts after several years.

For example, as a best practice, the Government Finance Officers Association (GFOA) recommends that government entities enter into multiyear contracts for auditing services with terms of at least five years. At the conclusion of the contract term, GFOA recommends the government agency engage in a competitive bid process to reevaluate the cost of auditing services. This best practice helps to ensure the government entity is receiving the highest quality service available. In principle, this best practice is highly applicable to other aspects of local government contracting, including employee benefits contracts.

It is recommended as a best practice that the City periodically re-bid contracts, particularly those involving benefits and financial services. The Purchasing Division should recommend when contracts should be re-bid as opposed to renewal, and can work with departments to develop requests for quotes and proposals, set guidelines for selecting vendors, and establish the appropriate criteria for evaluating contractor performance. The Division should also provide departments with compliance training related to local, state, and federal regulations, and standardize bidding procedures and practices related to purchasing.

## **Finance**

### **RECOMMENDATION 6: Create a collaborative annual budget process.**

The City Council conducts an annual retreat in February where the Mayor and Council outline budget priorities for the coming fiscal year. As the budget cycle proceeds, Department Directors work one-on-one with the City Administrator and City Treasurer to develop departmental budgets and prioritize future projects. Each year, the Treasurer supplies Department Directors with paper worksheets to make budget requests, outline priority initiatives, and prioritize a list of capital expenditures. Typically, departments are permitted to request up to 3.5% over the current year's budgeted line item amounts. Completed worksheets are returned to the Treasurer, who inputs the requested information into the City's accounting software.

After receiving completed budget packets, the City Treasurer and City Administrator review each departmental budget request and make adjustments to establish final budget amounts. The Treasurer will then update the proposed budget information in Fundbalance. This information forms the basis of the City's proposed annual budget. Annually a department director retreat is held to collectively review the operating and capital requests of each department.

HU does not currently participate in the budget process as outlined, and instead conducts a parallel budget process independent from other City departments. The HU Finance Director sends budget instructions to each subdivision of the HU for completion. The Utilities Director and Utilities Finance staff evaluate each budget request and create a proposed budget. Major line items from this budget are communicated to the City Administrator, but the City Administrator is not involved in the HU budget approval process. The proposed budget for the HU is presented to the Board of Public Works and then to the Mayor and City Council for approval. The HU budget does not utilize the same format and remains entirely separate from the rest of the City budget.

In order to improve collaboration between departments, the City should create an annual budget process which builds on the annual retreat and maximizes departmental interaction and encourages departments to work together to address organizational priorities. A robust, collaborative budget process includes several key best practices which serve to streamline and improve budgeting in the City. The GFOA and National Advisory Council on State and Local Budgeting (NACSLB) identify several key best practices areas intended to help local governments maximize the utility and effectiveness of the budget process. These include conducting regular financial forecasts, creating an annual budget calendar, and holding regular meetings among key budget stakeholders, such as the governing body, staff, and the community. In Hastings, the City should begin by scheduling meetings which include the City Administrator, Treasurer, and all Department Directors to discuss budgetary priorities prior to submittal of individual departmental requests.

Meetings where all Directors are able to discuss operational and capital needs represent an important opportunity to discover whether services and equipment can be shared between departments. By identifying common challenges and needs in the budget process, the City can more effectively deploy the coming year's resources. These meetings also allow the City Administrator to more fully articulate the governing body's goals and priorities to Department Directors, and facilitate more in-depth communications about the City's overall priorities and pressures.

#### **RECOMMENDATION 7: Establish formal financial policies.**

The City of Hastings currently relies on several financial policies, which address compensatory time, credit card usage, holiday pay for shift workers, and overtime. These policies help define the extent to which pay and leave can impact personnel expenditures in each department. While these policies are commendable and useful, the City does not currently rely on a formal set of policies touching on other financial matters.

Developing and adopting formal financial policies positively impacts the City in two respects. Engagements between staff and elected officials regarding policy development create an opportunity to thoughtfully discuss the City's current financial condition, along with its ultimate financial goals. Formalizing and adopting these policies then provides City staff with guideposts as they budget and plan for municipal service delivery.

The GFOA highlights several best practices for implementing financial policies, focusing primarily on budgeting, capital improvements, and debt management. With respect to budgeting, the City should adopt a fund balance policy which identifies appropriate reserve targets in each of the City's funds. According to a best practices paper entitled "Determining Appropriate Levels of Unrestricted General Fund Balance in the General Fund" by the GFOA, the amount that should be targeted in each fund depends on the type of fund and the municipality in question. However, the GFOA recommends that unrestricted fund balances in the General Fund should amount to no less than two months of regular operating revenues or expenditures. This guideline is broadly applicable to other operating funds as well.

A second important financial policy concerns debt service. A debt service policy should define the total amount of debt that the City can reasonably service on an annual basis, including general obligation debt and debt secured by enterprise funds. These policies provide guidance for the issuance of City debt obligations and help preserve the City's ability to incur debt at favorable interest rates. This in turn supports the acquisition of capital improvements, facilities, and equipment that are beneficial to the City and are necessary for essential services.

**RECOMMENDATION 8: Utilize a single, electronic software suite for budgeting and financial accounting.**

As previously stated, the City currently utilizes two separate and distinct software systems for the purposes of budgeting and financial accounting. As discussed in Recommendation 13: Integrate Hastings Utilities and City of Hastings corporate functions of finance, human resources, information technology, fleet and facilities, the City should utilize a uniform approach to general accounting and financial services. This approach should extend to deploying a single software system which meets the needs of all the City's departments, including HU.

While the needs of each department differ in unique ways, the software package selected by the City should include certain features which will streamline existing financial processes and improve internal service delivery among departments. Specifically, the City's financial software should have robust reporting capabilities, including the ability for Department Directors to query expenditures in real time. The software should also enable electronic interactions to the greatest extent possible, minimizing the need for staff to complete paper forms by hand and transcribe data into the financial system. Additionally, the software should meet the specialized needs of City departments where applicable. This is particularly relevant to HU, which maintains customer billing accounts.

At the time of this writing, both Harris Utilities (publisher of Cayenta software) and Tyler Technologies (publisher of Fundbalance software) offer modules which could enable their programs to handle utilities and general government financial needs. In making a decision about which platform to use, the City should evaluate its historical relationship with both companies, especially regarding licensing and support, along with upgrade and maintenance fees, ease of use, accessibility, and overall cost. The City may also choose to issue an RFP for a financial software package that meets the organization's overall needs, in order to determine whether competing software packages would provide greater benefits than the current systems.

## Hastings Utilities

Hastings Utilities is a full service municipally-owned utility. HU was established in the late 19<sup>th</sup> century as municipal water supply and distribution system and sanitary sewer collection and treatment enterprise, but since that time has expanded its role in the community.

Today, HU is responsible for providing electricity generation and distribution, natural gas distribution, water supply and distribution, sanitary sewer collection and treatment, and street light services to the residents of Hastings and the surrounding area. In addition, the HU serves as the operating agent for the Public Power Generation Agency (PPGA). The PPGA was founded in 2005 by five different public power providers including the Municipal Energy Agency of Nebraska, Heartland Consumers Power District, and the municipalities of Hastings, Grand Island, and Nebraska City. The PPGA was created as a means to develop consolidated power-generation capacity for these power providers. In 2005, the PPGA began construction of a 220-megawatt electricity production plant called Whalen Energy Center Unit 2 (WEC 2). The Assistant Manager of HU serves as the Chief Executive Officer of the PPGA. The City of Hastings owns nearly 16% of the generation capacity of WEC 2 and is responsible for a proportional share of its operating costs.

To deliver the utility services summarized above, the HU is organized into five primary operating departments, including: the Electric Department; Natural Gas Department; Water Department; Sanitary Sewer Department, and the Street Lighting Department. Though staff is sometimes shared among departments (e.g., water and sewer staff are often used interchangeably), the HU maintains strict cost centers in each of these departments. In addition to the five operating departments, the HU maintains administrative and internal support departments including: Engineering and Planning Department; Marketing and Energy Supply; Information Technology, Human Resources; and Finance. The roles, responsibilities, and primary operating characteristics of each department are summarized below.

- **Electric Department** – The Electric Department includes both power generation and distribution. The Department maintains capacity to produce approximately 168 megawatts of electrical power through the operation of two coal-fired power plants and two natural gas/fuel oil generating stations. The HU Electric Department serves a 56 square mile area that includes the City of Hastings, Village of Juniata, and rural areas surrounding Hastings. The Electric Department is responsible for maintaining the electric distribution system for this service area. It maintains over 269 miles of distribution lines and approximately 34 miles of high voltage transmission lines. The Electric Production function is staffed with 85 FTEs. The Electric Distribution function is staffed with 19FTEs, including a fleet mechanic who services the entire HU.
- **Natural Gas Department** – The HU maintains and operates approximately 179 miles of natural gas mains throughout the community. Natural gas supply is delivered through two transfer stations from interstate natural gas pipelines. In addition, the Department maintains two propane/air mixing plants to store supply and shave consumption during cold weather peaks. The Natural Gas Department is staffed with 21 FTEs.
- **Water Department** – The Water Department is responsible for supplying potable water to the City of Hastings. The HU does not maintain a water treatment facility, but rather distributes water directly from wells in the Ogallala Aquifer. The Water Department maintains 20 well sites and does not maintain any water storage reservoirs or water towers. The average daily

water usage in the City of Hastings is approximately 17-18 million gallons per day. The Water Department is staffed with 15 FTEs who are responsible for maintaining the water distribution infrastructure, sanitary sewer collection and conveyance infrastructure, water service, and backflow monitoring processes.

- **Sanitary Sewer Department** – The Sanitary Sewer Department is responsible for maintaining the sanitary sewer collection, conveyance, and treatment system for the City of Hastings. The Department operates and maintains the Hastings Pollution Control Center which discharges treated effluent into the south branch of the west fork of the Big Blue River. The Sanitary Sewer Department maintains approximately 150 miles of sanitary sewer lines throughout the City of Hastings. The Department is staffed with 12 FTEs.
- **Street Lighting Department** – The HU is responsible for maintaining the City's street light inventory. The Street Light Function is managed by the Electric Distribution crews.
- **Engineering and Planning Department** – The Engineering and Planning Department is responsible for engineering design and construction management for each of the HU's major operating departments. The Engineering and Planning Department is responsible for planning and implementing the HU's six year Capital Improvement Plan (CIP) and also manages the HU GIS. The Engineering Department is staffed with 17 FTEs.
- **Marketing and Energy Supply Department** – The Marketing and Energy Supply Department is responsible for purchasing and selling natural gas and electric power on a daily basis. The Department is staffed with 3 FTEs.
- **Information Technology Department** – The IT Department is responsible for maintaining the technology infrastructure for HU. The Department is staffed with 3 FTEs.
- **Human Resources Department** – In 2015, the HU hired its first dedicated Human Resource Officer who is responsible for recruitment and hiring, employee relations, and other core human resource functions. The Finance Department, at the time of this review, maintains responsibility for benefits management and maintains personnel files.
- **Finance Department** – The Finance Department is responsible for HU budgeting and accounting, meter reading, billing and collection, and purchasing and stores. The Department is staffed with 7 FTEs.

One of the most significant structural characteristics of HU is its governance structure. The HU is governed by the Board of Public Works. The Board of Public Works is governed by a five member board appointed by the Mayor and subject to the approval of the City Council. Though the Mayor and City Council have final budget approval authority over HU, the Board of Public Works is responsible for establishing the policies, procedures, and strategic direction of the HU. In addition, by ordinance, the Board of Public Works has employment authority over all HU employees, including the Director.

The following figure summarizes the organization structure and reporting relationships for the Hastings Utilities.



**Figure 8: Hastings Utilities Organization Structure**

In 2015, the HU budgeted total annual revenues of \$99,509,000. Approximately 59% or \$58.4 million in budgeted revenues are attributable to operating revenues – user fee revenue from electricity, gas, water and sanitary sewer, for example. Approximately 15% or \$15 million in revenue is attributable to bond sales. Approximately \$11.8 million or 11% of revenue is attributable to transfers from a rate stabilization fund. Those transfers are primarily used for two purposes. Approximately \$6.1 million is being utilized to pay down bond principle relating to the Electric Production Division, and approximately \$4.2 million is being utilized to implement pilot water treatment programs. The rate stabilization fund is a reserve account designed to allow the HU to accommodate revenue and expenditure fluctuations or major capital expenditures without increasing rates. The 2015 budget for HU is approximately \$104,249,000 or \$4.7 million less than budgeted revenues. The shortfall is primarily attributable to unanticipated expenditures at the WEC 2 facility which is not yet operating at a profit.

The following table summarizes expenditures trends as compared to the 2015 budget for HU.

**Table 9: Hastings Utilities Expenditures Summary, 2012 - 2015**

Category	Actual 2012	Actual 2013	Estimated 2014	Budgeted 2015	% Change
Operating	\$42,423,427	\$42,233,507	\$47,874,500	\$51,574,000	22%
Debt Services	\$3,419,912	\$6,509,989	\$6,930,000	\$6,944,000	103%
Coal Cost	\$3,409,536	\$3,381,765	\$3,320,000	\$3,290,000	-4%
Planned Capital Improvements	\$12,907,875	\$12,862,231	\$9,366,000	\$21,065,000	63%
Contingency Capital Improvements	\$389,113	\$918,181	\$1,046,000	\$7,308,000	1778%
Cost of Services to PPGA	\$5,676,297	\$5,758,700	\$5,975,000	\$5,225,000	-8%
Economic Development	-	-	-	\$2,488,000	-
Transfer to Construction Fund	\$9,364,896	-	-	-	-
Removal of Fixed Assets	-	\$420,801	-	-	-
Other	\$235,706	\$240,859	\$625,000	\$240,000	2%
Redemption of Bonds	-	-	-	\$6,115,000	-
Bonds Defeased	\$2,456,013	-	-	-	-
<b>TOTAL</b>	<b>\$80,282,775</b>	<b>\$72,326,033</b>	<b>\$75,136,500</b>	<b>\$104,249,000</b>	<b>30%</b>

## Analysis and Recommendations – Hastings Utilities

The two most significant issues confronting the City as it relates to HU involve corporate functions and governance. These issues, though distinct, are fundamentally intertwined. There are many opportunities for the City and the HU to integrate corporate functions and systems. For example, the financial management, human resources, and information technology functions in the broader City organization and those of HU can be integrated to provide additional capacity and greater coordination among City departments, including HU. Similarly, there are many opportunities for HU to contribute to the broader City mission by providing operational support for functions like snow events and storm clean-up. However, those opportunities are mitigated by the existing governance structure which places the Board of Public Works between the authority and direction of the Mayor and City Council, their appointed City Administrator, and the HU Director.

The Board of Public Works was established in 1936 with the stated purpose to provide “active direction and supervision” of the utilities functions which, at the time, included water works, sanitary sewer, and electricity generation and distribution. According to field interviews, the informal purpose of establishing the Board of Public Works was economic and political. During the period of the Great Depression, there was a tendency of the Mayor and City Council to rely upon utilities revenue to support general government operations. In the absence of professional management at the City level, the Board of Public Works was established with the imperative to run the HU like a business and, as an ancillary goal, to insulate HU operations and finances from the political process. At this time, this was not an uncommon practice with municipal utilities.

Though this was an appropriate action in 1936, the state of the City has changed considerably since that time, with greatly increased political stability and competent professional management. Since its establishment, HU has expanded its mission and has evolved to regard itself not as a City department, but as a “company” characterized by practical segregation from the broader

mission of the City of Hastings. In practice, the policies and procedures of the City are not applicable to HU's operation; the City's strategic objectives have no impact on HU or its goals and methods of operation.

HU has also maintained its own, self-directed approach to comparability studies – a Nebraska pay benchmarking requirement. As a result of this process, HU has developed a pay structure that is fundamentally different than the balance of the City. Benefits, including vacation, holidays, health insurance and other forms of compensation are also completely separate and differ significantly from all other City departments.

The evolution of this culture has been justified by HU staff and management as a necessary characteristic of an enterprise fund operation. In the past it has successfully been argued that the requirement that HU be “run like a business” directly translates into a requirement that HU maintain separate pay and classification structures and the HU not contribute time or effort toward City operations or initiatives without charging the City. This enterprise accounting system that HU has applied in those circumstances, where it has provided support to the broader City operation, is rigid and inflexible. For example, HU charges the City in 15 minute increments for any services supplied by HU to other City departments. These charges are also inflated by 12% administrative charges and, when applicable, 8% warehousing and handling charges are assessed if supplies and materials are utilized.

Certainly, it is appropriate for HU to bill for some services and materials. For example, HU could not reasonably be expected to fund the cost of a pavement replacement project that was not related to utility operations. However, there are many opportunities for service sharing or cooperation toward a broader mission - to serve the residents of Hastings. For example, the HU and City departments could share corporate management and internal service systems such as finance, IT and fleet maintenance. However, efforts to integrate such functions have been unsuccessful due to an inflexible application of proprietary accounting requirements and the cultural and procedural evolution of HU which deliberately sets the HU apart from the City.

These issues have caused significant concern with other City departments and have resulted in the perception of upper and lower class employees and a tangible division that inhibits the achievement of overall efficiencies and synergies within the totality of City functions.

Though these issues of cooperation and integration are substantial and deserve attention, it is important to note that the HU is effective in meeting its primary operating goals of supplying a reasonably priced product in a consistent and reliable manner. Reliability is the primary goal of HU, and they deliver on that goal. Power outages are minimized, sewer blockages are reported as minimal, and natural gas is readily available at a reasonable cost. Potable water quality is good and, at present, meets all state and federal requirements, albeit the issue of nitrates in the drinking water is looming on the horizon as a problem to be solved. HU can clearly make the case for strict service effectiveness.

The question of efficiency is, however, less clear. There are few, if any, management structures in place that lead to measures of efficiency. Individual and departmental performance goals are not clearly set, and departmental and programmatic work plans are not available. Rather, institutional knowledge and the explicit direction of the HU Director serve as the primary drivers of daily work. Without stated goals, work plans, service targets, and performance metrics, the opportunity for the Mayor and City Council to assess performance and resource needs is restricted.

Employee performance evaluations have historically been inconsistent. Moreover, the evaluation process is subjective and simplistic and does not identify measurable performance goals that can serve as the evaluation basis for determining improvement or pay structures. The recruitment process for vacant positions in HU, especially at the management level, has historically been noncompetitive.

Fundamentally, the Department's approach to systems, records, performance measures, goal setting, personnel evaluation, asset management and work planning is antiquated. One is left with the conclusion this department is effective, but not optimally efficient.

The question that must be answered is "is change warranted, and what benefits will derive from any change?" It is clear that the divide between the HU and the broader City organization is significant and that the divide presents practical limitations, not just interpersonal issues. The contributions made by the Board of Public Works as a dedicated oversight body of informed and concerned citizens are overwhelmed by the structural limitations of the governance model, which provides no actionable system that the City can leverage to integrate HU administration and operations within the broader City organization. There are significant opportunities to integrate both management systems, corporate/back office management structures, and operations; however, those opportunities cannot be taken advantage of without a fundamental change in the governance model for the HU.

### **Governance Structure**

#### **RECOMMENDATION 9: Eliminate the Board of Public Works and reorganize Hastings Utilities under the authority and direction of the City Administrator.**

As it presently exists, HU as a City department has limited interaction with the City itself beyond that of simply being a utility company in the City. It affords no personnel back-up in times of emergency; there is little collaboration or synergy achievement through cooperation, joint planning and common effort. The only exception to this, according to interviews, is when line personnel work together informally across departmental boundaries without knowledge of their supervisors. HU does make certain transfer payments in the form of Payments in Lieu of Taxes to the City to cover some degree of common costs. This transfer, however, would occur through franchise fees if it were an investor-owned utility.

Maintaining HU as a department set apart from the balance of the City has had a negative impact on the City organization. The pay differential in particular is a source of low morale on the part of City employees. The better equipment utilized by HU is similarly a source of frustration for City employees. Fundamentally, these issues necessitate change in the relationship between the City and HU.

There are a number of alternatives, each with its own set of benefits and negatives. First, the City and HU may maintain the status quo. As demonstrated, the situation between HU and the rest of the City is flawed, at best. Maintaining the status quo will not address the long-standing cultural divide nor address the compensation inequities that have been present for many years. Based on interviews with staff in all departments, these inequities are well known throughout the organization, and this has created a feeling of there being an "upper class" and a "lower class" of employee.

Additionally, there is the continuing lost opportunity of achieving synergy at many levels such as: personnel systems, IT systems, management of emergencies, and coordination of projects and other resources (there is an effort to better coordinate via a weekly meeting of engineering staff

between Public Works and HU, although the viability of the effort is not clear.) Therefore, maintaining the status quo is not recommended.

The second option is to sell Hastings Utilities. As it presently exists, HU is, for all intents, operating as a separate organization, conferring few if any benefits to the broader City organization. Selling the HU would generate significant one-time income for the City, would solve some of the morale issues in the City, and could in fact bring a measure of efficiency to HU, as a new utility owner would most likely initiate a thorough operations and administration assessment. This option would present few significant organizational challenges from a personnel and service delivery perspective given that HU currently operates as a separate entity and is not intertwined with broader City operations.

The major negative attribute to this approach is that it represents a divestiture of publicly-owned assets. As dictated by Nebraska law, electric generation and distribution must be publically owned. Equally important, this would represent a loss of opportunity for the City of Hastings and its residents to actually benefit from a cooperative and synergistic relationship that could be developed between the City and HU as a City department in fact, not just in name.

The third option is to bring the traditional municipal functions of water, sewer, street lighting, electrical distribution, and natural gas distribution into the City structure, leaving power generation under the authority of the Board of Public Works. This is similar to the utility governance structure in place in Lincoln, Nebraska. This option would help, though not completely address, the issues of equity and separateness. The employees who are “on the street” would in this way be City employees, on par with the City employees that they have the most in common with (e.g., Streets Division). By leaving power generation as a separate unit under the Board of Public Works, the issues with technical pay structures become isolated to one unit. This would address in large measure the issue of comparability. (See Recommendation 14 for more information regarding comparability.)

It is likely that employees engaged in power generation are less “comparable” with City employees and, therefore, private sector comparability studies may be appropriate. HU employees engaged in the other services (e.g., water, sewer, electric distribution) would be transferred under City authority and comparability of these employees to other City employees can easily be established.

The fourth option is to convert the Board of Public Works to an advisory board with no administrative or managerial responsibility. Under this scenario, the HU Director would report to the City administrator, and the Board of Public Works would advise on matters such as strategic planning, rate setting, and overall budget issues. In other cases this might be a prudent course of action, providing a “step back” from the administrative process for the Board. However, given the long standing history and the deep involvement of the Board, such a step might also provide opportunity for continuing conflict as the City Administrator seeks to bring the HU truly into the City structure. Because of the history, and the likelihood of prolonging any conflicts resulting from the change, this option is not recommended.

The final option is to abolish the Board of Public Works and establish a direct reporting relationship between the Utilities Director and the City Administrator, as has been done in many other Nebraska cities including Grand Island, Wayne, Kearney, and Sidney. It is true that these boards served an essential function in the early development of Hastings and other cities. These boards provided continuity in the face of a less than stable governing body that did not have the benefit of professional management and a long term view; they provided more in depth insight into the planning and needs of the utilities functions out of the political limelight of a city council.

Hastings Board of Public Works effectively fulfilled this role as an administrative board over the years. However, in the intervening years, a more professional approach has developed within the City structure. There is professional management, codified personnel rules for hiring and discipline, purchasing policies, and other operational procedures. The need for an administrative board to perform these functions is no longer warranted. The fact that the HU Director reports to the Board and not the City Administrator has contributed significantly to the divide that has developed between HU and the rest of the City; it is that gulf that is now presenting the inequities.

Comparability studies are slanted toward larger public power district, not the rest of the City or even other municipal utilities. Job titles and descriptions do not coincide with other City job functions, resulting in HU pay and benefit structures skewed toward the larger public power districts rather than the broader City organization.

Abolishing the Board of Public Works would accomplish a clean break with the past and allow the City Administrator to begin the process of bringing HU in line with the rest of the City. It would allow merging of some functions, and allow synergies to develop, especially around emergencies and special events.

Enterprise accounting would still be required. However, the walls between HU and the rest of the City could be made more permeable. Because of the manner in which HU charges the rest of the City, it could be viewed that HU is utilizing general tax dollars to enhance the utilities. A careful analysis of functions and sharing opportunities would have to be performed. The HU cannot and should not be made to "fund" operations of general government. However, a more genuine effort at working together and finding commonality should certainly occur. Equipment sharing, even the passing down of used equipment from HU to the City could occur. It is unlikely that without a complete change from the Board of Public Works as an administrative structure that this would happen.

A potential downside to abolishment is that it poses the risk of significant employee turnover at HU as some may choose to leave the organization. The Director and his top staff are technically competent, and this is a complex, technical department. A great deal of knowledge could leave the organization quite suddenly. Management has been highly centralized, with limited delegation. This issue is compounded by the fact that there has been little effort at capturing this knowledge organizationally through a formal asset management program or broader management and work planning systems. For example, only one unit in HU (the electric generation plant) utilizes a work order system to plan and track workload.

Though abolishing the Board of Public Works and reorganizing the HU under the managerial authority of the City Administrator will present many challenges, it is the most appropriate and effective way to address the systemic cultural, managerial, and operational divide between the City and HU. The structure of the Board of Public Works has served as an artificial barrier between the City and the HU. Eliminating this barrier will allow the integration of corporate functions and systems and will allow the development of partnerships with other, related City departments to develop uninhibited by rigid departmental structures and personnel inequities, whether perceived or real. This will foster the development of synergies that will create efficiencies and economies of scale across the enterprise that cannot otherwise be achieved. If properly executed, this will allow Hastings to realize the benefits of being a full service City with broadly integrated functions.

## Strategic Planning and Management

### **RECOMMENDATION 10: Create a 10 year strategic plan for Hastings Utilities.**

It cannot be overemphasized how significant the process of changing governance structures and integrating corporate functions will be for both the HU and the City. It will require years to fully complete, and innumerable challenges will be encountered along the way. However, this process will be fundamentally improved if the strategic direction and ultimate goal of the transformation is clear, transparent, and measurable.

To that end, it will be important to develop a strategic plan that clearly identifies the challenges and opportunities confronting HU in the next 10 years. Further, an action plan must be developed to detail how those challenges will be managed. This plan should then serve as the basis for the development of management systems and performance measurement systems within HU that can be applied to drive and support the process of transformation.

### **RECOMMENDATION 11: Develop a performance management system for Hastings Utilities.**

Performance management systems are a process tool utilized to ensure that the work of both employees and management is focused on the vision of the organization being served. Effective performance management systems ensure that employees focus their work in ways that directly support the organization's strategic plan, or in the absence of the strategic plan, departmental goals, objectives, and work plans. Further, this system monitors the organization's progress toward achieving the goals and priorities identified in the strategic plan.

A performance management system typically consists of three core elements: (1) setting goals and creating strategic plans; (2) measuring performance against established performance goals; and (3) sustaining a dialog between management and employees to ensure that the work of the organization is completed in conformance with established schedules.

A performance management system encompasses all of the work—including strategic planning, budgeting, and the planning of all work that is done in an organization. A performance management system includes all of the processes through which managers plan and manage the work of the organization to fulfill the organization's mission and produce the desired outcomes. The collection and use of performance measurement data is one element of a performance management system (see Recommendation 12).

In addition to monitoring the work, a good performance management system employs discipline. Under such a system, managers meet with direct reports on a regular basis to review organizational performance. The director meets with his/her direct reports at least once a month to discuss a regular agenda of issues.

As regularity and discipline of the management system becomes integrated into operations, discussions about performance become focused on important issues. This type of management system allows 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.

In HU, the Director holds regular staff meetings with his direct reports during which time issues are discussed, assignments made, and work priorities clarified. However, the system does not take into account broader strategic objectives of the City and does not clearly and measurably integrate with organizational work plans.

**RECOMMENDATION 12: Implement a performance measurement system.**

Performance measurement is designed for policy-makers, chief administrative officers, department heads, and program managers to assess whether a program or service is obtaining the desired or expected results. Performance measurement should be considered an integral part of the overall performance management system.

The use and, more importantly, the reporting of performance measurement data to a broader audience is limited in HU. Some units utilize metrics to inform their own work, however, the HU has not systematically engaged in a process of identifying its key, measurable outcomes and reporting its success in meeting those outcomes to the City and the public. This again limits the transparency of operations and fundamentally limits the ability of policy makers and decision-makers to adequately evaluate the success of the HU and determine what policy or procedural changes should be made to improve operations.

The use of performance measures is an excellent management tool to help assess the overall effectiveness of services that are being provided and determine if resources are being allocated efficiently. Government programs can be subjected to measurement to ascertain current levels of effectiveness and efficiency. If performance is measured systematically, leaders will have the information that can serve as the basis to make changes to improve on quality, timeliness, or cost over a period of time. Performance measures should become part of the organization's regular dialogue about program goals, budget allocations, and accomplishments, and should be integrated into the performance management system.

There are a number of factors to be considered in the structuring of a good performance measurement program. Once the measures themselves have been determined, care must be given to the implementation of the program. Data collection, reporting, and survey development are three very important areas requiring management attention if the program is to be successful and provide relevant information in order to adopt best practices and strive for continuous improvement.

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

- Provision of clear direction and support from City Council and Mayor
- Inclusion of feedback from constituents and key stakeholders, collected through surveys, interviews, focus groups, etc.
- Identification of information needed for measuring effectiveness and efficiency
- Determination of criteria for effectiveness
- Identification of resources available for collecting information

The HU should compile performance measurement data from each department and program on a quarterly basis and present to the Mayor and City Council any important trends or changes, as well as actions taken by the City in response to those trends. In addition, the City should include the regular collection of stakeholder feedback evaluating current programs, and other resident feedback on HU services.

## Corporate Functions

### **RECOMMENDATION 13: Integrate Hastings Utilities and City of Hastings corporate functions of finance, human resources, information technology, fleet and facilities.**

The HU and the broader City of Hastings organization maintain separate, duplicative corporate functions and systems. For example, HU maintains a distinct Finance and Human Resources Department responsible for budgeting, cost accounting, accounts payable/receivable, customer accounts, and purchasing and stores; the City maintains a separate Finance function, consisting of similar functions. The HU maintains a finance and human resources system that is separate and distinct from that of the City. The HU maintains a three FTE IT Department while the City has assigned IT management responsibilities to a GIS technician who must balance additional workload. The HU was recently expanded to include a human resource manager position and a safety director position – the first in HU history. The City maintains a separate human resource function staffed with one FTE. In both cases, (the City and HU) the results are less than efficient. However by combining efforts, economies of scale will result in the enhancement of results for all City functions.

Corporate and internal service departments, and the systems they utilize, are intended to provide support to operating departments in their goal of delivering specific services to the residents and users of the department. They also serve as the apparatus for ensuring consistent application of policies and procedures throughout the organization. One of the fundamental sources of the aforementioned cultural and procedural divide between the City and HU is the historical evolution of separate and distinct corporate functions and systems. The existence of differing policies, policy approaches, management, and administrative systems naturally leads to perception of a separate organization. This presents a significant inefficiency, and contributes to the cultural divide.

Maintaining separate corporate functions limits the ability of the City and HU to take advantage of economies of scale that can be created by pooling resources, both staff and capital, to address organizational issues in a systematic way. It also limits the ability to share resources for expensive system updates or replacement initiatives, such as accounting, budgeting, or human resource information systems.

Historically, there have been two major obstacles to integrating the corporate functions of HU and the broader City. The first is related to governance. The argument has been made that because HU employees technically operate under the authority of the Board of Public Works, corporate functions and employees (e.g., human resource employees, IT employees) must be dedicated exclusively to HU functions. The prior recommendation to change the governance model in place seeks to eliminate this obstacle.

The second argument levied in favor of maintaining separate corporate staff and systems is that the work of HU is so distinct from that of the broader City that a separate corporate system is necessary. This argument is not valid. A similar argument could be made for separate corporate structures for police, fire, public works, solid waste/landfill operations, and others. All of these agencies have unique disciplines and technical requirements. Yet, they are able to be woven into the City fabric in a way that respects their individual disciplines, but also supports the overall strategic vision of the City and is supportive of other City departments.

It is true that the work HU provides to the public is different in many ways from the work that other City departments provide. However, accounting is accounting. Human resource policies are human resource policies. There is no compelling difference, apart from commonplace procedural

nuance, that compels a separate and distinct corporate function. Moreover, integrated corporate systems, especially as they relate to financial management and human resource policy management and interpretation, are vital to ensure consistency and common application.

**RECOMMENDATION 14: Conduct an independent joint City and Hastings Utilities comparability assessment.**

One of the interesting and unique characteristics of Nebraska local government is comparability requirements. In the 1970s, local government workers (including municipal utility workers) gave up the right to strike in exchange for a requirement that local governments “establish rates of pay and conditions of employment which are comparable to the prevalent wage rates paid and conditions of employment maintained for the same or similar work of workers exhibiting like or similar skills under the same or similar working conditions.”<sup>3</sup> This requirement, commonly referred to as comparability, is the underlying regimen that drives local government worker wages in Nebraska.

The current practice of HU is to conduct a comparability assessment every three fiscal years. During a comparability assessment, the local government or agency identifies an array of seven to nine comparable agencies (or five if all five are located in Nebraska). Job matches in those agencies are deemed sufficient for comparison if evidence supports at least a 70% match based on a composite of the duties and time spent performing those duties and at least three job matches per classification are available for comparison. If three job matches are not available, the agency bases its order on the historic relationship of wages paid to such position over the last three fiscal years, for which data is available, as compared to wages paid to a position for which a minimum of three job matches are available.

HU and the broader City organization have undergone different processes for identifying their respective arrays. Each has historically utilized a separate approaches to conduct the comparability assessment; HU utilizes an outside consultant and the City conducts the assessment in-house. A significant disparity in pay has developed between many HU employees as well as the pay and benefit levels of relatively comparable positions in the broader City organization.

For example, front-line maintenance and administrative employees at HU are paid 8% to 15% more than comparable positions in the broader City organization. Foreman level positions (crew leadership and supervisor positions) in HU are paid at a rate that is consistently over 30% greater than comparable positions in the broader City organization. However, it is in management and technical level positions where the most significant disparities exist. For example, the lead engineer at HU earns nearly 50% more than the City Engineer/Public Works Director. The HU Director is one of the highest paid public employee in the State of Nebraska, earning 37% more than the Hastings City Administrator.

These disparities have grown because the laws and regulations relating to comparability leave significant room for subjective interpretation on the part of each agency, especially relating to the selection of the array and the comparable positions. Under the law, HU employees are in fact City employees. Their compensation and benefits program must be considered within the context of the broader City organization. The historic practice of conducting bifurcated comparability assessments has impeded that consideration and, the comparability assessments conducted for HU have resulted in salary and benefit increases at HU.

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<sup>3</sup> Nebraska Revised Statute 48-818

It is critically important that the City's management and its policy makers (Mayor and City Council) have the opportunity to discuss and define the salary and benefits structure for the entire City organization. The current governance structure for HU and the lack of a direct management/subordinate relationship between the HU Director and the City's appointed chief administrative officer have limited the opportunities to coordinate the broader compensation strategy of the organization. To address this deficiency, it is necessary to conduct a unified comparability assessment based on job function and to adjust salary and benefits structures to reflect the new assessment. This comparability assessment should be led and directed by the City Administrator's Office to ensure adequate consideration of the City's broader compensation policies.

**RECOMMENDATION 15: Conduct a national search for a new financial auditing firm.**

HU, like all other public agencies, is required to conduct a financial audit each year. The HU has utilized the local accounting firm McDermot and Miller to conduct the independent annual audit for the HU since 2000. The best practice recommended by GFOA is to rebid and change audit firms every three years.

The HU has attempted to rebid the audit contract in the past; however, there are a limited number of accounting firms in Hastings who are able to complete the work. As a result, the City's established preference for contracting City and Utility work to firms and companies located within the City has limited the HU's ability to select a new auditor.

With respect to HU, there are two compelling reasons to override the local contracting preference and complete a nationwide bid for a new financial auditor. The first and most important reason is that HU is a technical operation and some advanced knowledge and understanding of the financial workings of a dynamic utility is an important characteristic of a financial auditor. There are many nationwide accounting firms with detailed expertise in such audits, and the City and HU would benefit from that expertise. Second, and most important, it is vital to periodically rotate auditing firms to ensure that a fresh evaluation of financial position and practices can take place. The historical practice of only selecting local audit firms limits this opportunity.

### **Operations and Work Planning**

**RECOMMENDATION 16: Develop annual work plans for each operating unit of Hastings Utilities.**

Currently, the HU Engineering and Planning Department monitors the condition of HU infrastructure and coordinates with the HU operations superintendents on an ongoing basis to identify and prioritize the work of crews, such as the water and sewer crew, line crew (electric distribution), and the natural gas crew. In these cases, the work being performed is prioritized based on condition, and there is ongoing dialog between those in the field and Engineering and Planning staff. However, this approach to work planning also presents significant limitations.

Work plans and priorities are not documented. Rather, they rest in the mind of superintendents and engineers. This limits the ability of the HU to rapidly adjust to potential staff turnover, through natural attrition or retirements. More importantly, it limits the ability for managers at HU and the City to have transparent conversations regarding work planning prioritization and the resource requirements to meet work plan goals.

Fundamentally, staffing requirements are driven by service standard. For example, a service standard to exercise every water main valve on an annual basis requires a different staffing commitment than a service standard to exercise each main valve on a quadrennial basis.

Developing work plans linked with specific service standards allows for clear decision making regarding resource requirements and priorities that are driven by measurable and defensible service goals. These conversations are limited within HU and are functionally non-existent between the HU and broader City management.

Developing annual work plans for each organizational unit is also a critical first step in the process of developing a broader performance management system. Without a clear work plan for each organizational unit, it is difficult, if not impossible, to assess the performance of individual employees, supervisors, and managers.

**RECOMMENDATION 17: Implement an electronic work order system to streamline work planning, assignments, and performance measurement data collection.**

Currently, the HU only utilizes an electronic work order system to plan and assign work in the Electric Department. The remaining work units rely upon the direction of their respective superintendents and the Engineering and Planning Department to plan and assign work. Requests for work and assignments are distributed to personnel through a number of methods including e-mail, word of mouth, and telephone. Proactive maintenance plans are limited, with most work plans developed on a weekly basis and a large volume of work being primarily complaint-driven. This creates a number of challenges.

There is no system in place to track department workload and whether each department is accomplishing the work goals that are defined by HU and City leadership. There is no data available that quantifies the time spent on preventive maintenance activities compared to complaint driven work. There is no data available regarding the cycle time required to complete specific tasks and, as a result, no system in place that allows management to analyze whether service level and timeliness expectations are consistently being met.

Implementation of an electronic work order system and associated businesses processes would better enable the HU to monitor the completion of preventative maintenance work, complaint driven work, and emergency work. It would allow for regular, holistic analysis of departmental workload and will allow the HU to better quantify whether service expectations are being met and, if not, to respond in a proactive manner.

**RECOMMENDATION 18: Integrate Hastings Utilities into the City's snow management plan.**

In the City of Hastings, the snow and ice removal process is managed by the Streets Division of the Department of Public Works. The Department is responsible for removing snow and ice during snow events from over 165 center line miles of City streets. The Department operates 11 snow plow routes and is staffed with a combination of personnel from the Streets Division, Parks and Recreation, and the Engineering Division. These staff work in 12 hour shifts and attempt to clear all streets within 24 hours of the conclusion of a snow event.

Due to staffing constraints, snow plow routes are typically not initiated until the conclusion of a storm, though the Streets Division uses staff as available to maintain passable routes on major arterials. The HU, though it requires passable streets to complete its duties, does not contribute to the City's snow plan. The HU does, however, maintain a depth of staffing resources and heavy equipment that does not exist in the broader City organization. Considering that HU relies upon passable City streets and taking into account the available resources within HU, it is appropriate that HU be integrated into the City's snow plan. Doing so will increase the resources that can be leveraged in a snow or ice event, increase the pace with which streets can be cleared, and improve safety of transport for the public and all City staff, including HU staff.

**RECOMMENDATION 19: Contract for a comprehensive operations and staffing study for Hastings Utilities.**

The HU is a complex municipal utility with many programs and staff. The scope of this study, which included not only HU but the entire City organization, did not allow for a detailed staffing and procedural assessment of each HU program. However focus groups with front-line staff and interviews with supervisors and managers suggest that there may be areas of the organization where additional staff may be warranted and other areas of the organization where staffing reductions may be appropriate. Unfortunately, the HU does not maintain sufficiently detailed and documented work plans and therefore the outcome and efficiency performance metrics needed to draw firm conclusions regarding staffing within the context of this projects limited scope are not available. However, given the fundamental governance and structural changes recommended in this report, it is recommended that the City, under the direction and authority of the City Administrator, contract for a specialized utility operations staffing analysis to determine what staffing adjustments, if any, are appropriate for the organization.

## Public Works Department

The Hastings Public Works Department, like many similar municipal public works operations, is responsible for maintaining the transportation and stormwater infrastructure in the City of Hastings. However, in Hastings, Public Works also maintains an active solid waste landfill and a municipal airport. To perform these functions, Public Works is organized into four divisions: Engineering, Streets, Municipal Airport, and Solid Waste. The Department is led by the Director of Public Works/City Engineer with the support of an Executive Secretary.

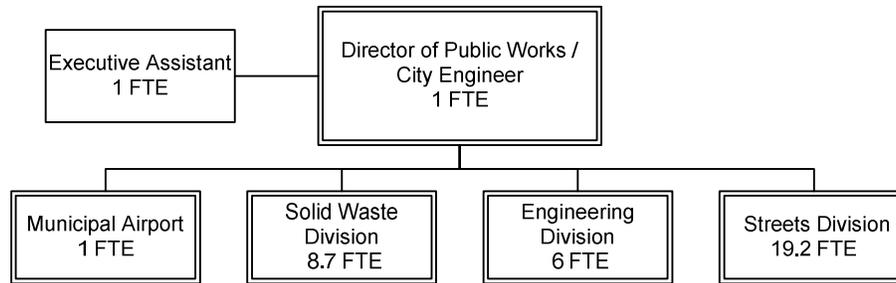
The Engineering Division is staffed with six FTEs. Three Engineering Assistants, with the support of a Surveyor, are responsible for managing and inspecting transportation and stormwater construction projects in the City as well as planning and implementing the City's six year capital improvement plan. The Division performs the majority of required engineering design work in-house; some major design projects are contracted. The Engineering Division is also responsible for managing the City's Geographic Information System (GIS). The GIS is administered by a GIS technician who has also taken over the default responsibility of serving as the IT support person for the City of Hastings. Lastly, the Division is staffed with an Engineering Environmental Assistant who serves as the City's designated stormwater manager, responsible for implementing stormwater management Best Management Practices (BMPs) for City infrastructure projects. The Engineering Division coordinates closely with the Streets Division to develop annual maintenance work plans and plan capital improvements.

The Streets Division is responsible for the maintenance of concrete, asphalt and gravel street alleys, the storm sewer collection and conveyance system, street sweeping, traffic control and signage, public right of way mowing, and snow and ice removal during the winter months. To perform these functions, the Division is staffed with 19.2 FTEs who are responsible for right of way mowing during the growing season. The Division is led by a Streets Superintendent who oversees operations and directly supervises a Streets Forman. The Streets Forman supervises five street crews and one mechanic. Streets Division crews include one mowing crew, two concrete crews, one asphalt crew, and one traffic signal and sign maintenance crew. However, it is important to note that crew members are generally cross-trained and interchangeable, though some specialization does exist.

The Solid Waste Division is responsible for managing and operating the City of Hastings Solid Waste Landfill/Wood Waste Facility or landfill. The landfill is an enterprise operation which means that the landfill must generate sufficient revenue to cover its costs. The Solid Waste Division is led by a Solid Waste Superintendent and is staffed with a total of 8.7 FTEs, including 7 full-time employees, one part-time clerk, and two part-time litter control technicians. The primary responsibilities of the Solid Waste Division are to weigh solid waste and collect tipping fees and maintain the landfill and the surrounding area.

The Municipal Airport is a small local airport primarily used by owner/pilots as a landing area and plane storage area. There are no commercial flights at the Municipal Airport. The Municipal Airport is staffed with one FTE who is responsible for facility and grounds maintenance.

The following figure summarizes the Department of Public Works organizational structure.



**Figure 9: Public Works Department Organization Structure**

Public Works is funded through three primary funds. The Municipal Airport Division is funded through a General Fund Allocation. The Solid Waste Division is 100% funded through user fees generated from landfill disposal tipping fees. The Street Fund serves as the primary source of funding for the Engineering and Streets Divisions in Public Works. The City has budgeted approximately \$3.2 million in Street Fund revenue in 2015, approximately 83% of which is the City's allocation of Nebraska Highway Use Tax revenues.

These revenues consist of fuel taxes, sales taxes on new and used vehicles, wheel tax, and motor vehicle registration fees. The following table summarizes the Department of Public Work's 2015 budgeted expenditures for each fund. Since 2010, General Fund expenditures have increased over six fold; however, this is primarily attributable to the elimination of the Airport Fund in 2012 and the transfer of Airport expenditures into the General Fund. Street Fund expenditures have increased by approximately 5% since 2010, though capital spending attributable to street repairs has more than doubled. Landfill fund expenditures have increased by approximately 80% since 2010; however, those increases are attributable to capital purchases for heavy equipment and infrastructure at the landfill.

**Table 10: Public Works Department Operating and Capital Budget Summary by Fund**

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>General Fund</b>						
Personal services	\$0	\$0	\$51,077	\$53,782	\$59,015	-
Contractual services	\$27,722	\$32,674	\$75,807	\$71,257	\$100,403	262%
Commodities	\$17,220	\$4,642	\$163,264	\$186,176	\$176,089	923%
Capital outlay	\$0	\$150	\$34,056	\$14,737	\$0	-
<b>General Fund Subtotal</b>	<b>\$44,942</b>	<b>\$37,466</b>	<b>\$324,204</b>	<b>\$325,952</b>	<b>\$335,507</b>	<b>647%</b>
<b>Street Fund</b>						
Personal services	\$1,613,395	\$1,569,710	\$1,607,913	\$1,657,564	\$1,729,810	7%
Contractual services	\$457,801	\$302,183	\$312,117	\$330,366	\$342,616	-25%
Commodities	\$531,509	\$544,371	\$593,517	\$545,211	\$489,373	-8%
Capital outlay	\$107,464	\$415,739	\$159,632	\$338,681	\$271,456	153%
<b>Street Fund Subtotal</b>	<b>\$2,710,169</b>	<b>\$2,832,004</b>	<b>\$2,673,178</b>	<b>\$2,871,822</b>	<b>\$2,833,255</b>	<b>5%</b>
<b>Street Sales Tax Fund</b>						
Capital outlay	\$0	\$237,101	\$637,542	\$0	\$1,389,757	-
<b>Street Sales Tax Fund Subtotal</b>		<b>\$237,101</b>	<b>\$637,542</b>	<b>\$0</b>	<b>\$1,389,757</b>	<b>-</b>

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Street Construction Fund</b>						
Debt service	\$936,750	\$18,608	\$990,698	\$5,918	\$7,050	-99%
Contractual services	\$68,984	\$116,585	\$12,500	\$0	\$0	-100%
Capital outlay	\$1,285,246	\$124,840	\$432,378	\$269,418	\$589,037	-54%
<b>Street Construction Fund Subtotal</b>	<b>\$2,290,980</b>	<b>\$260,033</b>	<b>\$1,435,576</b>	<b>\$275,335</b>	<b>\$596,087</b>	<b>-74%</b>
<b>Landfill Fund</b>						
Transfers	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	0%
Personal services	\$453,267	\$488,501	\$489,218	\$503,266	\$525,195	16%
Other	\$0	\$527,581	\$149,511	\$0	\$0	-
Contractual services	\$256,267	\$272,996	\$210,564	\$383,629	\$256,453	0%
Commodities	\$86,952	\$91,542	\$111,461	\$118,185	\$125,964	45%
Capital outlay	\$317,046	\$3,562	\$172,090	\$764,181	\$1,162,477	267%
<b>Landfill Fund Subtotal</b>	<b>\$1,213,532</b>	<b>\$1,484,182</b>	<b>\$1,232,843</b>	<b>\$1,869,261</b>	<b>\$2,170,089</b>	<b>79%</b>
<b>Airport Fund</b>						
Personal services	\$47,181	\$49,404	\$0	\$0	\$0	-100%
Other	\$0	\$48,997	\$0	\$0	\$0	-
Contractual services	\$69,429	\$67,258	\$0	\$0	\$0	-100%
Commodities	\$73,730	\$141,850	\$0	\$0	\$0	-100%
Capital outlay	\$52,833	\$4,455	\$0	\$0	\$0	-100%
<b>Airport Fund Subtotal</b>	<b>\$243,173</b>	<b>\$311,964</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-100%</b>
<b>Total All Fund</b>	<b>\$6,502,796</b>	<b>\$5,162,750</b>	<b>\$6,303,343</b>	<b>\$5,342,370</b>	<b>\$7,324,695</b>	<b>13%</b>

## Analysis and Recommendations - Public Works Department

A review of management and operations of the Public Works Department demonstrates that the Department has implemented a number best practices and procedures that have served the City and the residents of Hastings well. The Department is well-run with dedicated personnel who have efficiently leveraged its resources.

For example, the Department proactively develops an annual work plan and project lists for its Divisions, which are tied to asset condition assessments, community priorities, and available resources. The Engineering Division has taken the initiative to proactively schedule meetings with HU to ensure that capital improvements and road repairs are coordinated, thereby limiting the incidence of street cuts in new or good condition pavement. The Streets Division has implemented a comprehensive work order system that is used to plan preventive maintenance activities for City infrastructure and track workload data. These are a few examples of the positive initiatives the Department has implemented.

Though the Department is well run, there are opportunities for process change and reorganization that can be implemented to further improve service delivery.

## Engineering and Capital Planning

### **RECOMMENDATION 20: Create a comprehensive six year capital improvement planning process and Capital Improvement Plan (CIP).**

The City of Hastings, and all Nebraska cities, is required to develop a six year street improvement plan. The street improvement plan identifies the specific street improvement projects that will be undertaken in the upcoming fiscal year and, at a high level, identifies the priority projects scheduled for attention in the five out years of the plan. The projects identified for completion are tied to available resources, which primarily consist of the proceeds from a 0.60% sales tax earmarked for street improvements. The street improvement plan, however, does not provide a capital investment plan for all of the City's other infrastructure. Moreover, because the street improvement plan does not include broader capital planning needs, other City departments are not engaged in the process of identifying and prioritizing capital projects. Rather, capital outlays in departments are funded in the operating budget as a capital outlay because the City has chosen not to accrue debt for the purposes of capital repairs.

A comprehensive CIP is a long-term planning tool for prioritization, financing, technical design, execution, and timely completion of all capital projects for not only transportation infrastructure, but all City managed assets.

An adequately funded annual capital improvement program is the sign of a financially healthy and viable community. The City's capital infrastructure, consisting of streets, sidewalks, buildings, vehicles, and equipment all require both regular maintenance and capital investment to remain functional. Capital items have relatively fixed useful lives that can be impacted by environmental conditions, preventative maintenance, and capital investment.

A CIP document represents a six-year period of the City's ongoing capital Improvements. Each year, the document is updated to represent the next six-year window. In each annual update, completed projects, as well as projects scheduled to be completed before the end of the fiscal year, will be removed from the document, new projects will be added and other previously-programmed projects may be re-prioritized.

CIP planning is a dynamic process that will include changes over time. These fluctuations may be necessitated by organizational changes, funding uncertainties, unforeseen emergencies, project delays or plans by other entities that can impact the CIP.

The CIP is a planning document to be used as a companion to the City's annual operating budget. Each year, the funding included in the first year of the six-year CIP is allocated and approved by the City Council as part of the annual budget adoption process. In addition to the up-front funding requirements associated with CIP projects, the City's annual budget must also absorb the cost of maintaining and operating new facilities or equipment that are constructed or procured under the City's capital plan.

All capital projects in the CIP will be approved and prioritized based on pre-defined assessment criteria. These detailed criteria are typically used by a CIP Committee during the annual prioritization process. A CIP Committee is typically comprised of a select group of City staff whose function is to assess departmental capital requests within the context of city-wide needs, policy priorities, and available resources. The composition of the CIP Committee is defined by the Chief Executive Officer. The Committee is tasked with making CIP recommendations to the Chief Administrative Officer for presentation to the legislative body to be considered during the budget approval process. The process of identifying all capital investment needs and prioritizing them

within the context of broader strategic goals of the City allows for an informed discussion among policy makers regarding the need to generate additional revenue, either through tax changes or through bond issuance, for capital investments.

The ultimate goal with respect to existing capital assets is to maintain a high level of serviceability and functionality while minimizing net present costs. This is normally accomplished through a rigorous program of preventative maintenance, rehabilitation, and replacement. Analysis of new capital items can be more complicated given the need to assign value (or cost avoidance) to a future benefit that may be quality of life based instead of a purely economic justification. Regardless, the general principles are the same; the most effective way of meeting these obligations is through a well-developed CIP.

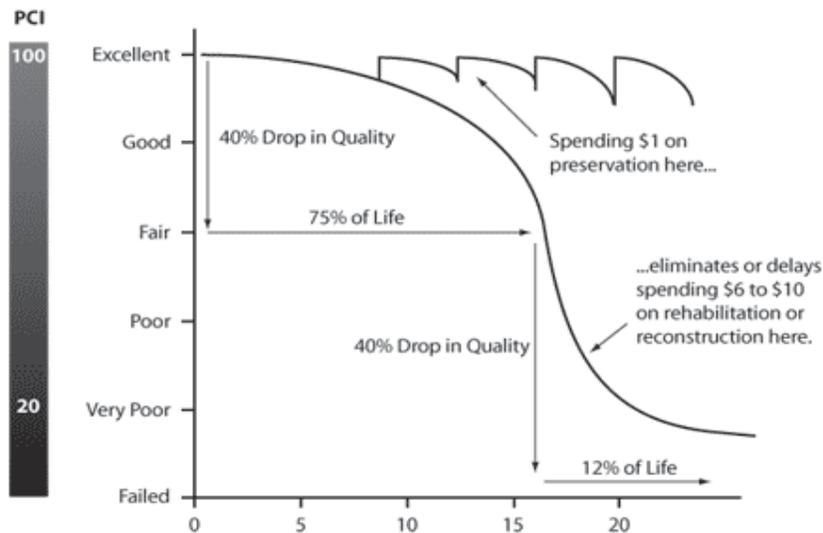
**RECOMMENDATION 21: Implement a formal Pavement Management System.**

Currently, the City uses an informal manual pavement evaluation process to prioritize which roads are reconstructed each year. The City Engineer coordinates with the Streets Division to identify those streets that are in most need of repair. From this evaluation, the City Engineer develops a list of capital projects for discussion during the Street Improvement Plan development process. This approach is positive in that it represents collaboration between operations staff and engineering staff to identify and prioritize capital investment needs. It also takes advantage of the expertise of both Divisions to maximize the value of time and money invested in repairs. However, there are limitations to this qualitative approach to pavement condition assessment.

Analysis of pavement deterioration demonstrates that new pavement deteriorates slowly over the first few years after placement and then deteriorates rapidly when the pavement has aged (typically after 7 years). This phenomenon, referred to as the pavement condition to age curve, is consistently observed regardless of pavement type or construction process.

The key to prolonging the life of pavement infrastructure is targeted maintenance at specific intervals of the pavement life cycle. If maintenance is deferred past the optimal point in the pavement life cycle, then the cost of repairing or reconstructing roads grows considerably. In other words, the pavement rating process is best used as a tool to not only plan for annual reconstruction projects, but to plan for specific road preservation and maintenance activities.

Most pavement management systems rely heavily on a rating of the physical condition of a street called the Pavement Condition Index (PCI). The PCI is obtained from a field inspection of every square yard of street surface by the technician who measures both the quantity and the type (severity) of distresses in the pavement. This evaluation is done in accordance with a uniform rating manual. Pavement rating programs then compute these field measurements and establish a PCI number (0-100), which is a comparative rating to new pavement (100). This allows an organization to assess overall condition infrastructure and develop annual maintenance and reconstruction plans that will squeeze as much life as possible from City infrastructure. The following figure illustrates the pavement condition to age curve and the relative impact of preventative maintenance as a tool to extend the life of City roads.



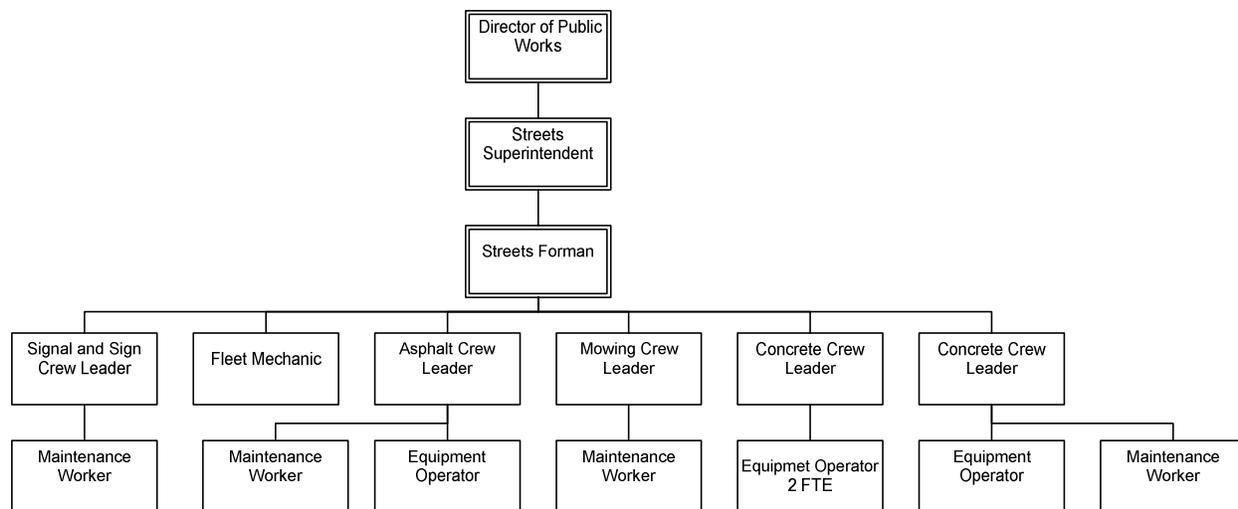
Source: USDOT Pavement Preservation Compendium II, Principles of Pavement Preservation: Definitions, Benefits, Issues, and Barriers

**Figure 10: Pavement Condition to Age Curve**

Implementing a Pavement Management System in Hastings will allow the City to apply a consistent and reproducible rating methodology that provides the analytical capacity to both plan and project which roads require preservation/maintenance and which require replacement. In addition, this process can be used to develop a focused preventative maintenance plan that can be incorporated into the Street Division's annual work plan and/or the City's contracted road maintenance services.

### **Streets, Fleet, and Facilities Management**

The Streets Division is responsible for maintaining the City's transportation infrastructure and for responding to emergency weather events such as snow and ice events and heavy thunderstorms whose fallout impacts transportation lanes in the City. The Division is also responsible for mowing public rights of way throughout the growing season, which typically occurs from April through September. To perform these tasks, the Division is organized into five work crews of between two and three FTEs each. Two crews of 3 FTEs are dedicated to concrete work. One crew of 3 FTEs is dedicated to asphalt work. One crew of 2 FTEs is dedicated to sign and traffic signal maintenance. One crew of 2 FTEs is dedicated to right of way mowing. In addition, the Division staffs a fleet mechanic who is responsible for maintaining the Public Works fleet and equipment, but not the fleet of other City departments. In addition to full time employees, the Division staffs seasonal workers during the summer to assist with right of way mowing and other projects as assigned. It is important to also note that the Division's staff are generally cross-trained and are able to perform the work of other crews if necessary, which create some flexibility. The following figure summarizes the organization and crew structure of the Streets Division.



**Figure 11: Streets Division Organization Structure**

The duties and responsibilities of Streets Division staff can be grouped into four broad categories: transportation and stormwater infrastructure management (including snow plowing); right of way maintenance; fleet maintenance; and facility maintenance. Each of these activities demands different time commitments depending on several environmental variables.

For example, right of way maintenance requires a recurring commitment during the growing season. During the colder months, less staff time needs to be dedicated to right of way maintenance. Roadway and storm sewer infrastructure maintenance and repairs typically require warmer weather and so, like right of way maintenance, these activities are generally confined to the warmer months of the year. Fleet maintenance and facility maintenance require a year-round commitment of staff time to meet both preventive maintenance schedules and address emergency repairs that may arise.

In addition, it is necessary to maintain a staffing pool that ensures capacity to meet core responsibilities that cannot be built into an ongoing work plan. For example, it is impossible to predict when a snow or ice event will strike a community, how severe the event will be, or how long it will last. Regardless, it is a core responsibility of a modern public works department to ensure that roads are safe to travel during such events, so the Hastings Street Division must be prepared to meet the demands of such emergencies.

Modern streets operations are tasked with developing staffing models and organizational structures that allow them to meet recurring and seasonal workload in an efficient and effective manner. The seasonal nature of the Division's workload means that there are inevitable inefficiencies associated with the peaks and valleys in workload. However, these peaks and valleys can be leveled with thoughtful work planning and the cross-training of labor crews. Some activities, such as tree culling or facility repairs, can be scheduled for completion during the colder months so that right of way maintenance, roadway, and storm sewer infrastructure repairs can be completed during the warmer months of the year.

Cross-training staff allows flexibility in the assignment of personnel, limiting down-time that is associated with seasonal crews. For example, a specialized concrete crew will only be working at capacity during the warm season, while a generalist crew with skills in facility maintenance,

pavement maintenance, concrete work, and landscaping can be leveraged on multiple projects. This approach to work planning and cross-training is especially important in communities like Hastings that have limited staffing resources. Fortunately, the Streets Division has adopted this general approach to work planning and cross-training and is able to keep its work crews fairly busy throughout the year.

The Department is staffed with 17 full-time employees, each of which contributes to the snow plan during emergencies. In addition, the Streets Division relies on the cooperation and participation of other City employees from the Engineering Division and the Parks and Recreation Department to staff snow plow routes. This has allowed the Streets Division to meet its snow and ice removal responsibilities without increasing full-time staffing to meet peak workload requirements. In addition, the Streets Division utilizes seasonal employees for its peak right of way mowing responsibilities, which again allows the Division to focus its full-time time on core responsibilities that require a more skilled labor pool. These are best practices that have been leveraged as a result of thoughtful work planning on the part of the Division and the Department. However, there are two areas where there is a clear staffing need: fleet maintenance and facility maintenance. Additionally, a slight modification of organizational structure is warranted to clarify roles and enable enhanced supervision.

**RECOMMENDATION 22: Create a consolidated City-wide Fleet Maintenance function and add a full-time Fleet Mechanic's Assistant position.**

The Streets Division is staffed with one full-time mechanic who is responsible for maintaining the Public Works fleet only, which is comprised of approximately 69 pieces of rolling stock and heavy equipment, only 19 of which were purchased in the 2000s. The average age of Public Works' rolling stock and equipment is 16 years old and, on average, is approximately six years past its manufacturer recommended life cycle. The Division relies upon an aging fleet and, as result, this fleet requires a significant amount of maintenance.

The National Fleet Management Association (NFMA) recommends a target mechanic-to-vehicle ratio of between 1:60 and 1:100, depending on the age and condition of the fleet. The mechanic-to-vehicle ratio in the Streets Division is 1:69; however, the age and condition of the fleet places an additional demand on the Street's Division's one mechanic. As a result, the Streets Division has been unable to provide fleet maintenance services to other departments such as Police, Fire, and Parks and Recreation. These departments have therefore been forced to rely upon existing staff and contractors to provide the service.

In 2014, all City departments, excluding Public Works and HU, expended approximately \$133,000 on fleet contracted fleet maintenance services. Leveraging these resources to fund an additional Fleet Mechanic's assistant position will allow the Streets Division to take over fleet maintenance responsibilities for all City Departments. It will also result in the added benefit of providing back up and support in the fleet maintenance shop, which will in turn limit the amount of time that other Streets Division crews spend supporting the Fleet function. This will allow Streets Division crews to better focus on core transportation infrastructure maintenance responsibilities.

Incorporating the fleet maintenance responsibilities under the Streets Division will result in an addition of 58 vehicles, including 15 Police Department vehicles, 20 Fire Department vehicles and apparatus, and 25 park maintenance vehicles. Under the recommended fleet maintenance staffing target of 2 FTEs, the resulting mechanic to vehicle ratio would be 1:64, which is an appropriate ratio given the age and condition of the City's fleet. A conservative cost estimate of salary and benefit amount of \$67,500 which, even when part costs are taken into account, will

result in savings to City departments. It is important to note that City fleet mechanics will need specific initial and ongoing training in fire apparatus maintenance. This will need to occur before fire apparatus maintenance responsibilities are assigned to the City fleet operation.

**RECOMMENDATION 23: Develop a fleet replacement schedule and incorporate into the Capital Improvement Plan.**

As outlined in Recommendation 20, the City has historically developed a capital improvement plan that primarily focuses on transportation infrastructure – roads and bridges. However, there are many other capital needs in the organization, including fleet needs. In Public Works, the average age of the fleet is 16 years, with many vehicles 20 years old or more. Of Public Works' 69 pieces of rolling stock and equipment, 49 or 71% have exceeded their recommended life cycle. The Parks and Recreation Department is experiencing a similar issue. The average age of parks maintenance vehicles is over 19 years. The fleet in the Police and Fire Departments, however, is newer because those departments have been able to secure the funding necessary to replace aging vehicles and equipment.

As vehicles age, the cost of maintaining those vehicles, and the downtime associated with vehicles being out of service, limits the value of maintaining that vehicle as compared to replacing the vehicle diminished. For example, in the case of Public Works, the annual cost of maintaining some vehicles exceeds 30% of the original purchase price of those vehicles. This is inefficient.

To counter this, it is necessary to develop fleet replacement schedules for all departments and incorporate those schedules into the CIP planning and development process. This will allow for a transparent and accurate policy and funding discussion among the Mayor and City Council around budget implications of fleet replacement; it also allows fleet replacement needs to be considered on equal footing with other capital needs and prioritized based on available resources and competing priorities.

Fortunately, the Streets Division maintains a functioning fleet and fuel management system and is able to track the data necessary to assess whether the cost of maintaining a vehicle exceeds the cost of replacement. This data will help inform the development of a targeted replacement schedule for each department that can be used to project and plan capital funding needs.

**RECOMMENDATION 24: Implement direct cost allocation of fleet maintenance expenses to City departments.**

The Streets Division maintains and effectively utilizes a fleet and fuel management system to plan preventative maintenance and track the cost of vehicle repairs. Because the Streets Division has a history of tracking and maintaining this data, they are in a position to accurately bill customer departments for labor and materials of fleet maintenance work performed. With the incorporation of fleet maintenance responsibilities for each City department, it is appropriate to bill those departments for service rendered. This offers two major benefits.

First, it maintains the cost of service in the appropriate budget. For example, one of the costs of providing police services is the cost of purchasing and maintaining police cruisers. It is important from a budget transparency perspective that these costs be allocated to the Police Department. Second, it allows departments to have a full understanding of the cost of maintaining their equipment and fleet, thereby informing fleet replacement planning discussions.

The Department should begin a process of billing the full cost of maintenance to operating departments. This ensures proper cost allocation and has the added value of making transparent

the full cost of owning a particular vehicle, which is important information to evaluate when considering vehicle replacement options.

There are a few important steps that must be taken to implement a direct cost allocation model. First, it is necessary to develop a process that tracks the number of direct labor hours expended on each piece of rolling stock. For example, if a mechanic performs 60 minutes of preventive maintenance labor on a piece of fire apparatus, those labor hours should be assigned to that piece of apparatus and a bill should be generated for the department that includes parts and the number of hours of maintenance performed multiplied by the fully-burdened labor rate of the mechanic who performed the work.

To meet this objective, it is necessary to first calculate the fully-burdened labor rate for fleet maintenance personnel. The fully-burdened labor rate includes the direct labor cost of the position as well as indirect costs, administrative overhead expenses, non-productive time, and a target profit rate.

To calculate the fully-burdened labor rate, it is first necessary to calculate the direct labor rate for each mechanic. The direct labor rate is the hourly salary and benefit rate for each fleet mechanic adjusted to reflect non-productive time. It is calculated by dividing the total salary and benefit cost for each fleet mechanic by the number of billable hours available. The number of available billable hours is calculated by subtracting leave and training time from the number of annual hours scheduled to work.

It is then necessary to assemble indirect costs, including the cost of administrative support (e.g., HR, IT, and management), facility costs (e.g., utilities, facility depreciation, maintenance), and other support costs. Indirect costs are divided by direct costs (labor, technology, etc.) to develop an overhead rate that is applied to the fully-burdened labor rate calculation.

The last major element required to calculate a fully-burdened labor rate is the target rate of profit. Because the City is a local government, there is no profit imperative. However, it is important that the operation be self-sufficient. It is reasonable to build in a small rate of profit to prepare for contingencies and fund system and process improvements.

As discussed above, an additional fleet maintenance technician position is required to staff a City-wide fleet operation. Once the employee is hired, the City will be equipped to develop a labor rate that takes into account the salary and benefit rates of both the current fleet mechanic and the new employee. That labor rate, plus the cost of parts and materials, will serve as the billing basis for fleet operation.

**RECOMMENDATION 25: Create a central facilities maintenance crew in the Streets Division staffed with 4 FTEs.**

Currently, each Department in the City is responsible for maintaining their own facilities and infrastructure. Work crews from the Streets Division complete some facility maintenance work on behalf of City departments; however, each Department is responsible for maintaining their own facilities and each takes a different staffing approach.

For example, the Hastings Museum shares one full-time custodian with the Police Department; the custodian works approximately 20 hours per week in each facility. The Museum also employs a full-time Facility Maintenance Supervisor and four part-time Building Maintenance Assistants who are responsible for general facility and grounds maintenance. The Library contracts for

facility maintenance and custodial services and also utilizes three part-time employees who perform facility maintenance and custodial services. The Auditorium and City Hall are maintained by one full-time Auditorium Building Worker and four part-time Building Maintenance Assistants who work limited weekend hours at the Auditorium. Taking into account the total number of hours worked by each full-time and part-time employee, the City is staffed with approximately 4.0 facility maintenance and custodial services FTEs, including one contracted FTE. The following table summarizes the square footage for City facilities where data was available.

**Table 11: City of Hastings Facility Square Footage Estimates**

Building	Square Footage	Maintenance Approach	FTE Allocated
<b>Museum</b>	50,000	One full-time and four part-time employees are responsible for facilities maintenance and custodial services	1.9
<b>Police Department</b>	36,000	1 full-time Custodian is shared between the Museum and the Police Department	0.5
<b>Auditorium</b>	10,500	1 full-time Auditorium Building Worker services the Auditorium. Four part-time Building Maintenance Assistants support grounds and facility maintenance at the Auditorium.	0.9
<b>City Hall</b>	6,000	The full-time Auditorium Building Worker contributes limited time (five hours per week) to City Hall for facility maintenance and custodial services	0.1
<b>Library</b>	30,000	One contracted FTE for facilities and custodial services	1.0 <sup>4</sup>
<b>Community Center</b>	7,500	Park maintenance crews as assigned	N/A
<b>Softball Hall of Fame</b>	2,400	Park maintenance crews as assigned	N/A
<b>Baseball Hitting Facility</b>	4,000	Park maintenance crews as assigned	N/A
<b>TOTAL</b>	<b>185,185</b>		<b>4.4 FTE</b>

The current approach of relying on each department to devise their own approach to facility maintenance and custodial services presents a number of limitations. The first is that these departments each have programs to deliver and, understandably, facility preventative maintenance is not given a high priority. As a result, there is little proactive preventative maintenance completed. Rather, maintenance is primarily reactionary and completed as items break down. Second, there is no focused attention on capital and facility planning from a City-wide perspective. Third, the decentralized approach to facility maintenance results in a fragmented approach that is not informed by practical expertise in highly technical mechanical, electrical and plumbing (MEP) systems. In addition, though MEP concerns are the most technically demanding issues in servicing the facility maintenance demands, they are certainly not the only facility maintenance issues that must be routinely and systematically addressed. Maintenance of building envelopes, including roofs, windows, doors, insulation and building skin (brick, metal, etc.) are also important.

Given the cost of replacing facilities such as those maintained by the City, it is important that the City dedicate sufficient resources to effectively maintain existing facilities and maximize their useful life. The International Facility Management Association (IFMA) offers benchmark ratios to help organizations determine facility maintenance technician staffing needs. These ratios are

<sup>4</sup> Contracted employee

based on the criticality of the specific facilities, their age, and the condition and complexity of the systems being maintained. Based on these factors and the IFMA benchmarking data, our review indicates an appropriate ratio of facility maintenance technicians is 47,000 square feet per technician. Based on this ratio, the City requires approximately 4.0 FTEs to properly staff the technical facility maintenance function.

By consolidating facility maintenance staffing functions and staffing resources in the Streets Division, Public Works will be positioned to implement a proactive preventive maintenance program for facilities and also conduct detailed condition assessments for inclusion in the CIP process. Furthermore, staffing these positions with skilled building maintenance positions will enable the City to improve the quality of preventative facility maintenance and facility capital planning.

The estimated salary and benefit expense of the current staffing model for facility maintenance and custodial services is approximately \$233,000 per year, assuming a 35% fringe benefit factor for full-time employees and 10% fringe benefit factor for part-time employees, and including the \$39,000 per cost expended on contract employees at the Library. The estimated salary and benefit cost of creating a facility maintenance crew in the Streets Division, led by one FTE crew leader and staffed with three Building Maintenance Technicians is approximately \$216,729, which represents an estimated annual savings of approximately \$16,000.

Creating a facility maintenance crew in the Streets Division offers the added benefit of allowing other Streets Division employees to focus on core transportation infrastructure duties and may also result in a decreased incidence of contracting for building remodels or other technical building maintenance work.

**RECOMMENDATION 26: Issue a Request for Bids for City-wide custodial services.**

Currently, each Department is responsible for managing the custodial services for their own facilities. However, custodial services are commonly available contracted services and often the service can be provided more efficiently by contractors. Though the recommended facility maintenance crew will be responsible for basic custodial services, it will be appropriate for the City to issue and request for bids for custodial services to allow the Facilities Maintenance crew to focus on building preventative maintenance responsibilities.

**RECOMMENDATION 27: Create a consolidated City-wide General Services function responsible for fleet and facility maintenance for the City and Hastings Utilities.**

In addition to the general operating departments of the City, there is a clear opportunity to consolidate the fleet and facility maintenance functions of the City and HU under a consolidated Department of General Services. The HU maintains an extensive fleet of 70 pieces of rolling stock and heavy equipment. The HU relies upon one mechanic to perform maintenance services for this fleet.

In addition, HU is responsible for operating and maintaining an extensive inventory of facilities containing highly technical mechanical, electrical and plumbing systems. The HU primarily relies upon in house staff and contractors to perform preventative maintenance on specialized facilities (e.g., electric production facilities, waste water treatment facilities). This is appropriate given the specialized training required to perform these functions. However, general facility maintenance and custodial services for the HU can be incorporated under a broader, City-wide General Services Department. This will allow for a consolidated approach to facility capital planning and maintenance and allow both the City and the HU to benefit from economies of scale. It will also

serve to help bridge the operational and cultural divide between the HU and the broader City organization.

It is important to note, however, that this recommendation cannot be pursued overnight. The first important step is for the City to develop a central fleet and facility maintenance function (Recommendations 22 and 25). In addition, as outlined in the HU section of this report, there are significant recommended changes to the governance model and corporate management structure of the HU. These changes will take time to implement and must be given due priority and attention. However, once implemented, it will be appropriate to continue the spirit of integration between the City and HU and create a consolidated internal service operation for fleet and facilities maintenance. At that time, it will be necessary to evaluate the fleet and facility maintenance, system, and management requirements under a consolidated General Services Department and develop the necessary cost share and service level agreements required to effectively operate the Department.

**RECOMMENDATION 28: Reorganize Streets Division’s organization structure to improve span of control.**

Presently the Streets Superintendent has only one direct report, the Streets Foreman. The Streets Foreman has six direct reports. Though the Streets Foreman’s span of control is within targeted ratios, there is capacity at the Street Superintendent level to take on additional direct supervisory responsibilities. This reorganization is also appropriate to accommodate the fleet and facilities management related recommendations detailed previously.

The transition from the current fleet and facilities maintenance model toward the goal of creating a central General Services Department for the City will require changes to the cost accounting and service management structure. These changes will require dedicated attention from management. To that end, it is appropriate to reorganize the fleet maintenance and facility maintenance crews under the direct authority of the Streets Superintendent. In addition, the Sign and Signal Crew Leader can be organized under the Streets Superintendent, which then organizes the Streets Foreman directly over crews responsible for managing direct transportation infrastructure.

In summary, under the recommended reporting structure, the Streets Superintendent will have four direct reports and the Streets Foreman will also have four direct reports. Those reporting to the Streets Superintendent will be the Streets Foreman, the Sign and Signal Crew Leader, the Fleet Mechanic, and the Facility Maintenance Crew Leader.

This structure will also allow the Streets Superintendent and the Streets Foreman to each supervise a 12 hour shift of snow removal crews should they be required. This will allow the Streets Division to ensure that workers do not exceed 12 hours on duty during snow storms.

The figure below summarizes the recommended organization structure for the Streets Division, with new positions highlighted in grey.

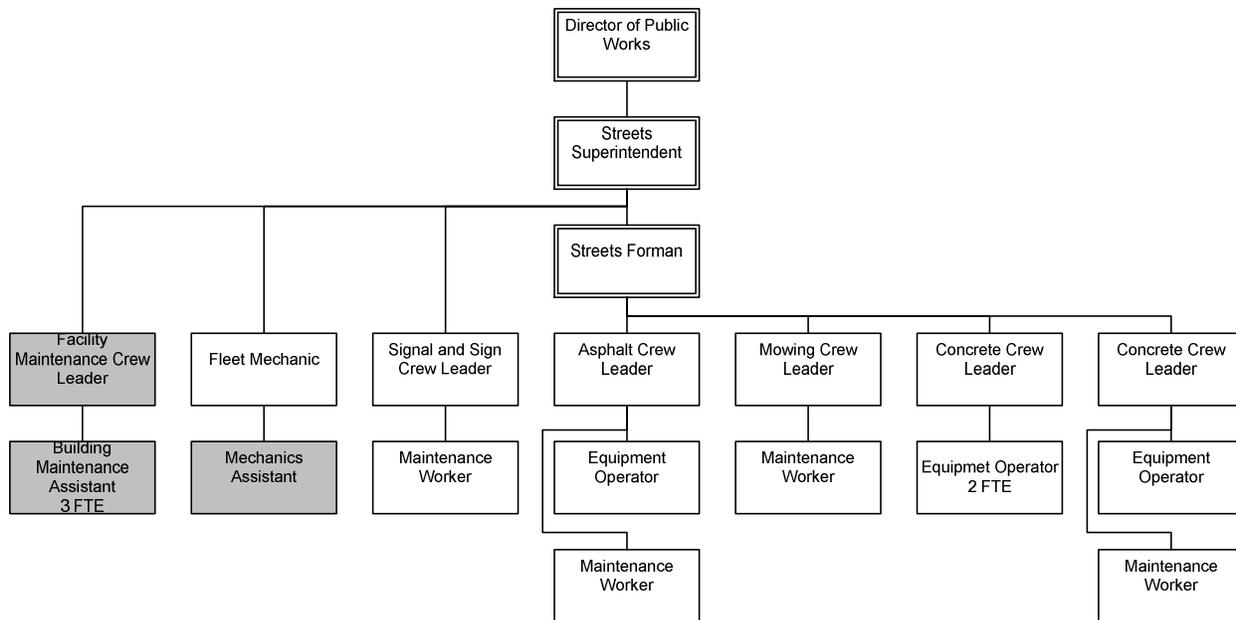


Figure 12: Recommended Streets Division Organization Structure

## Solid Waste

### RECOMMENDATION 29: Develop a strategic plan for landfill decommissioning.

The City of Hastings owns and operates a landfill that is used by local and regional refuse haulers to dispose of refuse and organic waste. The landfill also includes a composting facility that is used to dispose of organic waste such as grass clippings and leaf litter. The assessment of landfill operations indicates that the Solid Waste Division maintains a lean and effective operation. The staffing configuration is a balance of full time and part-time employees, skilled equipment operators, administrative personnel, and unskilled laborer positions. The staffing configuration allows the Solid Waste Division to meet operating demands while limiting staffing costs. In addition, the Solid Waste Division maintains an adequate equipment replacement schedule and also maintains a robust preventative maintenance program to maximize the useful life of equipment.

The landfill is the City’s only enterprise fund, other than the HU, and as a result is required to fully fund the cost of operations through program revenue. The Solid Waste Division maintains a rate structure that is sufficient to cover operating and capital costs. The Division charges a minimum landfill tipping fee of \$36 per ton and maintains a sliding fee schedule for industrial waste and other specialized waste streams. In addition, the Solid Waste Division sells wood chips derived from the composting and organic waste operation.

The revenue generated by the Solid Waste Division is sufficient to fund landfill operations and a contingency fund has been created for landfill closure and decommissioning. Increasingly stringent requirements from the Environmental Protection Agency (EPA) and sister agencies at the State level are increasing the cost and reporting requirements associated with closing landfills. In addition, considerations such as type of landfill cover; how methane will be collected and whether it will be sold; and potential groundwater impacts can have a significant impact on landfill closure and decommissioning costs.

Though the landfill is expected to remain in operation for approximately 20 to 25 years, it is appropriate to initiate a policy discussion regarding landfill closure and decommissioning requirements and costs as well as to develop a financial plan to finance the process. The cost of landfill closure and decommissioning should then be incorporated into the fee structure and appropriate monies set aside to fund the process.

### **Municipal Airport**

#### **RECOMMENDATION 30: Increase hanger rental rates to fully fund the cost of Municipal Airport operations.**

The Hastings Municipal Airport is a small, general aviation airport that primarily serves individual plane owners, agricultural service aviation companies, and small charter planes. No commercial service is operated from the airport. The airport is a self-service airport equipped with a self-service fueling station. The airport is staffed with one airport maintenance technician, who is responsible for grounds and facility maintenance at the airport.

The airport is funded through fuel income, farm income (from the rental of surrounding property for agricultural purposes), hanger rental, a federal grant from the Federal Aviation Authority (FAA), general fund, and occasional KENO funds for capital projects. Excluding the grant, which is dedicated toward capital improvements, the Airport generates approximately \$138,000 per year in revenue against an annual expenditure of approximately \$288,832, which represents an annual operating deficit of approximately \$150,832. Moreover, the Municipal Airport is managed by the Solid Waste Division Manager who utilizes landfill staff to support airport operations. The airport clearly does not generate sufficient revenue to support operations. As a result, the General Fund is utilized to subsidize airport operations. This is inequitable as the airport is a specialty operation that serves specific and limited customers. As a result, those customers should be fully funding the cost of the service so that general tax revenue can be applied to those services benefiting the entire public.

Unfortunately, the Municipal Airport has limited revenue generating potential. There are no commercial carriers operating out of the airport. The primary revenue generating option available to the airport is to increase hanger rental rates by 400%. However, even this action would likely produce limited results.

In the alternative, it is appropriate to consider closing the airport and/or selling the facility if a buyer can be found. Fundamentally, the airport should be operated as an Enterprise Fund and should generate sufficient revenue to cover expenses. If this cannot be realistically achieved, it is appropriate to close or sell the Municipal Airport.

## Police Department

The City of Hastings Police Department is responsible for all aspects of policing in the City of Hastings, including patrol, response to calls for service, and investigation of crimes. In addition to the approximately 25,000 residents of the 13.66 square miles within the City's boundaries, the Department also handles 911 service for all of Adams County, which has a total population of 31,151 in an area of 564 square miles. The Department's stated mission is "to pursue excellence by working in concert through effective partnerships with our diverse community to improve the quality of life which provides a safe and clean environment to all of our citizens and visitors."

The Department has an ambitious set of annual goals. For 2015, they include initiatives in the areas of:

- Organizational Assessment
- Training and Development
- Case Management
- Implementation of a Backup 911 Center
- Hiring and Promotion
- Code Enforcement
- Review of the Organizational Chart
- Review of Staffing and Deployment
- Implementation of Mobile CAD (Computer Aided Dispatch)
- Review of Equipment Needs
- Implementation of a New Telephone System
- Field Training Program
- Review of Building Maintenance Needs
- Evidence Processing Room
- Review of Contracts
- Policy Review
- Review of City Code

The Department's FY2015 authorized sworn headcount is 38. It currently employs 35 to include: one Chief of Police; two Captains; seven Sergeants;<sup>5</sup> three Detectives; and 22 Police Officers. An additional police officer is assigned as the 911 Supervisor, and is not considered part of the authorized sworn headcount.<sup>6</sup> At the time of this review, one officer is currently in entry level training; one is on military leave until April 2016; a second officer expects to be deployed on military leave beginning in December 2015; and the Department is recruiting to fill three vacancies.<sup>7</sup> The Department's 19 non-sworn employees include one Information Technology Technician (who also works with other City departments), four Community Service Officers (two full time and two part time), nine Dispatchers; one Custodian, who spends half of his time at the Police Department and half his time at the City Museum; one part time School Crossing Guard;<sup>8</sup> two full time Secretaries; and one part time Secretary. The salary of one of the full time secretaries is shared with the Adams County Sheriff's Office to provide support to the Drug Task Force.

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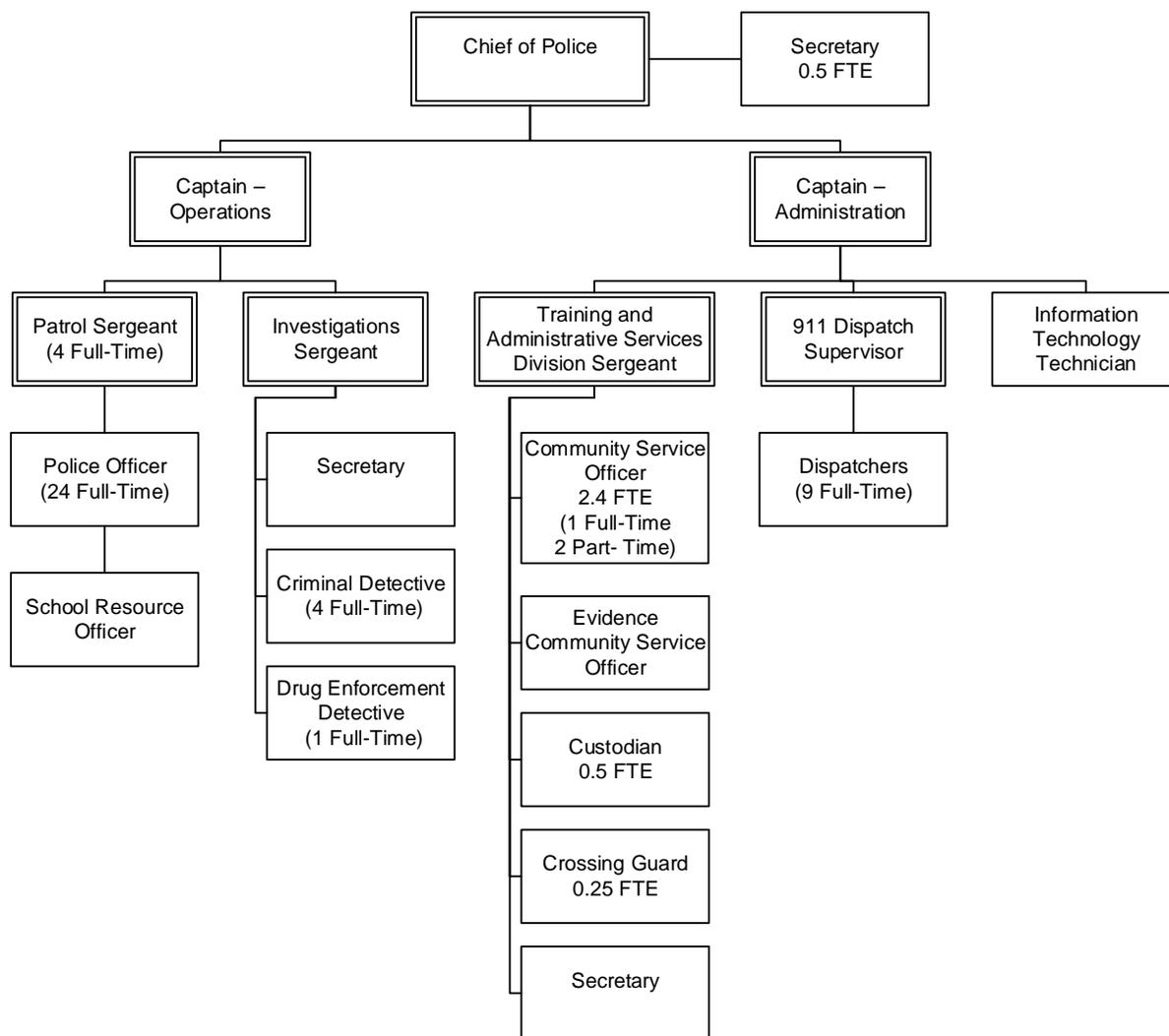
<sup>5</sup> One sergeant has been promoted to fill an anticipated vacancy due to the imminent retirement of a sergeant; normal complement is 6.

<sup>6</sup> This officer was permanently incapacitated by a line of duty injury and does not perform full duty police officer functions. The officer's salary is carried under the 911 system budget.

<sup>7</sup> A fourth vacancy is anticipated with the impending retirement of the current Administrative Services Division Sergeant.

<sup>8</sup> The School Crossing Guard's salary is funded completely by the Hastings Public Schools.

The Department's current organization chart is shown in the following figure.



**Figure 13: Police Department Organizational Chart, FY2015**

The Chief of Police is the chief executive officer of the Department, responsible for its overall management and administration; he reports to the City Administrator. Aside from the two Captains, the Chief of Police has one direct report, a part time Secretary who handles accounts payable.

One captain supervises the Operations Division, which includes the Department's patrol and investigative functions. Patrol officers perform steady 12 hour shifts of either 6:00 A.M. to 6:00 P.M. or 6:00 P.M. to 6:00 A.M., in four teams consisting of a sergeant and six police officers (although each team currently has one vacant position). Sergeants begin and end their tours 30 minutes earlier, at either 5:30 A.M. or 5:30 P.M., in order to exchange information with the outgoing shift supervisor and to prepare for briefing the incoming shift. Teams work on a rotation of two days on; two days off; three days on; three days off; two days on; and three days off. To comply with FLSA provisions, officers work one eight hour rather than a 12 hour shift each pay period.

Minimum patrol staffing in Hastings is one sergeant and three police officers per shift. For deployment purposes, the City is divided into four “sections:” Southwest Section; Southeast Section; North Section; and Central Section, which overlaps the other three. When three officers are working, they are assigned to the Southwest, Southeast, and North Sections. In the event that a fourth officer is working on a shift, he or she is assigned to the Central Section. Additional personnel, if available, are designated as “Loose Sections” and patrol as directed by the Shift Supervisor. Although a sergeant is assigned to each team, he or she is not routinely replaced if on vacation or otherwise absent; an officer is designated as Officer in Charge (OIC). A number of officers have completed supervisory training to prepare them to assume the duties of OIC; they are compensated with 30 minutes of overtime<sup>9</sup> when acting as OIC for a minimum of six hours.

One patrol officer is assigned as the School Resource Officer when school is in session; although the officer’s primary focus is on the high school, he/she also provides service to the middle school and to six elementary schools, and performs patrol duty for the remainder of the year. The Hastings Public School system reimburses the Department for 50% of the officer’s salary and benefits. Aside from that position, there are no specialized assignments within the Patrol Division; several were cut to provide patrol staffing. Specifically, the Drug Abuse Resistance Education (DARE) program was eliminated. Motorcycle patrol was discontinued, and the Department’s two motorcycles were sold. The Department’s two K9s were retired for age and health reasons, and have not been replaced, although the long range plan is to revive the K9 program when staffing permits. The Department relies on the Nebraska State Patrol for Special Weapons and Tactics (SWAT) support. On the investigative side, the assignment of a detective to the Tri-City Drug Task Force was discontinued, and the detective was reassigned to patrol.

Members of the Department responded to 26,784 calls for service in 2014.<sup>10</sup>

The Detective Bureau also reports to the Operations Captain. It consists of one Detective Sergeant, three Detectives, and one full time Secretary shared with the Drug Task Force. The Secretary provides administrative support for both the Detective Bureau and the Drug Task Force, with an emphasis on narcotics investigations; the salary for this position is shared with the Adams County Sheriff’s Office. At the time of this review, two detective positions were vacant: one general investigation detective and one detective assigned to the Drug Task Force. Detectives are assigned to the Detective Bureau on a four year rotation.<sup>11</sup> Detective Bureau personnel are on call for one week out of every four weeks to handle calls during off hours.

The second Captain oversees Administrative Services, including the Training Coordinator/Support Services Sergeant, the 911 Center, and Information Technology. The Captain is also responsible for the City-wide telephone system, the Department’s website and Facebook account, and is the official keeper of Department records.

The Training Coordinator/Support Services Sergeant oversees the Community Service Officers (CSOs), one full time Secretary, the Custodian, and the School Crossing Guard. The Sergeant is responsible for recruitment and processing of newly hired personnel; coordination of training;<sup>12</sup> purchasing of equipment; vehicle maintenance; building maintenance; quality control of reports and National Incident Based Reporting System (NIBRS) crime reports; and serves as the

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<sup>9</sup> Collective Bargaining Agreement 2014-18, Article 3 Section 8.

<sup>10</sup> Members responded to 15,461 calls in 2013; the difference is largely attributable to the fact that the Department began tracking traffic stops in the Computer Aided Dispatch (CAD) system in 2014.

<sup>11</sup> An exception to the four year rotation is one detective who has expertise in child abuse investigations.

<sup>12</sup> The State of Nebraska mandates at least 20 hours of annual in service training for police officers, of which not more than 10 hours can be web-based.

Department's Public Information Officer (PIO). The Sergeant also represents the Department on the City's Neighborhood Enforcement Action Team (N.E.A.T.), which meets monthly to coordinate the activities of all City departments involved in code enforcement.

Three of the Department's four Community Service Officers are primarily responsible for animal control, parking enforcement, code enforcement regarding property nuisance complaints such as grass, weeds, and derelict vehicles, and relief for the Secretary who staffs the front desk. Responsibility for code enforcement was assumed by the Police Department rather recently, having been transferred from the Development Services Department approximately one year ago. They also perform school crossing guard duties. In addition to the School Crossing Guard at Hastings Middle School whose position is funded by the school system, CSOs cover crossings for approximately 30 to 45 minutes at 9<sup>th</sup> Street at Burlington Avenue, before and after school, and E Street and Burlington Avenue, after school. One CSO is assigned as the Department's evidence room officer, and also handles public fingerprinting, desk relief, and crossing guard duties.

The 911 Center dispatches all City of Hastings police calls, as well as all calls for medical and fire services within Adams County with the exception of the Village of Roseland. 911 calls requiring response by the Adams County Sheriff's Office are transferred to that office, which maintains its own dispatch operation. The 911 Center also provides direct monitoring services for approximately 400 private alarm systems; the fee for monitoring is about fifty cents per day. 911 staff also enter citation information into the Department's records management system.

The 911 Center is staffed by a supervisor and nine dispatchers. Eight of the dispatchers work 10 hour shifts; one works three 12 hour shifts and one four hour shift per week. The supervisor works 10 hour shifts, Monday through Thursday, and fills in at other times when needed. The goal is to staff two dispatchers on all shifts; however, there are gaps when only one dispatcher is assigned. During 2014, the Hastings Police Department received 63,024 calls to its telephone system; 26,082 resulted in calls for service.

One Information Technology Technician is based at the Police Department, although the position serves multiple City departments. The Technician reportedly spends approximately 75% of his time on Police Department matters, and 25% elsewhere, particularly the Fire Department, the Library, and the Museum.

Custodial services are provided by an employee who splits time between the Police Department and the Museum. One part time School Crossing Guard staffs a crossing at the Hastings Middle School.

The Police Department is housed in a building at 317 S. Burlington Avenue. The Nebraska State Patrol also maintains an office in the building. The Department uses the former Police Headquarters at 109 West 2<sup>nd</sup> Street for the storage of bicycles and large evidence items. It has a firing range, maintained by Police Department employees, and also uses a private firing range, the Four Rivers Sportsman's Club, at 1845 South Maxon Avenue. The Department conducts Emergency Vehicle Operator training at a private track, Motorsports Park, at 427 S. Showboat Boulevard, and will utilize the Adams County Emergency Management facility at 1313 N. Hastings Avenue as a backup 911 Center in the future.

The Department operates a fleet of 27 vehicles. Fifteen are marked patrol vehicles assigned to patrol; of the unmarked vehicles, one is assigned to the Chief of Police, two to the Captains, four to the Detective Bureau, and three to CSOs, including a truck used for animal control services.

Two are pool vehicles used by the Information Technology Technician, the CSOs, and for travel and training. Take home vehicles are assigned to the Chief of Police, the two Captains, and to the Detective on call if he or she lives within the City limits. The Department is responsible for all aspects of the fleet, including purchasing and maintenance, which is performed by local vendors. Fuel is obtained from the Public Works Department.

There is no formal vehicle replacement policy; however, the current Chief of Police has made significant strides in reducing the size and improving the overall condition of the fleet. Ten vehicles that were in poor condition were removed from service and auctioned. Consequently, the annual maintenance expense has been reduced from approximately \$75,000 to \$50,000 and is expected to decrease further. Recent practice has been to replace two, and occasionally three vehicles each year.

The Department is not currently using Mobile Digital Terminals (MDTs). iPads with limited functionality have been installed in patrol vehicles pending evaluation of MDTs and supporting systems.

Between FY2010 and FY2014, the Department's budget increased by a total of 17%. The Police budget increased by 14% and the 911 Center's budget increased by 34%. The increase in the Police budget was primarily due to increases in the commodities expense group. This increase was largely the result of increased expenditures in the field equipment, fuel, ammunition, and uniform allowance line items. The increase in the 911 Center budget was primarily due to increases in the capital outlay expense group. This increase was largely the result of communication equipment purchases made out of the Wireless E911 Fund. The Police and the 911 Center budgets saw increases of 10% and 11% respectively in the personal services expense group. The following table details the Department's historical expenditures by expense type, and includes expenditures for the 911 Center.

**Table 12: Historical Police Department Expenditures by Program Area**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Personal Services</b>	\$3,229,231	\$3,266,590	\$3,259,378	\$3,325,027	\$3,548,179	10%
<b>Contractual Services</b>	\$348,911	\$394,224	\$366,637	\$387,966	\$428,455	23%
<b>Commodities</b>	\$106,565	\$138,995	\$152,047	\$176,995	\$220,806	107%
<b>Capital Outlay</b>	\$0	\$38,457	\$0	\$139,525	\$134,408	-
<b>TOTAL</b>	<b>\$3,684,708</b>	<b>\$3,838,266</b>	<b>\$3,778,062</b>	<b>\$4,029,513</b>	<b>\$4,331,849</b>	<b>18%</b>

## **Analysis and Recommendations – Police Department**

The Police Department enjoys a high degree of support from the community it serves; its police officers take pride in their connection with the residents, and many officers live within the City of Hastings. The Department's employees appear to be highly satisfied with their jobs, and comment favorably on progress made by the current Chief of Police in improving vehicles, equipment, and training. They cite the inclusion of a cross-section of line personnel on a Policy Review Committee, which is evaluating policies and procedures, as an example of acknowledgement of their input and opinions. The Department has increased the collection and use of data in its operations.

While it is by no means an unsafe city – its crime rate is below the national average<sup>13</sup> – Hastings nevertheless experiences a significant amount of reported crime: the latest available statistics (2013) show 54 violent crimes and 922 property crimes. Violent crimes decreased 5.26% for the most recently available one year period, but reflected an increase of 12.5% since 2008. Property crimes trended in the opposite direction, with a one year increase of 1.21% and a five year decrease of 6.9%. Larceny and Burglary represent the largest number of index crimes. The following table shows crime statistics for the City of Hastings from 2008 through 2013.

**Table 13: Crime Statistics 2008 - 2013<sup>14</sup>**

Type of Crime	2008	2009	2010	2011	2012	2013	Change Since 2008	Change Since 2012
Murder	1	0	0	1	0	0	-100%	n/a
Rape	10	16	15	14	24	23	+130.00%	-4.17%
Robbery	7	5	2	8	10	4	-42%	-60%
Aggravated Assault	30	31	16	24	23	27	-10%	+17.39%
<b>Violent Crimes</b>	<b>48</b>	<b>52</b>	<b>33</b>	<b>47</b>	<b>57</b>	<b>54</b>	<b>+12.5%</b>	<b>-5.26%</b>
Burglary	154	97	84	108	149	198	+28.57%	+32.89%
Theft	805	665	631	740	726	689	-14.41%	-5.10%
Motor Vehicle Theft	27	43	31	26	36	35	+29.63%	-2.78%
Arson	8	3	4	6	2	4	-50%	+100
<b>Property Crimes<sup>15</sup></b>	<b>986</b>	<b>805</b>	<b>746</b>	<b>874</b>	<b>911</b>	<b>922</b>	<b>-6.49%</b>	<b>+1.21%</b>

## Staffing

One of the biggest challenges faced by a governing body is determining the community's appropriate level of police staffing. The decision is based on a variety of factors. There is hard data, such as: population; population density; socioeconomic character of the community; calls for service; crime conditions; increases or decreases in the daytime population; educational, religious, medical, or commercial institutions that demand additional services; geography and traffic patterns; and planned or possible future development. Just as important are less easily defined factors, such as the needs, desires, tolerances, or traditions of the community; administrative obligations; the need or demand for specialized services, including enforcement (narcotics, traffic, homeland security, tactical teams) and community policing and outreach efforts, an area of growing importance. Underlying all of these factors is the community's ability – and willingness – to pay for certain levels of service. Elected officials must ensure that their public safety agencies are staffed, equipped, and trained to respond to any contingency, while funding them at a level that supports the future sustainability of government services.

The core service of every police agency is the work performed by its patrol division: basic patrol and response to emergency calls for service; traffic enforcement; preliminary investigation of incidents; and suppression of crime. Each community performs these core functions in a slightly different way, utilizing an assortment of shift schedules, deployment configurations, and staffing criteria.

<sup>13</sup> <http://www.city-data.com/crime/crime-Hastings-Nebraska.html>

<sup>14</sup> *United States Department of Justice, Federal Bureau of Investigation. Crime in the United States, 2008 through 2013 editions. 2014 statistics have not been published at this time.*

<sup>15</sup> Arson is not included in the total of property crimes.

City of Hastings Police personnel perform 12 hour shifts. Officers work either from 6:00 A.M. to 6:00 P.M. or 6:00 P.M. to 6:00 A.M. They are divided into four teams, each consisting of one sergeant and six police officers,<sup>16</sup> who work a rotation of three days on; two days off; two days on; three days off; two days on; and two days off. One sergeant is assigned to each team and works the same schedule as the police officers, although in practice the sergeants begin and end their shifts 30 minutes earlier in order to confer with the previous shift supervisor and prepare to brief the incoming shift. The following figure illustrates one full cycle of the 12-hour shift schedule.

Shift		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Day	A Shift	12	12			12	12	12			12	12			
	B Shift			12	12				12	12			12	12	12
Night	C Shift	12	12			12	12	12			12	12			
	D Shift			12	12				12	12			12	12	12

**Figure 14: Current 12-Hour Shift Patrol Officer Schedule**

The goal in analyzing patrol staffing is to identify staffing levels and deployment practices that provide adequate coverage for response to calls for service while also enabling officers to engage in proactive policing – that is, to be proactive as well as reactive. Proactive policing affords an agency the opportunity to strategically deploy personnel to focus on identified trends and high crime areas, thereby preventing and reducing crime. Whether it is referred to as Community Policing, Problem Solving Policing, Data-Driven Policing, or by some other term, the goal is largely the same: provide sufficient time for patrol officers to identify problem areas or conditions; develop and implement strategies to address those conditions; establish relationships with members of the community to partner in developing long term solutions to issues; gather intelligence; show police presence through interaction with residents and businesses as well as team-led enforcement initiatives. It includes targeted patrols, narcotics sweeps, traffic enforcement, and community outreach. Proactive policing is not simply random or intensive enforcement; it should focus on data-driven efforts to address conditions, whether through conventional enforcement, team-led initiatives, or innovative approaches in partnership with the community.

While a community’s proactive policing level of service standard is a policy decision, the International Association of Chiefs of Police recommends that at least 33% of an officer’s time be allocated to proactive policing; the remaining two-thirds is divided equally between response to calls for service and administrative duties. Put differently, an officer should, in theory, spend 20 minutes of each hour on calls for service; 20 minutes on the resulting administrative tasks (preparation of reports, etc.); and 20 minutes on proactive policing. This guideline is called the “33% rule.”

Directed Calls for Service (DCFS) are the primary driver of police activity. To determine a department’s ability to meet the 33% goal for proactive policing, call data is analyzed to determine how much of officers’ time is occupied responding to calls. Calls for service data exported from the Hastings Police Department’s CAD system was examined to extract the amount of time absorbed by calls by hour of the day and day of the week.

In 2014, City of Hastings’ patrol officers spent 34 minutes of every hour responding to DCFS. The following table shows the average number of minutes patrol officers spent responding to calls for service by day of the week and hour of the day.

<sup>16</sup> Six officers is the optimum level; teams typically have one or more vacancies.

**Table 14: Average Number of Minutes Spent Responding to Directed Calls for Service by Day, 2014**

Hour	Day of Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
12AM-1AM	28	30	25	23	24	35	35
1AM-2AM	48	35	30	33	62	35	42
2AM-3AM	40	97	27	63	33	33	38
3AM-4AM	69	49	30	23	53	52	60
4AM-5AM	36	31	21	18	19	28	18
5AM-6AM	37	25	12	13	18	32	93
6AM-7AM	48	42	28	31	27	65	39
7AM-8AM	32	28	28	18	29	33	39
8AM-9AM	39	53	36	44	37	45	19
9AM-10AM	34	39	27	39	35	36	33
10AM-11AM	25	34	31	38	48	37	42
11AM-12PM	25	39	34	41	34	31	36
12PM-1PM	31	46	26	27	32	34	34
1PM-2PM	33	39	30	27	38	37	42
2PM-3PM	39	37	37	36	50	43	26
3PM-4PM	38	35	37	41	29	42	25
4PM-5PM	31	37	40	33	40	32	27
5PM-6PM	40	42	43	34	39	54	28
6PM-7PM	36	41	33	31	39	35	26
7PM-8PM	22	24	26	39	20	22	23
8PM-9PM	32	25	22	25	18	22	26
9PM-10PM	34	21	28	26	21	26	24
10PM-11PM	37	22	23	20	26	20	23
11PM-12PM	36	33	28	26	25	31	31

Based on the number of minutes patrol officers spend responding to DCFS, the minimum staffing level necessary to meet the 33% rule can be assessed: on average, the Department requires a minimum of two officers.

The following table shows the number of patrol officers necessary to respond to DCFS by day of the week and hour of the day.

**Table 15: Number of Officers Necessary to Respond to Dispatched Calls for Service, 2014**

Hour	Day of Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
12AM-1AM	2	2	2	2	2	2	2
1AM-2AM	3	2	2	2	4	2	3
2AM-3AM	3	5	2	4	2	2	2
3AM-4AM	4	3	2	2	3	3	4
4AM-5AM	2	2	2	1	1	2	1
5AM-6AM	2	2	1	1	1	2	5
6AM-7AM	3	3	2	2	2	4	2
7AM-8AM	2	2	2	1	2	2	2
8AM-9AM	2	3	2	3	2	3	1
9AM-10AM	2	2	2	2	2	2	2
10AM-11AM	2	2	2	2	3	2	3
11AM-12PM	2	2	2	3	2	2	2
12PM-1PM	2	3	2	2	2	2	2
1PM-2PM	2	2	2	2	2	2	3
2PM-3PM	2	2	2	2	3	3	2
3PM-4PM	2	2	2	3	2	3	2
4PM-5PM	2	2	3	2	3	2	2
5PM-6PM	3	3	3	2	2	3	2
6PM-7PM	2	3	2	2	2	2	2
7PM-8PM	2	2	2	2	2	2	2
8PM-9PM	2	2	2	2	1	2	2
9PM-10PM	2	2	2	2	2	2	2
10PM-11PM	2	2	2	2	2	2	2
11PM-12PM	2	2	2	2	2	2	2

While two officers are needed during each shift, more than two officers must be assigned to a shift to adequately cover leave. In order to calculate the number of officers the Department needs to adequately cover all shifts, response time data is compared with the number of hours actually worked by officers, which is the number of hours scheduled less vacation, sick leave, and other absences or obligations that make them unavailable. The result is what is known as the patrol division's "staffing factor."

The staffing factor is the number of FTEs necessary to consistently staff one position on a given shift for an entire year. As an example, each police officer is scheduled to work 183, 12-hour shifts per year under the current schedule. However, they are actually available for only 165 shifts per year. Consequently, the Patrol Division's staffing factor is 2.2, meaning that to staff one shift position, 2.2 FTEs must be hired. To provide for the two police officers required on the day and night shifts, five full-time officers would be necessary to adequately staff each shift. However, in order to have equally staffed teams under the current schedule, each shift would require six full-time officers. Therefore, in order to meet a minimum staffing level of two patrol officers on duty at all times, the Department would require a total of 12 officers (four teams of three). This analysis does not include sergeants. However, if the City were to maintain its minimum staffing level of

three patrol officers per shift, a total of 16 full-time patrol officers (four teams of four) would be necessary to adequately staff the operation.

**RECOMMENDATION 31: Maintain current minimum staffing goal of at least three police officers per shift and staff shifts adequately to meet this goal.**

The current minimum staffing level goal is three police officers and one sergeant per shift. Shift supervisors are normally authorized to call in officers for overtime if staffing drops below three, although occasionally the Department operates with two officers between the hours of 2:00 A.M. and 6:00 A.M. Strict analysis of data regarding DCFS indicates that two officers per shift are needed to meet the goal of 33% proactive time. However, there are additional factors that must be considered. The population of the City (approximately 25,000), the area of responsibility (13.66 square miles), and the fact that railroad tracks bisect the City, limiting points of travel between the northern and southern parts of the City, dictate a higher level of coverage. The City of Hastings is home to two colleges – Hastings College, a private liberal arts college with a student body of 1,183, and Central Community College,<sup>17</sup> a two-year technical college serving 2,966 students with housing for 356. While the Department does not report a significant number of calls for service generated by the colleges, the presence of two campuses, with a mix of residential and commuting students, and the attendant security and safety concerns, must be factored into the Department's staffing level. In addition, the level of reported crime, while by no means indicating that the City is unsafe, is significant in light of its population and location. Consequently, the Department should maintain a minimum shift staffing goal of at least three officers.

While the Department's minimum staffing goal is to have three officers on duty at all times, it is actually staffed to adequately meet a goal of four officers on duty at all times. In order to meet the established minimum staffing level of three officers on duty, the Department would require a total of 16 patrol officers (four teams of four officers), while it currently has five patrol officers assigned to each team. Three of the teams are also carrying vacancies, for a total of three vacant positions. Therefore, if the Department were staffed at its authorized staffing level, it would be able to meet a minimum staffing level of five officers on duty at all times.

In summary, the Department only requires 16 patrol officers to provide adequate coverage during the day and evening shifts. However, there is an opportunity to more efficiently deploy the additional patrol resources to begin filling appropriate specialized assignments and meet peak workload demands, as described in the next recommendation.

**RECOMMENDATION 32: Adopt a new "power shift" to enhance staffing during peak workload period.**

Currently, the day and night shifts are equally staffed with one sergeant and four police officers despite reported differences in call volume. The volume of calls for service is significantly higher during certain days and hours than others, and increases during the evening hours on weekdays (6:00 P.M. to 11:00 P.M.) and the very early morning hours on weekends (midnight to 2:00 A.M. on Saturday and Sunday). The following figure shows the average call volume during the week and on the weekend.

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<sup>17</sup> The Hastings Campus, located in the former Naval Ammunition Depot, is one of the college's six campuses that serve more than 23,000 students.

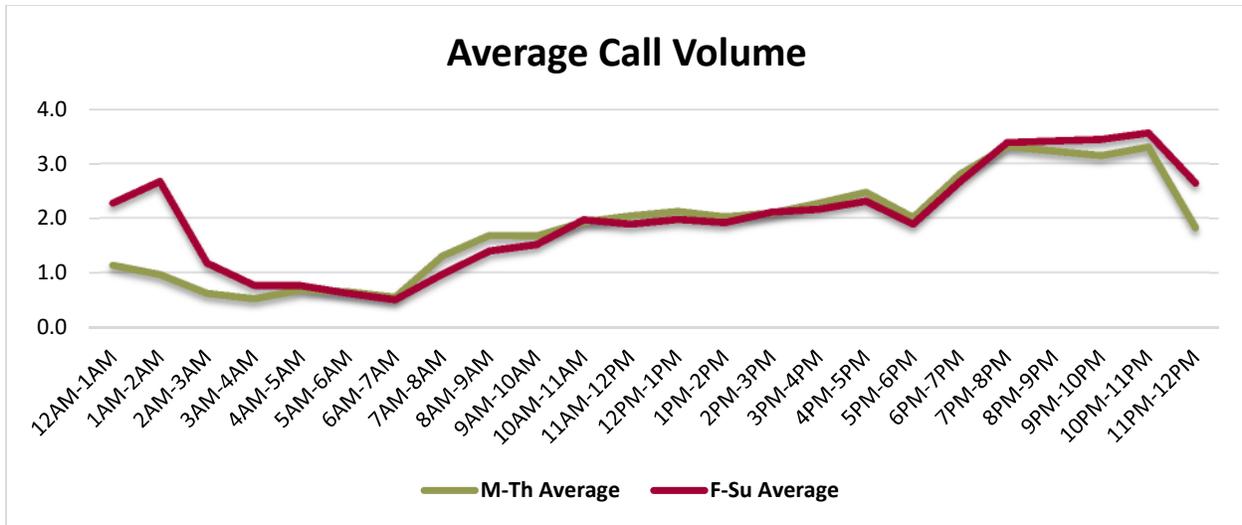


Figure 15: Average Weekday and Weekend Call Volume, 2014

Redeploying existing resources to a “power shift” would enable the Department to cover the peak hours between 3:00 P.M. and 3:00 A.M. without requiring additional resources. In addition to the normally scheduled shifts, four police officers assigned in two teams of two, working 12 hour shifts in the normal rotation, would provide one to two additional officers during the Department’s actual peak workload periods. They would be supervised by the regularly working shift supervisor.

**RECOMMENDATION 33: Adopt 911 Center staffing level based on call volume.**

In 2014, the 911 Center dispatched a total of 26,082 calls, an average of three calls every hour, and dispatchers spent an average of 11 minutes of every hour dispatching calls. The following table shows the average number of minutes dispatchers in the 911 Center spent dispatching calls during each hour of each day of the week in 2014. The time spent dispatching calls is calculated from the time a call is received to the time an officer arrives on scene.

Table 16: Average Number of Minutes Spent Dispatching (from Call Received to Arrival on Scene), 2014

Hour	Day of the Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
12AM-1AM	9	12	8	6	8	5	8
1AM-2AM	7	7	3	7	8	7	6
2AM-3AM	7	5	6	8	8	6	8
3AM-4AM	9	5	3	13	14	5	29
4AM-5AM	8	16	3	7	5	5	20
5AM-6AM	7	9	2	5	4	4	13
6AM-7AM	9	9	10	11	7	12	14
7AM-8AM	9	9	7	11	7	6	6
8AM-9AM	8	16	11	14	12	11	14
9AM-10AM	10	16	14	11	11	12	10
10AM-11AM	8	17	12	19	19	15	14
11AM-12PM	11	17	13	15	12	17	18
12PM-1PM	10	14	14	15	18	13	15

Hour	Day of the Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1PM-2PM	12	17	18	16	15	20	12
2PM-3PM	16	17	17	20	20	16	14
3PM-4PM	16	16	14	14	14	17	14
4PM-5PM	14	14	14	14	13	12	21
5PM-6PM	11	12	13	17	15	13	10
6PM-7PM	13	17	14	22	17	15	14
7PM-8PM	9	10	10	13	9	8	8
8PM-9PM	9	10	10	10	10	8	8
9PM-10PM	6	6	6	6	7	9	8
10PM-11PM	8	7	7	7	6	7	8
11PM-12PM	8	9	8	17	6	9	7

The Association for Public-Safety Communication Officials (APCO) has issued a guideline stating that, on average, a call taker/dispatcher should spend one third of every hour engaged in direct call taking and dispatching responsibilities. This allows for adequate down time and administrative time. Based on this data, the City of Hastings' 911 Center requires one dispatcher on duty at all times to handle the 11 minutes dispatchers spend dispatching calls during an average hour; two dispatchers are only necessary a total of five times during an average week to handle the call volume. The following table shows the number of dispatchers necessary to handle the call volume each hour of each day, based on 2014 call volume data.

**Table 17: Number of Dispatchers Necessary to Respond to Call Volume, 2014**

Hour	Day of the Week						
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
12AM-1AM	1	1	1	1	1	1	1
1AM-2AM	1	1	1	1	1	1	1
2AM-3AM	1	1	1	1	1	1	1
3AM-4AM	1	1	1	1	1	1	2
4AM-5AM	1	1	1	1	1	1	2
5AM-6AM	1	1	1	1	1	1	1
6AM-7AM	1	1	1	1	1	1	1
7AM-8AM	1	1	1	1	1	1	1
8AM-9AM	1	1	1	1	1	1	1
9AM-10AM	1	1	1	1	1	1	1
10AM-11AM	1	1	1	1	1	1	1
11AM-12PM	1	1	1	1	1	1	1
12PM-1PM	1	1	1	1	1	1	1
1PM-2PM	1	1	1	1	1	1	1
2PM-3PM	1	1	1	2	1	1	1
3PM-4PM	1	1	1	1	1	1	1
4PM-5PM	1	1	1	1	1	1	2
5PM-6PM	1	1	1	1	1	1	1

Day of the Week							
Hour	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
6PM-7PM	1	1	1	2	1	1	1
7PM-8PM	1	1	1	1	1	1	1
8PM-9PM	1	1	1	1	1	1	1
9PM-10PM	1	1	1	1	1	1	1
10PM-11PM	1	1	1	1	1	1	1
11PM-12PM	1	1	1	1	1	1	1

While the call volume only requires one dispatcher to be on duty, this analysis does not take into account concurrent calls. Many 911 communication centers consistently staff a minimum of two dispatchers in order to handle concurrent call volume. In addition to handling incoming calls, dispatchers are responsible for assisting patrol officers while they are in the field and for logging communications received over police radios. Therefore, it is important to maintain sufficient staffing to minimize delays in responding to either telephone calls or radio transmissions.

Implementation of Emergency Medical Dispatch (EMD) would impact the 911 Center's minimum staffing level. EMD involves dispatchers asking a series of questions to clarify the medical situation and then dispatching first responders accordingly. As part of Recommendation 60, the Fire Department will evaluate the impact EMD would have on the Fire Department's operation. If it is determined to significantly improve the ability of HFD to deploy resources more efficiently, the 911 Center may be asked to begin providing EMD services. If that is the case, it is likely that two dispatchers will need to be on duty at all times because of the increased time it takes to dispatch EMD calls.

It should be kept in mind that as technology continues to advance, the workload of dispatchers/call takers increases. With the widespread use of cell phones, for example, incidents that in the past would generate a single telephone call – a minor vehicle accident, for example – now tend to generate multiple calls from passersby. As email and text messaging increasingly become standard methods of communication, it is likely that in the near future, dispatchers will be expected to monitor text and other electronic messaging systems. The installation of Mobile Digital Terminals (MDTs), discussed elsewhere in this chapter, will shift some functions, such as entering arrival times at calls, to police officers, providing some reduction in dispatchers' workload.

The goal of staffing two dispatchers on all shifts is reasonable, but comes at a significant cost. In the absence of uniform 24 hour dual coverage, the schedule could be adjusted to maximize availability during peak hours, particularly 5:00 P.M. to 11:00 P.M.

Additionally, due to the natural ebb and flow of the workload, dispatchers will have frenetically busy periods, and stretches of idle time. In light of the reduction in Police Department civilian clerical staff during the recent economic downturn,<sup>18</sup> appropriate clerical duties should continue to be transferred to the dispatch staff when possible.<sup>19</sup>

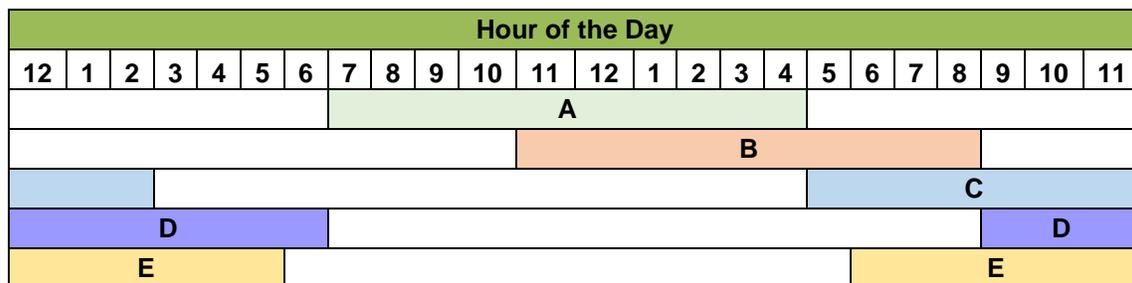
<sup>18</sup> Two clerical positions were reportedly cut during the recession.

<sup>19</sup> Dispatchers currently perform data entry regarding citations.

**RECOMMENDATION 34: Implement a rotating schedule to more efficiently meet the staffing level established for the 911 Center and to handle fluctuations in workload throughout the day.**

The 911 Center operates 24 hours a day, seven days a week, dispatching police, fire, and EMS calls. It is the Public Safety Answering Point (PSAP) for Adams County. Eight dispatchers work four different 10-hour shifts starting at 7:00am, 11:00am, 5:00pm, and 9:00pm. The schedule restarts every two weeks. Whichever shift they are assigned to, each dispatcher works three days, is off for two days, works for three days, is off for two days, works for two days, and is off for two days, which is known as a 3-2-3-2-2-2 schedule. The ninth dispatcher works three 12-hour shifts starting at 6:00pm, and one four-hour shift each week. The 911 Center supervisor fills in when dispatchers are unavailable and works unique hours in order to regularly interact with all employees.

The schedule currently in place for dispatchers assigned to the 911 Center is not based on call volume and inefficiently deploys the 911 Center’s limited resources. The Department has a goal of maintaining two dispatchers on duty at all times. However, the schedule results in three dispatchers during slower hours and two or sometimes only one on station during busier times. Delays in answering calls and, more importantly, in responding to radio transmissions can result. The current schedule results in an average of 2.1 dispatchers on staff at all times, with a minimum of one dispatcher at some times and a maximum of four dispatchers at others. The following figure illustrates the current shift schedules of the 911 Center.



- Legend:**
- A = 7am-5pm
  - B = 11am-9pm
  - C = 5pm-3am
  - D = 9pm-7am
  - E = 6pm-6am (12 hour shift)

**Figure 16: Current 911 Center Schedule**

As stated previously, the current 911 Center schedule is complicated and results in periods of overlap that do not necessarily correspond to busy times. By adopting a more traditional 10-hour shift schedule and by strategically planning the overlap period, the Department would be able to consistently staff two dispatchers during peak periods and one dispatcher the rest of the day. The following figure shows a more traditional schedule that would result in two dispatchers being on duty between 5:00 PM and 3:00 AM. The Department could also adjust the B shift to be different on weekdays and weekends.

Hour of the Day																							
0	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
												A											
B																B							
				C																			

**Legend:**

A = 1pm-11pm

B = 5pm-3am

C = 3pm-1pm

**Figure 17: Alternate 911 Center Schedule**

Dispatchers annually took an average of 220 hours of leave over the last three years. Working a 10-hour schedule results in a total of 2,080 scheduled hours, which means each dispatcher is available for 1,860 hours each year. To staff each 10-hour shift 365 days a year, 2.0 dispatchers are necessary. Therefore, six dispatchers are necessary to fully cover all three shifts. A more traditional schedule does not allow dispatchers to work the same shift year-round. Rather, this schedule would involve dispatchers rotating between the A, B, and C shifts. The following figure shows how two weeks of this schedule would look. In this example, the sixth employee would be on vacation during this period.

Employee	M	T	W	Th	F	Sa	Su	M	T	W	Th	F	Sa	Su	M	T	W	Th	F	Sa	Su	
1	A	A	A	A				C	C	C	C				B	B	B	B				
2	B				A	A	A	A				C	C	C	C				B	B	B	
3		B	B	B	B				A	A	A	A				C	C	C	C			
4	C	C				B	B	B	B				A	A	A	A				C	C	
5			C	C	C	C				B	B	B	B				A	A	A	A		

**Figure 18: 10-hour shift 911 Center Schedule**

Modifying the minimum staffing level and adopting a rotating shift schedule to only require six dispatchers in the 911 Center would save the Department approximately \$116,423<sup>20</sup>. The Department could also spread all nine dispatchers across the three shifts, which would result in two dispatchers during slow periods and three or four during the busy periods.

**RECOMMENDATION 35: Pursue regionalization of dispatch.**

The Adams County Sheriff’s Office, an agency with 17 sworn members, dispatches its own personnel. Since the City of Hastings 911 Center is the County’s PSAP, all calls for service are received by the City Police Department first. Calls requiring the services of the Sheriff’s Office are forwarded to that agency, while the City of Hastings dispatches Fire and EMS throughout Adams County.

Consolidation of the two dispatch centers would benefit both agencies by potentially decreasing the workload of the Sheriff’s Office and enhancing availability of staffing of the 911 Center. The City should actively pursue merger of the two units.

<sup>20</sup> The estimated total salary and benefits cost of a Dispatcher is \$38,808 given the minimum salary of a Dispatcher is \$29,852 and estimated benefits of 30%.

**RECOMMENDATION 36: Adjust sergeants' schedules to overlap in order to support information sharing and coordination.**

Although police officers work shifts of 6:00 to 6:00, sergeants typically report at 5:30 in order to confer with the prior shift supervisor and prepare to brief the incoming shift. They indicate that they frequently report early and remain at work past the expiration of their shifts to exchange information and complete assignments, and do not request overtime compensation. The sergeants' early reporting benefits the Department by enhancing the sharing of information and ensuring that patrol officers are properly briefed before starting their workdays. Therefore, the Department should explore ways to compensate the sergeants for their extra time. Options would include:

- Extending sergeant's shifts by fifteen minutes, offset by an equivalent number of optional excusal days (i.e., 15 minutes for 165 annual shifts = 41.25 hours; sergeants would be granted three additional days off per year).
- Implement alternative methods for exchanging information; for example, the outgoing shift supervisor prepares a video briefing for the incoming shift, which could be augmented by the incoming shift supervisor.

**RECOMMENDATION 37: Eliminate or reduce gaps in supervision.**

Consistent supervision is essential to maintaining the integrity and operational effectiveness of a police department. When sergeants are on vacation or otherwise absent, they are not replaced on overtime. Police officers are designated OIC and receive additional compensation of thirty minutes of overtime for performing OIC duties in excess of six hours. Although designated officers have completed supervisory training to assist them in filling the OIC role, they do not hold supervisory rank and the concomitant authority. They are not authorized to approve reports, which are left for the sergeant's return to duty. The Department should develop a policy to increase supervisory presence, particularly during extended absences.

**RECOMMENDATION 38: Implement an aggressive recruitment and retention program.**

The patrol division is chronically understaffed largely due to challenges in recruiting and hiring new officers coupled with a high turnover rate. Since 2010, 47% of the Department's membership has been replaced. Five sworn officers have retired; six have been terminated; and seven have resigned. Although retirements are to be expected, resignations and terminations are typically unanticipated, and disrupt the normal hiring cycle. In this case, such unexpected vacancies account for approximately one-third of the Department's headcount during the past five years. Of authorized staffing of 38, only 33 are available as of this writing. There are three vacancies; one officer is in the Police Academy; and one is on extended military leave until April 2016. A sergeant is expected to retire within the next month, which will reduce available staffing to 32, and an additional officer is scheduled for military deployment from December 2015 to January 2017, potentially reducing the active headcount to 31.

Although the Department has made a concerted effort to recruit local candidates, it appears that the applicant pool is smaller and that fewer applicants are successfully completing the screening process.

Lengthy delays are common in filling vacant police positions, largely due to the complexity of the hiring process. Candidates must complete:

- A written examination
- One or more oral interviews
- A physical fitness qualification

- A medical examination
- A psychological examination
- A polygraph
- A thorough background investigation.

Successful candidates are then enrolled in the 16 week Basic Course at the Nebraska Law Enforcement Training Center, which is typically scheduled five times each two-year period. Prior to attending the Basic Course, recruits usually attend five to six weeks of in-house training conducted by the Police Department; following the Basic Course, they receive approximately 14 weeks of field training. The total training period is approximately 36 weeks, or more than eight months, exclusive of recruitment, testing, and processing. As a result, it often takes more than a year to fill a vacancy with a fully trained police officer who can be assigned to solo patrol.

Recruitment is complicated by the fact that the City has limited options for making its salaries and benefits more attractive than those of neighboring municipalities. The State of Nebraska has a unique agency, the Commission of Industrial Relations, which is empowered to resolve wage disputes based on comparability of wages to those of similar communities.<sup>21</sup> Consequently, the City of Hastings cannot unilaterally increase salaries in order to attract candidates. Instead, the City will need to emphasize other positives, such as its level of equipment and technology (which will need to be enhanced to be effective in this regard) and its high level of support in the community, as well as explore potential benefits such as night differential; educational incentives; military incentives; language incentives; longevity pay; options for cashing out compensatory time, and opportunities for advancement. Additionally, in light of the competition for qualified candidates, the Department should enhance its approach to marketing with a more forceful presence during recruiting events, using attention-getting materials such as video presentations, electronic media, and professionally prepared handout materials. Recruitment efforts should coincide with training center cycles to maintain a pool of candidates ready to begin training as soon as a vacancy occurs.

**RECOMMENDATION 39: Develop plan for restoration of specialized assignments as staffing permits.**

One concern regarding recruitment and retention is that virtually all specialized assignments have been eliminated in recent years, primarily to address staffing shortages. The D.A.R.E. program was discontinued; motorcycle patrol was discontinued; an officer assigned to the FBI Tri-City Drug Task Force was reassigned to patrol; and the K9 program was suspended after its two dogs were retired for age and health reasons.

Although the elimination of D.A.R.E. and motorcycle patrol were permanent changes, the intent has been to consider re-activating the Drug Task Force assignment and the K9 program when staffing permitted. Both of these programs provide operational benefits to the Department. In addition, since there are limited opportunities for advancement within the Department, they have the potential to attract a greater pool of candidates for employment. The Department should begin filling these positions given that the patrol function is now adequately staffed. As the additional vacancies are filled, additional specialized assignments can be brought back as funding allows.

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<sup>21</sup> The collective bargaining agreement (Article 4) includes an “array” of the communities whose salary data shall be compared for the purpose of determining police officer and sergeant salaries: Columbus, Fremont, Norfolk, North Platte, Kearney, Scottsbluff, and Beatrice. Grand Island was removed from the array when it became a City of the Metropolitan Class, which increased that city’s salaries significantly and has made Hastings less competitive. The comparability process restricts the City from raising salaries and benefits to an equivalent level.

For the reasons discussed above – recruitment and retention challenges; unexpected loss of personnel to other employers, military service, or injury; and the lengthy process involved in hiring and training new personnel to fill vacant positions – vacancies are a fact of life in the City of Hastings, and generally within the police service. Balancing the importance of maximizing patrol strength with the need to fill specialized positions is a challenging issue in the administration of a police agency. However, as current vacancies are filled, the Department should begin to fill the vacant K9 positions, which can be assigned to shifts that most effectively augment patrol coverage,<sup>22</sup> as well as the vacant investigative positions.

## **Technology**

The assignment of an Information Technology Technician to the Department just over one year ago has had a positive impact on the Department. Members have seen encouraging movement in technology with the installation of additional workstations and dual monitors in the report room, as well as the installation of iPads in patrol vehicles. However, there are several areas that require sustained attention.

### **RECOMMENDATION 40: Install Mobile Digital Terminals (MDTs) in patrol vehicles.**

MDTs are not installed in Department vehicles. Currently, the Department is using iPads in vehicles, connected by means of a Virtual Private Network (VPN), with significant limitations. The VPN connection is slow and frequently disconnects. Officers can check Nebraska driver's licenses, have some access to forms, and the CAD system can be accessed to view the dispatchers' screen through the tablets when the VPN connection is operating well. However, officers cannot complete reports from the field or issue traffic citations electronically; one concern voiced by Department staff is that since they have to return to Police Headquarters to complete reports, criminals have begun to use the fact that police vehicles are visible at Headquarters to assess the level of coverage on the road.

The Department is in the process of testing MDTs and has a quote for the purchase of necessary equipment. Installation of MDTs would provide officers with access to information on a more reliable network than the current tablets; it would enable them to complete reports from the field; it would enable them to enter self-initiated calls for service from the field, providing for more accurate tracking of the calls for service workload; and it would enable them to enter arrival times at assignments, reducing the workload of dispatchers and providing more precision in tracking response times. The project should be expedited.

### **RECOMMENDATION 41: Appoint a committee to evaluate replacement of the current CAD/RMS system.**

The Department's current CAD/RMS software system, SLEUTH, was provided at no cost by the State of Nebraska and has been in place since 2000. The Department only pays annual maintenance costs. However, there are conflicting opinions regarding the system. There are reports of conflicts between the software and hardware systems; staff claim that it is awkward to work with and reports are difficult to complete; mobile applications are lacking; the system requires a significant amount of upkeep and updates are time-consuming; and the vendor is not responsive when it comes to fixing problems. Conversely, the system has been in place for many years and personnel are familiar with it; transitioning to a new system can pose a risk of losing data; and the price of a new web-based system would be in excess of \$100,000.

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<sup>22</sup> K9 officers typically work fewer hours than regular patrol officers as a result of excused time for training and caring for their dogs. Consequently, assigning them to a regular patrol chart can result in gaps in coverage.

There is no consensus on whether to keep or replace the system, which is a decision not to be made lightly, and insufficient information is available to make the determination at this time. The Department should appoint a committee, including both administrative/technical staff and the end users, patrol officers, to evaluate the prospect of replacing the system prior to moving ahead with any transition.

## Investigations

The Detective Bureau is currently staffed by one sergeant and three detectives, although a total of five detective positions are authorized; two vacancies exist: one investigator and one detective assigned to the FBI Tri-City Drug Task Force. The Detective Bureau does not handle all investigations; many cases are retained and investigated by the reporting patrol officers. There are no formal criteria regarding referrals; the determination is made by the Shift Supervisor, based on such factors as the level of the crime, the impact of the staffing level of the shift on the ability to continue an investigation; and the need for additional resources or expertise. Detectives typically focus on burglaries over \$5,000 to \$10,000; sexual assaults; embezzlement; forgery; and major felonies. The Detective Bureau is responsible for the Department's forensic work, and processes crime scenes as needed.

This arrangement has some benefits: it broadens the horizons of patrol officers by giving them additional responsibility for seeing their cases through to their completion, which also tends to improve the quality of reporting and preliminary investigation. It expands the number of cases that receive at least some follow up rather than being closed at the patrol level. But it raises certain issues about the allocation of work and the quality of investigations. First, no formal standards exist for referral of cases. Second, no formal solvability indices are utilized to guide the process. Third, there is limited supervisory review and guidance regarding cases handled by patrol officers. Finally, no readily available performance measures exist regarding detectives' workload.

### **RECOMMENDATION 42: Formalize criteria for investigative referrals and case closings.**

There are no set criteria for the referral of cases to the Detective Bureau, in either the Department's General Orders or Standard Operating Procedures (SOPs)<sup>23</sup>. The determination to refer a case is left to the Tour Supervisor, based on such factors as the level of the crime, the need for additional investigative resources, and the availability of patrol personnel to continue to pursue the case based on other calls for service. Cases typically referred to the detectives are burglaries over \$5,000 to \$10,000; sexual assaults; embezzlement; forgery; and major felonies. As a result, the number of cases referred to detectives is relatively small. The following table shows the number of cases referred for investigation in 2013 and 2014.

**Table 18: Number of Cases Referred for Investigation, 2013 - 2014**

Year	Cases Referred to Detectives	Cases Referred to Patrol
2013	97 <sup>24</sup>	2,962
2014	107	3,278

The Department should develop criteria to guide determinations regarding closing cases, assigning them for patrol follow up, or referring them to the Detective Bureau, based on category of crime, amenability to further investigation, and solvability indices. A formalized case closure process involves verifying that cases have been properly closed upon the exhaustion of

<sup>23</sup> SOPs are directives that are distinct from General Orders, used by the Department to convey information that is instructional or process-oriented as opposed to the broad policy set forth by the General Orders.

<sup>24</sup> Department statistics indicated a total of 110 cases for 2013, but only 97 individual cases were listed.

investigative measures. Criteria should be sufficiently flexible to accommodate a significant amount of judgment on the part of the supervisor making the determination, who in most instances has the best knowledge of the details of the case and unusual factors that may affect the determination. However, it is important to provide some structure to the process. For example:

- Cases will be closed when the investigation has reached a point at which:
  - Available investigative leads have been fully pursued.
  - Partial results have been obtained and no further results can be obtained.
  - No results can be obtained.
  - The case has been referred to court.
  - The case is unfounded (it is determined that no criminal offense occurred).
  - The complainant has indicated that he or she will not pursue a criminal prosecution (except in domestic violence cases).
  
- Cases will be investigated when:
  - The victim of any offense has sustained a serious physical injury.
  - Robbery, burglary, and sexual assault.
  - The perpetrator is known or is likely to be identified.
  - Substantial eyewitness or physical evidence is available that will potentially lead to the identification of a perpetrator.
  - The crime was part of a pattern of crimes or involved an unusual method of operation.
  - Hate crime or bias incident.
  - The offense or the complainant may cause unusual community interest.
  - In the determination of the reviewing supervisor, the incident merits further investigation.
  
- Cases will be assigned to the reporting patrol officer for initial follow-up investigation when:
  - The perpetrator is identified or readily identifiable (i.e., a valid license plate or vehicle description has been obtained).
  - Follow-up investigation can be completed within the City limits or immediate area.
  
- Cases will be referred to the Detective Division for investigation when:
  - Additional investigation is required beyond what can be completed within a patrol officer's routine shift.
  - Investigation or apprehension beyond the city limits or immediate area is required.
  - Further investigation requires obtaining and execution of search or arrest warrants (except in emergency situations).

Although these guidelines are intended to standardize procedures for closing cases or referring incidents for investigation, the overriding criteria are the need for further investigation beyond the scope of the duties of a patrol officer, and/or the need for introducing specialized resources into the investigation. When doubt exists, the judgment of the Tour Supervisor will prevail.

**RECOMMENDATION 43: Monitor investigations workload and performance measures, reviewing staffing levels once data is available.**

Although members of the Department who were interviewed indicated that the Detective Bureau was very busy, statistics indicate that the detective caseload may be light. Two measures generally used to assess investigative work – both the individual performance of detectives and the overall performance of a detective unit – are clearance rates and case load. The clearance

rate reflects the overall performance of a unit in successfully completing investigations. Case load is a measurement that provides a snapshot of the workload of a detective at a given point in time: the number of open cases for which he or she is responsible. Neither statistic was readily available for the Hastings Detective Bureau.

Based on the information provided, the case load appears to be relatively light. Records indicate that 97 cases were referred to the Detective Bureau in 2013, an average of 19.4 cases per investigator.<sup>25</sup> In 2014, 107 cases were referred, an average of 21.4. Statistics regarding the number of cases that remain active were not available, so it is not possible to determine the caseload being carried by individual investigators. However, in the absence of other factors, such as the complexity of particular investigations, an average of 20 cases assigned per investigator per year does not represent an onerous workload.

It also appears that the Detective Bureau supervisor maintains a significant investigative case load. In 2014, he was assigned 19% of the Bureau's cases; in 2013, he handled 38% of the Bureau's cases. While a Detective Supervisor's expertise should not be ignored as a resource in the completion of investigations, the majority of a supervisor's time should normally be spent supervising detectives, guiding investigations, and performing administrative and quality control tasks, rather than carrying a heavy case load.

There are two distinct but equally important elements to the operation of a successful investigative unit. One is quality, "street smart" investigation, the type of detective work that solves cases. However, of almost equal importance is the administrative component of investigation: guidance of investigative efforts, supervision, dissemination of information; the maintenance of records and adherence to administrative procedures that promote efficiency and information sharing.

Regarding patrol investigations, the Operations Captain is provided with a weekly report that lists cases that are active, inactive, cleared, or closed by exceptional clearance. But there does not appear to be any readily available detail regarding the progress of cases, nor documentation of ongoing review of whether investigating officers are employing all appropriate investigative measures in a timely manner.

The caseload managed by investigators and patrol officers and their clearance rates are not currently monitored. The information may be available in the CAD/RMS system, but it is not readily available or routinely monitored by management. The Department should track and assess such performance indicators.

Once documentation regarding caseload and clearance rates is available, this data should be evaluated and staffing levels should be adjusted accordingly.

## **Operations**

### **RECOMMENDATION 44: Reassign Community Service Officers to the Operations Division to reflect changed responsibilities.**

The primary duty of the Department's Community Service Officers (CSOs) originally was animal control; they addressed animal conditions and operated a kennel. As time passed, a non-profit group under contract with the City assumed responsibility for the kennel; the CSOs retained animal control and their duties evolved to include parking enforcement and other duties, such as

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<sup>25</sup> The number of cases referred does not reflect the case load since it does not reflect the number of open cases carried by a detective. Some cases may be closed within hours or days, while complex cases can remain open for years.

evidence management. About one year ago the CSOs were given responsibility for certain aspects of code enforcement, principally regarding exterior property maintenance issues such as uncut grass, trash violations, and derelict vehicles. The code enforcement function has been primarily complaint-based, although it has been shifting to a more proactive approach as the CSOs become accustomed to their new roles.<sup>26</sup> The Department participates in a task force of City agencies with code responsibility (NEAT: the Neighborhood Enhancement Action Team) which meets monthly. In 2014, CSOs handled a total of 297 code violations: 171 weed code violations, 102 trash/junk code violations, and 24 unlicensed vehicle code violations. They responded to a total of 2,582 animal control incidents. The ability to conduct code enforcement in this manner provides the Police Department with a valuable resource for addressing quality of life issues, and will complement the Department's crime reduction efforts.

In addition, the CSOs enforce a 72 hour parking restriction<sup>27</sup> throughout the City and a two hour restriction in the downtown area,<sup>28</sup> which is geared toward promoting turnover of parking spaces in the business district. Effective October 1, 2015, the Department will operate its own impound yard and will be authorized to tow scofflaw vehicles.

CSOs are currently supervised by the Support Services Sergeant, although they frequently consult the Tour Supervisors for operational guidance. In light of the changed nature of their duties, which are increasingly operational in nature and enforcement-oriented, it is appropriate to place three of them under the supervision of the Operations Captain and the Tour Supervisor. The fourth CSO, who is the evidence custodian, will assume responsibility for the new impound yard, and continue to perform primarily administrative duties; this position should continue to report to the Support Services Sergeant.

**RECOMMENDATION 45: Track ongoing community relations efforts and diversity training.**

The Hastings Police Department enjoys a positive relationship with the community; overall, its police officers maintain a close connection with the people they serve, and many are residents.<sup>29</sup> Consequently, there has not been a perceived need to emphasize formal community relations programs or initiatives. However, in light of national events, community outreach has become a timely issue for all police departments, and the need for a more proactive approach may need to be considered. Incidents as far away as Ferguson, Missouri and New York City have had an impact on law enforcement agencies everywhere.

While many police officers have a natural affinity for interaction with the public, all can benefit from further guidance in this area. At the same time, diversity training has become a critical issue. Hastings is not a particularly diverse community; 90.4% of the population reports as White, 1% African American, 1.7% Asian, 0.5% Native American, 9.8% Hispanic or Latin American of any

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<sup>26</sup> For some long-time employees, the shift from animal control and school crossing duties to a more enforcement-oriented role has been a significant change.

<sup>27</sup> City Code §15-412. Uses prohibited in or on public right-of-way. "It shall be unlawful for a person to park a vehicle upon public right-of-way, public parking lot or other publicly owned place within the City of Hastings for more than 72 consecutive hours.

<sup>28</sup> City Code § 15-404. Establishment of parking time limits. "The City Council may entirely prohibit or fix a time limit for the parking and stopping of vehicles in any designated street, streets or districts and the parking or stopping of any vehicle in any such street, streets or district for a period of time longer than fixed in the ordinance, resolution or motion authorizing the same shall constitute a violation of this Article."

<sup>29</sup> Officers are required to live within 30 miles of Hastings Police Headquarters.

race, and 5.1% other races.<sup>30</sup> In the current climate, this makes formal diversity training, and the documentation thereof, even more important.

The Department should track indicators of its performance regarding community relations. Several items are noted in the “Performance” section of this report.

It should also maintain vigorous training programs regarding the use of force and the importance of eliminating bias from policing. The Department has a clear and explicit policy regarding Bias-Free Policing.<sup>31</sup> However, in the current national climate, it is in the Department’s interest to ensure that training in this area is completed and documented on a continuing basis. Training must recognize implicit bias – that all humans, police officers or civilians, have conscious and unconscious biases that can impact their perceptions and behavior. The curriculum should teach officers how bias in policing can impact officers, their departments, and the community they serve, and assist them in developing tactics to reduce its influence. There are many sources for such training – programs are offered by organizations such as the Anti-Defamation League, by many police academies, or they can be developed in-house – but what is clear that continued and repetitive training should be an ongoing obligation.

**RECOMMENDATION 46: Issue Request for Quotes for background checks for other City agencies.**

The Police Department currently completes all background checks for newly hired employees for all City Departments. This includes approximately 300 seasonal applicants for Parks and Recreation and Public Works jobs, demanding a significant amount of time. With the exception of the more in-depth background checks that may be warranted for particularly sensitive positions – public safety employees or department heads, for example – outsourcing this time consuming function to a background checking service used by civilian employers would enable staff to focus their efforts more appropriately on Police Department priorities. The Department should issue a Request for Quotes to provide background checking services to assess whether outsourcing this function is financially feasible.

**RECOMMENDATION 47: Update the pricing structure of the direct alarm monitoring service.**

The City provides direct alarm monitoring to residents at a cost of \$0.50 per day per alarm. The service is not a monopoly; residents are free to use a central station monitoring company. There is some advantage to providing this service, since dispatchers receive notification of alarms directly on a computer screen, rather than by telephone. This makes it easier for the dispatcher to receive the information while handling other telephone calls or radio traffic, and increases the accuracy of the information about the alarm since it is being received directly from the alarm system, rather than being conveyed verbally by a central station operator. However, this is an unusually high level of service, no longer provided by most police departments and most often a private sector function. The City’s fee is low; the average monthly cost of central station monitoring ranges from \$15 to \$100, with a national average of \$30 per month.<sup>32</sup> If the Department chooses to continue providing this service, the daily fee should be increased to \$1.00, in line with the average private sector rate.

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<sup>30</sup> U.S. Census, 2013 population estimates, <http://quickfacts.census.gov>

<sup>31</sup> General Order HPD-0006, revised July 2014.

<sup>32</sup> <http://money.usnews.com/money/personal-finance/articles/2013/09/09/the-cost-of-keeping-your-home-safe>

**RECOMMENDATION 48: Implement an intelligence-led, proactive policing strategy.**

There is currently no formal crime analysis component in the Department, and limited processes for communicating intelligence regarding crime trends to officers on patrol. The Department has introduced a commercial website, “Police Intelligence,” to enhance information sharing. However, the Department is of sufficient size to warrant formal means of sharing intelligence information.

Many municipalities have adopted and found success with the Compstat model. Compstat relies on four basic principles:

- Timely and accurate intelligence;
- Effective tactics;
- Rapid and effective deployment; and
- Relentless follow-up and assessment.

The implementation of Compstat can differ significantly in each jurisdiction, but the basic components of the process are the same: efficient collection and analysis of crime statistics; transmittal of relevant information to supervisors and line personnel to form the basis for personnel deployment and enforcement initiatives; and assessment, often in the form of command-level meetings that ensure that appropriate information has been shared, that all units within the agency are coordinating their efforts and providing necessary support, and that all members of the agency are actively engaged in its mission. A publication by the Police Executive Research Forum (PERF) summarized the impact of Compstat: “...instead of merely responding to calls and investigating crimes after they were committed, police gathered accurate, timely information to identify emerging crime trends, held regular meetings to discuss countermeasures, and deployed resources to break up crime patterns and prevent crimes. (And they succeeded; the national violent crime rate in 1994 was 66 percent higher than the comparable figure for 2009; and the property crime rate was 53 percent higher in 1994 than in 2009, according to the FBI.)”<sup>33</sup>

Compstat is not a “one size fits all” solution; it must be adapted to the needs and operating practices of each agency, and may not be an appropriate tool for all. However, it appears to be an appropriate and adaptable concept for the City of Hastings.

It is recommended that the Police Department implement a proactive, intelligence-led crime reduction strategy based on the principles of the Compstat model that includes:

- A formal crime analysis component to identify crime trends and put relevant intelligence into the hands of the staff who can apply it in the field through deployment of personnel and enforcement initiatives;
- Assessment, in the form of command-level meetings or other methods most suitable to the needs of the Department, to ensure that appropriate information has been shared, and that all units within the agency are coordinating their efforts and providing necessary support; and
- Accountability, to ensure that all members of the agency are actively engaged in its mission.

It should include not only analysis of crime statistics, but processes for monitoring data that tracks patrol and investigative performance, as well as community outreach efforts. Community outreach plays as important a role in the crime reduction process as does enforcement, particularly in developing information about conditions of concern to the residents. It must be recognized

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<sup>33</sup> Police Executive Research Forum, “*Subject to Debate*,” Vol. 25, No. 2, March/April 2011

equally, and subject to the same level of accountability and analysis, as traditional enforcement. The Department's positive relationship with the community it serves will be an asset in this area.

As part of this process, it will be necessary to assign personnel with appropriate rank and position within the agency to coordinate the implementation of strategies and accountability for the performance of personnel and cooperation between units, as well as personnel capable of performing Crime Analysis duties.

It is important to note that implementation of a Compstat-based approach does not in any way diminish or alter a Department's obligation to maintain vigorous community outreach efforts. In fact, just the opposite is true; a police department does not succeed in its effort to deter crime without the full partnership of the community it serves. Community outreach plays as important a role in the process as does enforcement, particularly in developing information about conditions of concern to the residents. It must be recognized equally, and subject to the same level of accountability and analysis, as traditional enforcement.

**RECOMMENDATION 49: Pursue accreditation of the Department.**

Accreditation – a process by which an outside agency evaluates and certifies an agency's compliance with specific operating standards – is a valuable tool for validating the proper operation of a police department. It can also serve to reduce an agency's insurance premiums and can assist in defending against liability in civil litigation. The accreditation process provides a framework to ensure that the Department is, and remains, in compliance with best practices in a series of standards that cover critical operational and administrative areas. Periodic reaccreditation assessments ensure ongoing maintenance of such standards.

Many states have individual accreditation programs that are available at little or no cost; the State of Nebraska unfortunately does not. The Commission on Accreditation of Law Enforcement Agencies (CALEA), therefore, is the only available option, despite the cost associated with the program.

Obtaining accreditation can be a challenging task for a police department, demanding concerted effort and involvement by staff for an initial period, followed by ongoing maintenance of compliance. It requires leadership and perseverance on the part of the Police Chief and key staff, as well as the support of the City's administration. It is in the City's best interest to pursue it for the benefits that derive from the ongoing operational review it requires.

**RECOMMENDATION 50: Implement and monitor comprehensive performance measures.**

Performance measurement is important to the success of any business or government entity, provided that the information tracked is relevant to the operation of the organization. The Department will benefit from tracking the following measures (some of which are currently tracked):

- Criminal complaints
- Criminal complaints closed without investigation
- Unfounded criminal complaints
- Criminal arrests
- Juvenile arrests
- Traffic arrests
- Accidents investigated

- Accident injuries
- Accident fatalities
- DUI arrests
- Total overtime hours
- Overtime hours at Court
- Sick leave utilization
- Investigations conducted by Detective Bureau
- Investigations conducted by patrol
- Investigations cleared
- Community outreach
  - Community contacts
  - Events held
  - Number of public participants in both events and ongoing programs
  - Overtime hours at community events
- Motor Vehicle Accidents
  - Report and Non-report
- Narcotics activity: number of complaints received; number of investigations opened; number of arrests; number of seizures.
- Calls for service.
- Response time: the average time from receipt of a call for service to the arrival of an officer on scene.
- Service time: the average time spent on a call for service from receipt through disposition.
- The total number of police staff minutes worked, to ensure that staffing factors can be determined accurately.
- The total number of minutes absorbed in responding to calls for service.
- The total number of minutes – and percentage of officer time – dedicated to administrative duties.

**RECOMMENDATION 51: Update the Department Manual.**

A review of the Department Manual indicates that although the Department has made efforts to remain current with developments in law enforcement by implementing policies on emerging topics such as bias-free policing, social media, and school safety, there are a number of essential procedures that should be incorporated into the Department's General Orders. While recognizing the challenge of completing this task with limited staff, updating the Department's policies, rules, and procedures is important to daily operations as well as to eventually achieving accredited agency status.

One of the key steps in achieving accreditation is to have a comprehensive set of policies that reflects the relevant accreditation standards. The standards are extensive; the basic CALEA Law Enforcement Accreditation Program has 189 standards.

The Department has formed a Policy Review Committee to review and revise its regulations; it should prioritize the implementation of written policies regarding the following areas:

- Law of arrest
  - Arrest with/without a warrant
  - Search and seizure guidelines
  - Strip search/body cavity search guidelines
  - Fingerprintable offenses/mandatory fingerprinting
- Arrest processing guidelines
  - Driving Under the Influence (DUI) arrest procedures and post arrest testing
- Evidence collection
  - Collection of DNA evidence
  - Seizure and preservation of computer evidence
- Internal investigations
  - Recording and investigation of complaints of misconduct by members of the Department
  - Recording and investigation of civilian complaints of discourtesy
  - Employees' rights in internal investigation and during questioning
- Child Abuse investigations/endangered children
  - Child Protective Services Law and procedures
- Legal Process
  - Service of civil process
- Response to Emotionally Disturbed Persons
- Response to Hostage situations/Barricaded Subjects
- Maintenance of Records
  - Recording of incident reports/criminal complaints
  - Records management system
  - Records retention schedule
  - Juvenile records
- National Incident Management System (NIMS)
  - Compliance requirements
  - Training requirements
  - Adoption of NIMS and Incident Command System (ICS)
- Victim/Witness Assistance
- Deployment of Less than Lethal Weapons<sup>34</sup>
- Mutual Aid
- Organizational Structure and order of rank
- Duties and Responsibilities
- Supervisory Accountability
- Fiscal Management; inventory and control of agency property
- Disciplinary procedures
- Recruitment, selection, and hiring processes
- Promotion requirements and process
- Training
  - Required training – basic and in-service
  - Standards for internal and external training programs
  - Lesson plans

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<sup>34</sup> Although Less than Lethal Weapons are referenced in the Department's Use of Force policy, it is advisable to have a specific procedure addressing electronic control devices.

- Instructor qualifications
- Maintenance of Records
- Performance evaluation
- Investigations
  - Responsibility for preliminary (patrol) and follow-up (detective) investigations
  - Standards and processes for case closure and referral for investigation
  - Case file management
  - Criminal Intelligence
  - Required actions for preliminary investigations
  - Required actions for follow-up investigations
  - Procedures for use of informants
  - Guidelines for interview rooms
  - Lineup procedures
  - Show up procedures
  - Narcotics and Vice investigations
    - Recording and tracking of complaints
    - Storage and security of controlled substances
    - Confidential funds
    - Undercover operations
  - Juvenile Operations
    - Handling of juvenile offenders
    - Custodial interrogation
    - Juvenile arrest and detention procedures
- Crime Prevention and community relations initiatives
- Victim/witness assistance
- Processing and detention of prisoners
  - Strip search and cavity search guidelines
  - Procedures for sick/injured/disabled prisoners
  - Suicide screening
  - Holding facility guidelines

This is not intended to be a comprehensive list of all procedures required either for operational or accreditation purposes. It is a recommendation regarding procedures that should be prioritized in order to address potential gaps in policy, while also assisting the Department in meeting future requirements for accreditation. All involve key aspects of police operations, and reflect the significant administrative responsibility of contemporary policing.

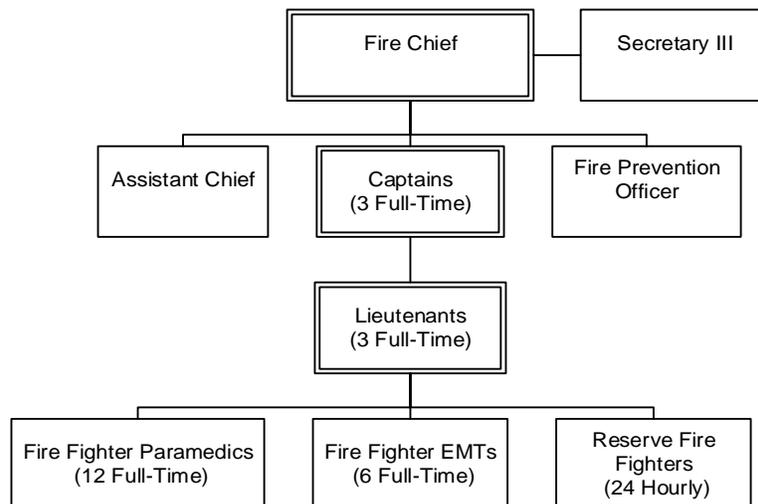
## Fire Department

The City of Hastings Fire Department (HFD) provides fire suppression, rescue, hazardous materials and incident response, fire prevention, and emergency medical services (EMS) within the City. The HFD also provides support to the Rural Fire District as it delivers fire services in the surrounding region, which spans 122 square miles in Adams County. Additionally, the HFD began providing both Basic and Advanced Life Support emergency medical services to the City of Hastings and throughout Adams County in 2012. Previously, EMS service was provided by Rural Metro, a private provider that ceased operations within the City.

The Department is primarily staffed by full-time employees with some supplement by reserve firefighters. Currently, full-time employees work a 24/48 schedule, working one day on then two off rotation. The Department operates on a three shift system and is led by a Fire Chief. Three Captains work closely with three Lieutenants to provide day-to-day fire and EMS services. The Assistant Chief, Fire Prevention Office, and Secretary III report directly to the Fire Chief. A total of 24 firefighters (12 paramedics and 12 EMTs) staff the three shifts, which includes the Captains and Lieutenants.

The Department's efforts are supported by the Hastings Fire Department Reserves, an independent organization that includes a total of 24 reserve firefighters and is led by the elected Reserve Executive Board. Reserve employees are not City employees, but are paid an hourly rate by the HFD through the part-time line item in the Department's budget. Since reserve firefighters are not City of Hastings employees, they are subject to different hiring standards than City employees; reserve firefighters do not have to pass the same physical fitness assessment or written exam as full-time HFD firefighters. Reserve firefighters are subject to participation requirements, which are established in an HFD Standard Operating Guideline (SOG), and membership requirements, which are established in the HFD Reserves constitution, in order to maintain active status.

HFD operates out of two stations: Highland Park and Lincoln Park. The Highland Park station is supported by 14 reserve firefighters, four of which are EMTs and the Lincoln Park station is supported by 10 reserve firefighters, four of which are EMTs and one of which is a paramedic. The Department's organizational chart is displayed below.



**Figure 19: Fire Department Organizational Structure, FY2015**

The Department has a significant amount of equipment given its staffing level. The Rural Fire District also stores equipment at both of the HFD stations. The contract with the Rural Fire District permits the City to use Rural Fire Department apparatus, and it may be possible for the Department to reduce its fleet by using the Rural Fire Department pumpers as reserve apparatus. The following table includes all HFD equipment.

**Table 19: Hastings Fire Department Equipment**

Vehicle Name	Unit #	Year
2004 Chevy Suburban	C-1	2004
2004 F350	C-2	2004
1991 Smeal Spartan Engine	E-2	1991
1997 HME Central States Engine	E-3	1997
1976 Smeal Truck	E-5	1976
2002 Ford Explorer	FM-5	2002
1996 Dodge Durango	FM-6	1996
2001 Chevy Malibu	FU-16	2001
2000 Ford Crown Victoria	FU-4	2000
1985 Grumman Duplex Aerial Ladder	L-1	1985
2009 Smeal Quint	Q-5	2009
2002 Rescue 1 Spartan	R-1	2002
2005 Chevy C4500 Ambulance	R-5	2005
1996 Ford E-Super Duty Ambulance	R-6	1996
2001 Ford E450 Ambulance	R-7	2001
1998 Ford Road Rescue Ambulance	R-8	1998
2011 Ford DRW Super Duty F450	R-9	2011

It is the practice of the Fire Department to purchase used ambulances. As a result, the Department's ambulances are 15 years old on average. Best practice is to purchase newer equipment since safety standards have changed significantly in the past 15 years. However, this approach likely saved the Department money upfront, which was particularly helpful when first establishing the EMS program in 2012.

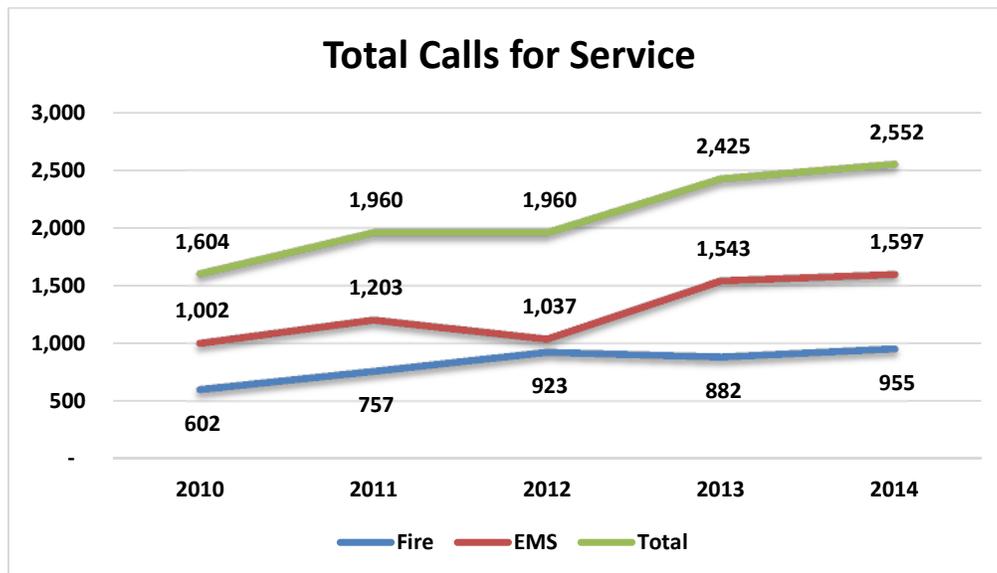
Between FY2010 and FY2014 the Department's budget increased by 36%. The increase in expenditures is primarily attributable to increases in the personal services expense group. The Department started providing EMS services in 2012, which explains the growth in expenditures in FY2012 and FY2013. While the Department did not add staff with the introduction of EMS services, it began spending more on overtime and reserve firefighter compensation when EMS services were introduced. Capital expenditures are evaluated on an annual basis, which is why the Capital Outlay line item fluctuates so much year-to-year. The following table details the Department's historical expenditures by expense type.

**Table 20: Historical Fire Department Expenditures by Expense Type, FY 2010– FY 2014**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Personal Services	\$1,658,333	\$1,751,733	\$1,948,826	\$2,055,344	\$2,133,412	29%
Contractual Services	\$174,765	\$156,302	\$187,609	\$211,887	\$231,808	33%
Commodities	\$66,015	\$63,831	\$112,678	\$130,019	\$145,154	120%
Capital Outlay	\$1,200	\$0	\$50,000	\$356,190	\$74,918	6143%
<b>TOTAL</b>	<b>\$1,900,314</b>	<b>\$1,971,866</b>	<b>\$2,299,113</b>	<b>\$2,753,440</b>	<b>\$2,585,293</b>	<b>36%</b>

### Calls for Service

Total calls for service have increased by 59% in the last five years. EMS calls make up the majority of the Department's call volume, at approximately 63% of the Department's response workload. As noted, the Department began providing EMS service in 2012. Prior to that date the Department assisted the private provider on all EMS incidents, which explains the EMS call volume prior to 2012. The figure below details the calls for service the Fire Department received between 2010 and 2014.

**Figure 20: Total Calls for Service, 2010–2014**

The total number of fires has decreased in the last five years, but the number of non-residential structure fires has increased. The following table shows the number of structure fires in the City of Hastings between 2010 and 2014.

**Table 21: Total Fires, 2010-2014**

Fire Type	2010	2011	2012	2013	2014	% Change
Residential Fires	20	20	19	21	16	-20%
Non-Residential Structure Fires	1	7	6	3	3	200%
<b>TOTAL</b>	<b>56</b>	<b>56</b>	<b>72</b>	<b>57</b>	<b>51</b>	<b>-9%</b>

## Mutual and Automatic Aid

The HFD has mutual and automatic aid agreements with many surrounding fire departments. The Department provides both fire and medical mutual/automatic aid. As is to be expected given its size, the HFD provides more assistance to neighboring communities than it receives in return.

The City of Hastings received mutual/automatic aid for fire incidents eight times in the past three years, but provided mutual/automatic aid a total of 213 times. The largest user of mutual and automatic aid is the Hastings Rural Fire District, with 78% of the fire mutual/automatic aid provided by the HFD going to the Hastings Rural Fire District. The following table shows the number of times the City of Hastings provided fire mutual and automatic aid over the last three years.

**Table 22: Fire Mutual and Automatic Aid Given, 2012-2014**

Fire Aid by Type and City	2012	2013	2014
<b>Automatic Aid Given</b>	48	56	65
Ayr	3	1	1
Hastings Rural	45	49	57
Juniata	0	6	4
Kenesaw	0	0	2
Roseland	0	0	1
<b>Mutual Aid Given</b>	14	13	17
Blue Hill	0	2	0
Fairfield	0	0	1
Grand Island	0	0	1
Hansen	1	0	0
Harvard	0	0	1
Hastings Rural	6	6	7
Holstein	1	0	0
Juniata	5	1	0
Kearney	0	1	0
Kenesaw	0	2	1
Roseland	0	0	3
Sutton	0	0	2
Trumbull	1	1	1
<b>TOTAL</b>	<b>62</b>	<b>69</b>	<b>82</b>

The City of Hastings received mutual/automatic aid for medical incidents three times in the past three years, but provided medical assistance a total of 245 times during that same period. In 2014, a total of 77% of medical mutual/automatic aid incidents involved the HFD assisting the Hastings Rural Fire District. The City of Juniata is the second largest consumer of medical automatic/mutual aid. The following table show the number of times the City of Hastings provided medical mutual and automatic aid for the last three years.

**Table 23: Medical Mutual and Automatic Aid Given, 2012-2014**

<b>Medical Aid by Type and City</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Automatic Aid Given</b>	<b>21</b>	<b>45</b>	<b>69</b>
Ayr	1	1	0
Blue Hill	0	0	1
Hastings Rural	20	33	54
Holstein	0	0	1
Juniata	0	11	11
Kenesaw	0	0	1
Roseland	0	0	1
<b>Mutual Aid Given</b>	<b>22</b>	<b>60</b>	<b>27</b>
Blue Hill	2	3	4
Clay Center	0	2	0
Doniphan	0	2	0
Hansen	0	1	1
Harvard	2	2	0
Hastings Rural	13	43	20
Inland	0	2	0
Juniata	3	1	1
Kenesaw	0	2	0
Lawrence	0	1	0
Prosser	1	0	0
Trumbull	1	1	1
<b>TOTAL</b>	<b>44</b>	<b>105</b>	<b>96</b>

### Callbacks

Every time the Department responds to calls outside of the City limits, the City must call off-duty staff back to provide adequate coverage within the City limits until the crew returns. The Department prioritizes callbacks, calling back employees that are about to come in for a scheduled shift as they are fresh after having a day off. While the Department does track callback frequency and duration, the data is not available in a format that can be easily analyzed. Only five months of data was converted for analysis.

During the first five months of 2015, callbacks were issued a total of 187 times. A total of 128 EMS/medical incidents required callbacks, while 21 fire incidents, one rescue incident, and 37 other incidents required callbacks. During the first five months of 2015, the Department required 802 hours of callback time, but paid for 1,230 hours due to required minimum pay rules.

Callbacks for both fire and EMS/medical incidents had a minimum response rate of one employee and a maximum response rate of 10 employees. On average, four employees responded to callbacks for fire incidents, 3.3 employees responded to callbacks for EMS/medical incidents, 3.0 employees responded to callbacks for rescue incidents, 3.1 employees responded to callbacks for other incidents.

The response rate to callbacks differed by incident type and by employee. Of the 48 employees<sup>35</sup> that responded to callbacks during the first five months of 2015, only 15 responded to callbacks more than 10% of the time. Two full-time employees responded to more than 25% of callbacks and 25 employees (12 full-time) responded to less than 5% of callbacks. Reserve firefighters responded to 95 of the 187 incidents. The following table shows the number of employees that responded to each type of incident for which a callback was issued.

**Table 24: Number of Incidents Responded To By Employee Type, 1/2015-5/2015**

Callback Type	Number of Incidents	Full-Time Responders	Reserve Responders
EMS/Medical	128	120	53
Fire	21	21	9
Rescue	1	1	0
Other	38	37	9

Since the Department operates under a 24/48 schedule, each shift has a base schedule of 2,920 hours annually, which results in an average workweek of 56 hours per week. However, the Department has identified a work week average of 54 hours for each employee. While most employees are eligible for overtime compensation when they work more than 40 hours per week; firefighters are covered by an exception within the FLSA and are due overtime pay when they work more than 212 hours in a 28 day period which results in an average of 53 hours per week. The Department has identified the base workweek as being 54 hours. Employers have the option of paying overtime or reducing the hours worked within the 28 day period to comply with the FLSA.

## Analysis and Recommendations – Fire Department

The Hastings Fire Department provides valuable services to the City of Hastings and the surrounding rural areas. Staff at all levels consistently report that the recent transition to providing EMS services was successful. Staff are proud of the fact that the transition happened in a short period of time, with no major problems, and in a way that maintained – or even improved - the service level in the community. Now that the Department has settled into this new operating environment, it is time for the Department to take stock and begin refining its service offerings and current practices in order to better meet present and future service demands. In particular, this is an opportunity for the Department to address its service levels and service area, staffing and scheduling, EMS, training, policies and procedures, and fire prevention. Each of these areas are addressed in the section that follows.

### Service Levels and Service Area

**RECOMMENDATION 52: Establish service level standards for services provided within City limits.**

Service level expectations differ from community to community. When it comes to establishing these expectations, each community needs to determine what it can afford and what it considers an acceptable level of service. Articulating the desired level of service sets clear expectations for the community and service providers. The desired level of service also provides the basis for management and resource allocation decisions. For example, the number and location of fire stations, the number and type of apparatus, and minimum staffing levels should be established based on the community’s expectations as outlined in the established service level standards.

<sup>35</sup> Includes both full-timers and reserves

The HFD provides fire suppression and ALS-level EMS services throughout Adams County in addition to providing fire prevention and many specialized rescue services in the City of Hastings. Which services and the level at which each service should be provided is a policy decision that has not explicitly been articulated, and service level standards for all services provided by the HFD have not been established. For example, the decision to provide ALS-level EMS services rather than EMT-level EMS services is a service level decision that significantly impacts the Department's operation. In 2012, the Department assumed responsibility for providing EMS services throughout Adams County. The impact of this change on the quality of the other services provided by the Department is unknown because the Department has not identified any explicit performance standards or goals for its services.

The Department should develop performance target recommendations for the Mayor and City Council to consider that can then be used to evaluate the service level being provided to the community by the Fire Department. Once the standard has been established, the Department will then be responsible for measuring actual performance against this baseline.

The most common service level standard that is used to set expectations for fire departments is response time. Response time is the amount of time elapsed between when the dispatchers notify responders of the call and when the respondents arrive on the scene. It should be noted that response times are not the only measure of performance, but they are commonly used because they are easy to understand. The National Fire Protection Association (NFPA) publishes response time standards for both urban and rural areas. NFPA has developed two standards related to the organization and deployment of fire and emergency services. The NFPA publishes recommended response time standards for substantially career departments and also for volunteer and combination departments. Based upon NFPA definitions, the Hastings Fire Department would be considered a combination department. The urban response time target for combination departments responding to fire calls is the assembly of 15 firefighters within 9 minutes for 90% of calls.

While the Department would be considered a combination department in terms of its response to fire incidents, it is more like a career department in its response to medical incidents. Therefore, when it comes to EMS service standards within the City limits, the community may prefer to adopt the service standards recommended for career departments.

EMS response is typically considered as a two-step goal. The arrival of first responder/BLS level care within 5 minutes (4 minutes travel time and 1 minute turnout time) and the arrival of ALS care within 9 minutes (8 minutes travel time and 1 minute turnout time) to 90% of calls. There has been a move within the EMS community to identify if lengthening response times has a negative effect on patient outcome. Early access to EMS to address cardiac arrest and airway management are often seen as having a significant impact on patient outcomes. Therefore many communities have developed aggressive models to provide first responder level care and Automatic External Defibrillators (AEDs). There has also been a steady move towards implementing public access AEDs as the devices have become increasingly automated. Given that there is a variability in the nature of the calls for medical assistance, a best practice that is often implemented is the use of a priority based dispatch system for EMS calls. These systems require the call taker at the public safety answering point to determine the nature and severity of the emergency by asking the caller a series of questions. Based upon the responses, the call is given a priority rating which is used to determine the appropriate response protocol. This allows responders to allocate the most appropriate resource levels to the specific call and to determine if a call needs a "red lights" response or not.

According to data provided by the Department, recommended NFPA response time standards are not being met. In 2014, the Department responded to 90% of fire calls within 12 minutes and 90% of EMS calls within eight minutes. However, these response times include calls for service both within City limits and outside of the City, which is a significant response area.

Adopting a response time service level standard for the HFD is complicated by the fact that the Department essentially provides services in two service areas: within City limits and throughout Adams County. Since the HFD provides services outside of the City limits on a contract basis, any service level standards for services outside of the City limits will need to be separately negotiated as part of said contracts. The Department should endeavor to track its response time performance in both the City and in rural areas, formally adopting response time goals within City limits.

Establishing service level standards for the services provided by the HFD will give the Department a target against which to begin tracking its performance. The development and utilization of performance measures in terms of the expected outcomes will enable the Department to determine whether it is able to meet the established service level standards. Once the baseline performance of the Department is known, either service levels can be revisited or resource allocation decisions, such as the minimum staffing level, will need to be taken to ensure that the HFD can meet the community's expectations.

**RECOMMENDATION 53: Develop a cost recovery policy for providing services outside of City limits.**

The City of Hastings is paid to provide both EMS and fire suppression services in the portions of Adams County that are outside the City limits. The City has a contract with the Hastings Rural Fire District to provide automatic response services throughout the Rural Fire District and to store the Rural Fire District's apparatus. In FY2013/14, this contract was for a total of \$46,350 plus reimbursement for fuel and the cost of overtime. Under this contract, the HFD provided automatic aid to the Hastings Rural Fire District 64 times in 2014.

In exchange for providing EMS services, Adams County pays the City of Hastings \$62,500 per year, and Mary Lanning Healthcare, a local hospital, pays the City of Hastings \$25,000 per year. However, providing EMS services outside of the City limits strains the Department's limited resources. In 2014, the Department went outside of the City limits 176 times to provide medical mutual/automatic aid or intercept services. Whenever an ambulance is dispatched outside of the City, off-duty staff must be called in to provide adequate coverage within the City limits until the ambulance returns. This practice impacts the cost of providing services outside of the City and, anecdotally, staff expressed concern about the frequency of callbacks, indicating that this practice also impacts morale, and possibly turnover, within the Department. Management also expressed concern about the response to callbacks; sometime more than enough firefighters respond to callbacks and sometimes not enough firefighters respond to callbacks. Based on the data available about callbacks, EMS incidents required off-duty employees be called in to provide coverage a total of 128 times in the first five months of 2015. Therefore, the Department issues approximately 1.25 callbacks per day.

This unique arrangement is practical given the rural nature of the areas surrounding the City of Hastings. However, taking on responsibility for providing these additional services impacts the HFD operations. For example, if these services were not provided, overtime expenditures related to callbacks would decrease. However, since a comprehensive examination of the full cost of providing additional services has not been conducted, it is unknown if the compensation the City

receives from the County and the hospital covers the full cost of providing services outside of the City limits. Given that providing services outside of the City puts a strain on the Fire Department's limited resources, at a minimum the Department should seek to understand how much it costs the Department to provide these services.

It can be difficult to calculate the full cost of providing each additional service. Some costs would remain the same whether the City provided services outside of the City limits or not. For example, the number of fire stations would not change if the City stopped providing services outside City limits, but costs such as additional fuel and equipment usage along with the fully burdened labor rate for personnel would change if the City stopped providing services outside City limits.

The provision of ALS intercept services provides a good example of a service that the City of Hastings provides (and subsidizes) to non-residents. Intercept services are provided when treatment/transport is started by a BLS level unit, but the patient needs ALS treatment/transport. In such cases, the City of Hastings will meet the BLS unit either at the scene or during the transport and will provide the ALS level service. In 2014, the Department provided intercept services 76 times. The number of intercepts increased by 29% over the last three years. However, the City is often not billing for this service, despite the fact that the Department has to call back off-duty employees while the ambulance is outside of the City. Firefighter training that is interrupted may have to occur on an overtime basis.

An argument could be made that the hospital subsidy is intended to cover the costs of providing intercept services. However, if the Department actually billed at the ALS level one rate (\$730 plus mileage) for each intercept, the estimated revenue collected would be \$29,404.<sup>36</sup> Given that the City receives only \$25,000 from the hospital, the Department is not recouping its costs when it provides intercept services. The following BLS providers bill in their respective communities: Blue Hill, Red Cloud, Kenesaw, Clay Center, and Sutton. Therefore, the Department can begin billing these BLS providers. In communities where BLS providers do not bill for services, the Department cannot simply start billing the BLS provider. There are very specific rules for when intercept services can bill Medicare, so the Department should approach BLS providers to discuss whether the City could receive some kind of reimbursement.

Once the Department has estimated the cost of providing these additional services outside of the City limits, the Mayor and City Council should adopt a cost recovery policy for providing services outside of the City limits. The Mayor and City Council may determine that the City should continue providing these services without any additional cost to the City, and the contracts with the Hastings Rural Fire District, Adams County, and the hospital need to be negotiated accordingly. The Mayor and City Council could also decide that providing these services outside of City limits is critical and justifies the City of Hastings subsidizing their provision. Either way, subsidizing or not subsidizing the provision of services outside of City limits should be an intentional decision made by the City's governing body.

Once the cost recovery policy has been adopted, a plan to review the costs of providing services and to revisit the cost recovery policy should also be developed. It is recommended that this policy be revisited on an annual or biannual basis.

Separately, Fire Department management has also shown interest in beginning to provide non-emergency transports to generate revenue for the Department. The cost-benefit analysis completed to support the conclusion that this service expansion would in fact generate revenue

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<sup>36</sup> Assumes 53% collection rate

was not available. It is likely that, when the full cost of providing these additional services is taken into account, it is unlikely that this service would actually generate revenue given the strain providing rural EMS services currently places on the Department. It may even require additional staff. Whatever the outcome of the analysis, adding this service should be evaluated in the same way providing other services outside City limits is evaluated: the Mayor and City Council should establish service level targets, the cost of meeting those targets should be calculated, and then a cost recovery policy should be adopted.

**RECOMMENDATION 54: Determine technical services to be provided by HFD and explore regional consolidation of some specialized services.**

The HFD provides the following specialized services to Hastings residents: search and rescue, high/low angle and rope rescue, confined space and trench rescue, vehicle extrication, water and ice rescue, and hazardous materials incident response. Specialized services involve low frequency, high risk events. As such, firefighters do not have many opportunities to practice these skills. Therefore, skill maintenance can be a concern in departments that provide specialized services. Small to medium sized departments are particularly challenged in ensuring an adequate number of employees are available and trained to perform specialized rescue disciplines.

Which services the HFD provides to the community is a policy decision that has resource implications because, in order to safely provide all of the services the HFD currently provides, a significant amount of training is necessary. The City must first be clear on its capabilities and then must ensure that employees have the training and equipment necessary to safely provide those services to the community. Currently, the Department has much of the equipment necessary to provide some technical rescue services, but many employees do not feel confident in their ability to safely provide those services.

NFPA standards provide guidance - in terms of risk assessment, training levels, and response - to departments seeking to deliver specialty rescue services. The standards provide guidance on both the competencies needed for individual rescue responders as well as capabilities and capacities that the Department needs to ensure for the team response. There are several levels of competency outlined within the standards and each higher level builds on the prior, requiring additional initial and maintenance training hours. It is not recommended that these standards be adopted. Rather, the HFD should use the NFPA standards as a guideline as it determines what level of technical response it is capable of providing and what level the community needs. For example, hazardous material and confined space rescue may be a high priority given the risks present in the community, while water and ice rescue, trench rescue, or structural collapse may not be a high priority.

Once standards have been established for the specialized services the HFD will provide, resources can be prioritized. Given the size of the Department it is likely that, in order to provide an appropriate response, the HFD will need to partner with other departments in the region for both training and response. The Department would then need to be clear about the level at which the Department can function, and at what point outside resources must be brought in.

Specialized training requires significant time and setup as well as the undivided attention of firefighters. Therefore, it is difficult to complete this type of training when employees are on duty as they may be interrupted by calls for service. It may be helpful to schedule reserve firefighters to be present to respond to calls for service while on-duty firefighters receive training, which avoids the overtime costs associated with training firefighters on off-duty days. The City should also

consider jointly conducting confined space rescue training with Utility and Fire Department employees.

### Staffing and Scheduling

Evaluating staffing levels requires an analysis of coverage requirements and staffing availability. These factors are used to determine the appropriate number of personnel to assign to each shift. Because full-time staff are eligible for paid time off, additional staff are required to ensure that enough firefighters are available to meet minimum coverage standards. The number of firefighters on duty - a department's minimum staffing level - is based on the level of service expectations of the community. The HFD currently operates with a minimum staffing level of six firefighters. However, in order to ensure the minimum staffing of six firefighters is met each day, more than six firefighters must be assigned to work each shift. The goal of a staffing analysis is to determine the appropriate number of firefighters to assign given typical leave patterns.

A staffing factor represents the number of employees needed to cover each position on a shift, after accounting for leave. Due to the Department's shift schedule (24 hours on duty, 48 hours off) and the number of platoons deployed, firefighters currently work an average of 54 hours per week, or approximately 2,816 hours each calendar year. Of these, approximately 302 hours are used for leave. This means that, on average, a firefighter is available on duty for 2,514 hours each calendar year.

Dividing the number of hours of operation (2,920) by the number of hours each employee is available on duty (2,514) yields the staffing factor. In this case, 1.16 firefighters are required to fill each position on a shift in order to provide adequate minimum coverage, given historical leave usage.

The Department operates on a 24/48 hour schedule using three shifts. Under this arrangement, each shift works one 24-hour period and then goes off-duty for the following 48 hours. Each shift is staffed by one Captain, one Lieutenant, and six firefighters, four of whom are paramedics. Station staffing changes based on the number of firefighters on duty each shift. The Captain and either two or three firefighters operate from the Highland Park Station, and the Lieutenant and between one and three firefighters operate from the Lincoln Park Station. The following table applies the staffing factor to the Department's target minimum of six firefighters per shift.

**Table 25: Shift Staffing Requirements to Meet Established Minimum Staffing Level**

Shift Staffing	Shift	Factor	Shift Coverage
Shift Captain	1	1.16	1
Shift Lieutenant	1	1.16	1
Firefighter (Paramedic or EMT)	4	4.64	5
<b>TOTAL</b>	<b>6</b>	<b>6.97</b>	<b>7</b>

The Department must have seven firefighters on a shift in order to consistently meet the minimum staffing level of six firefighters on duty. Therefore, in order to consistently meet the minimum staffing level across all three shifts, the Department must employ a minimum of 21 firefighters. It should be noted that over time the Department's staffing factor will change as the tenure of employees change, thus increasing their paid time off. Based on the Department's staffing factor, the Department has sufficient authorized personnel to consistently staff six firefighters on each shift. However, the Department is rarely fully staffed at its authorized staffing level.

**RECOMMENDATION 55: Consistently staff each shift with at least seven firefighters.**

The Department is currently staffed with 12 EMTs and 11 paramedics (at the time of this review, 12 paramedic positions were authorized, but one vacancy existed). The Department has historically struggled to fully staff authorized positions due to turnover and difficulties attracting new employees. Since 2000, a total of 37 employees have left the Department. Employees leaving the Department during that time left after an average of five years. Those that left HFD for jobs with other fire departments did so after an average of three years, while those not leaving for other departments left after an average of seven years. More information was not available as to why employees left the Fire Department unless they left for other departments. It is possible that these employees left the fire service altogether. Smaller departments often struggle to compete with larger departments and are often treated as a stepping stone for employees hoping to eventually secure jobs with larger departments. It is less common for firefighters to leave the fire service completely. Since 2001, about 50% of the employees who left HFD are known to have gone to another fire department.

In order to consistently staff all authorized positions, the Department should take steps to enhance its recruitment efforts and build a pipeline of talent into the organization. The Department should also actively seek to identify primary drivers for leaving the Fire Department by conducting exit interviews with all departing employees.

A set of minimum requirements are in place to be a full-time firefighter in the City of Hastings. New employees must possess a high school diploma or GED. The Department also requires that employees be US citizens. A Fire Science degree or experience as a firefighter are not required, but preferred. All full-time employees must also pass written and physical agility exams. In general, these standards are appropriate, with the exception of the citizenship requirement, which may impede the diversity of the Department, and the physical agility exam. Recommendation 58 addresses the need to adopt a nationally recognized physical fitness test

Beyond the basic requirements, the HFD imposes two levels of employment requirements, one for firefighter/EMT and one for firefighter/paramedic. New firefighter/EMTs must obtain certification as an EMT within one year of employment while a firefighter/paramedic vacancy requires the applicant to be a State of Nebraska registered Paramedic at the time of hire.

Under the current system, the reserve firefighters are not employees of the City, but rather are members of the Hastings Fire Department Reserves. As such they do not have to meet the same requirements for hire as full-time City employees. The Department reports that the rate of pay for reserves holding EMT or Paramedic qualifications is lower than the local private emergency medical transport provider. Given the turnover and perception of being a stepping stone department, the City should consider transitioning the reserve system to one which is an intentional path to full-time employment. Sponsoring reserve employees to complete Paramedic and firefighter certification will require a financial commitment on the part of the City but has the potential to provide a ready pool of applicants that will reduce the time it takes to fill vacancies in the full-time ranks. In addition, by training the firefighters when they are reserves means they will be qualified to perform all tasks on their first day.

The value of recruiting a pool of diverse part-time employees is that they become an excellent source of candidates for full-time fire service. Hiring part-time firefighters gives the Department an opportunity to evaluate the firefighter's work ethic, cultural fit, skill quality, performance, and other interpersonal skills. While part-time firefighters would have a natural advantage in the hiring process, given they have already performed the job, the City of Hastings' civil service rules would not allow for preference to be given to part-time applicants in the full-time hiring process.

In addition, the Department is hoping to develop a relationship with Hastings Community College to implement a regional firefighter training program. This relationship would be a great training resource. Should such a venture take place, it has the potential to improve the availability of local trained applicants. Part of this type of partnership could include a joint facility and potentially developing a resident firefighter program that provides living quarters for students in return for them being assigned to a work shift and performing as a crew member on a response unit.

In addition to enhancing the size of the recruitment pipeline, the Department should also seek to enhance the diversity of the applicant pool. The City's population increased by 10% between 1990 and 2013. The makeup of the population is also slowly becoming more diverse. In 1990, 98% of the population of the City was white, while in 2010 90% of the population was white.

The Department does not intentionally recruit to reflect diversity and gender and may be missing a potential applicant pool by not doing so. The Department should consider actively recruiting for diversity in both the reserve and full-time ranks. It is not known if the citizenship requirement is a barrier in recruiting but the department should determine if it is a critical job requirement and if not, consider removing it.

In order to address ongoing diversity concerns, both International Association of Fire Fighters (IAFF) and the International Association of Fire Chiefs (IAFC) provide useful resources with respect to recruitment practices. The IAFF's Diversity Initiative (2006) identifies 10 key best practice areas for departments that seek to achieve and retain a diverse Fire Services Workforce. These best practices include:

- Specifically target the group to reach and recruit.
- Use language to promote a message of inclusiveness when recruiting.
- Use some "formal" methods of recruiting, such as advertising.
- Give specific and detailed information about the job, skills needed, requirements, salary, and benefits.
- Target the candidate's family as well.
- Use minority and women recruiters.
- Communicate the value of diversity in all messages.
- Use a fair and valid selection process.
- Only require the education needed to perform the job.
- Provide a mentoring program for newly-hired firefighters.

Additionally, the IAFF Diversity Initiative identifies eight effective methods used by successful departments for diversity recruitment. These methods include:

- Word of mouth.
- Formal advertising, especially directed at a target group.
- Direct mail.
- Cadet / Explorer program.
- News stories.
- Diversity/inclusiveness messaging in recruitment and internal communications.
- Outreach at job fairs, community events, churches, and schools.
- Candidate preparation, assistance, and mentoring.

The IAFC identifies recruiting and testing processes as the most effective ways to increase workforce diversity. Recruitment efforts should be community-based and utilize community institutions, such as churches and local agencies.

By adapting its recruitment and testing practices, HFD can help to ensure that minority candidates who would make excellent firefighters are not turned away due to unconscious or institutional barriers that may exist in some forms of testing. Utilizing industry best practices will help to increase the spread and reach of the Department's recruiting efforts, while taking applicants through certified testing programs will help to ensure all candidates are testing under appropriate standards.

HFD should utilize its recruitment efforts as a way to engage all demographics in the community and publicize information about the services the Department provides every day. By actively seeking out, welcoming, and shepherding minority candidates through the selection process, the Department can help to ensure that it reflects the makeup of the wider community.

**RECOMMENDATION 56: Increase the number of paramedics on duty.**

All HFD firefighters are either EMTs or paramedics. Currently, a minimum of two Paramedics are required to be on duty each shift. The HFD staffs each ambulance with a minimum of one paramedic. Often, the Department only has two paramedics on duty each shift. When only two paramedics are on duty, each one has to go on every other EMS call and off-duty paramedics must be called in whenever an ambulance goes outside of the City limits. All of this can result in paramedic burnout, even when the minimum staffing level of six is consistently met. It is recommended that the Department have more paramedics on staff to allow for a rotation of primary responsibilities and ensure that all employees are maintaining both EMS and firefighting skills.

While the Department is adequately staffed to meet its minimum staffing level, having a separate minimum staffing level for paramedics complicates staffing. If the Department sought to maintain a minimum of four Firefighter/Paramedics on duty, then employees could rotate primary assignments between an ambulance and engine. Based on the previously described staffing factor, in order to consistently have four paramedics on duty per shift, five would need to be assigned to each shift. From a Department perspective, the table of organization would then reflect 15 firefighter/paramedics rather than the currently authorized 12 firefighter/paramedics.

In order to achieve this staffing level it is recommended that the Department only hire firefighter/paramedics for full-time positions. In the interim, the Department should consider recruiting and scheduling reserve employees who are paramedics to bolster the on-duty paramedic numbers.

As an alternative, the Department could also limit the number of paramedics allowed on vacation at once to one. However, the Department currently places a number of constraints on employee's vacation use in order to maintain a minimum staffing level of six, and this may exacerbate an existing source of concern for employees about their ability to take earned time off.

**RECOMMENDATION 57: Schedule Assigned Time Off coverage further in advance.**

Due to the rotational nature of the 24/48 shift pattern, some 28 day cycles have a schedule of 216 hours and others 240 hours. During the 216 hour cycle, the Department compensates employees who have worked all scheduled hours with an additional ½ time for hours worked between 212 and 216 hours. During the 240 hour cycle, the Department schedules one 24 hour day off for each employee to bring their actual hours worked down to 216. These scheduled days off are referred to as “Assigned Time Off” (ATO).

A total of eight firefighters are scheduled per shift (four at each station), and two are allowed off at once. Employees are not always allowed to take scheduled vacation if one employee on the shift has an ATO day scheduled and another calls in sick because the shift would be below the minimum staffing level. Therefore, on days when a firefighter is the second person scheduled to be off, he/she must show up or have a backup in case someone calls in sick. Additionally, the Department reports that there have been times when an employees’ ATO has been canceled and the employee either receives 24 hours overtime pay or compensatory time. Under FLSA, use of any compensatory time which is related to FLSA must be granted at the request of the employee unless the operation of the Department would be impaired. The Department of Labor does not consider that having to pay overtime to another employee to cover compensatory time used as a substantial impairment.

These occurrences can impact employee morale. To avoid these situations, the Department should schedule ATO coverage far in advance, rather than waiting to take care of it the day of. It may be possible to leverage reserve firefighters to schedule coverage, but the Department will need to make sure they only work one shift per week in order to stay below 30 hours.

**RECOMMENDATION 58: Review the validity of the physical agility test used during the hiring process.**

As part of the hiring process the Department requires full-time applicants to successfully complete a physical agility test. This test is intended to evaluate the applicant’s physical potential to effectively perform critical firefighting tasks. The HFD used to use a test jointly developed by the International Association of Fire Chiefs and the International Association of Fire Firefighters, called the Candidate Physical Ability Test (CPAT). HFD developed its own exam because the CPAT cannot be used to test incumbents, which the HFD does on an annual basis. So instead, the HFD developed its own exam that shares some common elements with the CPAT. HFD staff administer the internally developed exam, and it is only available in the City of Hastings. Only providing exams in the City of Hastings presents a barrier to potential candidates not from the region, and therefore limits the pool of applicants. The HFD also does not offer any assistance for candidates as they prepare for the exam.

Firefighting is a physically demanding occupation and the employer has a legitimate interest in ensuring applicants are capable of performing all aspects of the job. However, physical assessments such as these have undergone scrutiny for potential disparate impacts particularly for female applicants, and it is critical that employers be able to demonstrate validity and job relatedness of any test. It should also be noted that, although reserve firefighters perform firefighting functions, they are not required to undergo the agility test. Hiring reserves to be firefighters without making them pass the same test throws the validity of the test into question because they are effectively seen as performing the same critical firefighting tasks as full-time firefighters without taking the test.

The CPAT was developed in recognition of the challenge fire departments face when trying to assess the ability of candidates to meet the physical demands of the jobs in a valid way, and the CPAT has been reviewed by the Department of Labor. Agencies wishing to use the test must perform a transportability study to verify it is valid for their specific operation, and there is a requirement that applicants be provided orientation, preparation, and training sessions prior to the actual test being administered.

The HFD should adopt the IAFF/IAFC CPAT or undergo a thorough review of the current test to provide evidence that it is both job related and valid in both construct and parameters for scoring. The Department should investigate the potential of having an independent third party administer the CPAT process or developing a regional hiring pool with other departments and offering the testing process on a set schedule. Since agencies across the country offer the testing process to potential firefighters and provide the candidates with a certificate of passing, the HFD should consider allowing candidates show compliance by providing a certificate that has been issued within a predetermined period of time. The HFD should also begin requiring all reserve firefighters to pass the same physical agility test as the full-time firefighters before they are assigned to serve select functions such as internal structural firefighting.

### **Emergency Medical Services**

When reviewing the staffing level of an EMS operation, it is necessary to evaluate workload and calls for service. In order to do this, unit hour utilization (UHU) must be calculated. To calculate the UHU, the time a unit spends responding to incidents is divided by the total number of available service hours. According to industry best practices, a unit that spends 30% or more of its time responding to calls is in danger of being over-utilized.

HFD responded to 1,515 EMS incidents in 2013 and 1,664 EMS incidents in 2014. Based upon data provided by the Department, the average duration of an EMS call for HFD is between 45 and 48 minutes. After each call, the crew needs to restock the ambulance and complete the associated patient care and departmental reports. It is estimated that these activities combined do not exceed 45 minutes. This results in an estimated 1.5 hours spent responding to each incident. Therefore, HFD EMS units spent an estimated 2,385 hours responding to EMS incidents each year. Because Fire Department services are provided around the clock, all year long, each EMS unit is available for approximately 8,760 hours per year. HFD deploys two EMS units each shift, meaning the total number of available hours for EMS units is 17,520 hours. Dividing hours spent in the field (2,385) by the number of available hours (17,520) yields an EMS unit utilization rate of 14%. Applying this same methodology to calls received in the last calendar year (2014) indicates an EMS UHU rate of 13%. Therefore, the Department is not in danger of being over-utilized at its present call volume. UHU should be evaluated annually by the Department to assess the staffing level of the EMS operation.

#### **RECOMMENDATION 59: Adopt a policy to address frequent and repeat EMS patients.**

In 2014, close to 200 calls came from the same 12 patients. Such patterns of repeat use suggest the patient may need additional care or there may be an underlying issue that needs to be addressed. Patient information is confidential and therefore the details of the incidents with these repeat patients could not be analyzed.

The Department reports anecdotally that many of these repeat calls were to provide lift assistance in residences. Providing lift assists involves using resources that are capable of providing a very high level of care to address a low level of need, which means those resources may not be available to a person requiring more intensive care. Providing lift assist services is of value to the

residents of the City of Hastings, but it is concerning if City resources are being disproportionately consumed by certain patients. Additionally, assisted living facilities should be discouraged from relying on the Fire Department to provide lift assists.

It is recommended that the Department conduct an internal review of its records to assess the nature and origin of its repeat calls. The Department should determine whether these calls are requiring treatment or transport, which is important because the Department does not collect any revenue from these types of calls. The Department should also review the source of calls to determine if these calls are coming from residents or from assisted living facilities.

Having an understanding of the scope of the issues will enable the Department to address any systemic issues that exist. It may be that an individual needs a higher level of care, in which case the Department may need to involve social services agencies. It may also make sense to establish a nominal fee for repeat services since some of these activities may not constitute treatment and therefore cannot be billed through the existing fee schedule. Many communities charge fees after the second or third call within a one year period.

**RECOMMENDATION 60: Evaluate the impact of Emergency Medical Dispatch on EMS operations.**

It is the current practice of the HFD to send a passenger vehicle as a second vehicle with each ambulance that responds to an incident. This second vehicle provides the two first responders with a third – and sometimes a fourth – responder. The HFD sends more than two responders on every call in case the call involves a lift assist. Lift assists require more than two responders, not due to medical necessity but as a means of avoiding employee injury. This practice was adopted to avoid sending an ambulance and an engine on EMS calls, and is necessary because the first responders do not know the nature of the call when they are dispatched. However, it is inefficient to send three or four employees on every medical call.

It would be a better use of resources to dispatch responders based on the nature of the call. For example, if a call is not life threatening, two employees could be dispatched rather than four. Then, if the first two responders decide they need assistance (and since the call is not life threatening) additional personnel could be dispatched as necessary. If the City begins providing Emergency Medical Dispatch services, then the Department would be able to structure its response based on the presentation of the patient.

In 2014, the Department sent at least one employee to assist an EMS crew on 1,611 calls, which required a total of 1,045 hours. If every chase vehicle was staffed with two employees, then the total number of labor hours required to staff a chase vehicle would be 2,090. The number of employees dispatched in the chase vehicle and the number of calls actually requiring additional assistance is currently not tracked. Therefore, before making any changes, the Department should evaluate whether changing this practice would in fact improve Fire Department operations. The Department should first gather data about the nature of each call when the unit arrives on scene to determine the number of responders necessary. Once this data is available, the Department can then review the impact that this change would have on the EMS operation.

**RECOMMENDATION 61: Conduct a comprehensive assessment of the EMS Billing contract.**

The City's contract with EMS Billing has not been evaluated since 2012 when it was signed. The contract continued yearly until one party withdraws. This is a good time to evaluate both the service and the price. When evaluating a contract for EMS billing services, the important factors must be taken into consideration: cost and collection rate. Simply conducting a cursory review of

a contract by reviewing these factors does not help a community evaluate its contract because of the way the two interact. For example, it may be a better deal for an organization to pay more for a higher collection rate. A comprehensive assessment is necessary to calculate the estimated revenues and costs for each provider.

Currently, the City pays a 10% rate, which is relatively high. The Department reports that many communities with a lower rate pay additional fees that bring the total rate up to more than 10%. Meanwhile, the price the City of Hastings has negotiated is the total cost. The current collection rate is good, with the City receiving approximately 53% of gross collections. However, as stated previously, it is not possible to determine whether the City is getting the best deal without conducting a comprehensive assessment of what is available. Therefore, the City should issue an RFP for medical billing services.

## Training

### **RECOMMENDATION 62: Increase firefighter training hours to meet minimum training requirements and increase consistency.**

When the Department began providing EMS services in 2012, the focus of training understandably shifted toward training employees to provide EMS services. When it comes to EMS training, there are specific standards concerning the number of hours for both EMT and Paramedic recertification. The Department enables employees to complete the state-mandated EMS training in a deliberate and detailed manner, both by providing training in-house and by partnering with the hospital. The Department's EMS training is consistent across all shifts as it is provided by the Assistant Chief.

Meanwhile, fire suppression training, which can be more complicated due to the lack of state-mandated training standards, has become an area of concern. There are three primary issues that departments must address when it comes to fire suppression training: 1) content and timing, 2) execution, and 3) tracking.

Currently, the Assistant Chief is responsible for planning the content and timing of the Department's training program. The Assistant Chief develops annual and monthly fire suppression training plans for the Department. While there are specific requirements for EMS training, the same standards do not exist for fire suppression training. However, there are some guidelines the Department can use as it develops its training program. OSHA and NFPA address competency-based training designed to ensure employees skills and knowledge are maintained. The International Organization for Standardization (ISO), which collects information on municipal fire-protection efforts in communities throughout the United States and assigns a public protection classification rating, publishes the following measures to help departments achieve *maximum* points for training:

- Use of a live fire and training towers: 18 hours/year.
- Company training: 16 hours/member/month.
- Officers continuing education: 12 hours/year.
- New drivers: 60 hours following the NFPA 1002 requirements.
- Driver continuing education: 12 hours/year.
- HAZMAT awareness: 6 hours/year.
- Recruit training: 240 hours or Firefighter certification.
- Building familiarization/Pre-planning: commercial/industrial/institutional: Once/year.

After reviewing the available guidelines, the Department should review its training program to ensure that it fits the needs of the HFD. Once a comprehensive training program has been developed, the Department must ensure proper execution of the plan.

The Assistant Chief currently distributes monthly training plans to the Captains. The training plan lists the broad topic areas the Captains should focus on when training each shift. Each Captain is then charged with developing the curriculum for their shift. This high level of guidance is an issue when there are multiple ways to do something. For example, there may be three perfectly acceptable ways to raise a ladder, and the Captains are permitted to teach any option. As a result, training across shifts can differ greatly. While employees spend most of their time with the other firefighters on their shift, employees from all shifts need to be able to work together seamlessly during a fire incident. Therefore, it is important that the Department standardize training across shifts, to ensure the Captains are teaching the same skills the same way.

The Department currently tracks each employee's training history. However, this information is tracked in a way that cannot be synthesized or easily reviewed. For example, the Department cannot easily tell which employees are up-to-date on a given training course; employee training records can only be viewed on an individual-basis. The Department should track individual firefighter training electronically and in a way that enables the competency levels of each firefighter to be summarized at the Department-level.

By implementing a comprehensive training program consistently across all shifts and by tracking employee progress, the Department will be able to confirm that the skills necessary to safely and effectively provide fire suppression services are being developed.

**RECOMMENDATION 63: Develop and conduct Emergency Management/joint training exercises with all partners.**

The Emergency Manager (a County employee) is the designated emergency management coordinator for the City of Hastings and Adams County., Both the City and the County fund the Emergency Manager position. A key role of the emergency management coordinator within a community is ensuring that all identified officials have received the necessary training, which includes planning and executing joint emergency event trainings across departments and organizations. Joint exercises should include both functional exercises and tabletop reviews. Tabletop reviews involve leadership from all of the involved organizations talking through how they would respond to a situation. Functional exercises are scaled drills that test participants' ability to actually respond to that situation. At a minimum, a tabletop review could be planned for one year and the functional exercise could be planned for the following year.

The City should undertake an intentional effort to broaden emergency management coordination and preparation, ensuring that emergency management plans are kept current, staff are trained, and joint exercises are conducted annually at a minimum. The Police Chief and the Fire Chief should work with the Emergency Manager to develop and execute annual exercises.

## **Policies and Procedures**

**RECOMMENDATION 64: Update all policies and procedures to consistently guide operations.**

In order to ensure consistency in operations and the safety of the HFD's personnel, it is imperative that critical policies and procedures be documented, routinely updated, and explicitly communicated to all staff.

While the Department has maintained a series of policies, some of them have not been updated since as early as 2002. The supervisory job descriptions have not been updated since the Department began providing EMS services in 2012, at which time firefighter job descriptions were updated. Additionally, Fire Department dispatch protocols need to be reviewed to provide clarity regarding issues noted during this review such as chase car staffing and protocols for dispatching volunteer departments.

The review of Departmental policies is a great opportunity for the Department to involve employees. The Police Department has a Policy Committee that is reviewing and revising all departmental policies. This approach has engaged employees in the process and has had a positive effect on morale. The Department needs to ensure that its policies are consistent with City policies, so the City Attorney and Human Resources should also be involved.

It is recommended that the Department first develop an SOG that outlines how an SOG should be written in order to formalize the process. Some of the elements that would be included in this SOG are: review/revision schedule for policies and guidelines (either an annual or biannual basis), the process of posting draft SOGs for employee comment, and the process for employees to submit suggestions for SOGs.

The Commission on Fire Accreditation (CFAI) has an accreditation process that is well-regarded but very expensive. While it is not recommended that the HFD pursue accreditation, it may be helpful for the Department to become a registered agency and go through the CFAI's self-assessment process. The self-assessment process provides organizations with a structured methodology to evaluate where they currently are and then to identify where they would like to be. The process provides a comprehensive and methodical outline for reviewing all facets of fire service delivery and will guide the Department, making sure that the necessary policies are in place to achieve its vision. The systematic approach will ensure the Department sets clear expectations and develops strong risk management practices. The process would also assist the Department in addressing recommendations associated with service level decisions and assessing the needs and capabilities associated with technical rescue.

In addition to the CFAI documents, the Federal Emergency Management Agency (FEMA) has developed guidance in a publication titled "Developing Effective Operating Procedures for Fire and EMS Departments,"<sup>37</sup> which provides a basic checklist to ensure key facets of department administration and operation are addressed.

While a thorough review of policies is advisable, there are some specific areas that could benefit from prioritization. It is possible that some topic areas may be better addressed as a City-wide policy. If so, those policies should be reviewed for applicability and incorporated by reference. Potential topics:

- Health and Safety
  - Respiratory Protection
  - Hazard Communication
  - Lockout/Tagout
  - Blood Borne Pathogens
  - Employee medical screening and assessment
  - Facility Safety

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<sup>37</sup> <http://www.usfa.fema.gov/downloads/pdf/publications/fa-197-508.pdf>

- Employee Assistance Programs
- Line of duty death procedures
- Prevention and Education
  - Release of information and open records
  - Use of social media
  - Public Relations
- Code Enforcement and Inspection
  - Authority and codes
  - Plan review standards and procedures
  - Inspection type and frequency
  - Record keeping and follow up
- Emergency Operations
  - Risk management practices for suppression, technical, and special incidents
  - Standardized company operations
  - Tactical and strategic guidelines
  - Communications
  - Special facilities and target hazard response
  - Post incident activities, reviews, analysis
  - Critical incident stress debriefing
  - Disaster response and management
- General Administration
  - SOP development
  - Performance evaluations
  - Harassment and discrimination

**RECOMMENDATION 65: Launch a comprehensive false alarm reduction program, including alarm registration and false alarm fee.**

In 2014, approximately 19% of fire calls and 7% of all calls were false alarms. False alarms not only result in the deployment of expensive equipment and staff but they run the risk of tying up limited emergency response personnel when a genuine emergency is occurring elsewhere. While the incidence of false alarms as a percentage of call volume is not significantly different than national data, the ratio of false alarms to actual fires is about double the national experience. The Department does not currently have a policy in place that would encourage facilities to ensure their alarm systems do not cause multiple false alarms and/or recover the cost of dispatching costly equipment to false alarms.

The following table details the occurrence of false alarms to which the Hastings Fire Department responded compared with national averages from 2010 through 2014.

**Table 26: False Alarms in the City of Hastings and Nationwide, 2010-2014**

False Alarms	2010	2011	2012	2013	2014
<b>City of Hastings</b>					
False Alarms	150	197	179	182	180
As % of Fire calls only (non-ems)	25%	26%	19%	21%	19%
As % of All Calls	9%	10%	9%	8%	7%

False Alarms	2010	2011	2012	2013	2014
False alarms per structure fire	7.14	7.30	7.16	7.58	9.47
False Alarms per Fire	2.68	3.52	2.49	3.19	3.53
<b>Nationwide</b>					
As % of all calls	8%	8%	7%	7%	Data not available
As % of Fire calls only (non-EMS)	23%	23%	22%	23%	Data not available
False Alarms per structure Fire	4.5	4.9	4.7	4.8	Data not available
False Alarms per fire	1.6	1.7	1.6	1.9	Data not available

To address this issue, a best practice commonly applied throughout the United States is to implement a false alarm reduction program and multiple alarm fee structure to discourage abuse. The NFPA has been engaged in efforts to reduce the impact of unwanted alarms and recently published a report titled “Development of a Risk-Based Decision Support Tool to Assist Fire Departments in Managing Unwanted Alarms.” Many strategies are identified including examples of those already implemented in other communities.

A key component, which should be launched in conjunction with the registration process, involves a fee schedule for repeat activations. The primary goal of assessing a false alarm fee is to encourage improved maintenance of systems and reduce unnecessary response from firefighters, thereby ensuring that response capacity is available for true emergencies.

Using FEMA’s current equipment rate schedule information, the Department can develop an hourly cost for typical Fire Department equipment deployment to an alarm call. Establishing a typical amount of time it takes to respond, investigate, and resolve a false alarm fee in order to adequately recover vehicle costs should be established, with escalating fees for multiple false alarms. The appropriate labor rates should be calculated and included in any fee structure to recoup the total cost of response to repeat false alarms.

Another key component of many comprehensive false alarm reduction programs involves establishing an alarm system and installer registration ordinance. The registration process can be leveraged to provide additional education to alarm users on how false alarms can be avoided. It must be recognized that the impact of an alarm is not just negative for the response agency but also for the occupant who suffers lost time.

## Fire Prevention

### **RECOMMENDATION 66: Establish performance expectations and targets for the Fire Prevention function.**

The HFD provides the following fire prevention services: conducting building inspections, completing plan reviews, and engaging in public education efforts. Fire prevention services are provided by one full-time Fire Prevention Officer (FPO). The FPO has additional duties, including distributing turnout gear, developing site-specific pre-plans that guide responders in the event of a fire, working with developers, and backfilling for administrative staff.

Best practice does not require all occupancies in a community be inspected. Whether properties should be inspected, and the frequency with which they should be inspected, should be based on the hazards that are present, i.e., high-risk properties should be inspected annually, while low-risk properties may be inspected every two or three years. In general, it is best practice to inspect commercial buildings, places of employment, and shared living quarters. The FPO has a list of

6,870 occupancies in the community, but the HFD does not need to inspect all of these buildings. Only 2,057 occupancies would be considered “inspectable” by the HFD.<sup>38</sup> There are over 100 occupancy types in the City of Hastings. The following table shows the occupancies the HFD is responsible for inspecting.

**Table 27: Occupancies HFD is Responsible for Inspecting, 2014**

Property Use	Number of Occupancies
Multifamily Dwelling	309
Business Office	245
Professional Supplies, Services	127
Specialty Shop	123
Warehouse	106
Manufacturing, Processing	97
Motor Vehicle or Boat Sales, Services, Repair	91
Personal Service, Including Barber & Beauty Shops	73
Mercantile, Business, Other	63
Restaurant or Cafeteria	56
Vehicle Storage, Other	47
Church, Mosque, Synagogue, Temple, Chapel	45
Storage, Other	36
Residential or Self-Storage Units	33
Clinics, Doctors' Offices, Hemodialysis Center, Other	31
Open Land or Field	30
Vacant Lot	29
Dormitory-Type Residence, Other	26
Educational, Other	25
Bank	23
General Retail, Other	22
Food and Beverage Sales, Grocery Store	20
Adult Education Center, College Classroom	19
Convenience Store	17
Textile, Wearing Apparel Sales	17
Doctor, Dentist or Oral Surgeon Office	16
Household Goods, Sales , Repairs	14
Ind., Utility, Defense, Agriculture, Mining, Other	13
Outbuilding or Shed	12
Eating, Drinking Places, Other	11
Outside or Special Property, Other	11
Clubs, Other	10
Bar or Nightclub	10
Elementary School, Including Kindergarten	10

<sup>38</sup> In the State of Nebraska the State Fire Marshall inspects residential daycares.

Property Use	Number of Occupancies
Hotel/motel, Commercial	10
Recreational, Hobby, Home Repair Sales, Pet Store	10
Pipeline, Power Line or Other Utility Right-of-Way	10
Other	210
<b>TOTAL</b>	<b>2,057</b>

Over the last three years, the FPO has completed an average of 191 inspections per year. The number of site inspections completed peaked in 2014 due to a push to conduct exterior inspections of mobile homes to ensure they were appropriately maintained. The table below details the number of inspections completed by the FPO each year for the last three years.

**Table 28: Inspections Completed by Type, 2012-2014**

Inspection Type	2012	2013	2014
Assemblies	3	25	31
Building	11	76	94
First Time Building Survey	38	36	54
General	0	1	6
Site	0	0	182
Special	7	8	1
<b>Total Inspections</b>	<b>59</b>	<b>146</b>	<b>368</b>
<b>Percent of Eligible Occupancies</b>	<b>3%</b>	<b>7%</b>	<b>18%</b>

On average, less than 10% of “inspectable” properties are inspected each year. At this rate, it will take more than 10 years for each eligible property in the City of Hastings to be inspected, and that assumes no growth in the number of occupancies. Inspections have not historically been the priority of the Department for the FPO position. Rather, the focus has been on the public education and administrative responsibilities. However, given that such a significant gap in inspections exists, there may be a need to revisit the job description and clarify expectations. If all of the additional responsibilities that have been assigned to the FPO must still happen, the Department may need to assign inspection and pre-plan responsibilities to reserves and/or firefighters. Currently, the FPO is the only individual completing inspections. However, many Departments have successfully implemented engine company inspections to supplement full-time fire prevention staff. Not only does this increase the number of inspections conducted, but the firefighters also gain a greater familiarity with the buildings in their district.

In a 2008 study titled “Measuring Code Compliance Effectiveness for Fire Related Portions of Codes,” NFPA identified several practices that improve the effectiveness of compliance activities. One of those is to implement a risk-based inspection program. The City of St. Paul, Minnesota is noted for using actual fire experience instead of theoretical risk assessments to determine priority of inspections. Three classifications are used: those occupancies determined to be the highest risk are inspected annually, the second tier bi-annually, and the third group on a three-year rotation. It is recommended that the Department create a system similar to that of St. Paul to prioritize the workload. Further, it is suggested that the Department consider implementing an engine company inspection program and assign a portion of the lowest risk group to the engine companies. The implementation of such a program should be staged to allow initial training for crews that will perform the inspections and should include a data capturing element for both

engine companies, as well as fire prevention specialists to allow the Department to track and predict the amount of time it takes to conduct inspections.

Given the average leave usage over the last three years, the FPO works a total of 197 days per year. If six inspections are conducted per day, then approximately 1,181 inspections could be conducted. If one assumes that 25% of the inspections require a follow-up inspection then the FPO could be expected to inspect approximately 944 properties annually ( $944 \times 1.25 = 1,181$ ). Based upon that capacity, the FPO should be capable of inspecting all 1,188 of the occupancies that are not mercantile/business within 15 months. The remaining 869 commercial building inspections could be addressed by assigning inspections to engine companies on a three-year cycle, resulting in 290 inspections annually. Assuming a re-inspection rate of 25%, 97 inspections would be conducted annually by engine companies. Finally, if the engine companies schedule 33 half-days for inspections and can conduct three inspections per day, the workload will be satisfied.

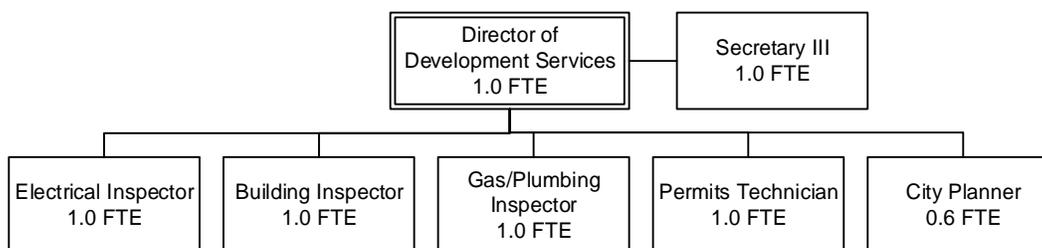
The FPO has other responsibilities beyond inspections. Therefore, the Department could adopt an inspection schedule that involves all commercial/mercantile properties being inspected every three years by engine companies and all other eligible properties being inspected every two years by the FPO. That would give the FPO sufficient time to complete the other duties that have been prioritized for the position.

It should be noted that the Development Services Department completes property maintenance inspections within the City. Having multiple City departments conducting inspections on a given residence can be burdensome for residents. Therefore, the HFD should partner with the Development Services Department to coordinate multifamily dwelling inspections to increase the efficiency of the program while minimizing the burden placed on residents.

## Development Services Department

The Hastings Development Services Department is responsible for planning and zoning, plan review, permitting, and inspections activity. The Department was formed in 2001 as a “one stop shop” for planning, permit, and inspection-related activities. At that time, staff members from the Planning Department were combined with inspectors from the Engineering Department, and Development Services was assigned building, trades, health, and environmental inspections. Since its formation, the Department has experienced significant shifts in staffing and functional responsibilities, particularly due to attrition and retirements. For example, after the environmental inspectors retired, the Department began relying on the State to conduct environmental inspections as a cost-saving measure. The Department has been operating without a full time Director since 2008.

As a consequence of these staffing changes, Development Services has primarily focused on plan review, permits, and building/trades inspections. The Department consists of seven authorized positions, including a Director of Development Services, City Planner, Building Inspector, Electrical Inspector, Gas/Plumbing Inspector, Permits Technician, and a part-time Secretary III. A chart depicting the Department’s authorized positions is displayed below.



**Figure 21: Development Services Organizational Chart, 2015**

The City Administrator currently serves as Interim Director and works with the Building Inspector to oversee and manage the Department. The Building Inspector is responsible for commercial and residential plan review, field inspections, structural property maintenance compliance, and zoning enforcement. Additionally, the Building Inspector conducts point-of-sale inspections on single family residential real estate transactions, and shares responsibility for stormwater system (MS4) inspections with Engineering staff.

The Electrical Inspector and Gas/Plumbing Inspector perform trades inspections related to permits issued through the Department. Although their typical office hours are from 8:00am to 5:00pm, both Inspectors are issued City cell phones and vehicles to respond to after-hours requests. Each Inspector also provides plan/permit review assistance related to their area of trades expertise. They coordinate efforts with the Utilities and Fire Departments and provide assistance to those departments when needed. In lieu of a Director, both of these Inspectors report directly to the City Administrator.

The Permits Technician coordinates permit intake and provides staff support to the Planning Commission regarding the agenda, minutes, and legal advertisements. This position works closely with the Building Inspector to coordinate plan review and permit activities. Additional responsibilities include collecting fees and maintaining physical plan and permit records. This position is also responsible for staffing the Department’s front counter and has assumed many secretarial duties, such as payroll and processing bills, due to the vacant Secretary III position.

The Permits Technician provides staff support to trades examining boards, which includes conducting and grading examinations to receive a City contractor's license for plumbing, gas, and electrical work.

The City Planner position is currently part-time and works approximately 24 hours per week, primarily assisting with rezoning applications, writing case summaries for Planning Commission items, and assisting with other zoning issues as needed.

The Department collects revenue from a variety of sources, including permit and plan review fees and contractor licensing and examination fees. Permit fees are collected in their entirety at the time an applicant submits for approval. These fees are established each year by the City Council in an annual fee resolution. Most of the Department's permit fees are assessed on a flat-rate basis. For example, gas permits are charged at \$20.00 for the first unit to be inspected, and \$5.00 for each additional unit included with the permit application. Building permit fees, in contrast, are assessed based on the square footage of new construction or, in the case of a remodel, the total valuation of the building project. In all cases, permit fees cover the costs of any necessary inspections services; inspections do not incur separate fees. These monies are deposited into the City's General Fund.

The following table illustrates actual fees collected over the past five years, along with average collections. Notably, the revenues below are reported on a calendar year basis, and thus overlap the City's current fiscal year budget.

**Table 29: Development Services Fee Collections, 2010 - 2014**

<b>Fees</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Average</b>
<b>Electric Permits</b>	\$16,015	\$16,846	\$22,273	\$17,293	\$23,681	\$19,222
<b>Gas Permits</b>	\$8,940	\$9,840	\$9,300	\$8,835	\$9,595	\$9,302
<b>Plumbing Permits</b>	\$12,290	\$15,205	\$11,719	\$13,514	\$14,182	\$13,382
<b>Utilities Plumbing Permits</b>	\$29,106	\$33,179	\$31,944	\$22,471	\$69,813	\$37,303
<b>Building Permits</b>	\$90,402	\$89,865	\$100,681	\$111,753	\$175,529	\$113,646
<b>Demolition Permits</b>	\$1,785	\$620	\$715	\$1,390	\$1,630	\$1,228
<b>Sign Permits</b>	\$1,497	\$1,096	\$2,391	\$1,253	\$1,827	\$1,613
<b>Fence Permits</b>	\$1,215	\$1,530	\$1,290	\$1,620	\$1,545	\$1,440
<b>Street Access Permits</b>	\$855	\$615	\$600	\$570	\$825	\$693
<b>Moving Permits</b>	\$205	\$60	\$50	\$85	\$100	\$100
<b>Roofing Permits</b>	\$8,655	\$2,790	\$8,670	\$2,715	\$3,795	\$5,325
<b>Siding Permits</b>	\$780	\$480	\$780	\$555	\$420	\$603
<b>Zoning and Filing Fees</b>	\$9,127	\$12,825	\$10,091	\$12,602	\$9,327	\$10,794
<b>Utilities Out of District Fees</b>	\$32,878	\$42,900	\$13,635	\$54,686	\$98,744	\$48,569
<b>Electric Cards</b>	\$2,330	\$2,785	\$0	\$2,450	\$2,435	\$2,500
<b>Plumbing Cards</b>	\$2,495	\$2,595	\$2,245	\$2,380	\$2,730	\$2,489
<b>Gas Cards</b>	\$3,705	\$3,415	\$3,690	\$3,470	\$5,230	\$3,902
<b>Electric Exams</b>	\$1,600	\$700	\$2,415	\$450	\$700	\$1,173
<b>Plumbing Exams</b>	\$550	\$460	\$0	\$600	\$650	\$565
<b>Gas Exams</b>	\$750	\$450	\$0	\$250	\$500	\$488
<b>Weed Fees</b>	\$2,260	\$1,920	\$1,560	\$0	\$0	\$1,913

Fees	2010	2011	2012	2013	2014	Average
<b>Occupation Tax</b>	\$0	\$11,500	\$12,200	\$11,550	\$13,600	\$12,213
<b>Fees Subtotal</b>	<b>\$227,440</b>	<b>\$251,676</b>	<b>\$236,248</b>	<b>\$270,493</b>	<b>\$436,859</b>	<b>\$284,543</b>
<b>Utilities Transfers</b>						
<b>HU Plumbing Reimbursement</b>	\$28,535	\$32,528	\$31,317	\$23,515	\$68,445	\$36,868
<b>HU Out of District Fees</b>	\$32,878	\$42,900	\$10,618	\$49,100	\$98,744	\$46,848
<b>Utilities Transfers Subtotal</b>	<b>\$61,413</b>	<b>\$75,429</b>	<b>\$41,935</b>	<b>\$72,615</b>	<b>\$167,189</b>	<b>\$83,716</b>
<b>Total Collected</b>	<b>\$166,027</b>	<b>\$176,248</b>	<b>\$194,313</b>	<b>\$197,877</b>	<b>\$269,670</b>	<b>\$200,827</b>

In the table above, plumbing permits are divided into two separate categories. Plumbing projects involving fixtures only are handled directly by Development Services personnel, and are categorized as Plumbing Permits. More advanced plumbing projects which require meters, taps, and other interactions with the utilities network are broken in to a separate category: Utilities Plumbing Permits. This distinction is important because the Development Services Department currently transfers approximately 98% of Utilities Plumbing fees and 100% of Utilities Out of District fees to the Utilities Department. These fees are subtracted from the Department's total collections in the "Utilities Transfers" section in the table above.

Electric, plumbing, and gas certifications and exams are related to contractor licensing applications in Hastings. Applicants must pay a \$50 fee for each examination, and between \$10 and \$35 for each certification depending on the certification obtained. For example, Apprentice certifications start as low as \$10 each, while Master certifications typically cost \$35 each.

Overall collections have increased 62% from 2010 to 2014. Permit fee collections specifically have increased 73% over the same timeframe with Building Permit, Utilities Plumbing Permits, and Out-of-District fees growing 94%, 140%, and 200% respectively.

While these collections have increased, Development Services expenditures have declined approximately 8% when compared to FY2010 spending levels, as shown in the table below.

**Table 30: Development Services Department Actual Expenses, FY2010 - FY2014**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Personal Services</b>	\$384,827	\$381,371	\$375,415	\$355,526	\$347,094	-10%
<b>Contractual Services</b>	\$30,866	\$28,614	\$27,266	\$30,774	\$27,518	-11%
<b>Commodities</b>	\$9,944	\$13,503	\$14,473	\$10,405	\$13,408	35%
<b>Capital Outlay</b>	\$753	\$0	\$1,371	\$6,451	\$2,726	262%
<b>TOTAL</b>	<b>\$426,390</b>	<b>\$423,488</b>	<b>\$418,525</b>	<b>\$403,156</b>	<b>\$390,746</b>	<b>-8%</b>

While full-time salaries have increased over the past five fiscal periods, expenses for part-time salaries and health insurance have declined, lowering net spending on Personal Services by over \$37,000. Contractual Services have likewise declined, led by a reduction in spending on outside professional services. While Commodities and Capital Outlay have increased, these expenses represent less than 5% of the Department's overall budget. Increases in these categories are primarily attributable to fuel expenses and one time equipment purchases.

### Plan Review and Permits

The City currently requires plans to be submitted along with most permit applications. Small projects and trade-specific permits usually do not require significant time to review and are approved quickly at the counter. Larger projects, such as new residential and commercial construction, require more in-depth plan review. For these plans, the Permits Technician accepts the customer’s paperwork and checks the submission for accuracy. It is the Department’s practice to assess all fees related to plan review and permitting up-front at the time a submission is filed. The Permits Technician collects and processes this fee along with the applicant’s submission.

The Permits Technician will make copies of the submitted plans and route them to other City departments which may have involvement in the project. The specific departments contacted may vary; for example, Fire may provide input regarding sprinkler installation, or Engineering may comment regarding right-of-way concerns. However, the HU is always included in plan reviews. Departments typically respond with comments within four business days of receiving the plan submittal. The Building Inspector then performs a plan review and evaluates the applicant’s submittal along with each Department’s comments. This review can take seven to 10 business days depending on the project and its scope.

If there are outstanding issues to be resolved with the submittal, the Building Inspector will work with the applicant to clarify and correct the submitted plans. Once the plans are approved, the Permits Technician will mail a copy of the customer’s permit. When issuing a permit, the Permits Technician will verify that any necessary plan review has been completed and approved, and then issue a physical permit certificate to the applicant. A copy of this certificate is placed in a central filing system where physical permit and inspection records are stored. This permit is also recorded using a custom-built Microsoft Access database, which tracks the permit number, type, scope, date issued, and project valuation.

The Department currently offers a variety of permits, but the most frequently issued permits include electric, gas, plumbing, building, and roofing permits. The following figure illustrates the most commonly issued permits by permit type.

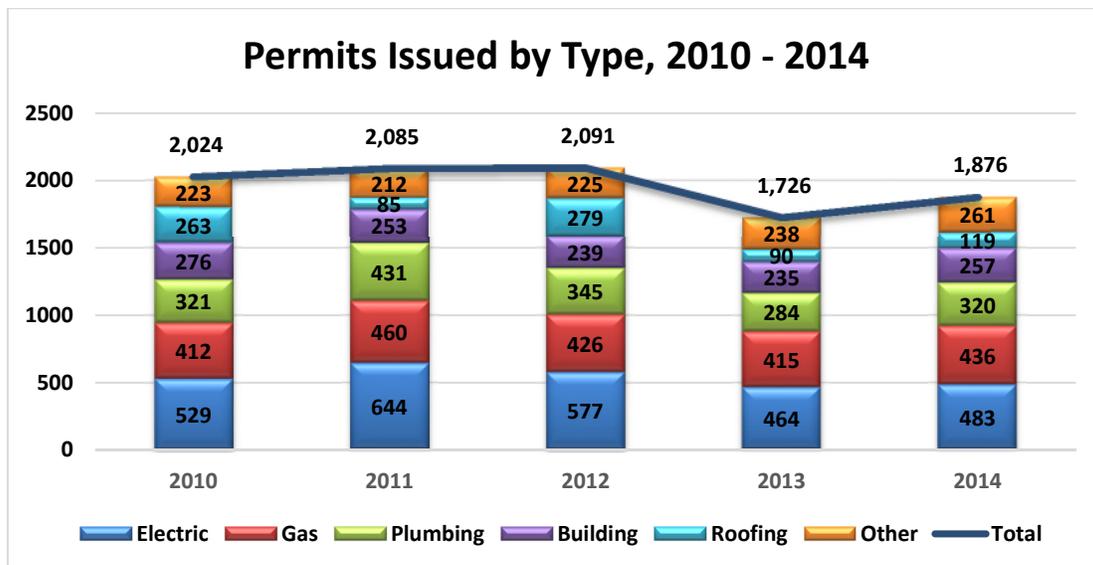


Figure 22: Permits Issued by Type, 2010 - 2014

Approximately 49% of all permits issued in 2014 were for electrical and gas-related work, while plumbing and building permits accounted for 17% and 14% permits issued, respectively. Overall permit activity has declined 7% since 2010, led primarily by reductions in the number of electric and roofing permits issued.

The Department tracks project valuation data related to building permits for fee calculation purposes. The following figure illustrates the total project valuation for additions, new construction, and remodeling projects from 2010 – 2014.

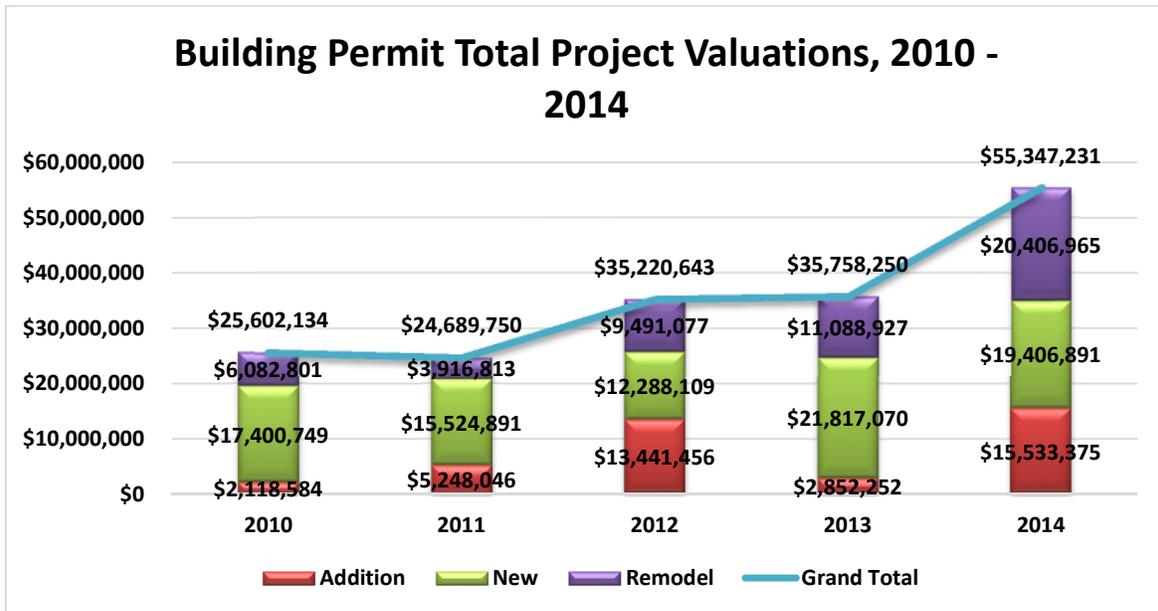


Figure 23: Building Permit Total Project Valuations, 2010 - 2014

While the number of building permits issued each year has declined since 2010, the valuations of building permit projects have increased, particularly with respect to remodels and additions. In 2010 and 2011, the Department issued a greater number of permits, but overall project valuations were lower. This pattern changed in 2012, when the number of building permits dropped but project valuations continued to increase, as shown in the following figure.

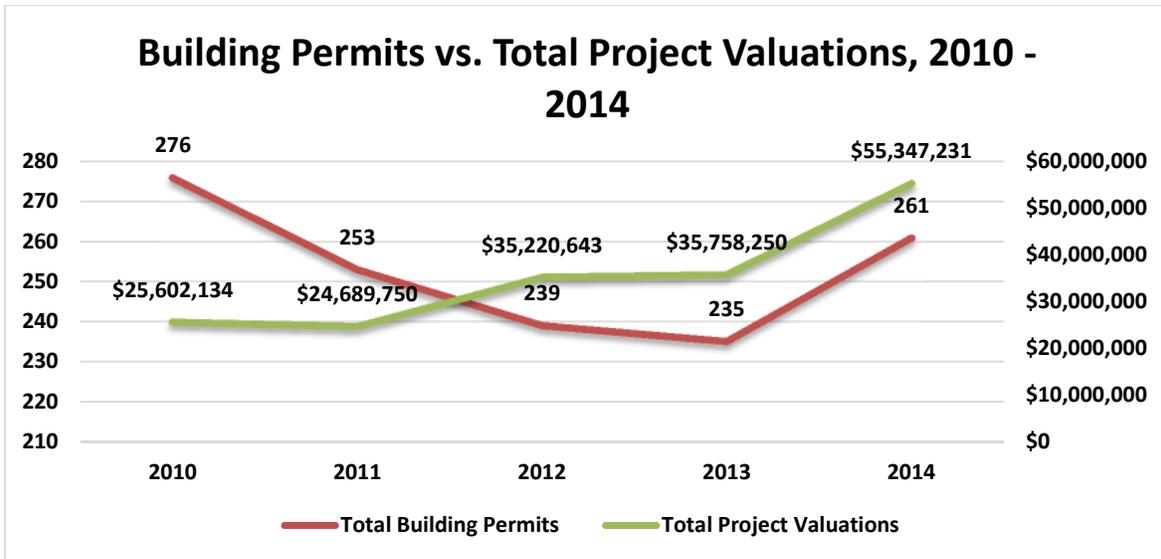


Figure 24: Building Permits vs. Total Project Valuations, 2010 - 2014

Most of the growth in permit valuations is related to additions and remodeling projects, as shown in the following figure.

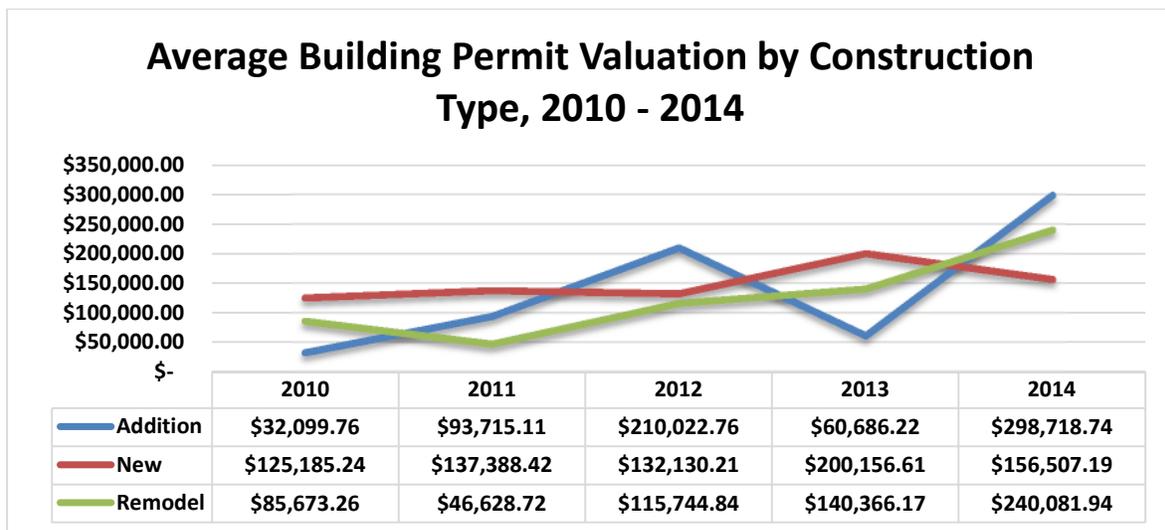


Figure 25: Average Building Permit Valuation by Construction Type, 2010 – 2014

The average value of building addition projects has increased over 800% since 2010, while remodel valuations have increased 180% over the same period. Average new construction valuations have increased 125% in comparison. This means that Hastings is experiencing considerably more investment related to existing structures (whether adding to them or remodeling them) than it was five years ago.

These increased valuations have resulted in increased permit revenue, as shown in the figure above. Most of the Department’s permit fee revenue over the last five years has come from

Building Permits, at approximately 56% of annual permit fee revenue on average. The following figure shows average revenues generated by permit type over the last five years.

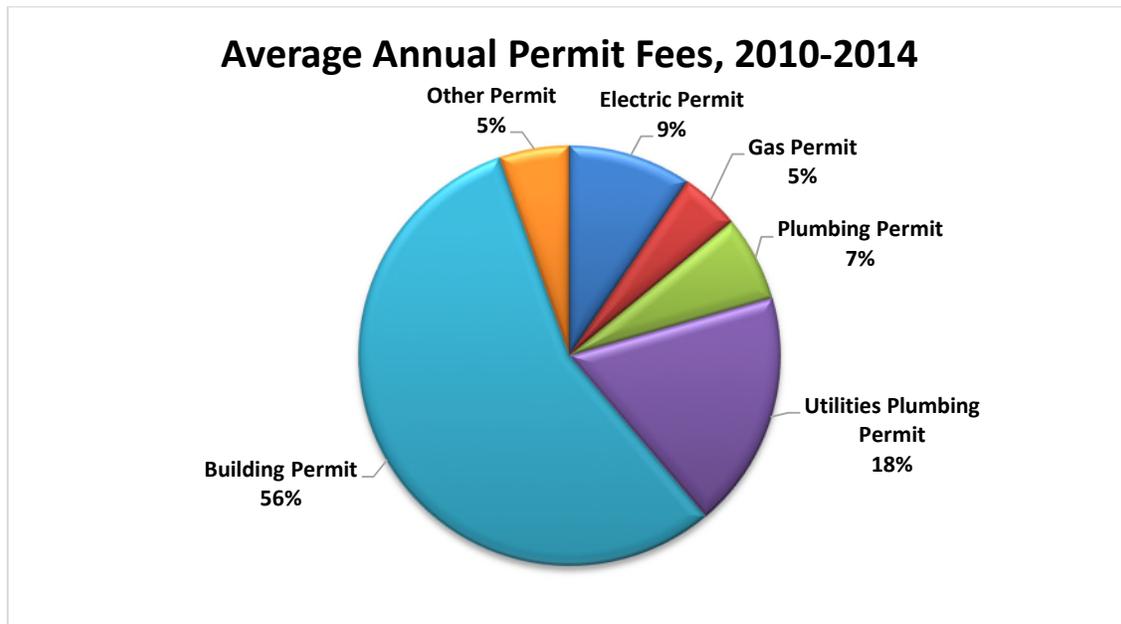


Figure 26: Average Annual Permit Fee Revenue, 2010 - 2014

While building permits account for a significant portion of the City's permit revenue, they represent a smaller fraction of overall permits issued. This discrepancy is attributable to the use of project valuations to determine building permit fees, as discussed in detail above.

While permit fee collections have increased approximately 73%, the number of overall permits issued has declined 7%, led chiefly by a reduction in roofing and electrical permits. A comparison of overall permits issued to permit fees generated is shown in the figure below.

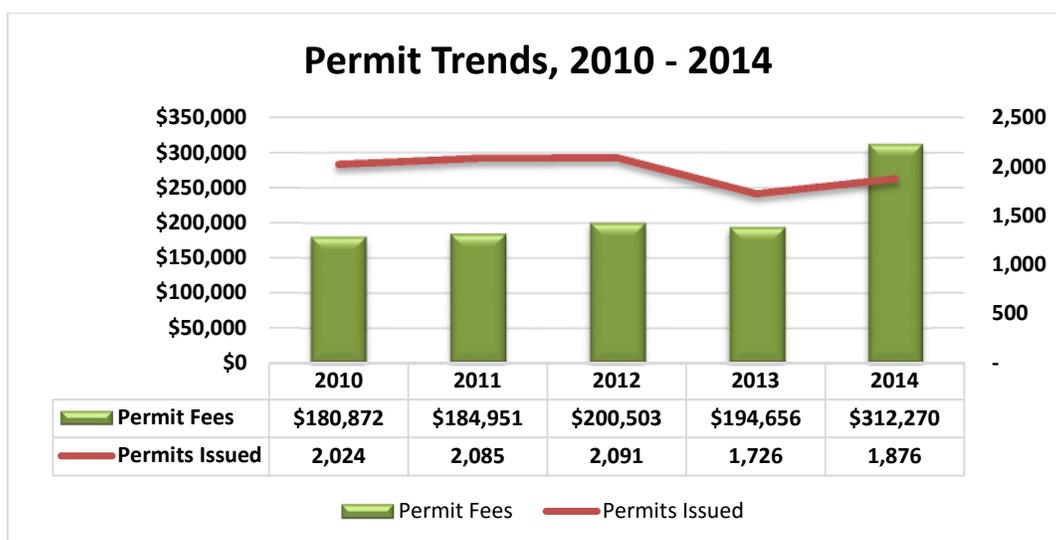


Figure 27: Permit Trends, 2010 - 2014

## Analysis and Recommendations – Development Services Department

The Development Services Department interacts with the public on a daily basis and provides quality services to the Hastings community. While the Department has experienced change over the past several years, the following recommendations are intended to help improve efficiency and performance given current staffing levels and functional responsibilities.

### Department Administration

#### **RECOMMENDATION 67: Fill the vacant Development Services Director position.**

As previously stated, the Department has relied on an interim Director (the City Administrator) for the past six years. While it is advisable and appropriate to employ an interim Director on a temporary basis, it is not recommended to continue the current interim leadership arrangement over the long term. The City Administrator is responsible for overseeing many departments and core functions of the City, and should not be expected to also coordinate the day-to-day affairs of an operating department.

The Department requires a supervisory position which can provide long term leadership, day-to-day management, coordinate the provision of its various services, and supervise the workload of its employees. According to the City's personnel schedule, the Development Services Director position is currently authorized but remains vacant. In order to meet the Department's management and supervisory needs, the City should fill this position.

The Development Services Director's key responsibilities should include managing individual workloads, coordinating long-range planning efforts, serving as a liaison to the Planning Commission, establishing annual departmental goals and performance measures, and prioritizing the Department's budgetary needs. When filling this position, the City should identify candidates with appropriate credentials, skills, and experience, and then assess workloads among staff to complement the specific strengths of the new Director. For example, it would be anticipated that the part-time Planner position would no longer be necessary as many of these duties would be assumed by the new Director.

Filling this vacant position will have several positive ramifications that extend beyond the Development Services Department. The Director will alleviate primary responsibility for the Department's activities from the City Administrator, enabling the Administrator to devote full concentration to overall City affairs, particularly many of the structural changes recommended in this report. Secondly, the Director will serve as a coordinating point for Department staff, organizing the Department and focusing it on achieving its functional responsibilities. Thirdly, the Director will be able to coordinate with other City departments regarding planning and development activities, particularly related to the City's comprehensive plan. The Director will also serve as a point of contact for members of the public and increase the Department's public visibility.

As identified in the latest salary schedule, the salary range for a Development Services Director is \$65,139.36 to \$89,947.52 annually, plus benefits. While this represents an ongoing additional expense, the Department and the City would be well-served by a Director who can maximize the operational efficiency of the City's existing resources.

## Inspections

### **RECOMMENDATION 68: Expand electronic data tracking related to permit and inspection activities.**

The Department currently utilizes two separate methods for scheduling inspections, depending on the type of inspection needed. The first process applies to building inspections, property maintenance inspections, real estate sales inspections, and final inspections (of all types), which are usually scheduled by the Permits Technician using Microsoft Outlook. The second process applies to trades inspections, such as rough-in inspections for gas, plumbing, and electrical work. For these inspections, customers usually contact Inspectors directly via cell phone to request an inspection, and inspections are generally accomplished the day they are requested.

Record-keeping processes are not uniform among all Inspectors, and Inspectors utilize a mix of electronic and paper processes. There is no centralized electronic system for tracking inspections activities. However, all Inspectors complete a uniform inspections report after each inspection, which the Permits Technician files with the appropriate permit in a master physical filing system.

As previously stated, the Permits Technician currently utilizes a custom-built Microsoft Access database for permit tracking. This database records the date a permit was issued, the type of permit, the project valuation, and the amount of fees collected with the permit. The existing system cannot currently link to external files, such as digital pictures, is not accessible from remote locations, and lacks the ability to notify staff if a permit is about to expire.

Each electronic permit record contains a text field for recording notes, which Inspectors will periodically update regarding inspections activity. However, this field is not able to be queried and data may be entered in a variety of formats, hindering rapid analysis of this data. Physical inspections reports are the only uniform inspections information that is captured, but these reports are filed individually with their corresponding permits in a physical filing system.

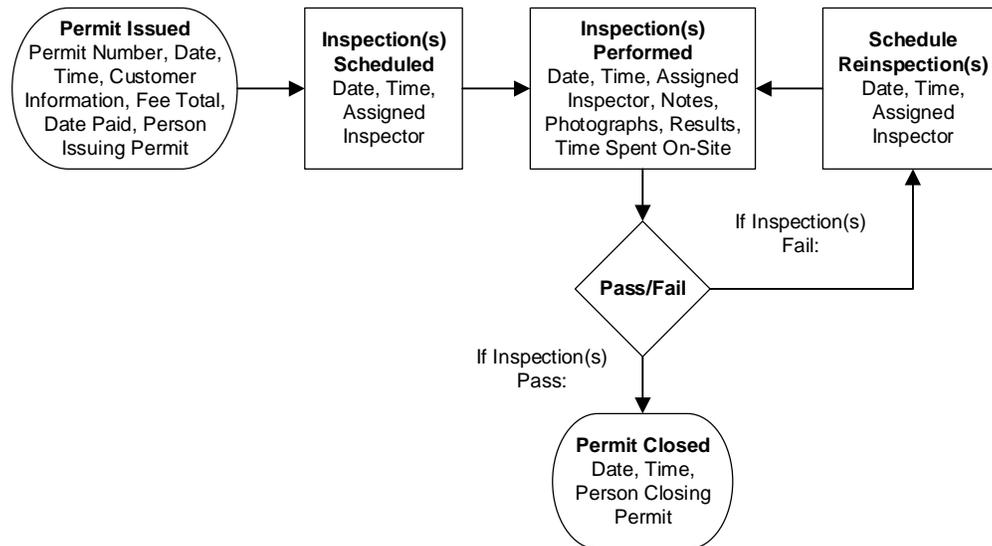
Because permit and inspections data is not centralized in an electronic database, it is currently impossible for the City to readily determine whether a permit is about to expire or has already lapsed, whether a permitted project is due for inspection, how many inspections have occurred for each permitted project, and what the general status of a permit or inspection is. Under the Department's current procedures, the City must determine answers to these questions on a permit-by-permit basis by pulling and comparing paper files.

A lack of uniform electronic tracking procedures creates opportunities for errors in the permitting and inspection process, and prevents the Department from acquiring valuable information about its actual workload and the effectiveness of its activities. In order to gain greater insights into development trends and improve its understanding of workload demands, Development Services should implement a uniform tracking procedure and electronic system for all permit and inspection activity. Because these processes are so closely related, the Department should utilize one electronic system accessible by each Inspector and the Permits Technician. Ideally, this system will provide staff with the ability to schedule inspections, update records in the field, associate pictures with permits and inspection reports, provide proactive reminders regarding permit deadlines and inspections activities, and run customized reports.

The International Code Council (ICC) identifies several basic components of a permit and inspections process, including application submittal, plan review, permit issuance, on-site inspections, and final project approval upon completion of construction. The Development

Services Department largely utilizes this process, but lacks the capability to electronically track and analyze work performed.

The following flowchart illustrates an example permitting and inspections process based on the ICC's process components. Each major step in the process is titled in bold, with information that should be collected and added to the electronic records system underneath the title.



**Figure 28: Permit and Inspections Process Example**

By tracking this data for each permit and inspection, the Department will ensure that all customers experience a uniform procedure, while simultaneously gathering data vital to determining the Department's current and future workload needs. Using this data, the Department will be able to more accurately assess which permits involve the most inspections, how long inspections activity usually takes, and how many personnel should be assigned to inspections based on their type.

Implementing a tracking procedure that meets these goals may require the purchase of external software or augmenting the existing Access database. If the City chooses to procure new software, it should issue an RFP to identify vendors and software packages that provide the best fit for the Department's staff and budget.

## Code Enforcement

### **RECOMMENDATION 69: Create a proactive property maintenance code enforcement program.**

Currently, Development Services has jurisdiction over property maintenance code enforcement cases involving structures and buildings, such as peeling paint, dilapidated structures, and work in progress without appropriate permits. In previous years, the Department coordinated property maintenance code enforcement for all violations, but in 2013 responsibilities for non-structural violations (such as tall grass and nuisance abatement) were delegated to the Police Department. The Building Inspector now has primary responsibility for conducting property maintenance inspections on deficient structures, and most cases are handled on a complaint basis.

Property maintenance code enforcement requires dedicated staff time and resources, whether the program is proactive or reactive. Proactive enforcement programs involve officer patrols and inspections on a regular basis to identify code violations. Any violations identified are typically brought to the property owner's attention to be rectified, such as through the issuance of a

courtesy letter informing the owner about the violation. Proactive programs have the advantage of catching violations early, preventing code issues from festering and becoming significant safety hazards.

Reactive programs rely on complaints from the public to identify code violations. Upon receiving a complaint, a code officer is dispatched to verify the complaint's accuracy. If the complaint is legitimate, the officer may issue a courtesy notice or ticket, depending on the violation and its severity. Development Services currently utilizes a reactive approach to structural code violations.

Because property maintenance inspection data is not readily available, it is difficult to estimate actual workload demands of existing property maintenance cases with accuracy. However, the Department should implement a proactive property maintenance code enforcement program that interfaces with other Departments to ensure property owners properly maintain and care for structures in the City.

For example, Recommendation 66 states that the Fire Department should conduct inspections of multi-family properties to check for sprinkler system compliance and for fire code violations in common areas of the building. A proactive structural code enforcement program would enable Development Services staff to accompany Fire personnel and inspect the same structures for violations that affect the life, health, and safety of the building's occupants, such as egress obstructions, inadequate lighting, water leaks, mold and other decay, and structural failures.

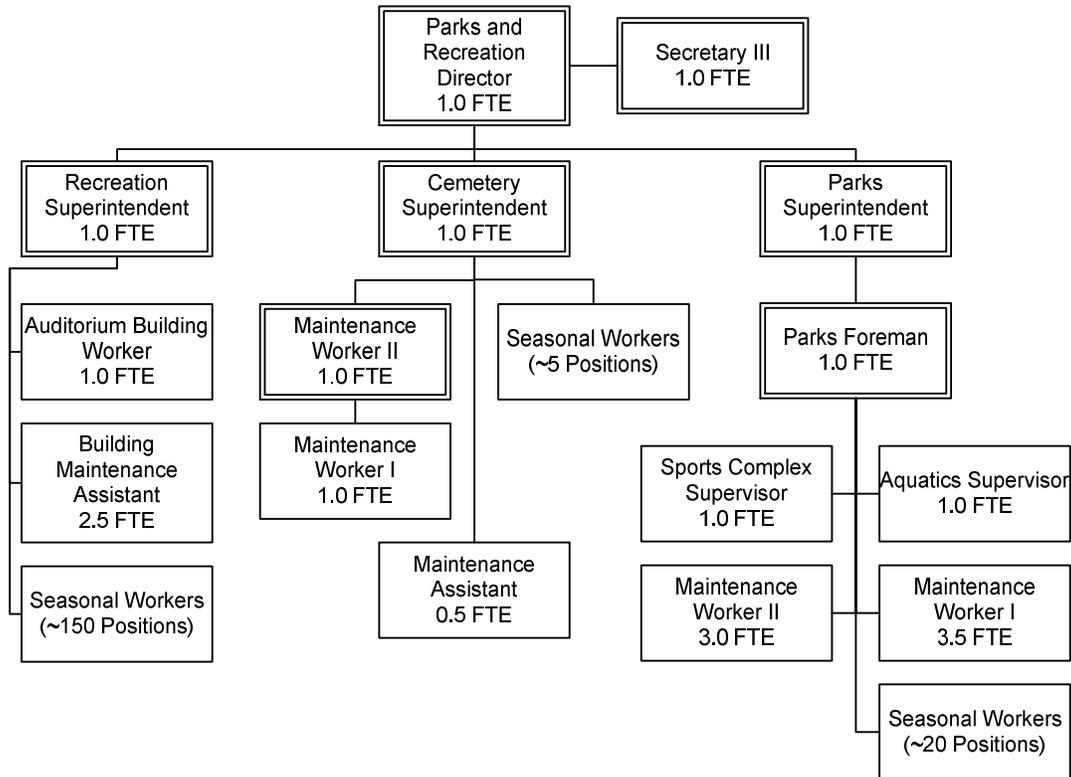
A proactive enforcement program has implications for violations in neighborhoods as well, and coordination with the Police Department will become more important in the event that Inspectors notice violations that fall within Police jurisdiction. Development Services already coordinates code enforcement activities with the Police Department through the City's Neighborhood Enforcement Action Team (NEAT) committee, which is comprised of departmental representatives and meets monthly to discuss cases and priorities. A Sergeant from the Police Department usually attends these committee meetings to represent Community Service Officers (CSOs) involved in non-structural property maintenance code cases. Development Services Inspectors should continue to use this committee to communicate regarding enforcement cases.

Development Services staff should also track property maintenance inspections data in an electronic system accessible to peers at the Fire and Police Departments. This data should include the location of the property inspected, the date it was inspected, any violations found, photographs of the violations, and dates the violation should be re-inspected.

Tracking property maintenance case information in conjunction with implementing Recommendations 67 (fill the vacant Development Services Director position) and 68 (electronic data tracking) may provide the Department with sufficient capacity to implement a proactive code enforcement program using existing staff. Each of these recommendations will enable the Department to reallocate some workload tasks among existing staff, and will allow the Department to more accurately assess the amount of workload property maintenance code enforcement represents.

## Parks and Recreation Department

The Parks and Recreation Department encompasses several functions which can be grouped into three broad areas: recreation, parks maintenance, and cemetery. These functions involve the provision of several services, including administering recreational programs, conducting special events, performing regular park maintenance, operating the City’s swimming pool complex (the AquaCourt) and the Smith Softball Complex, and coordinating cemetery services at Parkview and Mt. Sinai cemeteries. Total Department staffing is authorized at 20.5 FTEs, as illustrated in the following chart.



**Figure 29: Parks and Recreation Organizational Chart, FY2015**

Regular staff are heavily supplemented by approximately 175 seasonal workers, with the majority of these employees assisting at the AquaCourt and Smith Softball Complex. About 25 of these seasonal positions assist with cemetery and parks maintenance operations throughout the year, primarily with respect to mowing and trimming duties.

### Recreation

Recreation functions in Hastings primarily involve four main service areas described below. Three of these service areas center on major facilities, including the Hastings Auditorium, the AquaCourt, and the Smith Softball Complex. Other regular services include the provision of community programs and special events.

**Hastings Auditorium**—The Hastings Auditorium is a City-owned structure which was built in 1924. The Auditorium is primarily an event and gathering space, capable of seating 1,700 persons between a main floor and a balcony area. A warming kitchen, dressing rooms, and stage area enable the Auditorium to accommodate a wide variety of events, including weddings, conventions,

seminars, receptions, and theater productions. This facility hosts an average of 150 event rentals each year and may be rented for a daily flat fee of \$250 - \$500.

Staff support at this facility consists of a full-time Auditorium Building Worker and five part-time Building Maintenance Assistants. The Auditorium Building Worker performs maintenance and custodial activities and assists with setup, teardown, and staffing needs for Auditorium event rentals. Approximately 1/10<sup>th</sup> of this position's hours are also dedicated to performing maintenance and custodial activities at City Hall.

The part time Building Maintenance Assistants receive assignments from the Auditorium Building Worker. These positions primarily assist with event hosting and regular maintenance/custodial activities while events are in progress. Specific duties include: ensuring the event has access to the proper equipment; ensuring equipment is in working order; and performing custodial work during the event. Typically, one Building Maintenance Assistant is assigned to each event hosted at the Auditorium. All of these positions work primarily evening and weekend hours due to the nature of the Auditorium's workload.

**AquaCourt**—The AquaCourt is a water complex owned and operated by the City of Hastings. The facility is open seasonally from May through August and offers a variety of amenities, including zero-depth entry, a lazy river, a wave pool and interactive playground, several types of slides and diving boards, and concessions. The facility is open seven days a week during its operating season.

Staffing at this facility is almost entirely composed of seasonal employees. While the Recreation Superintendent is responsible for the facility's overall operations, the City employs four seasonal managers to oversee the AquaCourt on a daily basis. These managers work in three shifts throughout the day to prepare the facility for opening, coordinate operations, and close the facility in the evenings. All other staff at the facility, including lifeguards and customer service representatives, are employed seasonally.

The full-time Aquatics Supervisor (who reports to the Parks Superintendent) performs regular maintenance at the AquaCourt throughout the week, usually in the mornings. In the afternoons, this position joins Parks maintenance crews and attends to other maintenance duties. Specific AquaCourt maintenance includes winterizing the facility in the fall and preparing it for opening in the spring, along with general tasks such as painting, inspecting the facility, cleaning filters and pumps, and maintaining the facility for safe use. The Aquatics Supervisor, Recreation Superintendent, and pool managers all hold Certified Pool Operator (CPO) licenses. While regular weekday maintenance is performed by the Aquatics Supervisor, weekend maintenance is performed by the Recreation Superintendent.

**Smith Softball Complex**—While other City parks and amenities are owned and operated by the City of Hastings, the Smith Softball Complex is unique. The complex was constructed in 1994 under a partnership agreement between the City of Hastings and the Nebraska Softball Foundation (NSF). As part of this agreement, the City leased land to NSF for a period of 30 years and paid for utilities improvements to the site. The NSF agreed to construct the complex at its expense and retains ownership rights to constructed improvements, while the City agreed to maintain the new facility at its expense. This includes the provision of maintenance personnel, regular mowing and maintenance of athletic fields and common areas, cleaning restrooms, paying utilities costs, waste removal, and the purchase of supplies (excluding the concession areas, game rooms, and batting cages). The City supplies equipment needed to conduct maintenance activities, except for specialty equipment needed for infield maintenance.

The Recreation Superintendent is responsible for coordinating league activity, umpire training, and general operations at the Smith Softball Complex. This facility is also heavily dependent on seasonal staff for its operations, due to the large number of tournaments and events held in the summer months. For example, in 2015, this facility is expected to host 17 weekends, each with numerous events and tournaments between April and September, including softball camps, adult and youth tournaments, and league play of various kinds.

A seasonal Recreation Assistant helps to supervise league activity while games are in progress, devoting approximately 15 hours each week to this task, primarily in the evenings. An Intern also assists with site supervision duties some weeknights, and assists with other Parks and Recreation event planning during the day. This position works approximately 35 hours each week during the summer season.

A complex manager is also appointed by the City Administrator to manage operations and activities at the complex; this complex manager is subject to approval by the NSF. This role is typically filled by the Recreation Superintendent (regarding staffing for events and tournaments) and the Sports Complex Supervisor (regarding maintenance activities). These two positions closely coordinate daily activities at the Complex to ensure that fields are prepared and ready for play, and that tournaments are adequately staffed.

**Events and Programs**—The Department offers regular community events and programs, including approximately 22 youth programs, 15 adult programs, and six family programs each year. The program types include seasonal sports leagues, lessons, camps, and tournaments, along with annual events such as the Easter Egg Hunt, City-wide garage sale, and Holiday Lights Contest.

Administering these programs and services is the primary responsibility of the Recreation Superintendent. During the summer months, the Recreation Superintendent relies on seasonal staff to help plan, coordinate, and attend community events and programs. The Recreation Assistant and Intern will both assist in this capacity on days where they are not needed at the Smith Softball Complex.

### **Parks Maintenance**

Parks maintenance operations include regular upkeep of all Parks and Recreation facilities and equipment. This includes 24 public parks spanning 360 acres of land, 28 sprinkler systems, 23 ball fields and backstops, four soccer fields, 14 public restrooms, 17 playgrounds, six shelters, the AquaCourt, the Hastings Community Center, and related park amenities such as picnic tables and benches. Parks employees devote significant time to seasonal activities such as tree trimming, mowing, sodding, planting, and snow plowing.

The AquaCourt, Smith Softball Complex, and Duncan Field demand significant maintenance oversight during the spring and summer months. These locations require daily specialized maintenance work, such as preparing softball and baseball fields and painting soccer fields. Attending to these facilities while also performing regular park maintenance activities, such as tree trimming, structural maintenance, equipment maintenance, and maintaining park amenities, requires a significant investment of staff resources.

Consequently, Parks personnel rely heavily on the assistance of seasonal employees and crews to accomplish maintenance activities. Approximately 20 seasonal workers are hired each year to assist with regular mowing and general maintenance tasks, as well as maintenance work at the Smith Softball Complex.

## Cemetery

Cemetery operations include regular maintenance and care for two City-owned cemeteries: Parkview and Mt. Sinai. Both cemeteries are active and contain over 10,000 available grave sites collectively. The Cemetery Superintendent is primarily responsible for running the Cemetery office, maintaining records, and customer service. The Maintenance Workers perform seasonal activities such as mowing, sodding, trimming, and grave preparation.

## Revenue and Expenditures

The Parks and Recreation Department receives revenue from a variety of sources, but the Department's operations are primarily funded with revenues from the General Fund. The following table summarizes actual revenues related specifically to Parks and Recreation activities over the last five fiscal periods.

**Table 31: Parks and Recreation Actual Revenues, FY2010 – FY2014**

Revenue Category	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>General Fund</b>						
Parks Rental Income	\$15,890	\$20,400	\$21,933	\$20,630	\$28,850	82%
Auditorium Rent	\$27,515	\$31,025	\$33,950	\$34,325	\$40,375	47%
AquaCourt Admission	\$150,995	\$142,690	\$156,094	\$111,994	\$124,513	-18%
Pool passes	\$94,015	\$97,623	\$93,544	\$91,080	\$90,501	-4%
AquaCourt Concessions	\$70,003	\$69,230	\$75,988	\$60,130	\$70,886	1%
Swim Lessons	\$7,953	\$8,405	\$8,377	\$6,708	\$8,350	5%
Pool Facility Rentals	\$5,995	\$3,590	\$3,267	\$3,688	\$2,253	-62%
Pool Merchandise	\$1,391	\$1,581	\$2,184	\$1,447	\$1,744	25%
Program Fees-Adult	\$39,142	\$21,887	\$31,311	\$31,317	\$27,287	-30%
Program Fees-Special Events	\$4,512	\$6,575	\$2,755	\$4,014	\$4,290	-5%
Program Fees-Youth/Teen	\$27,511	\$36,138	\$28,054	\$23,339	\$29,800	8%
Recreation Grants	\$341	\$223	\$552	\$0	\$0	-100%
NSA Reimbursement	\$14,380	\$14,451	\$14,893	\$12,801	\$12,884	-10%
Recreation Other	\$0	\$4,219	\$5,029	\$7,073	\$8,446	-
Pool Scholarships	\$900	\$1,000	\$0	\$0	\$0	-100%
<b>General Fund Subtotal</b>	<b>\$460,542</b>	<b>\$459,036</b>	<b>\$477,932</b>	<b>\$408,545</b>	<b>\$450,178</b>	<b>-2%</b>
<b>Parks Grant Fund</b>						
Investment Interest	\$420	\$184	\$68	\$49	\$28	-93%
Contributions from Private Sources	\$30,954	\$75,726	\$43,875	\$59,247	\$9,002	-71%
LBNRD Shelters	\$0	\$17,300	\$0	\$0	\$0	-
<b>Parks Grant Fund Subtotal</b>	<b>\$31,374</b>	<b>\$93,210</b>	<b>\$43,942</b>	<b>\$59,296</b>	<b>\$9,030</b>	<b>-71%</b>
<b>Duncan/Park Sales Tax Fund</b>						
Sales Tax	\$0	\$145,017	\$465,381	\$491,159	\$489,350	-
Investment Interest	\$0	\$33	\$182	\$280	\$224	-

Revenue Category	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Contributions from Private Sources	\$0	\$0	\$5,000	\$2,625	\$234,603	-
<b>Duncan/Park Sales Tax Fund Subtotal</b>	<b>\$0</b>	<b>\$145,050</b>	<b>\$470,563</b>	<b>\$494,064</b>	<b>\$724,177</b>	<b>-</b>
<b>Aquatics Center Fund</b>						
Investment Interest	\$48,777	\$22,475	\$13,569	\$13,525	\$13,513	-72%
<b>Aquatics Center Fund Subtotal</b>	<b>\$48,777</b>	<b>\$22,475</b>	<b>\$13,569</b>	<b>\$13,525</b>	<b>\$13,513</b>	<b>-72%</b>
<b>Cemetery Perpetual Care Fund</b>						
Investment Interest	\$1,8214	\$878	\$845	\$841	\$838	-54%
Columbarium Niche Sales	\$8,900	\$2,800	\$1,250	\$5,075	\$1,750	-80%
<b>Cemetery Perpetual Care Fund Subtotal</b>	<b>\$10,721</b>	<b>\$3,678</b>	<b>\$2,095</b>	<b>\$5,916</b>	<b>\$2,588</b>	<b>-76%</b>
<b>Parks and Recreation Total Revenue</b>	<b>\$551,416</b>	<b>\$723,448</b>	<b>\$1,008,101</b>	<b>\$981,345</b>	<b>\$1,199,486</b>	<b>118%</b>

In the table above, General Fund revenues show only line items specific to Parks and Recreation activities. Other revenues, such as general tax revenue not specifically allocated to Parks and Recreation, may be used to support the Department and are not reflected above.

The Parks Grant Fund and Parks Sales Tax Fund are special revenue funds. The Parks Grant Fund receives revenue from private sources and fundraising efforts, while the Duncan/Parks Sales Tax Fund receives proceeds from a ½ cent sales tax passed by Hastings voters in 2010. This sales tax is dedicated to the revitalization of Duncan Field.

The Aquatics Center Fund and Cemetery Perpetual Care fund are expendable trust funds, meaning their principal and investment income may be expended. These funds are primarily used to collect investment interest (which has declined in recent years), as well as revenue from sales of columbarium niches in the City's cemetery facilities.

Over the past five fiscal periods, these revenue sources have increased 118% overall. While the Department has seen gains in Parks and Auditorium rental income, the approval of the ½ cent Park Sales Tax is responsible for the bulk of this revenue growth.

With respect to expenditures, the City budget organizes Parks and Recreation into six separate categories: Auditorium, Cemetery, Parks, Parks Achieve Program, Water Park, and Recreation Programming. A summary of actual expenditures from FY2010 to FY2014 is in the following table.

**Table 32: Parks and Recreation Actual Expenses, FY2010 – FY2014**

Expenditure Category	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Auditorium</b>						
Personal	\$64,932	\$70,546	\$69,955	\$71,572	\$75,823	17%
Contractual Services	\$42,589	\$40,842	\$36,566	\$43,085	\$46,602	9%
Commodities	\$6,053	\$6,020	\$7,621	\$5,492	\$6,650	10%
<b>Auditorium Subtotal</b>	<b>\$113,574</b>	<b>\$117,408</b>	<b>\$114,143</b>	<b>\$120,149</b>	<b>\$129,075</b>	<b>14%</b>
<b>Cemetery</b>						
Personal	\$235,724	\$237,515	\$222,041	\$194,360	\$201,415	-15%
Contractual Services	\$22,678	\$20,945	\$26,871	\$28,632	\$25,091	11%
Commodities	\$25,501	\$28,876	\$27,652	\$31,661	\$31,775	25%
Capital outlay	\$0	\$7,368	\$6,331	\$1,229	\$8,336	-
<b>Cemetery Subtotal</b>	<b>\$283,904</b>	<b>\$294,704</b>	<b>\$282,894</b>	<b>\$255,882</b>	<b>\$266,616</b>	<b>-6%</b>
<b>Parks</b>						
Personal	\$873,981	\$830,269	\$807,954	\$838,115	\$908,244	4%
Contractual Services	\$187,834	\$178,239	\$239,709	\$216,358	\$211,017	12%
Commodities	\$178,785	\$129,996	\$115,571	\$131,835	\$140,414	-21%
Capital outlay	\$4,915	\$60,303	\$2,516	\$87,328	\$10,193	107%
<b>Parks Subtotal</b>	<b>\$1,245,514</b>	<b>\$1,198,806</b>	<b>\$1,165,751</b>	<b>\$1,273,636</b>	<b>\$1,269,868</b>	<b>2%</b>
<b>Parks Achieve Program</b>						
Contractual Services	\$0	\$9,145	\$5,544	\$7,006	\$0	-
<b>Parks Achieve Subtotal</b>	<b>\$0</b>	<b>\$9,145</b>	<b>\$5,544</b>	<b>\$7,006</b>	<b>\$0</b>	<b>-</b>
<b>Water Park</b>						
Personal	\$182,026	\$171,056	\$184,608	\$150,617	\$168,770	-7%
Contractual Services	\$45,518	\$53,888	\$46,118	\$46,018	\$60,714	33%
Commodities	\$64,597	\$69,516	\$83,066	\$64,791	\$64,700	0%
<b>Water Park Subtotal</b>	<b>\$292,141</b>	<b>\$294,460</b>	<b>\$313,792</b>	<b>\$261,426</b>	<b>\$294,184</b>	<b>1%</b>
<b>Recreation Programming</b>						
Personal	\$28,686	\$28,867	\$30,124	\$25,990	\$29,457	3%
Contractual Services	\$47,208	\$37,163	\$37,110	\$57,181	\$61,316	30%
Commodities	\$17,592	\$16,968	\$14,600	\$26,553	\$19,851	13%
<b>Recreation Programming Subtotal</b>	<b>\$93,486</b>	<b>\$82,998</b>	<b>\$81,835</b>	<b>\$109,725</b>	<b>\$110,624</b>	<b>18%</b>
<b>Parks and Recreation Total Expenditures</b>	<b>\$2,028,620</b>	<b>\$1,997,521</b>	<b>\$1,963,959</b>	<b>\$2,027,823</b>	<b>\$2,070,367</b>	<b>2%</b>

Department expenditures are essentially flat when comparing FY2014 to FY2010. On the whole, spending on Commodities has declined 10%, while Contractual Services have increased 17%. Periodic expenses in Capital Outlay, particularly for Parks equipment, are particularly noticeable in FY2011 and FY2013. These capital expenditures were allocated for infrastructure improvements.

## Analysis and Recommendations – Parks and Recreation Department

Parks and Recreation serves a variety of community needs across several functional service areas. The following recommendations are intended to help the Department more fully grasp the scope of its service delivery obligations and deploy existing resources more effectively.

### Maintenance

#### **RECOMMENDATION 70: Establish formal service delivery standards.**

Maintenance workers across the Parks and Recreation Department engage in regular maintenance activities at City parks and facilities. The following table displays a list of major activities conducted by the maintenance employees each year:

**Table 33: Parks and Recreation Annual Maintenance Activities**

Seasonal Activities	
Winter	Assist with snow removal (parks, trails, and streets)
	Clean and paint restrooms
	Engage in remodeling projects
	Perform fleet and equipment maintenance
	Provide tree and stump removal as needed
	Repair picnic tables and benches
Spring	Identify and repair any broken/vandalized items at park facilities
	Inspect and repair playgrounds
	Maintain lawns and fields (aerate, overseed, sod, spray, fertilize)
	Mow and weed whip
	Paint and clean wading pools
	Plant flower beds and shrubs
	Prepare and maintain ballfields and soccer fields
	Prepare AquaCourt for opening
	Repair and arrange restrooms and irrigation systems
	Repair fences
	Trim trees
Summer	Apply insecticides
	Chip playgrounds
	Inspect and maintain tennis courts
	Maintain AquaCourt, splash pad, wading pools
	Mow and weed whip
	Mulch and trim trees
Fall	Plant and maintain flower beds and shrubs
	Aerate lawns and fields

Seasonal Activities	
	Paint soccer fields
	Prepare and maintain Duncan football field
	Winterize restrooms, AquaCourt, splash pad, and irrigation systems

The Parks Superintendent and Parks Foreman refer to this list to compile spreadsheets with major annual tasks to be completed, and further divide work into weekly task lists. While these task lists provide a solid foundation for approaching the workload of Parks maintenance employees, the Department does not rely on formal, written standards to target an acceptable quality of work and prioritize maintenance tasks.

Parks, facilities, and grounds are utilized at different rates and require different levels of maintenance. Service delivery standards allow the City to prioritize where work occurs and establish quality targets for each park asset. The Commission for Accreditation of Park and Recreation Agencies (CAPRA) publishes national accreditation standards which provide excellent guidance on maintenance standards and implementation practices. CAPRA standards and other internal goals can be used to set service priorities for various parks maintenance tasks.

The Department should establish a set of formal service delivery goals based on the CAPRA 7.5 Maintenance and Operations Management Standard. This standard provides that:

The agency shall have established maintenance and operations standards that are reviewed periodically for management of all park and recreation areas and facilities, including specialty facilities such as marinas, ice rinks, golf courses, zoological facilities, equestrian facilities, aquatic or athletic facilities, nature centers, where applicable. Parks, facilities and other recreational elements should be identified according to the intended use of the area, ranging from heavily used and high developed areas to those that are lightly used and less developed via a park classification or maintenance classification system. Each of these areas should be assigned an appropriate set of maintenance standards including both recommended frequency and acceptable quality.<sup>39</sup>

To accomplish this, the Department should identify appropriate quality standards for each asset, including the AquaCourt, Smith Softball Complex, cemeteries, Duncan Field, and other parks, facilities, and fields. These quality standards should reflect usage patterns and community expectations about how the asset should look and operate. The Department's current annual task list should be expanded, and specific maintenance tasks should be assigned to each asset according to the asset's quality standard.

Communities that adopt CAPRA standards and parks maintenance best practices typically group tasks into checklists for each park, facility, or asset which requires maintenance. When work is performed, maintenance crews complete each checklist task and record the time spent performing each activity. The table below provides an example checklist that may be utilized for soccer field maintenance, based on CAPRA recommendations.

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<sup>39</sup>CAPRA 2014 Standards.

[http://www.nrpa.org/uploadedFiles/nrpa.org/Professional\\_Development/Accreditation/CAPRA/CAPRA%20-%202014%20Standards%20-%205th%20Edition\\_04-03-14.pdf](http://www.nrpa.org/uploadedFiles/nrpa.org/Professional_Development/Accreditation/CAPRA/CAPRA%20-%202014%20Standards%20-%205th%20Edition_04-03-14.pdf)

**Table 34: Example Soccer Field Maintenance Checklist**

Location	Mow	Paint Lines	Set Goals	Miscellaneous (Write in Activity)	Total Time Spent
Soccer Field 1	1 hour	30 Minutes	15 Minutes	Not Applicable	1:45

Using checklists to organize maintenance tasks will allow the Department to more closely define maintenance procedures and determine appropriate staffing levels for achieving service standards.

Service standards are also important for large-scale activities, such as mowing. Different crews are currently assigned to mow the ballfields, cemeteries, Duncan Field, park land, and the Smith Softball Complex. Defining service level standards for each asset which requires mowing will help the Department efficiently deploy mowing crews to provide services that meet the public's expectations.

By defining quality goals using service standards, the Department will be able to create task outlines and checklists that serve as a basis for developing work plans for each maintenance activity. These service standards will also provide a reference point to assess the appropriateness of staffing levels. If the Department is unable to achieve its maintenance standards, it can implement changes to address deficiencies (such as hiring more staff or reallocating responsibilities).

**RECOMMENDATION 71: Begin tracking Parks maintenance activities and workload.**

The Department does not presently track specific hours dedicated to maintenance activities. Currently, work is allocated among staff based on a historical understanding of the intensity of each activity and past staffing allocations.

In order to ensure that the Department is appropriately staffed to achieve its service levels, it is critical that employees track and log the time spent performing maintenance activities. As a best practice, maintenance checklists for each service area should include a column or location where employees can record the amount of time spent accomplishing each task, or the time a task was begun and the time it was completed. Gathering this data in a format that is easy to manipulate, such as a spreadsheet program or a work management system, will allow the Department to easily assess the effectiveness of its current practices.

Utilizing task time information, the Department will be able to determine which tasks take the most time for individual workers. This data helps to inform decisions about how many crew members to assign to particular activities. Large-scale activities, such as mowing, are a good example of how tracking time can help the Department achieve service standards.

Under the present crew configuration, the Department currently mows all parks and cemeteries once weekly during the spring and summer seasons, and mows Duncan Field and the Softball Complex three times each week. Typically these workers will alternate mowing and trimming days, and occasionally rotate off of mowing crews to perform other tasks. Hastings Parks and Recreation does not currently track actual time spent on mowing and trimming activities, but they provided estimates as shown in the following table.

**Table 35: Weekly Mowing Workload Estimate, 2015**

Location	Crew Assigned	Estimated Mowing Time (Hours)	Number of Times Mowed per Week	Total Weekly Crew Mowing Hours
Ballfields	1	32	1	32
Cemetery	5	40	1	200
Duncan Field	1	8	3	24
Park Land	5	20	1	100
Smith Complex	1	12	3	36
<b>Total</b>	<b>13</b>	<b>112</b>	<b>9</b>	<b>392</b>

Using these estimates, the Department is able to complete approximately nine mowing activities each week across all of its service areas, and these activities consume about 392 personnel hours. Cemeteries and park land demand the most hours each week.

Refining these estimates through regular data collection will help the Department determine whether crew staffing is appropriate for each mowing activity. For example, if service level standards at ballfields are higher than those in parks, the Department may wish to allocate more staff to ballfields to increase mowing frequency. Gathering detailed information about the time required to accomplish mowing tasks and other maintenance tasks gives the Department insights into the staffing ramifications of adjusting crew sizes.

Task time data should be as accurate as possible and collected in a format that is easy to manipulate, such as on a spreadsheet or through a work order system. Once this data has been gathered, the Department should review it to determine whether some tasks are over- or under-staffed and adjust crews accordingly, and in light of service level requirements.

**RECOMMENDATION 72: Utilize the recommended General Services Department for fleet and facility maintenance.**

Parks and Recreation staff currently engage in a variety of routine fleet, equipment, and facility maintenance practices. These activities generally involve buildings and equipment specific to Parks and Recreation, although Parks staff also perform maintenance activities at other facilities including City Hall, the Library, and the Museum. Specific tasks include general tools, equipment, and vehicle repair, maintaining electrical and plumbing fixtures, hanging banners, performing building projects such as wall tear-outs, painting, light construction work, soffit and roof maintenance, and other general projects. If repairs involve significant work or require specialized expertise, the Department will utilize an outside contractor to perform repairs and maintenance. This practice consumes valuable staff time and pulls crew members away from other time-intensive tasks, such as mowing.

While utilizing Parks staff to assist with maintenance activities in various areas is commendable, the Department should rely on the General Services Department discussed in Recommendation 27 for vehicle maintenance and certain facilities maintenance tasks. This will preserve staff's ability to attend to other pressing tasks and create additional capacity for several Parks and Recreation personnel, including the Maintenance Worker I at the cemetery and several Maintenance Workers in the Parks division. Parks staff should make repairs to their own smaller equipment and vehicles as a last resort, if the General Services Division is incapable of addressing their needs in a timely manner.

In the absence of a General Services Department, the Parks and Recreation Department should begin tracking staff time devoted to maintenance. This time should be tracked in a similar manner to time tracked as outlined in the previous recommendation, and also include data about the item or facility being repaired, the costs of parts and supplies necessary to effect the repair, and the total time involved in the repair activity.

Using this information, the Department can then compute the actual cost of conducting maintenance activities in-house, both in terms of the costs of supplies and in the total cost of staff time devoted to those repairs. This data will also help inform decision-making with respect to capital equipment purchases and replacement timelines.

If the cost of providing fleet and facilities maintenance in-house is significant, the Parks and Recreation Department should explore ways to combine maintenance services with another City department or issue an RFP for fleet and/or facilities maintenance. An RFP process will help the City determine the market value of these services, and could result in a cost savings depending on private sector responses to the City's needs.

**RECOMMENDATION 73: Develop an equipment replacement program for all Parks and Recreation vehicles, equipment, and large tools.**

Parks and Recreation has historically relied on maintaining existing capital equipment or purchasing used, discounted equipment to perform maintenance activities. According to the Department's current vehicle and equipment list, only four items are model year 2010 or later: a mower, two tractor implements, and a Toro topdresser. The following table provides an overview of the Department's vehicles and equipment, the age of the oldest and newest pieces of equipment, and the average age of equipment:

**Table 36: Weekly Mowing Workload Estimate, 2015**

Equipment	Number of Items	Oldest Model Year	Newest Model Year	Average Equipment Age (Years)
Miscellaneous	18	1977	2010	22.5
Mowers	9	1993	2012	11.33
Push Mowers	3	1992	2006	14.33
Tractors	4	1978	2007	24
Tractor Implements	18	1978	2012	23.2
Vehicles	23	1972	2009	19.70

In the table above, the Miscellaneous category contains tools and equipment that do not fit into the other listed categories, such as a Ditch Witch, tree removal equipment, a skid loader, and attachments for the skid loader.

Most of the Department's equipment is considerably old, and the average age of equipment in all categories exceeds 10 years. This is problematic on several fronts. Older equipment is generally less efficient, less reliable, and requires more maintenance and service time. Each time a piece of equipment or a vehicle breaks down, it must be taken out of service and repaired. Time spent repairing equipment detracts from available staff time in the field and prevents staff from performing park maintenance functions.

In order to modernize its current inventory, it is recommended that the Department develop appropriate replacement standards for all vehicles and equipment. These standards should be based on metrics such as age, hours of operation, mileage, annual maintenance costs, downtime, or other quantifiable indicators of use and lifespan. While some of this information is currently tracked, such as hours of operation for certain types of equipment, the information is not universally recorded in the Department's existing inventory. By implementing Recommendation 71: Begin tracking Parks maintenance activities and workload, the Department will be able to determine the hours and costs of maintenance practices with greater accuracy. This information should be used to help determine whether vehicles and equipment meet or exceed replacement standards. Vehicles eligible for replacement should be included in the City's CIP as described in Recommendation 20.

In addition to relying on the CIP for vehicle replacement purposes, the Department should create a separate replacement plan for less expensive equipment. This plan should describe the current state of the Department's equipment according to its replacement metrics, and outline a replacement plan spanning at least five years. As part of its annual budget process, the Department should identify the amount of money needed to continue replacing outdated equipment according to its plan.

Newer vehicles and equipment are generally more efficient, more reliable, and allow staff to accomplish work with greater speed and efficiency. By creating specific replacement standards, applying these standards to current vehicles and equipment, and budgeting for replacements, the Department will begin to replace its aging vehicles and equipment with newer models which improve staff capacity and performance.

## **Recreation**

### **RECOMMENDATION 74: Convert the seasonal Recreation Assistant to a full-time position.**

As previously stated, the Recreation Superintendent relies heavily on a seasonal Recreation Assistant to help coordinate operations at the Smith Softball Complex during the spring and summer months. This position staffs the Softball Complex on off-hours, usually every other evening and on weekends, and averages approximately 10-15 hours each week. This position is complemented by a seasonal Intern who assists with oversight at the Complex, working as site supervisor in the evenings. The Intern usually works 35 hour weeks, also assisting with other recreation-related tasks such as planning and coordinating special events and programs.

A seasonal staffing arrangement also exists at the AquaCourt, which utilizes four seasonal managers who oversee operations, train lifeguards, schedule staff, and manage concessions. These managers report directly to the Recreation Superintendent and work in shifts. These personnel must also work closely with the Aquatics Supervisor, who manages pool maintenance during the summer months and operates with other Parks maintenance crews when the AquaCourt is closed.

In addition to supervising these operations, the Recreation Superintendent is also responsible for coordinating event bookings and activities at the Hastings Auditorium and planning, organizing, and carrying out the Department's 43 annual programs and events, as discussed previously. During the spring, summer, and fall months, the Recreation Supervisor is responsible for administering all of these responsibilities simultaneously. While the presence of seasonal managers is helpful, it is not reasonable to assign such intensive tasks to one staff person without additional full-time assistance.

In order to create additional workload capacity for the Recreation Superintendent, the Recreation Assistant position should be converted from part-time to full-time. This position should be responsible for operations at the Smith Softball Complex and planning, coordinating, and managing special events. Because the workload of this position will primarily be concentrated in managing and attending after-hours activities, including evening/weekend league events and special programs, the Recreation Assistant should be scheduled to meet demand for these activities. This will necessarily involve duty hours that differ from a typical 8:00am – 5:00pm schedule, but provide sufficient overlap for dedicated office time as well as time in the field.

A flexible schedule arrangement would be particularly useful for this position, and should be designed so that the Recreation Assistant is able to work odd hours and weekends without incurring overtime. During off-season winter months, this employee's schedule could revert to a more typical 8:00am – 5:00pm arrangement, since there will be less community demand for after-hours activities.

Converting this position from part-time to full-time will provide additional capacity for the Recreation Superintendent to oversee other aspects of Recreation service, such as Auditorium activities, AquaCourt operations, strategic planning, and pursuing collaborative opportunities with other departments. The Recreation Assistant is currently paid at \$9.00 per hour, and averages approximately 720 hours throughout the year. Holding the hourly pay rate at \$9.00 but increasing the annual workload to 2,080 hours (full-time) will result in total estimated compensation of \$25,500 per year, including estimated benefits. This is approximately \$18,800 more than the current Recreation Assistant position, but will bring significant opportunities to the department.

**RECOMMENDATION 75: Establish formal cost recovery goals for Recreation programs.**

For every program offered by the Parks and Recreation Department, Recreation staff complete a profit and loss report which indicates the total costs of providing the program, total program revenues, and the net revenues brought in by the program. This practice is commendable, and provides the Department with valuable information about the costs of the services it provides to the public. However, this data is tracked using a variety of methods, including via physical paper sheets and electronic spreadsheets. In order to more accurately determine cost recovery trends among programs, the Department should track program, attendance, expenditure, and revenue data in an easy to manipulate format, such as via a spreadsheet or database system.

While the Department strives to cover the costs of all programs, it does not adhere to a formal cost recovery policy to evaluate program effectiveness or fee structures. The advantage of formalizing cost recovery policies is that it allows the Department to operate with known, acceptable limits for subsidizing programs. As a best practice, communities that formalize their cost recovery goals typically create subsidy categories, and assign each program a category based on its perceived value to the community. For example, Boise, Idaho breaks cost recovery goals into the following tiers:

- Full Direct Cost Recovery = 90-100%
  - Adult classes
  - Adult team sports
  - Indoor facility rentals
  - Idaho IceWorld
  - Warm Springs Golf Course
  - Adult sports field rental and preparation

- Mid-Range Direct Cost Recovery = 40-89%
  - Cemetery
  - Day care services
  - Junior golf
  - Learn-to-skate
  - Outdoor facility reservations
  - Swim team
  - Youth classes and camps
  - Zoo Boise
  - Youth sports field rental and preparation
  
- Low-Range Direct Cost Recovery = 0-39%
  - Youth outreach
  - Youth sports and fitness
  - Teen services
  - Senior services
  - Community forestry education and reforestation
  - Accessibility and recreation adaptive services
  - Outdoor pool admissions
  - Environmental education classes
  - Directive programs from the Mayor and City Council, the Mayor's Council on Children and Youth, and the City Strategic Plan objectives (i.e., serving youth and youth in need, addressing community gaps in service in geographic areas of need)<sup>40</sup>

Utilizing a tiered approach allows the Department to price programs based on the expectations of the City Council. Where the Council is willing to subsidize some programs and activities, the City can adjust prices so they are lower for the community. Prices should remain higher and strive to cover 100% of costs for programs the Council is unwilling to subsidize.

As part of implementing cost recovery goals, the City should implement non-resident user fees to help recover costs. Parks and Recreation programs are largely funded out of the City's General Fund, meaning Hastings taxpayers have already contributed to the programs by paying their City taxes. Users who attend programs from outside of Hastings have not already made such a contribution. Implementing non-resident fees helps to more equitably distribute the costs of these programs across users and acknowledges the role Hastings residents play by paying their taxes.

In order to implement these cost-recovery goals, the Parks and Recreation Department should work closely with the City Administrator, Mayor, and City Council to identify current programs and subsidy targets for each program. This should include annual special events, such as the summer concert series, along with other services, including the AquaCourt, Auditorium, and Softball Complex.

After each program and service has been assigned an acceptable subsidy ratio, the Department should ensure that profit, loss, and other usage data about each program is being collected in a timely and accessible manner. Current profit and loss reports are a mixture of hand-written and typed information. Utilizing a system that digitizes this information and allows easy comparisons by program, type, attendance, year, and facility will help the Department compare activities across several different indicators and inform decisions regarding program performance and fees.

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<sup>40</sup> City of Boise, "Fees and Charges Policy Final Revision"

## Hastings Public Library

The Hastings Public Library was established in 1904 by the City of Hastings. The Library functions as a department of the City and is funded primarily by a dedicated property tax and the City's General Fund.

In Nebraska, cities of the first class (such as Hastings) may organize a public library using either an administrative board or advisory board structure. These boards are largely distinguished based on their executive powers: administrative boards oversee the library's operations and appoint a Librarian or Library Director, who serves at the pleasure of the board. Advisory boards do not have this authority. Both board types may participate in other library-related activities, such as strategic planning and community engagement, but an advisory board does not exercise binding authority over the library's operations.

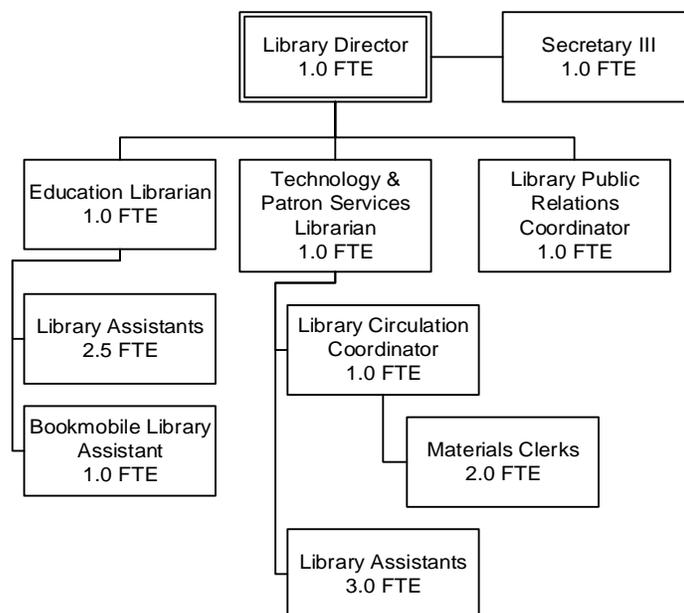
In Hastings, the Library Board is an administrative board, and thus exercises supervisory authority over the Library Director and the library's operations, including the authority to hire and dismiss the Library Director. The Hastings Library Board consists of seven members elected to four-year terms by the City Council. The Board maintains two standing committees: a Personnel Committee which conducts the annual review of the Library Director, and a Policy Committee which reviews policies and bylaws on an annual basis. Each year, the Board meets approximately 16 times and is staffed by the Library Director.

The Board also participates in a Library Liaison Committee consisting of a Library Board member, the Library Director, and representatives from the Friends of the Hastings Public Library and the Hastings Library Foundation. In Nebraska, Friends of Libraries engage in fundraising and advocacy activities, while Library Foundations solicit donations, bequests, grants, and other external funding for the library's use.<sup>41</sup> Legally, these entities are distinct organizations with separate leadership from library boards and cities, and neither library boards nor cities control them.

Operationally, the Library is authorized to employ up to eight full-time and 17 part-time personnel according to the City's FY2015 personnel schedule, or approximately 16.5 full-time equivalent employees. An overview of the Library's current organizational structure is illustrated in the following chart.

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<sup>41</sup> Nebraska Library Commission. <http://nlc.nebraska.gov/libraries/FriendsFnd/>



**Figure 30: Hastings Public Library Organizational Chart, FY2015**

The Library provides a variety of services to Hastings residents and residents of Adams County. In addition to general circulation services, the Library maintains a complement of computers and technological equipment, hosts a number of community programs and events throughout the year, and operates a bookmobile to provide services outside of the Library facility.

### Strategic Planning and Expansion

In 2014, the Library conducted a community needs assessment and strategic planning process. This process identified three community needs: improved technology skills and employment readiness, additional education, and improved library facilities. To meet these needs, the Library established three goals: offer training and access to coursework to improve technology and employment skills, increase awareness about the library’s role in the educational system, and create a welcoming, flexible space for the community to enjoy library services.

As part of achieving these goals, the Library is planning a renovation of its existing building, which was constructed in 1963. The facility’s age, layout, and relative lack of amenities (such as power outlets, conduit for cables, and open spaces) pose an obstacle to increasing usage by patrons, particularly for activities identified by the Library’s community needs survey. In particular, Library staff have identified a need for dedicated classroom space, additional computer kiosks, and larger activity areas. Increasing building maintenance fees and the presence of asbestos at the existing facility have also prompted the renovation. The current renovation plan contemplates a complete overhaul of the existing structure, including the conversion of basement areas into functional activity spaces.

The City of Hastings is assisting renovation efforts by contributing \$1.5 million to the project, with the Library Foundation providing the balance of funds. At the time of this writing, the total estimated cost for the project is approximately \$5.2 million, and the Foundation is approximately

\$900,000 from its funding goal. The project is expected to take two years to complete, with the Library relocating to shared spaces in the Hastings Museum while renovations are underway.<sup>42</sup>

The Library gathers data on several metrics which help inform its progress on strategic planning goals and general operations. This includes participation in the Nebraska Library Commission's annual Public Library Survey, which tracks a wide variety of statistical data ranging from the volume of collections to the number of special events and programs sponsored by the Library. The following sections of this report represent selected information taken from completed annual reports over the past three fiscal periods, in order to provide a more complete picture of the Library's recent activities.

### Borrowers and Collections

While the number of registered borrowers at the Library has increased 27% since FY2012, the number of recorded visits has declined 23%, as shown in the table below.

**Table 37: Library Services Statistics, FY2012 – FY2014**

Library Services	FY2012	FY2013	FY2014	% Change
Registered Borrowers	28,441	28,200	36,209	27%
Annual Library Visits	176,429	153,310	135,267	-23%
Annual Reference Transactions	7,280	6,188	6,422	-12%
Annual use of Public Internet Computers	43,057	40,989	37,841	-12%

Reference transactions and public computer use also declined during this period. Notably, Library memberships exceed the population of the City of Hastings by over 10,000 persons.

Nationally, libraries are experiencing pressure to provide more online and digital resources to patrons. These include e-books, audio and video resources, and digital subscriptions to major publications. The Hastings Public Library has made a concerted effort to diversify its collections portfolio to meet this demand, as illustrated in the table below.

**Table 38: Hastings Public Library Collections Inventory, FY2012 - FY2014**

Collection Materials Inventory	FY2012	FY2013	FY2014	% Change
Books	104,173	102,534	102,427	-2%
E-Books	5,772	10,850	16,024	178%
Audio - Physical Units	6,522	6,200	5,975	-8%
Audio - Downloadable Titles	4,009	5,882	7,874	96%
Video - Physical Units	4,353	4,489	5,755	32%
Electronic Databases	30	32	32	7%
Print Serials Subscription	164	164	160	-2%
Other Materials	1,421	1,460	1,440	1%
<b>Collections Materials Total</b>	<b>126,444</b>	<b>131,611</b>	<b>139,687</b>	<b>10%</b>

<sup>42</sup> Source: Kearney Hub, "Hastings Library meets a new roommate, the museum." Retrieved August 14, 2015. [http://www.kearneyhub.com/news/regional/hastings-library-meets-a-new-roommate-the-museum/article\\_d23b8b60-a509-574c-9bbb-f3cb686a70b9.html](http://www.kearneyhub.com/news/regional/hastings-library-meets-a-new-roommate-the-museum/article_d23b8b60-a509-574c-9bbb-f3cb686a70b9.html)

While the overall collection of physical books has declined 2%, the Library has added a significant number of e-book and audio titles to its collection. Physical books still comprise 73% of the Library’s collections material, followed by e-books at 12%. The chart below depicts the composition of the Library’s collections.

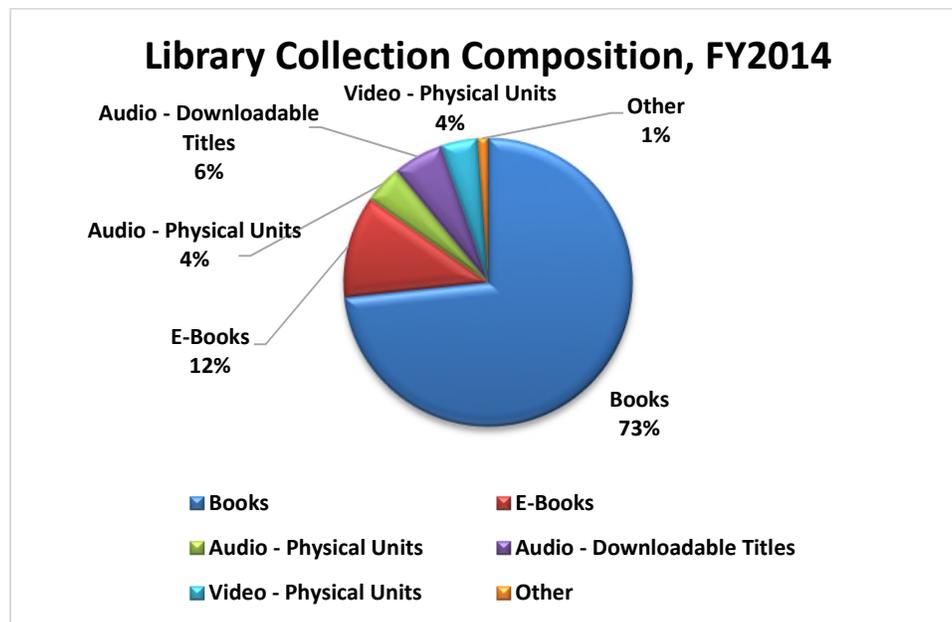


Figure 31: Hastings Public Library Collection Composition, 2014

Collections materials are also categorized based on their intended audience – adults or children – for circulation reporting purposes. Circulation patterns are shown in the table below.

Table 39: Hastings Public Library Materials Circulation, FY2012 - FY2014

Circulation	FY2012	FY2013	FY2014	% Change
Circulation of Adult Materials	145,299	126,095	128,631	-11%
Circulation of Children’s Materials	113,146	112,863	107,499	-5%
Circulation of Adult Downloadable Materials	6,825	29,895	24,708	262%
Circulation of Children’s Downloadable Materials	844	633	1,177	39%
<b>Circulation Total</b>	<b>266,114</b>	<b>269,486</b>	<b>262,015</b>	<b>-2%</b>

While physical materials still dominate circulation patterns, growth in the circulation of downloadable materials has skyrocketed. Adult downloadable materials have seen a particular increase in circulation, more than tripling FY2012 levels. This correlates with the increase in available e-books and downloadable audio titles shown previously.

### Programming

The Hastings Public Library also conducts a number of programming events throughout the year, targeting children, young adults, and adults in the community. The following table provides an overview of the number of programs and average attendance.

Table 40: Hastings Public Library Programming, FY2012 - FY2014

Programming	FY2012	FY2013	FY2014	% Change
Children's Programs	620	625	609	-2%
Average Attendance at Children's Programs	23.45	20.36	21.52	-8%
Children's Program Attendance Total	14,539	12,725	13,106	-10%
Young Adult Programs	32	28	32	0%
Average Attendance at Young Adult Programs	11.41	12.43	16.19	42%
Young Adult Program Attendance Total	365.12	348.04	518.08	42%
Adult Programs	91	59	85	-7%
Average Attendance at Adult Programs	12.62	9.66	7.75	-39%
Adult Program Attendance Total	1,148	570	659	-43%
<b>Total Library Programs</b>	<b>743</b>	<b>712</b>	<b>726</b>	<b>-2%</b>
<b>Program Attendance Total</b>	<b>16,053</b>	<b>13,643</b>	<b>14,283</b>	<b>-11%</b>

While overall program attendance has decreased compared to FY2012 levels, the Library continues to draw over 14,000 program participants each year. Young adult program attendance in particular has shown strong growth, with 42% more attendees compared to FY2012 levels. This growth has been offset by declines in attendance at adult and children's program events. Library staff are in the process of identifying several signature programs that can be conducted on an annual basis, which will reach all target audiences and form the core of the Library's programming efforts.

### Revenues and Expenditures

The Hastings Public Library relies on several funds. Most of the Library's operations are funded by General Fund revenues, although the Library does receive funding from the Library Grant Fund and the Library Sales Tax Fund. The table below illustrates actual Library-specific revenues over the past five fiscal periods.

Table 41: Hastings Public Library Actual Revenues, FY2010 - FY2014

Revenue Category	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>General Fund</b>						
Adams County Library Interlocal	\$142,290	\$145,136	\$181,420	\$108,852	\$149,490	5%
Library Fines & Fees	\$20,721	\$17,346	\$19,255	\$19,725	\$19,608	-5%
Library Memberships, Copies, etc.	\$4,235	\$3,963	\$5,780	\$5,884	\$6,260	48%
<b>General Fund Subtotal</b>	<b>\$167,246</b>	<b>\$166,446</b>	<b>\$206,455</b>	<b>\$134,461</b>	<b>\$175,358</b>	<b>5%</b>
<b>Library Grant Fund</b>						
NE Library Commission Grant	\$16,376	\$15,287	\$8,680	\$8,862	\$8,751	-47%
Library Grant	\$10,924	\$15,799	\$19,845	\$9,915	\$31,555	189%
Investment Interest	\$70	\$67	\$16	\$8	\$9	-88%
<b>Library Grant Fund Subtotal</b>	<b>\$27,369</b>	<b>\$31,153</b>	<b>\$28,540</b>	<b>\$18,785</b>	<b>\$40,314</b>	<b>47%</b>

Revenue Category	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
<b>Library Sales Tax Fund</b>						
Sales Tax	\$0	\$87,010	\$279,230	\$294,697	\$293,611	-
Investment Interest	\$0	\$23	\$123	\$221	\$2,757	-
<b>Library Sales Tax Fund Subtotal</b>	<b>\$0</b>	<b>\$87,033</b>	<b>\$279,353</b>	<b>\$294,918</b>	<b>\$296,368</b>	<b>-</b>
<b>LIBRARY TOTAL</b>	<b>\$194,615</b>	<b>\$284,632</b>	<b>\$514,348</b>	<b>\$448,163</b>	<b>\$512,040</b>	<b>163%</b>

With respect to General Fund revenues, the Adams County Library Interlocal line item represents payments by Adams County to the City of Hastings for specific library services. Per an interlocal agreement between Adams County and the City of Hastings, these payments are intended to compensate the City for general library services and defray the cost of bookmobile activities, since the bookmobile serves residents of Adams County who do not reside in Hastings. This interlocal agreement was first established in 2005 and renews automatically each year, unless either the City or the County wishes to terminate the agreement.

The Library Grant Fund and Library Sales Tax Fund are special revenue funds, which may only be spent on Library expenditures. The Library Grant Fund collects grant revenue from the Nebraska Library Commission and other State and Federal sources, while the Library Sales Tax Fund collects revenue from a ½ cent sales tax passed in 2011 for the renovation of the Library building. The passage of this sales tax is responsible for the majority of the 163% increase in Library-specific revenues over the last five fiscal periods.

The Hastings Public Library's expenditures have grown 7% over the past five fiscal periods, averaging approximately \$1.06 million annually, as shown in the table below.

**Table 42: Hastings Public Library Budget, FY2010 - FY2014**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Personal Services	\$784,869	\$778,086	\$773,588	\$740,995	\$808,089	3%
Contractual Services	\$114,628	\$134,952	\$149,342	\$151,315	\$156,822	37%
Commodities	\$117,277	\$128,419	\$142,774	\$151,693	\$138,829	18%
Capital Outlay	\$19,652	\$2,103	\$13,562	\$4,857	\$5,993	-70%
<b>Library Total</b>	<b>\$1,036,427</b>	<b>\$1,043,560</b>	<b>\$1,079,266</b>	<b>\$1,048,860</b>	<b>\$1,109,733</b>	<b>7%</b>

The increase in Contractual Services spending over FY2010 levels is primarily due to higher software licensing costs and contracted building maintenance fees, while the increase in Commodities is attributable to increased library collections purchases. Reductions in Capital Outlay expenditures are primarily related to fewer computer equipment-related purchases.

## Analysis and Recommendations – Hastings Public Library

The Hastings Public Library is well-managed and provides valuable services to the City of Hastings and Adams County. The following recommendations are intended to clarify and improve the Library's role in the context of wider City operations.

### **RECOMMENDATION 76: Transition the role of the Library Board from an administrative to advisory structure, and assign supervision of the Library Director to the City Administrator.**

As previously stated, the Library Board currently assumes an administrative role in the affairs of the Hastings Public Library, and the Library Director serves at the pleasure of the Library Board. At the same time, Library staff are employed by the City and the Library functions as a City department.

This governance structure creates a situation where a department director must report along multiple lines of authority. In this case, the Library Director works with the City Administrator regarding budget matters, and reports to the Library Board regarding budget, performance, operations, programming, strategic planning, and other concerns. This complicates the administration of the Director's tasks and potentially leads to situations where the Director faces irreconcilable conflicts between supervisors.

The Library Board serves an important role and should continue to be active in the Hastings community. However, in order to prevent supervisory conflicts from occurring and to streamline the Department Director's reporting responsibilities, the Library Board should assume an advisory role, and all supervisory responsibilities for the Library Director should be assigned to the City Administrator.

Of the 30 first-class cities in Nebraska with public libraries, 40% utilize library boards in an advisory capacity. The following table contains information provided by the Nebraska Library Commission regarding library board structures in first-class cities.

**Table 43: Library Board Types in First-Class Cities, 2015**

Library Name	City	Population	Board Type
Bellevue Public Library	Bellevue	53,663	Advisory
Grand Island Public Library	Grand Island	50,550	Administrative
Kearney Public Library	Kearney	32,174	Advisory
Keene Memorial Library	Fremont	26,340	Administrative
Hastings Public Library	Hastings	25,093	Administrative
North Platte Public Library	North Platte	24,534	Advisory
Norfolk Public Library	Norfolk	24,523	Advisory
Columbus Public Library	Columbus	22,533	Administrative
Sump Memorial Library	Papillion	21,921	Administrative
La Vista Public Library	La Vista	17,562	Advisory
Lied Scottsbluff Public Library	Scottsbluff	15,023	Advisory
South Sioux City Public Library	South Sioux City	13,424	Advisory
Beatrice Public Library	Beatrice	12,157	Administrative
Lexington Public Library	Lexington	10,204	Advisory

Library Name	City	Population	Board Type
Alliance Public Library	Alliance	8,498	Advisory
Gering Public Library	Gering	8,480	Administrative
Blair Public Library	Blair	7,990	Advisory
Kilgore Memorial Library	York	7,961	Advisory
McCook Public Library	McCook	7,697	Advisory
Morton-James Public Library	Nebraska City	7,255	Administrative
Baright Public Library	Ralston	7,220	Administrative
Crete Public Library	Crete	7,135	Administrative
Seward Memorial Library	Seward	7,120	Administrative
Sidney Public Library	Sidney	6,829	Administrative
Plattsmouth Public Library	Plattsmouth	6,467	Administrative
Schuyler Public Library	Schuyler	6,143	Administrative
Chadron Public Library	Chadron	5,787	Administrative
Gretna Public Library	Gretna	5,584	Administrative
Wayne Public Library	Wayne	5,543	Administrative
Holdrege Area Public Library	Holdrege	5,527	Administrative

While smaller first-class cities appear to favor library boards using an administrative structure, among larger first-class cities, the distribution is more mixed. In the table above, 14 cities have a population greater than 10,000; of these, 57% utilize a library board structure that is advisory, rather than administrative.

An advisory board presents several advantages to the City of Hastings and to the Hastings Public Library. By simplifying the Library Director’s reporting relationships, the City will be able to act in greater concert with Library affairs and draw the Library deeper into its daily operations. This will provide the Library Director with improved access to the City Administrator and other department directors, and create an environment where greater collaboration between the Library and other departments can occur. The Library Board will continue to provide valuable service in an advisory role, assisting with future strategic planning processes, providing suggestions to the City about Library operations, and ensuring the Library is continually innovating with respect to its service delivery.

Under the Nebraska statutes, a city may change the nature of a library board without approval from the State or the County. Implementing this change will require amending Chapter 26 of the Hastings City Code, as well as adopting new bylaws for the existing Library Board. Given the Library’s relationship with the County, it will likely be necessary to develop an interlocal agreement or memorandum of understanding to clarify expectations of services under this new model.

These transitions are not without precedent: most recently, in 2015 the City of Papillion changed the structure of the Sump Memorial Library Board from administrative to advisory, with the board retaining powers related to materials selection for the library. The Nebraska Library Commission has experience with assisting cities and library boards as they transition from one form to another, and would prove to be a valuable resource during this process.

**RECOMMENDATION 77: Hire an owner's representative to oversee and manage the Library renovation project.**

As discussed previously, the Library is currently undergoing a major renovation project which will increase available space and modernize facilities for the next generation of patrons. The project involves a complete redesign of the Library's existing 30,000 square feet of space and is expected to touch every aspect of the facility, including asbestos abatement, electricity, and HVAC.

This renovation project is currently being managed by the Library Director, with limited assistance from other City departments and staff. The Director is currently responsible for managing all aspects of the renovation project, including transferring all of the Library's assets to a shared space within the Hastings Museum before construction commences.

Major renovation projects require familiarity and expertise in building, construction, and architecture. These projects involve multiple outside agencies and contractors, the coordination of several types of work, and juggling multiple timeframes and budgetary pressures. The Library Director should not be expected to administer this project while also coordinating the Library's relocation and continuing operations.

In order to ensure the City's interests are being met with respect to the Library renovation project, the City should appoint or hire an owner's representative to oversee and manage the renovation project. An owner's representative will provide the necessary familiarity and expertise with building projects to ensure the renovation is accomplished correctly, while simultaneously fulfilling a fiduciary obligation to the City. The role of the owner's representative is not merely to meet with contractors, but to inspect and verify that work is being performed according to plan, on time, and within budget.

If the City does not have the available staff to undertake project management responsibilities for the Library renovation, it should immediately issue a request for proposals to secure an owner's representative. This representative should be briefed on the history and current status of the renovation project, and should meet regularly with the Library Director and City Administrator to provide updates on the project's progress.

It is crucial for an owner's representative to become involved in the renovation project as rapidly as possible. Bringing a competent owner's representative to the table early will allow the City to ensure quality work is being performed and provide maximum oversight of the renovation project.

## Hastings Museum

The Hastings Museum of Natural and Cultural History was founded in 1927. In Nebraska, municipal museums may be organized with either an administrative or advisory board structure. Administrative boards are empowered with the authority to hire and fire museum directors, as well as oversee the operations of the museum. Advisory boards lack this authority, and generally provide non-binding assistance and advice regarding operations to the museum director.

The Hastings Museum currently operates with an administrative board comprised of seven members. Board members are appointed by the City Council and confirmed by the Mayor for five year terms. The Museum Board meets once each month and oversees the Museum's general operations, long-range planning, and supervises and reviews the Museum Director, who serves at the pleasure of the Museum Board.

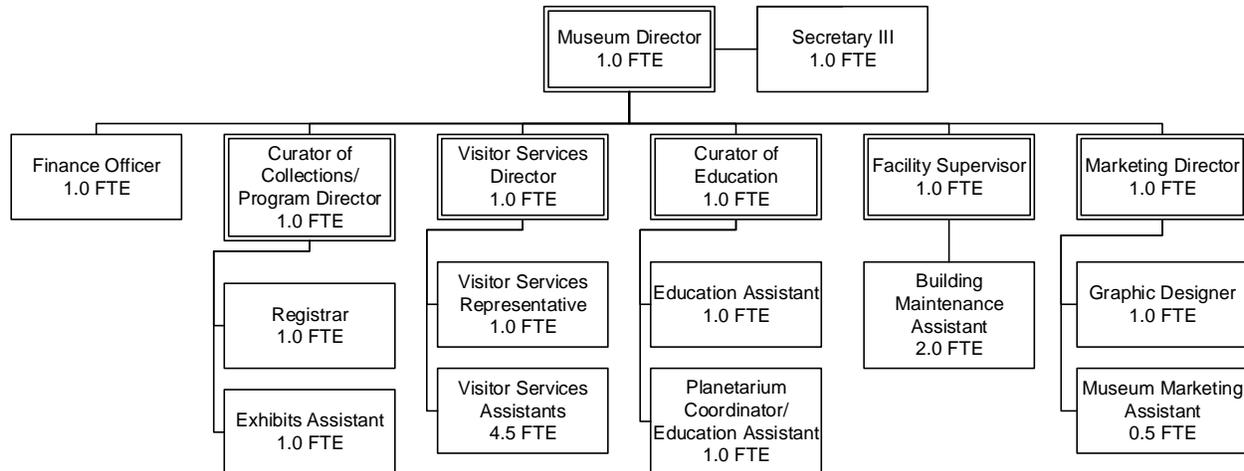
The Museum is also affiliated with a private, nonprofit foundation: the Hastings Museum Foundation, which supports ongoing capital expenditures, such as facilities needs and exhibit construction. The Museum Foundation is an entirely separate entity from the Museum itself. The Foundation does not contribute monies for the support of Museum operations – these funds come entirely from the City of Hastings and user fees, as discussed in greater detail below.

Since its inception, the Museum has experienced a number of renovations and additions. Originally constructed in 1927 inside the Hawthorne school building, the Museum migrated to its existing facility in 1939. In 1958, a planetarium was constructed, and an addition was added onto the facility in 1972. A third addition was constructed in 1985, and a large IMAX theater screen was installed on-site in 1991. Both the planetarium and theater were upgraded in 2009 and 2011, respectively.

In the course of constructing these upgrades, particularly with the theater addition in 1991, the City subsidized the Museum's operations over several years. Approximately \$1.4 million in subsidy was carried by the City as the Museum added facilities and exhibits. The Museum and the City have approached this subsidy as an outstanding debt, with the Museum accountable to reimburse the City for these expenses even though no portion of the subsidy was bonded. As a consequence, any annual profit generated by the Museum has historically been returned to the City as a "payment" toward the "debt" subsidy. At the time of this review, the balance of this debt amounts to approximately \$800,000.

The Museum serves multiple roles in the Hastings community as an educational institution, but also offers facility rental services for receptions and other large gatherings. In addition, the Museum theater screens both educational productions and second-run films from major Hollywood studios, and received the capability to screen 3D films as part of its 2011 upgrade.

The City's personnel schedule authorizes the Museum to employ up to 12 full-time and 15 part-time positions, or approximately 19.5 FTEs. The following chart illustrates the Museum's current staffing level and structure.



**Figure 32: Hastings Museum Organizational Chart, FY2015**

Museum operations are categorized into six functional areas, including administration, curation, education, visitor services, facility maintenance, and marketing.

The Museum Director is responsible for the Museum's overall operations, and works closely with the Finance Officer and other staff to coordinate service delivery and manage the budget. The Museum Director is appointed by and serves at the pleasure of the Museum Board, but also reports to the City Administrator regarding budget-related matters.

The Curator of Collections/Program Director oversees the Museum's exhibits, plans for future exhibits and programs, and coordinates activities related to showcasing and protecting artifacts in the Museum's collections. This position's supervisory duties include the Registrar and the Exhibits Assistant. The Registrar handles, processes, and organizes the artifacts, records, and other assets in the Museum's collection, while the Exhibits Assistant performs maintenance on existing exhibits and helps to remove and construct exhibit displays.

The Visitor Services Director oversees much of the Museum's front-of-house activities, including admissions and membership sales, movie theater ticket and store sales, and facility rentals. This position supervises one full-time employee, the Visitor Services Representative, who oversees databases related to memberships, admissions, and sales, and makes restocking and purchasing decisions for the Museum's store. Visitor Service Assistants are part-time positions assigned to greet customers, staff concessions and ticket counters, run the movie theater, and perform other customer service tasks.

The Curator of Education supervises the planetarium facility and provides education guides and toolkits related to the Museum's programs, exhibits, planetarium shows, and educational movies. This position supervises two Education Assistants, who help coordinate field trips and events with area teachers and schools. All of these positions interact closely with children, parents, and teachers who visit the museum as part of an educational trip with their school.

The Facility Supervisor oversees four part-time Building Maintenance Assistants. These positions provide maintenance support for the Museum, including HVAC, electrical, lighting, and other general maintenance tasks. For equipment issues that fall outside the skillset of maintenance personnel, the Museum contracts with an external provider for maintenance services.

The Marketing Director is responsible for coordinating the Museum’s interactions with the public, including all branding efforts, marketing campaigns, social media accounts, and other public relations efforts. This position oversees two staff: a full-time Graphics Designer, and a part-time Marketing Assistant. These staff members serve as the Museum’s public face and help refine products and services, unifying these offerings under one brand identity.

### Memberships and Visitors

The Museum maintains approximately 30 different membership levels, providing customers with a variety of memberships to suit their needs. Memberships across all categories are tracked and totaled on a monthly basis. A comparison of memberships over the past two calendar years is displayed in the table below.

**Table 44: Hastings Museum Memberships, 2013 - 2014**

Membership Type	2013 Members	2014 Members	% Change
Assisted Living	0	1	-
Companion	621	636	2%
Companion 2 Year	92	103	12%
Companion Plus 1	40	32	-20%
Donor	0	1	-
Donor Membership	0	3	-
Family	3,090	3,307	7%
Family 2 Year	595	687	15%
Family 2 Year Plus 1	44	32	-27%
Family 2 Year Plus 2	26	36	38%
Family Plus 1	303	253	-17%
Family Plus 2	93	84	-10%
Family-City	0	2	-
Gold Premiere	173	175	1%
Grandparent	2,101	2,170	3%
Grandparent 2 Year	587	741	26%
Grandparent 2 Year Plus 1	40	32	-20%
Grandparent 2 Year Plus 2	38	44	16%
Grandparent Plus 1	201	238	18%
Grandparent Plus 2	121	103	-15%
Group 1 Membership	0	3	-
Individual	358	380	6%
Individual 2 Year	111	161	45%
Life Membership	747	771	3%
Platinum Premiere	54	55	2%
Platinum Premiere Plus 1	11	12	9%
Platinum Premiere Plus 2	0	3	-
Silver Premiere	1,547	1,641	6%
Silver Premiere Plus 1	56	57	2%
Silver Premiere Plus 2	76	55	-28%
<b>Membership Total</b>	<b>11,125</b>	<b>11,818</b>	<b>6%</b>

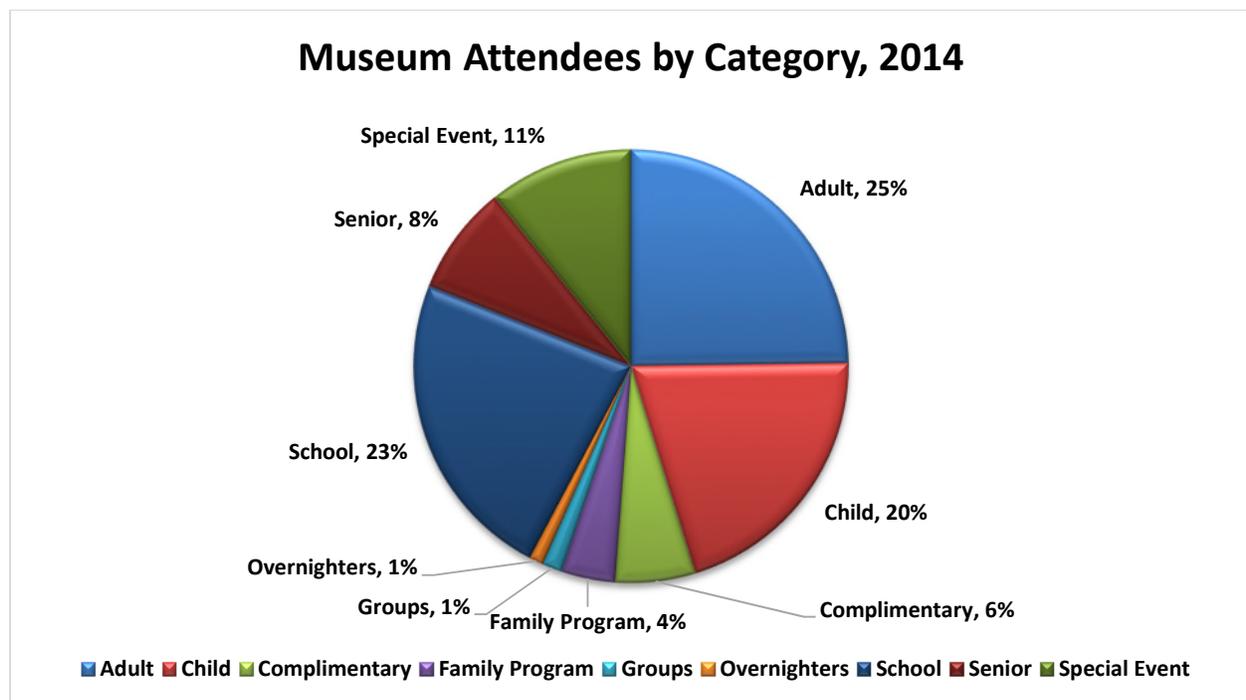
Over the past two calendar years, total memberships have increased by 693, a rise of 6%. An analysis of monthly membership trends over this time period reveals that memberships tend to remain level throughout the year, and do not seem to be affected by seasonal activity.

The Hastings Museum groups visitors into several categories. A table showing annual visitors attributable to each category is displayed in the table below.

**Table 45: Hastings Museum Visitors, 2013 - 2014**

Museum Visitors	2013	2014	%Change
Adult	8,004	7,505	-6%
Child	6,392	6,191	-3%
Complimentary	1,539	1,812	18%
Family Program	586	1,209	106%
Groups	516	451	-13%
Overnighters	315	320	2%
School	6,921	7,058	2%
Senior	2,632	2,482	-6%
Special Event	2,993	3,264	9%
<b>Visitors Total</b>	<b>29,898</b>	<b>30,292</b>	<b>1%</b>

Total Museum attendance is relatively flat. Family program attendance has doubled in this time span, but accounts for just under 4% of all Museum attendance. Other activities have experienced more modest fluctuations in attendance. The following chart provides an overview of attendee composition in 2014.



**Figure 33: Hastings Museum Visitors by Attendee Category, 2014**

In 2014, approximately 80% of Museum attendees visited the Museum under adult/child general admission, as part of a school trip, or to attend a special event.

While the Museum tracks information related to facility rentals and food sales, the Museum's software accounts for this information in different ways, depending on the type of event booked and how the event was charged to the customer. For example, a room reservation may be booked for a flat fee, or priced based on the number of attendees. Due to this discrepancy, attendance numbers for events cannot be determined with accuracy, and this information was omitted from the table and figure above.

The Museum also collects visitor zip code data for certain transaction types, such as general admission. An analysis of available data over the past two years indicates that about half of the zip codes collected are from Nebraska. The following table lists the states with the most zip codes registered by Museum visitors during the past two years.

**Table 46: Visitors by Zip Code, 2013 and 2014**

Home State	Visitors	% of Total Visitors
Nebraska	29,657	50.63%
Kansas	918	6.47%
Colorado	584	4.99%
Iowa	350	3.09%
California	287	2.92%
Illinois	237	2.53%
Texas	234	2.22%
Missouri	215	1.83%
Wisconsin	192	1.76%
Minnesota	155	1.48%

The Museum also attracts a small percentage of visitors from outside the United States each year.

### Revenues and Expenditures

The Hastings Museum is funded by the Museum Fund, a special revenue fund which collects proceeds that can only be spent on Museum expenditures. Dedicated tax revenue for the Museum is deposited into this fund, which includes a seven-mill property tax, 1.5% lodging tax, and a portion of motor vehicle taxes. Revenue from the Museum's user fees, admissions, memberships, and store sales is also deposited into this fund. The table below provides an overview of revenue trends in the Museum Fund over the last five fiscal periods.

**Table 47: Hastings Museum Actual Revenues, FY2010 – FY2014**

Museum Fund	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Property Tax	\$776,432	\$671,918	\$724,674	\$703,757	\$705,772	-5%
Motor Vehicle Tax	\$59,908	\$58,685	\$58,035	\$60,775	\$64,688	8%
Lodging Occupational Tax	\$158,411	\$153,804	\$170,614	\$173,518	\$186,509	18%
Local Grant Income	\$0	\$3,646	\$6,130	\$8,984	\$11,617	-
State of Nebraska Grant	\$0	\$1,561	\$770	\$0	\$5,173	-

Museum Fund	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Store Sales	\$42,378	\$42,781	\$42,948	\$36,883	\$39,117	-8%
Mus Tax Exempt Sales	\$1,865	\$2,165	\$2,253	\$3,352	\$4,182	124%
Vending Sales	\$25,939	\$25,914	\$29,226	\$26,676	\$26,323	1%
Penny Presser Sales	\$1,961	\$1,615	\$1,651	\$1,273	\$888	-55%
Museum Gifts & Admissions	\$116,897	\$109,751	\$99,139	\$99,453	\$103,947	-11%
Theatre Admissions	\$118,249	\$126,809	\$195,066	\$156,906	\$139,758	18%
Museum Classes	\$6,205	\$10,589	\$9,983	\$5,471	\$6,801	10%
Museum Sponsorships	\$5,150	\$1,175	\$3,975	\$650	\$9,000	75%
Museum Gift Certificate	\$1,152	\$68	\$489	\$1,786	\$3,144	173%
Miscellaneous Income	\$1,826	\$2,444	\$2,504	\$2,909	\$3,842	110%
Memberships	\$63,190	\$63,335	\$68,549	\$64,649	\$59,733	-5%
Contribution Unrestricted	\$9,687	\$15,902	\$12,841	\$8,490	\$2,938	-70%
Museum Grants/Foundation	\$4,848	\$13,024	\$2,013	\$500	\$0	-100%
Store Freight Income	\$2	\$0	\$0	\$0	\$0	-100%
<b>Museum Fund Total</b>	<b>\$1,394,099</b>	<b>\$1,346,352</b>	<b>\$1,424,238</b>	<b>\$1,365,256</b>	<b>\$1,385,150</b>	<b>-1%</b>

Overall revenues have declined approximately 1% compared to FY2010, led by a decline in property tax revenues of just under \$59,000.

Expenditures for the Museum have increased 7% over the last five fiscal periods. Modest increases in Personal Services, Contractual Services, and Commodities have been offset by decreases in Capital Outlay when comparing FY2010 and FY2014 spending. The table below provides an overview of expenditures in each of these categories.

**Table 48: Hastings Museum Actual Expenses, FY2010 – FY2014**

Expenses	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	% Change
Personal Services	\$713,547	\$731,014	\$712,261	\$728,522	\$761,783	7%
Contractual Services	\$415,719	\$443,373	\$493,293	\$471,687	\$468,198	13%
Commodities	\$91,426	\$117,321	\$110,200	\$119,932	\$105,272	15%
Capital Outlay	\$35,205	\$22,888	\$22,179	\$11,748	\$13,975	-60%
<b>MUSEUM TOTAL</b>	<b>\$1,255,897</b>	<b>\$1,314,595</b>	<b>\$1,337,933</b>	<b>\$1,331,889</b>	<b>\$1,349,229</b>	<b>7%</b>

In each of the past five fiscal periods, the Museum has allocated approximately \$10,000 for parking lot repayment under Capital Outlay expenses. In 2010, the Museum also purchased a projection system in conjunction with theater remodeling activities. This one-time expense amounted to approximately \$25,000 and accounts for the bulk of the decline in Capital Outlay expenditures.

## **Analysis and Recommendations – Hastings Museum**

The Hastings Museum is a unique asset that provides a wide array of services and amenities to the community. It serves as a community attraction and brings people from across the country to the City of Hastings. The following recommendations are intended to streamline the Museum's governing structure and facilitate greater cooperation between the Museum and other City departments.

### **RECOMMENDATION 78: Transition the role of the Museum Board from an administrative to advisory structure, and assign supervision of the Museum Director to the City Administrator.**

As previously stated, the Museum Director must work with the City Administrator regarding budgetary matters, and is accountable to the Museum Board for operational and performance matters. This arrangement creates multiple lines of authority, and could potentially lead to situations where the Director is faced with irreconcilable conflicts between supervisors. Inserting the Museum Board into personnel decisions regarding the Museum Director unnecessarily complicates reporting relationships and creates inefficiencies in the Director's work.

In order to improve reporting relationships and foster opportunities for the Museum to interact more closely with other City departments, the City should change the governance structure of the Museum Board from an administrative role to an advisory role. Supervision of the Museum Director, including the ability to hire and fire the Museum Director, should be assigned to the City Administrator. Implementing this change will require revising Chapter 27 of the Hastings City Code.

The Museum Board plays an important role by guiding the Museum's growth, development, priorities, and goals. The Board serves as a liaison between Museum staff and the community and is in a unique position to inform the Museum's strategic thinking. Given the long-standing nature of its relationship to the Museum and its role in the community, the Museum Board should continue to serve the Hastings Museum, albeit in an advisory capacity.

Other cities in Nebraska utilize Museum Boards with advisory structures. For example, the City of Alliance, Nebraska owns the Knight Museum and Sandhills Center, which utilizes an advisory board. The Knight Museum's advisory board provides input on strategic planning, community perceptions, and suggests improvements and activities for the museum. The Museum Director reports to the Alliance Parks and Recreation Director and is completely accountable to that Director for the museum's operations.

This change will create several positive opportunities for the City and the Museum. It will unify the operations of both organizations under one supervisory structure, and prompt the City and Museum to work more closely together on all aspects of Museum service delivery. The Museum will have an opportunity to integrate more deeply with the rest of the City, and the Museum Director will have improved access to other City staff members. The Museum Director should be included in all Director-level meetings and discussions in order to foster an environment where greater collaboration between them can occur, as outlined in the recommendation below.

**RECOMMENDATION 79: Collaborate with the Hastings Library and the Parks and Recreation Department for community events and general service needs.**

The Museum has historically operated as an independent organization, with limited interactions between itself and other City departments. One of the reasons for this separation is that customer interactions with the Museum require payment for admission or a fee, which is not always the case with other City departments such as Parks and Recreation or the Library. This results in a customer service relationship which is fundamentally different than other departments.

In recent years, the Museum has begun to explore opportunities to collaborate with other Departments for public events and general services. For example, the Museum has previously relied on Parks and Recreation employees to assist with hanging banners outside the facility, and the Police Department's Computer Support Specialist regularly provides services at the Museum (usually on a monthly basis). Most recently, the Museum offered to serve as the relocation site for the Hastings Library during the Library's renovation project, which creates an excellent opportunity for staff in both departments to collaborate and learn more about each other.

Outside of these activities, the Museum has limited regular engagements with other City departments. Even though the Museum is a budgeted City Department, it lacks ongoing, interactive relationships with staff and supervisors in other departments. This siloed relationship promotes inefficiency and prevents the City from working in concert to provide broad, community-wide programming. It also inhibits the Museum's ability to work with other departments regarding general services needs, such as specialized building maintenance and repairs.

Because several City departments provide community events and engage in event planning, including Parks and Recreation, the Library, and the Museum, there exists a natural opportunity for these Departments to work together on planning, hosting, and conducting community-wide events. The Museum should actively collaborate with the Hastings Library and the Parks and Recreation Departments to showcase at least one signature event each year. This event would foster deeper working relationships between the departments and expand the reach of each department vis-à-vis the public.

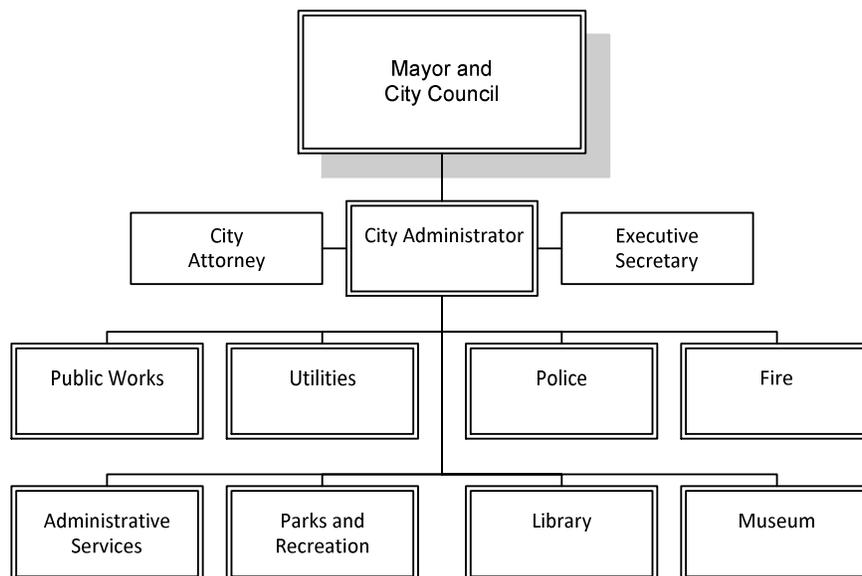
Additionally, as discussed to in Recommendation 27: regarding creation of a General Services Department, the Museum should rely on other departments for building maintenance and repairs. If a General Services Department is created, the Museum should rely on it for regular and specialized building maintenance. The Museum facility is a unique structure which has evolved over time, and different areas of the building require different levels of ongoing maintenance and renovation. Working with a General Services Department will help Museum staff build closer ties with personnel outside of their facility and potentially bring complementary expertise to the Museum's existing maintenance staff.

Building effective, collaborative relationships with other departments will require the Museum Director to meet with other Directors on a regular basis. To that end, the Museum Director should prioritize meeting with the Parks and Recreation Director and the Library Director to determine where collaboration is most feasible and effective, particularly regarding annual special events.

## Conclusion

This Organizational Assessment was undertaken to identify opportunities for improved service delivery through restructuring, process design, best practices, and other efficiency and effectiveness enhancements. The recommendations contained in this report were developed to build on the City of Hastings's foundation of service to the community.

This report outlines a roadmap for restructuring many functions with the overall goal of unifying City resources and ensuring the work of the organization meets the expectations of the Mayor and City Council as well as the needs of the Hastings community. Implementation of these changes will result in an organizational structure as outlined in the following figure.



**Figure 34: Hastings Recommended Organization Structure**

Implementation of these recommendations will take time and hard work to be successful. The challenge to the City is to make the decision to implement needed changes and to complete implementation. Prioritization of these recommendations and thoughtful, planned implementation are needed to ensure resources are expended prudently. The decision not to implement these recommendations will significantly impede the organization's ability to operate efficiently and effectively in the best interests of the taxpayers of the City of Hastings.

Hastings is very fortunate to be staffed with employees who care deeply about the community and are passionate about providing timely, quality customer service.

There are many areas across the organization where Hastings performs well. The fact that the City decided to undertake this study represents a strong commitment to learning and improving. Using this report as a guide, Hastings can now further improve its operations and services.