



OFFICIAL NOTICE & AGENDA REGULAR MEETING

MEETING: Committee of the Whole
DATE/TIME: Wednesday, September 2, 2026, at 5:30 PM
LOCATION: Wausau City Hall — Council Chambers
407 Grant Street, Wausau WI, 54403

MEMBERS:
Carol Lukens
Michael Martens
Terry Kilian
Tom Neal
Andrew Wiskowski
Kristin Slonski
Matt Hoenecke
Sarah Watson
Vicki Tierney
Lou Larson
Bruce Trueblood

- 1 Call to Order by the Presiding Officer.**
- 2 Public comment regarding agenda items and reading of the City of Wausau Public Comment Statement.**
- 3 Consideration of the minutes of the preceding meeting(s).**
July 13, 2026 Regular Committee of the Whole Minutes
- 4 Discussion and possible action.**
 - a.** Presentation by Alder Trueblood and Alder Hoenecke on approving a comprehensive audit of the City of Wausau.
- 5 Adjournment.**

Terry Kilian, Council President

NOTICE POSTED AT CITY HALL (407 GRANT STREET) AND
TRANSMITTED TO THE OFFICIALLY DESIGNATED NEWSPAPER

DATE: 08/25/2026
TIME: 2:30 PM
POSTED BY: Kody Hart



This meeting can be viewed on
YouTube and Channel 981 on Cable TV

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City of Wausau
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wausauwi.gov





OFFICIAL MINUTES REGULAR MEETING

MEETING: Committee of the Whole
DATE/TIME: Monday, July 13, 2026, at 6:30 PM
LOCATION: Wausau City Hall — Council Chambers
407 Grant Street, Wausau WI, 54403

MEMBERS:
Carol Lukens
Michael Martens
Terry Kilian
Tom Neal
Andrew Wiskowski
Kristin Slonski
Matt Hoenecke
Sarah Watson
Vicki Tierney
Lou Larson
Bruce Trueblood

1 Call to Order by the Presiding Officer.

Common Council President Terry Kilian presided.
The meeting was called to order at 06:35 PM.

Roll Call indicated 10 members present.

Members Present - Carol Lukens, Michael Martens, Terry Kilian, Tom Neal, Sarah Watson, Vicki Tierney, Lou Larson, Andrew Wiskowski, Kristin Slonski, Bruce Trueblood

Members Absent - None

Members Excused - Matt Hoenecke

Present 10, Absent 0, Excused 1

2 Public comment regarding agenda items and reading of the City of Wausau Public Comment Statement.

3 Consideration of the minutes of the preceding meeting(s).

Without objection, the minutes will be filed.

June 23, 2026 Council Retreat Committee of the Whole Minutes

4 Discussion and possible action.

a. Presentation on the future of Lead Service Line Replacement Funding and a mandatory Lead Service Line Replacement ordinance.

Sean Agid, Chief Business Officer at Community Infrastructure Partnership, and Eric Lindman, Director of the Department of Public Works, presented on the future of Lead Service Line Replacement Funding and a mandatory Lead Service Line Replacement ordinance.

Discussion was held. No action was taken.

b. Approving a needs assessment, construction budget, and related budget modification regarding the relocation of the Wausau Police Department to the available UW Stevens Point Marathon Campus and converting the existing police department to Central Fire.

Larson questioned the status of the building, which is over 60 years old, and further stated this may be a want but not a need compared with the need for a new fleet facility from the Department of Public Works. Larson further stated opposition until a fleet facility building is prioritized first.

Tierney questioned the status of the building and what the city may encounter in the future with maintenance. It was further stated that a new fleet facility needs to be prioritized.

Watson stated support for the idea of moving the public safety building to this centralized location of the city. It was further stated that the study was needed to know if this was in fact a viable opportunity.

Slonski stated this was an exciting potential and that it was worth the nominal investment of

the study to explore if this could be a cost savings in the future compared to other options for the police and fire departments.

Martens stated concerns with taking on the building as a whole and the commitment to occupy and maintain the large building.

Lukens stated this was worth exploring the issue and seeing what possibilities could come forward.

Wiskowski stated this would help explore the possibilities to get ahead of the problem that will need to be solved in the near future.

Neal stated support to be able to be nimble to address all of the needs of the city.

Trueblood stated this would be a step in the longer path to solve a number of other needs for the city, including the need for a new central fire station and a new fleet facility. It was further stated that the need for a new facility exists in the future and that building a brand-new building was an expensive option as opposed to the option of moving into an existing building.

Motion by Alderperson Trueblood, seconded by Alderperson Neal, to to pursue the request for proposal for the UW Stevens Point Marathon Campus building.

Yes - Alderperson Lukens, Alderperson Martens, Alderperson Kilian, Alderperson Neal, Alderperson Watson, Alderperson Tierney, Alderperson Wiskowski, Alderperson Slonski, Alderperson Trueblood

No - Alderperson Larson

Abstained - None

Yes 9, No 1, Abstained 0

MOTION PASSED.

c. Budget process and priorities.

Watson stated support for a stronger process for the budget to start the process sooner.

Tierney stated support for starting the process for the budget sooner as the decisions are way too big and requires time to ask and answer questions.

Wiskowski questioned if there was a strategy to complete the budget and if there was a reflective review of what had worked in the past.

Tierney stated that the information had been asked for in the past with more time to digest, but that has not been provided within that requested timeframe.

Motion by Alderperson Watson, seconded by Alderperson Lukens, to refer this issue to the Finance Committee to work with the Finance Director and the Mayor to flesh out a timeline for the budget process to include more collaboration the summer prior to the budget publication.

Yes 10, No 0, Abstained 0

MOTION PASSED.

5 Adjournment.

Motion by Alderperson Trueblood, seconded by Alderperson Larson, to adjourn. Motion carried. Meeting adjourned at 08:58 PM.

**The recording of this meeting may be viewed on
YouTube [@CityofWausauMeetings](#)**



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OFFICIAL MINUTE PROCEEDINGS REGULAR MEETING

MEETING: Committee of the Whole
DATE/TIME: Tuesday, June 23, 2026, at 6:30 PM
LOCATION: Wausau City Hall — Council Chambers
407 Grant Street, Wausau WI, 54403

MEMBERS:
Carol Lukens Matt Hoenecke
Michael Martens Sarah Watson
Terry Kilian Vicki Tierney
Tom Neal Lou Larson
Andrew Wiskowski Bruce Trueblood
Kristin Slonski

1 Call to order by the presiding officer.

Common Council President Kilian presided.
The meeting was called to order at 06:30 PM.

Roll Call indicated 10 members present.
Members Present - Carol Lukens, Michael Martens, Terry Kilian, Tom Neal, Vicki Tierney, Lou Larson, Andrew Wiskowski, Kristin Slonski, Matt Hoenecke, Bruce Trueblood
Members Absent -
Members Excused - Sarah Watson
Present 10, Absent 0, Excused 1

2 Reading of the City of Wausau Public Comment Statement.

3 Comments and suggestions from preregistered citizens.

4 Presentations.

- a. Presentation by Wausau City Attorney's office on the role of the alder, open meetings law and Robert's Rules of Order, open records, and ethics and conflicts of interest.
Anne Jacobson, City Attorney at the City of Wausau, presented on the role of the alder, open meetings laws, Robert's Rules of Order, open records, and ethics and conflicts of interest.

Discussion was held. No action was taken.

5 Discussion.

- a. Council members' goals and visions pertaining to Strategic Priorities identified in the adopted City of Wausau Five-Year Strategic Plan (2022-2027)

1. Thriving Economy
2. Innovative Public Services
3. Cohesive and Connected Culture
4. Fun and Vibrant Community
5. Strong Regional Alliances

Discussion was held. No action was taken.

- b. Council members' additional priorities that are absent from the City of Wausau Five-Year Strategic Plan (2022-2027), along with goals and visions for those additional priorities.

Discussion was held. No action was taken.

6 Discussion and Possible Action.

- a. Identification of the top 3 priorities for the 2026-2028 term of the Wausau Common

Council.

Discussion was held.

Watson was present for the rest of the meeting.

Motion by Alderperson Kilian, seconded by Alderperson Trueblood, to direct the interim Executive Assistant to the Mayor of Wausau to compile the information to send to the Common Council President by the end of the week to disseminate the information to be acted upon.

Yes 11, No 0, Abstained 0

MOTION PASSED.

7 Adjournment.

Motion by Alderperson Hoenecke, seconded by Alderperson Larson, to adjourn. Motion carried.
Meeting adjourned at 9:30 PM.

The recording of this meeting may be viewed on
YouTube [@CityofWausauMeetings](https://www.youtube.com/@CityofWausauMeetings)



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COMMITTEE OF THE WHOLE COUNCIL RETREAT – RESULTANT PRIORITIES (IDEAS)

1) COMMUNICATION WITH RESIDENTS

- *Increase engagement – listening to residents (survey their priorities)
- *Language barriers
- *Education for public
- *Communications manager?

2) CITY FINANCES

- *Prioritize critical needs
- *Reduce tax burden on residents
- *Understanding & managing city debt obligations
- *Diversify & increase revenue
- *Move forward responsibly with decisions that impact the tax levy

3) ECONOMY

- *Job Creation – New Businesses/attract new residents
- *Affordable housing – what is affordable (survey)-do we need more?
- *Diverse housing (size, units, price points) – do we need more

4) INFRASTRUCTURE

- *Street conditions
- *Public transit
- *Fleet facility
- *Sustainability - green innovation
- *Maintain city owned buildings

RELATED CONCERNS:

- *Corporate purchasing of single family homes
- *Special event reimbursement – Applicant paying more & surrounding municipalities contributing
- *Property tax breakdown on tax bills/newsletter
- *Revitalizing N2N
- *Infographic (with general categories) at each alder's seat as reminder of priorities when making policy decisions

From: Matt Hoenecke

Sent: Tuesday, August 18, 2026 3:55 PM

To: Terry Kilian <Terry.Kilian@wausauwi.gov>; Doug Diny <Doug.Diny@wausauwi.gov>

Cc: Bruce Trueblood <Bruce.Trueblood@wausauwi.gov>

Subject: Request for Committee of the Whole

Dear Mayor and Council President,

I am writing on behalf of myself and Alder Trueblood requesting that a Committee of the Whole meeting be scheduled to determine whether we should move forward with a comprehensive audit of City Hall.

Given the ongoing concerns of City residents, I believe the Council should have the opportunity to discuss the merits of an independent audit. A COW allows all members of the Council to review the issue together, ask questions, consider what areas should be examined, and decide if we will move forward.

This request is not intended to prejudge the outcome; rather, it's an opportunity for the Council to have a transparent discussion about whether a comprehensive audit would provide residents and Council with greater clarity regarding the City's finances and operations.

I respectfully ask that this matter be designated as the sole focus of an upcoming Committee of the Whole agenda so the Council can discuss and determine next steps.

Thank you for your consideration.

Sincerely,

Matt Hoenecke

Alderman – District 7

City of Wausau

715-544-8961

matt.hoenecke@wausauwi.gov

Full Systemic City Audit – Example Scope of Work

1. Governance & Strategic Direction

- Review City Charter, ordinances, and policy frameworks for clarity, consistency, and alignment with best practices.
- Evaluate City Council and executive leadership decision-making processes, transparency, and accountability mechanisms.
- Assess strategic planning processes, including goal-setting, performance tracking, and public reporting.

2. Financial Management & Controls

- Audit budget formulation, approval, and execution processes.
- Review revenue streams (taxes, fees, grants) for accuracy, sustainability, and compliance.
- Examine procurement, contracting, and vendor management for efficiency, fairness, and fraud prevention.
- Evaluate internal controls, risk management, and audit follow-up procedures.

3. Operational Efficiency & Service Delivery

- Assess departmental structures, staffing levels, and resource allocation.
- Review service delivery metrics for timeliness, quality, and equity.
- Identify redundancies, bottlenecks, and opportunities for process automation or consolidation.

4. Compliance & Legal Obligations

- Verify adherence to federal, state, and local laws, including labor, environmental, and accessibility regulations.
- Review public records management and open meeting law compliance.

5. Technology & Data Management

- Evaluate IT infrastructure, cybersecurity measures, and disaster recovery plans.
- Assess data governance, privacy protections, and analytics capabilities.

6. Community Engagement & Equity

- Review public outreach, feedback mechanisms, and responsiveness to community concerns.
- Assess equity in service delivery, resource allocation, and policy impacts.

7. Sustainability & Long-Term Planning

- Evaluate environmental sustainability initiatives and climate resilience planning.
- Review capital improvement planning and infrastructure maintenance strategies.

Deliverables

- Comprehensive audit report with findings, risk ratings, and prioritized recommendations.
- Executive summary for leadership and a public-facing summary for residents.
- Implementation roadmap with timelines, responsible parties, and measurable outcomes.

Specific Example

City of Wausau, Wisconsin

Request for Proposals (RFP)

Full Systemic & Comprehensive City Audit

1. Introduction & Background

The City of Wausau, Wisconsin, will conduct a **full, systemic, and comprehensive audit** of the City's governance, operations, finances, and compliance.

The purpose of this audit is to:

- Identify strengths, weaknesses, and opportunities for sustainable improvement.
- Ensure governmental accountability, efficiency, transparency, and fiscal responsibility.
- Provide actionable recommendations for long-term sustainability.

2. Scope of Work

A. Governance & Organizational Review

- Evaluate City Council, Mayor, and administrative structures.
- Assess decision-making processes, delegation of authority, and transparency.
- Benchmark governance practices against comparable Wisconsin municipalities.

B. Financial Audit & Controls

- Review budgets, revenues, expenditures, debt, and reserves (past 5 years).
- Assess compliance with generally accepted accounting principles based on the Governmental Accounting Standards Board, and Wisconsin municipal finance laws.
- Evaluate internal controls, TID, TIF, and capital improvement planning.

C. Operational Efficiency & Staffing

- Analyze departmental structures, staffing levels, and service delivery efficiency.
- Identify redundancies and opportunities for cross-department collaboration.

D. Compliance & Risk Management

- Review adherence to state/federal regulations, procurement policies, and grant requirements.
- Evaluate cybersecurity, insurance coverage, and risk mitigation strategies.

E. Community Engagement & Transparency

- Assess public communication, accessibility of records, and responsiveness to residents.
- Review compliance with Wisconsin Open Meetings Law.

F. Strategic Planning & Performance Measurement

- Evaluate strategic plans, Key Performance Indicators, and alignment between budget priorities and community goals.

G. Recommendations & Implementation Roadmap

- Provide prioritized recommendations with cost-benefit analysis.
- Suggest short-, medium-, and long-term implementation steps.

3. Deliverables

- **Draft Report:** Detailed findings and preliminary recommendations as each department audit is completed

- **Final Report:** Comprehensive audit report with executive summary.
- **Presentation:** Public presentation to City Council and community stakeholders.

4. Proposal Requirements

To include:

- Hire City Audit project manager, reporting to the Executive Committee
- City Auditor will be responsible to hire team(consultants, or other professionals) to complete the audit
- The audit will be completed using industry standard methodology and work plan.
- The Executive Committee will be responsible to establish the timeline and milestones.
- The auditor shall provide an Itemized cost proposal.

5. Timeline

- **Auditor hired by:** 10/15/2026
- **Project Start:** 11/15/2026
- **Final Report Due:** on or before 06/01/2026

6. Additional Information

The City reserves the right to reject any or all proposals, waive informalities, and negotiate contract terms.

Appendix A – Wisconsin Municipal Audit Compliance Checklist

1. Legal & Statutory Compliance

- ☐ Conforms to Wisconsin Statutes Chapter 66.
- ☐ Meets Wisconsin Statutes § 66.0605 (Municipal Audit Requirements).

66.0605 Local government audits and reports. Notwithstanding any other statute, the governing body of a county, city, village or town may require or authorize a financial audit of a municipal or county officer, department, board, commission, function or activity financed in whole or part from

municipal or county funds, or if any portion of the funds are the funds of the county, city, village or town. The governing body may require submission of periodic financial reports by the officer, department, board, commission, function or activity.

- ☐ Complies with Wisconsin Open Meetings Law (§ 19.81–19.98).
- ☐ Complies with Wisconsin Public Records Law (§ 19.31–19.39).
- ☐ Adheres to Wisconsin Procurement Guidelines.

2. Financial & Accounting Standards

- ☐ GAAS-compliant audit.
- ☐ GAAP-compliant reporting.
- ☐ GASB standards met.
- ☐ Single Audit Act compliance (if applicable).

3. Contracting & Vendor Requirements

- ☐ Wisconsin-licensed firms

Systemic Audit of the Department of Public Works

This example is provided solely to illustrate the type and depth of review contemplated by a systemic City Hall audit. It is not representative of our current Department of Public Works and does not represent a proposed final audit scope.

Purpose

A systemic audit of the Department of Public Works would examine not simply whether expenditures were properly recorded, but whether the department's **financial resources, personnel, policies, purchasing practices, equipment, capital projects, internal controls, and service-delivery systems work together efficiently, effectively, and accountably.**

1. Mission, Responsibilities & Organizational Structure

The auditor could examine:

- What services is the department responsible for providing?
- Are responsibilities between divisions clearly defined?
- Does the organizational structure support efficient delivery of those services?
- Are there overlapping or duplicative functions?
- Are supervisory responsibilities and lines of authority clear?
- Have responsibilities grown or changed without corresponding changes in staffing or structure?

Potential outcome:

Recommendations concerning organizational structure, management responsibilities, consolidation of functions, or clearer assignment of duties.

2. Budget & Financial Management

The auditor could review several years of:

- Adopted budgets.
- Actual expenditures.
- Budget amendments and transfers.

- Overtime expenditures.
- Equipment and material costs.
- Contracted services.
- Capital expenditures.
- Department-generated revenues and fees.

Questions could include:

- How closely do actual expenditures correspond with adopted budgets?
- Are recurring cost overruns occurring in particular areas?
- Are budget projections based on reliable historical information?
- Are expenditures properly categorized and authorized?
- Are resources being directed toward the department's highest priorities?
- Are there opportunities to reduce recurring costs?

Potential outcome:

Identification of budget practices that could be improved, recurring cost pressures, potential savings, or areas requiring stronger financial controls.

3. Staffing & Workforce Utilization

The auditor could examine:

- Number and type of positions.
- Vacancies.
- Supervisory ratios.
- Overtime.
- Seasonal staffing.
- Use of contractors compared with City employees.
- Distribution of employees among functions.
- Workload and productivity information.

Questions could include:

- Are staffing levels aligned with actual workload?
- Are some functions over- or understaffed?
- Is overtime being used appropriately?
- Would certain services be less expensive performed internally or contracted externally?
- Are employees spending significant time performing duties outside their primary responsibilities?
- Could work be organized differently to improve productivity?

Potential outcome:

Staffing recommendations based on workload and service needs rather than simply historical staffing patterns.

4. Purchasing, Procurement & Contracting

The auditor could sample purchases and contracts involving:

- Construction.
- Equipment.
- Vehicles.
- Professional services.
- Materials and supplies.
- Maintenance.
- Emergency purchases.
- Sole-source purchases.

Questions could include:

- Were competitive purchasing procedures followed?
- Are purchases being divided or structured in ways that avoid normal approval thresholds?
- Are sole-source purchases adequately justified?

- Are multiple vendors being considered when appropriate?
- Are contracts competitively priced?
- Are change orders adequately documented and approved?
- Is someone verifying that contracted work was actually completed before payment?
- Are expired contracts or outdated purchasing arrangements still being used?

Potential outcome:

Stronger procurement controls, improved competition, better contract management, or identified savings.

5. Capital Projects

The auditor could select a sample of significant projects and compare:

Original project estimate → approved budget → contract amount → change orders → final cost

The review could ask:

- Were initial project estimates reasonably accurate?
- Why did projects exceed or fall below projected costs?
- Were change orders properly justified and approved?
- Were projects completed on schedule?
- Were delays adequately documented?
- Were project outcomes evaluated after completion?
- Are recurring estimating or project-management problems occurring?

Potential outcome:

Recommendations for better project estimating, project oversight, change-order controls, and capital planning.

6. Fleet, Equipment & City Assets

The auditor could examine:

- Vehicle inventory.
- Equipment inventory.
- Utilization.
- Maintenance expenses.
- Fuel consumption.
- Replacement schedules.
- Acquisition and disposal procedures.

Questions could include:

- Does the City know how frequently each major asset is being used?
- Are vehicles or equipment being retained that are rarely used?
- Are replacement decisions based on lifecycle cost and condition?
- Are preventive maintenance schedules being followed?
- Are fuel and maintenance controls adequate?
- Is equipment being purchased when sharing, leasing, or contracting would be more economical?

Potential outcome:

Reduced fleet costs, improved replacement planning, stronger asset controls, or elimination of underutilized equipment.

7. Service Delivery & Performance

Rather than simply asking how much the department spends, the audit would examine **what taxpayers receive for that spending.**

Examples could include:

- Road maintenance response times.
- Snow and ice control.
- Pothole and street-repair completion.
- Work-order completion.

- Infrastructure inspections.
- Citizen service requests.
- Preventive maintenance.

The auditor could ask:

- What performance measures does the department currently use?
- Are those measures reliable?
- Are service goals being achieved?
- Can the City determine its cost per unit of service?
- How does performance compare with previous years?
- How does performance compare with reasonably comparable municipalities?

Potential outcome:

Meaningful performance measures that allow the Council and public to evaluate both **cost and results**.

8. Policies, Procedures & Internal Controls

The auditor could determine whether important processes are documented and consistently followed.

Areas could include:

- Purchasing authorization.
- Invoice approval.
- Work orders.
- Inventory.
- Fuel.
- Equipment use.
- Project approval.
- Contract management.
- Employee time reporting.

- Segregation of financial duties.

Questions could include:

- Are written procedures current?
- Are employees following them?
- Can one employee initiate, approve, and verify the same transaction?
- Are supervisors regularly reviewing exceptions?
- Are City assets adequately protected against loss, misuse, or error?

Potential outcome:

Improved controls that reduce the opportunity for mistakes, waste, abuse, or unauthorized activity.

9. Technology & Data

The auditor could review the systems Public Works relies upon for:

- Work orders.
- Asset management.
- Fleet management.
- Project tracking.
- Financial information.
- Citizen complaints and service requests.

Questions could include:

- Are different systems communicating effectively?
- Is information entered consistently?
- Can management rely on the data when making decisions?
- Are appropriate access controls in place?
- Are important processes unnecessarily manual?
- Could automation reduce staff time or errors?

Potential outcome:

Better information, improved management reporting, reduced duplication, and more efficient workflows.

10. Relationship With the Rest of City Hall

This is where the audit becomes **systemic** rather than merely departmental.

The auditor would examine how Public Works interacts with:

- Finance.
- Human Resources.
- Information Technology.
- Engineering.
- Planning and Community Development.
- Procurement.
- Administration.
- Mayor and Common Council.
- Other City departments.

For example:

If a Public Works contract consistently exceeds its original estimate, the auditor would not stop at asking Public Works why.

The auditor could follow the process through:

Department request → budgeting → procurement → contract approval → project management → change orders → invoice approval → Finance payment → Council reporting.

The question becomes:

Where in the City's overall system did the process work, where did it break down, and how should the system be improved?

Example of How a Finding Could Be Presented

Hypothetical Finding

Condition:

The auditor determines that several capital projects exceeded initial estimates and that the City does not consistently track original estimates, approved changes, final costs, and reasons for cost increases in one centralized system.

Risk:

Council and management may have difficulty identifying recurring causes of project cost escalation or accurately estimating future projects.

Root Cause:

Project information is maintained separately by several departments and no standardized post-project review is required.

Recommendation:

Implement a Citywide capital-project tracking system and require a project closeout review for projects exceeding an established financial threshold.

Responsible Areas:

Public Works, Engineering, Finance, Administration.

Expected Benefit:

More reliable project estimates, earlier identification of cost overruns, improved accountability, and better information for future capital decisions.

Fleet Management Study Report



MERCURY

April 2021

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Mercury Associates, Inc.

- Dedicated fleet management advisory services firm
- Professional fleet consultants with real-world experience
- Over 600 clients served since 2002
 - Federal, State and Local government
 - Colleges and universities
 - Corporate and private fleets

MERCURY

Introduction

Faced with the challenges of maintaining a high level of quality service for a growing fleet, ever-increasing costs and the desire to improve services, Mercury Associates, Inc. (Mercury) was engaged by the City of Wausau (City) to conduct a comprehensive analysis of the existing fleet management and maintenance and repair program. The goal of this study is to identify opportunities to improve operational efficiencies, maximize use of available resources and position the City's fleet organization to become a leading provider of fleet management and maintenance and repair services as the City and its fleet continue to grow.

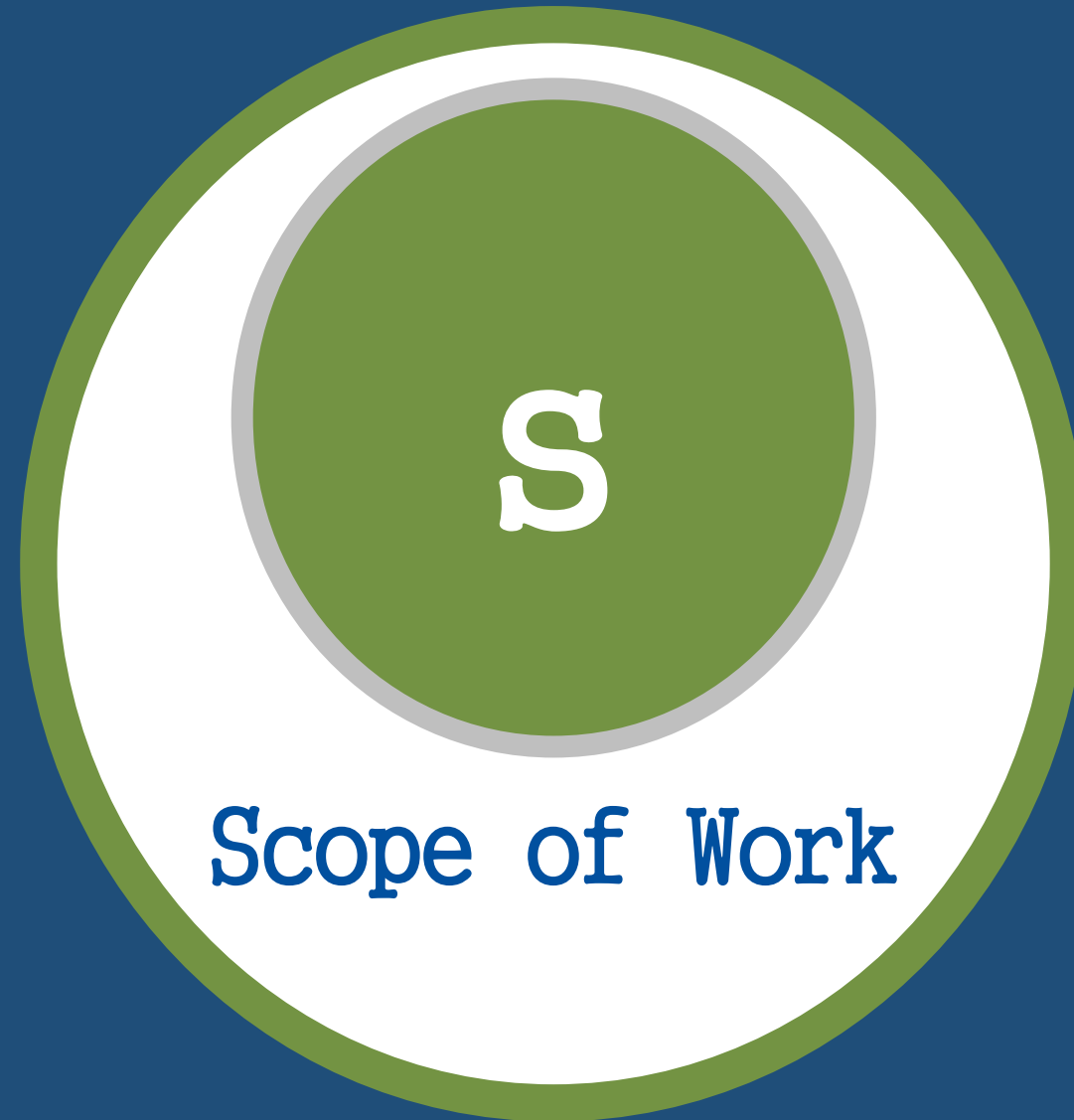
The results of our assessment are current as of the winter of 2020/2021 and include findings, conclusions, and recommendations for improvement that have been developed specifically for the City of Wausau.

It should be noted that this report focuses primarily on opportunities for improvement. Therefore, more attention is given to areas that are in need of re-engineering, change, or other improvements as opposed to areas that are functioning at or above recommended levels of performance. This study, and the recommended changes, will help the fleet operation continue to improve operations and become more efficient and cost effective.

Acknowledgements

We would like to express our appreciation to the Motor Pool staff for their efforts in compiling requested information, scheduling meetings, responding to the many questions and requests for clarification and the hospitality extended to our project team especially during the two site visits. We would also like to acknowledge the time, effort and participation of many of City stakeholders from virtually every department including Finance, Public Works, Police, Fire, Airport and Information Technology.

While there are certainly opportunities for improvement within the City's fleet management practices, we were impressed with the positive and collaborative attitude that was prevalent throughout the study. The Fleet Manager, Shop Supervisor, Technicians, and the Parts Specialist have a good understanding of fleet management principals and business practices and are skilled in the provision of maintenance and repair services.



Project Scope of Work

- Comprehensive assessment of the City's Fleet Operations to include the following:
 - Organizational structure and staffing levels
 - Centralized vs. decentralized operations
 - Sublet services
 - Fleet acquisition and disposal
 - Charge-back system
 - Fleet replacement
 - Proposed fleet maintenance facility plans

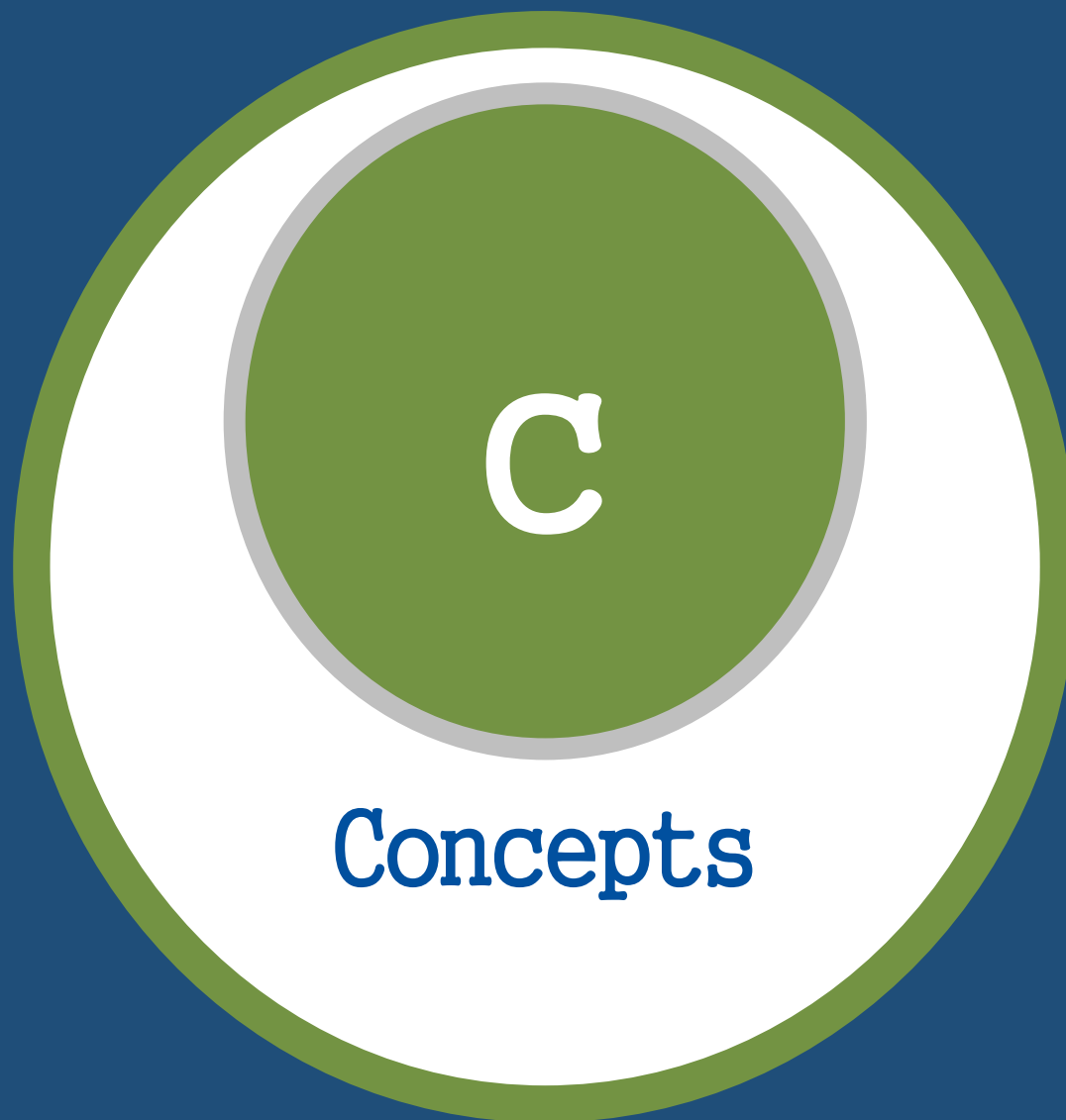
MERCURY



Performance

Now, more than ever, fleet organizations are pressured to demonstrate their competitiveness and accomplishments using objective and quantifiable measures. Competitiveness can be defined as the ability to provide services that meet reasonable productivity and quality standards at market prices. The best fleet service organizations have developed programs that provide a high level of quality and customer focused services at a reasonable cost. Therefore, the competitiveness of any fleet organization has two major components: competitive costs and competitive levels of service. In order to determine the competitiveness of any fleet operation, we benchmark and compare the organization against industry standards, performance

of best-in-class organizations, and fleet service provider alternatives. Benchmarking is an important part of a competitiveness assessment because it can take the politics and personalities out of fleet management decision making. It can help an organization detect areas of sub-standard performance and where improvements are needed, it helps an organization measure goals and objectives and tracks changes or trends in performance over time.



Fleet Management Explained

In our experience, every fleet management operation is comprised of three essential elements: The Workload; the Workforce; and the Workplace. *Workload* can be described as “the measured accumulation of duties and responsibilities for the fleet management operation”. When properly measured and expressed, it is very useful for meaningful decision-making. Our “Vehicle Statistical Referencing System (VSRS)” allows us to empirically calculate a fleet’s maintenance burden. It can measure workload for each and every vehicle and piece of equipment in any fleet. In the VSRS, each asset is assigned a Vehicle Equivalency Unit (VEU). The basis for this system is a passenger sedan, given a VEU value of 1.0. The assumption made: the measured accumulation of the associated duties and

responsibilities (brake jobs, tire rotations, oil changes, etc.) = 1.0 VEUs, or 8-12 direct labor hours each year. Even though the VEU assignments can vary greatly from vehicle to vehicle, the workload can be accurately and usefully measured.

The *Workforce* is the human capital – the people charged with managing and maintaining the fleet. For most fleets this includes a fleet manager, garage supervisor, technicians, parts clerks, fleet analysts, motor pool clerks, and support staff. The number of personnel should be directly related to the workload. The Workforce must grow or shrink in response to changes in the Workload (i.e., fleet size and composition) or the mission (i.e., taking on additional responsibilities such as managing a motor pool).

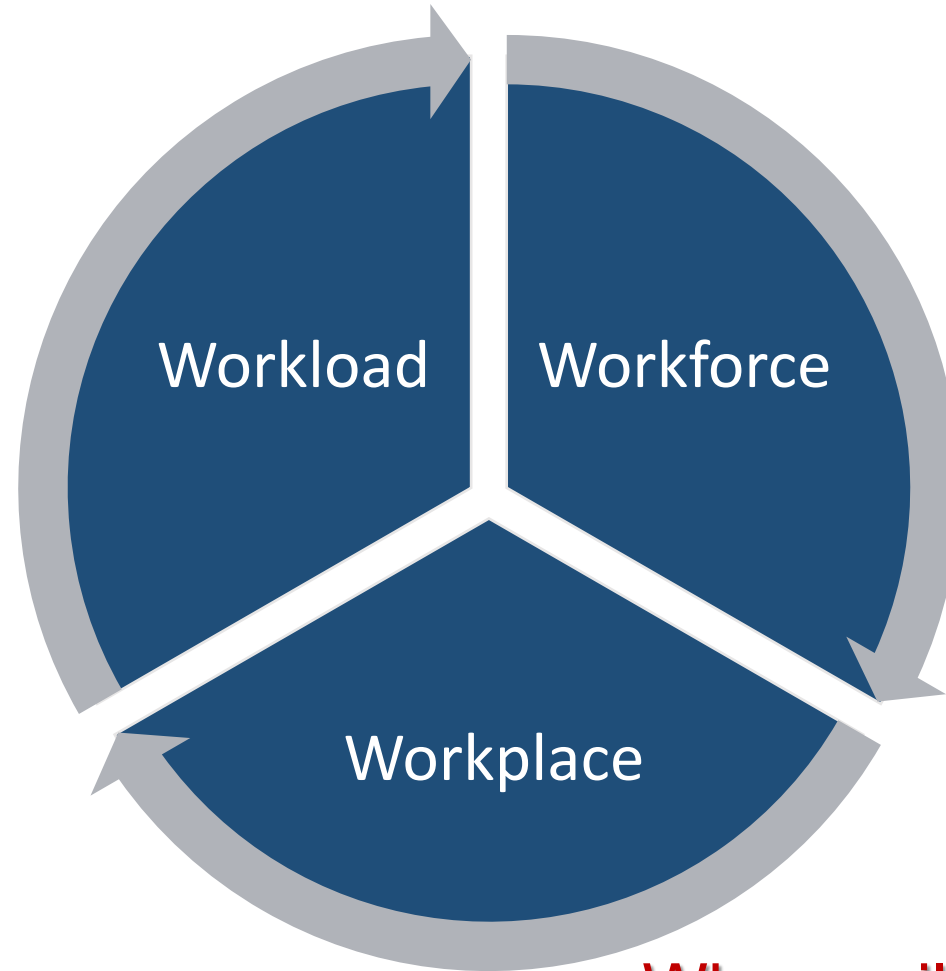
Fleet Management Explained Cont'd.

The *Workplace* are the facilities where the work is accomplished. This includes work areas such as the shop (i.e., maintenance bays, weld/fabrication bays, tire repair area, small engine repair shop), shop support areas (i.e., parts room, bulk fluid distribution room, reference library; driver's waiting area; tool and equipment storage), employee amenities (locker rooms, break rooms, wellness centers, etc.), and administrative areas (i.e., offices, conference rooms, workstations, lobbies, and storage areas). The Workplace also includes exterior staging areas (ready line, dead line, official vehicle parking, employee parking, new vehicle storage, etc.) and site circulation. All of these must be sized to match the Workforce, which is sized to address the Workload.



Key Elements

What needs
to be done?



Who is going
to do it?

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Where will the work
take place?



Fleet Profile

476

Fleet Assets

859.3

VEUs

116

Unique Classes

10.3

Mean Fleet Age

8.3

Median Fleet Age

89%

Are Owned

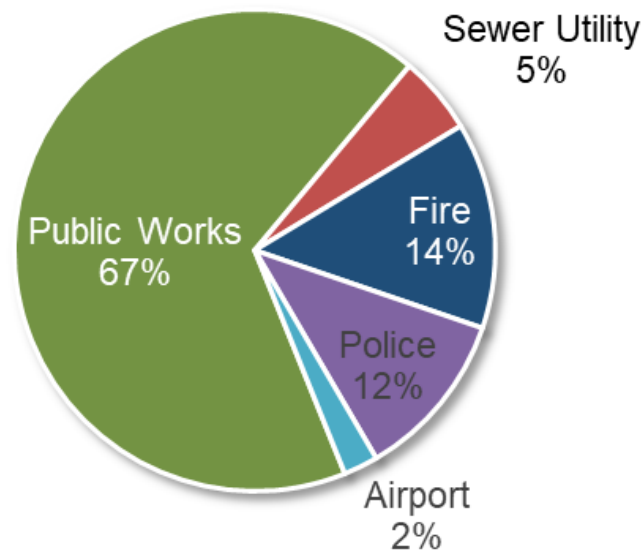
16.5

Imputed Avg. Replacement

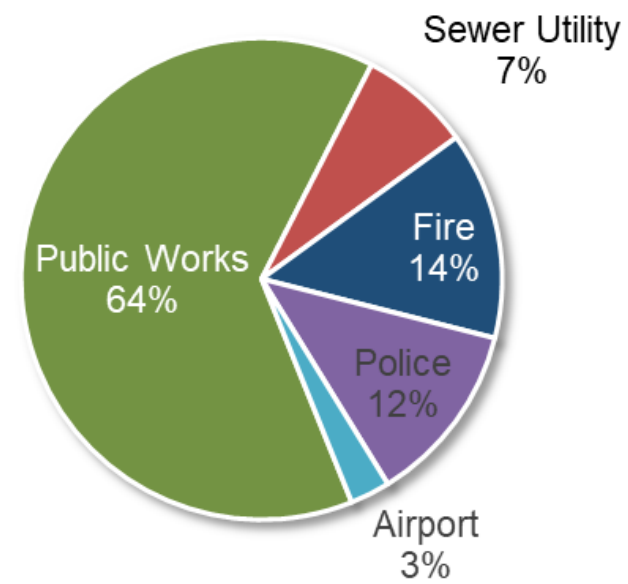
MERCURY

Asset Count vs. Workload

Distribution of Fleet by Asset Count



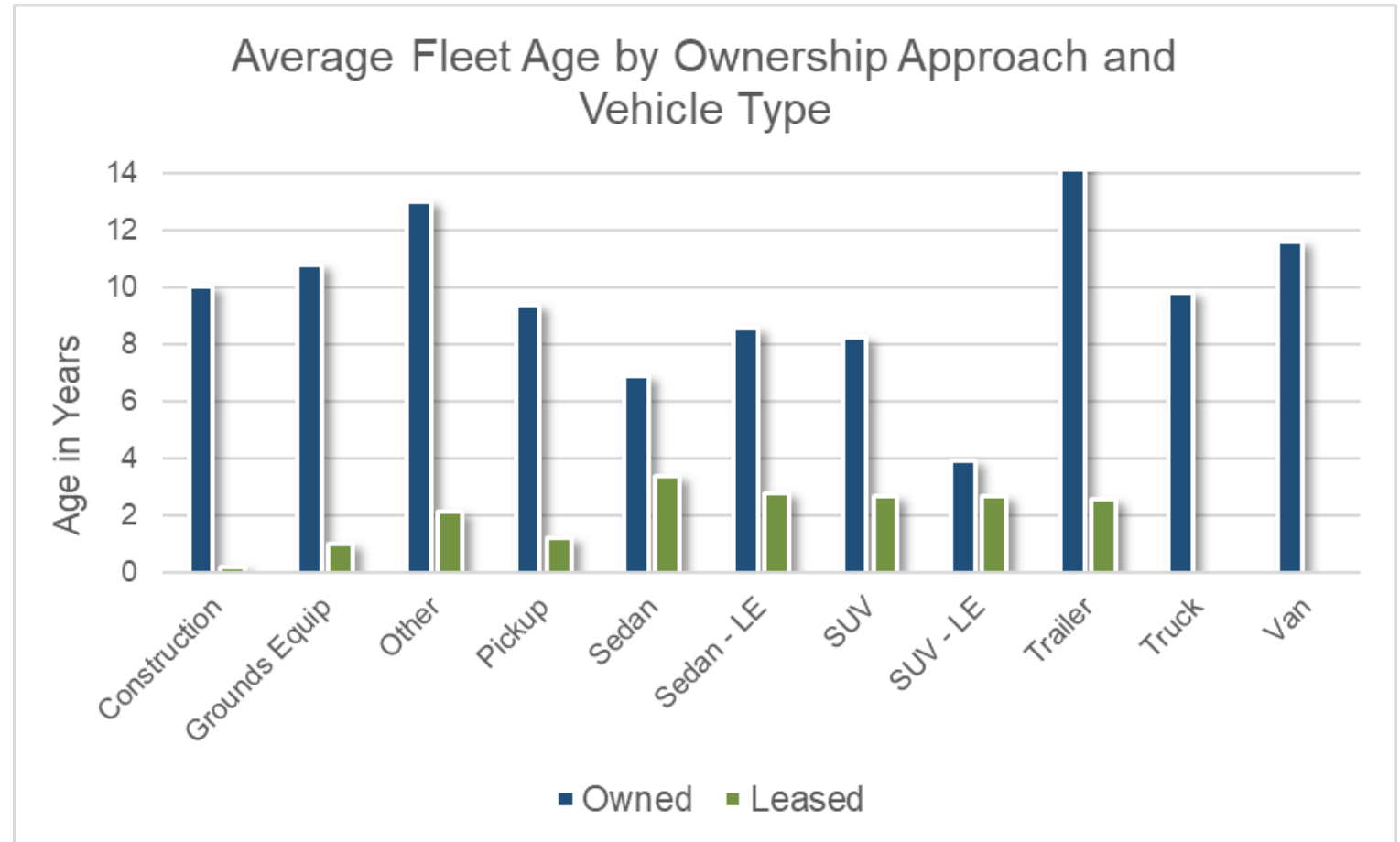
Distribution of Fleet by VEU's



MERCURY

Fleet Age Profile

Fleet leasing program initiated for some light duty vehicles in 2016. Currently about 11% of the fleet is leased or rented.

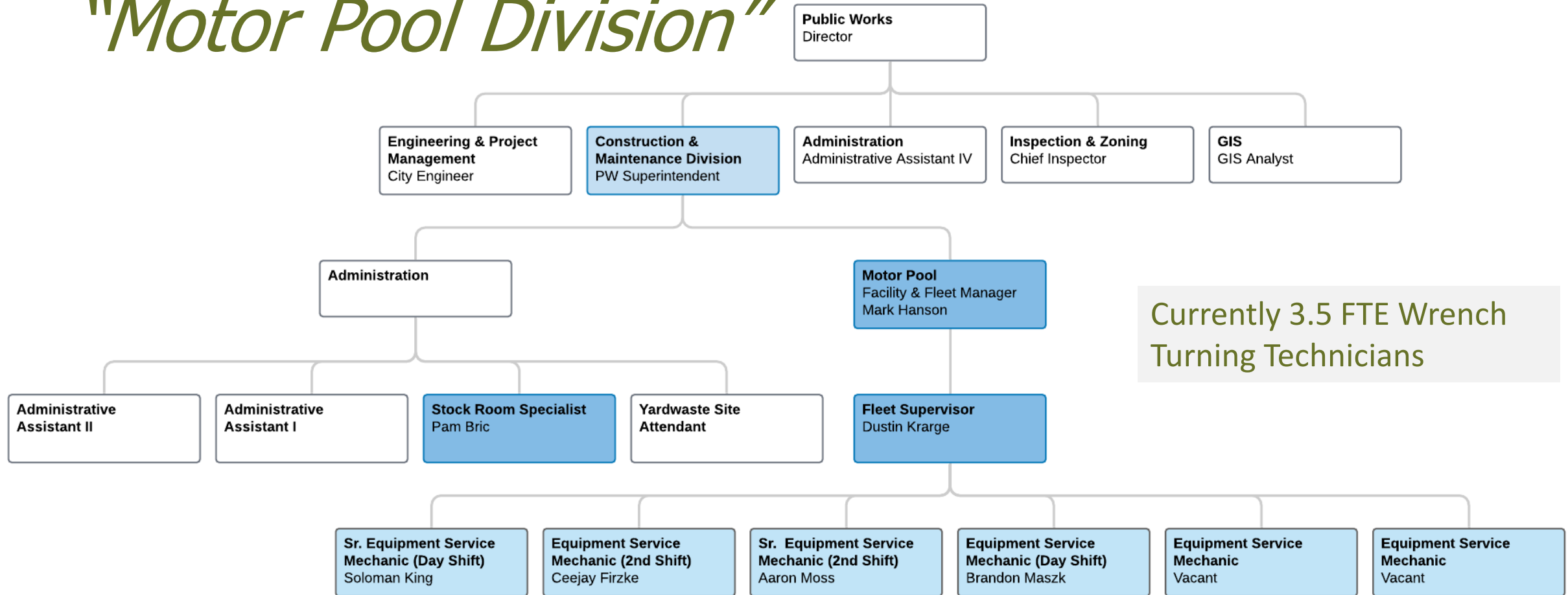


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Current

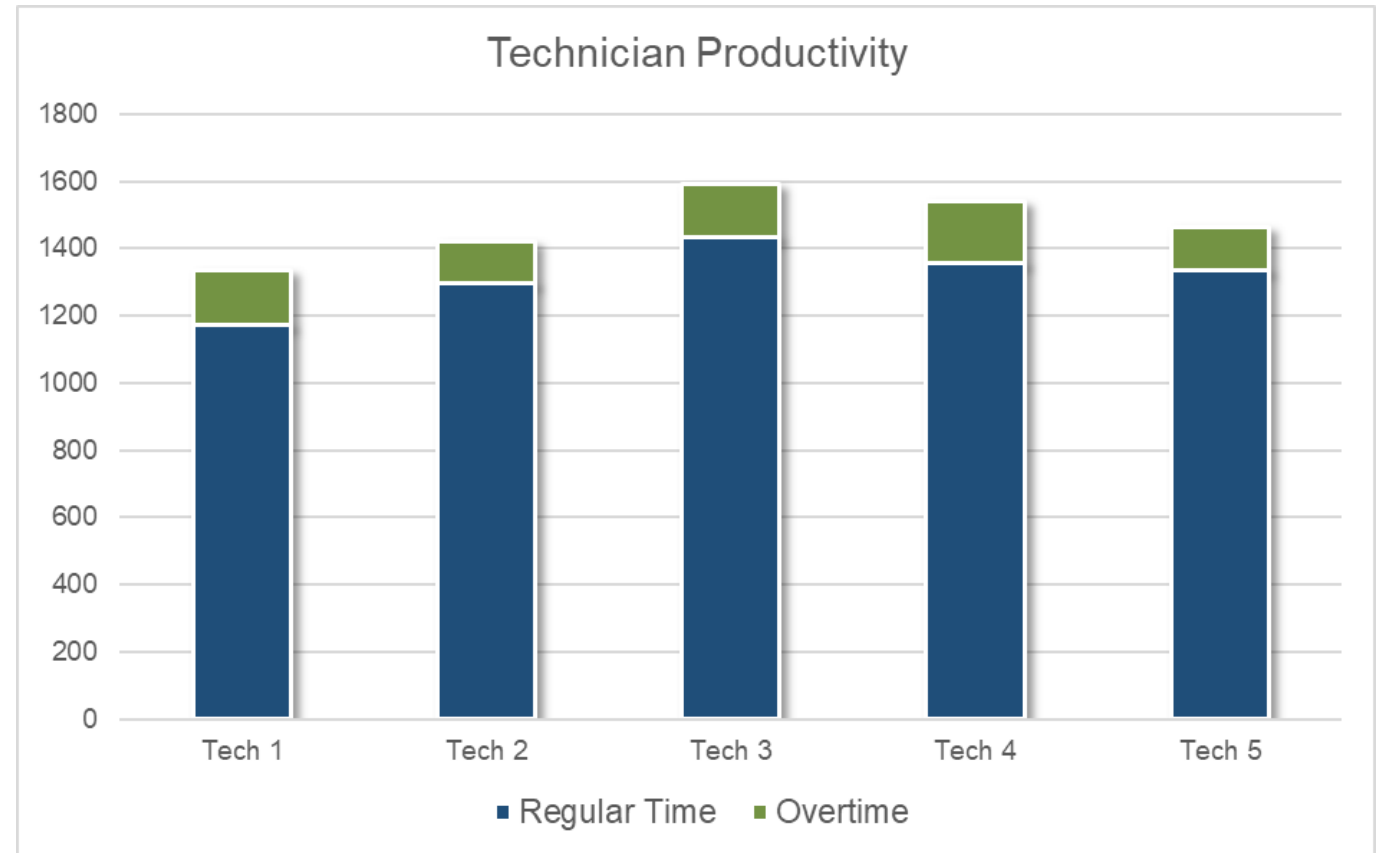
"Motor Pool Division"



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Technician Productivity

The average annual productivity (direct labor/wrench turning time) for a recent 12-month period for 5 technicians was 1,470 hours (including OT hours). The target technician productivity goal for the City of Wausau moving forward should be 1,500 hours per year per technician provided that the technicians will have only limited role in parts sourcing, picking, etc.



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Workload

The City's fleet workload can be categorized into two separate categories; 1) work performed/managed by the Motor Pool Division and 2) work performed by commercial vendors based on ownership (i.e., leased vehicles and equipment are maintained and repaired by commercial vendors as part of the leasing agreement). Therefore, these assets can be removed from the in-house workload calculation. The table to the right identifies the Workforce (technician) staffing requirements to maintain and repair City owned assets.

Total Fleet Assets	476
Total VEUs	859.3
Total in-house M&R assets (owned fleet)	421
Total in-house VEUs	770.9
Total in-house demand hours (owned fleet)	9,251
Tolerance (direct labor hours) per technician	1,450
Technicians required (owned fleet)	6.4
Total demand hours (entire fleet)	10,312
Technicians required (entire fleet)	7.1

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Organizational Structure

The objective in determining the appropriate organizational structure (centralized vs. decentralized) for the City's fleet management program is to determine what type of organizational structure will lead to the most efficient and cost-effective fleet program for the City as a whole. That said, it is important to keep in mind that fleet user (i.e., customers) service considerations should take precedence over cost reduction and other considerations because it is fleet user organizations' missions and associated business practices that dictate the need for fleet assets and fleet management services in the first place. The key objective in examining the organization of fleet management functions is to determine what type of structure will yield net improvements in service effectiveness.

The primary role of a centralized fleet organization should be to provide efficient and effective services to fleet users – not to regulate their behavior.

Accordingly, a central fleet management organization should provide its customers with consultative advice and technical expertise fleet replacement, maintenance and repair, fleet size and composition, and influence their behavior through use of a service-based (direct) cost charge-back system and provide feedback on user decisions through management and exception reporting. Regulation, where it occurs, should come in the form of policy guidance and through the budget process where departments are required to justify their resources and spending requests.

Recommended Organizational Structure

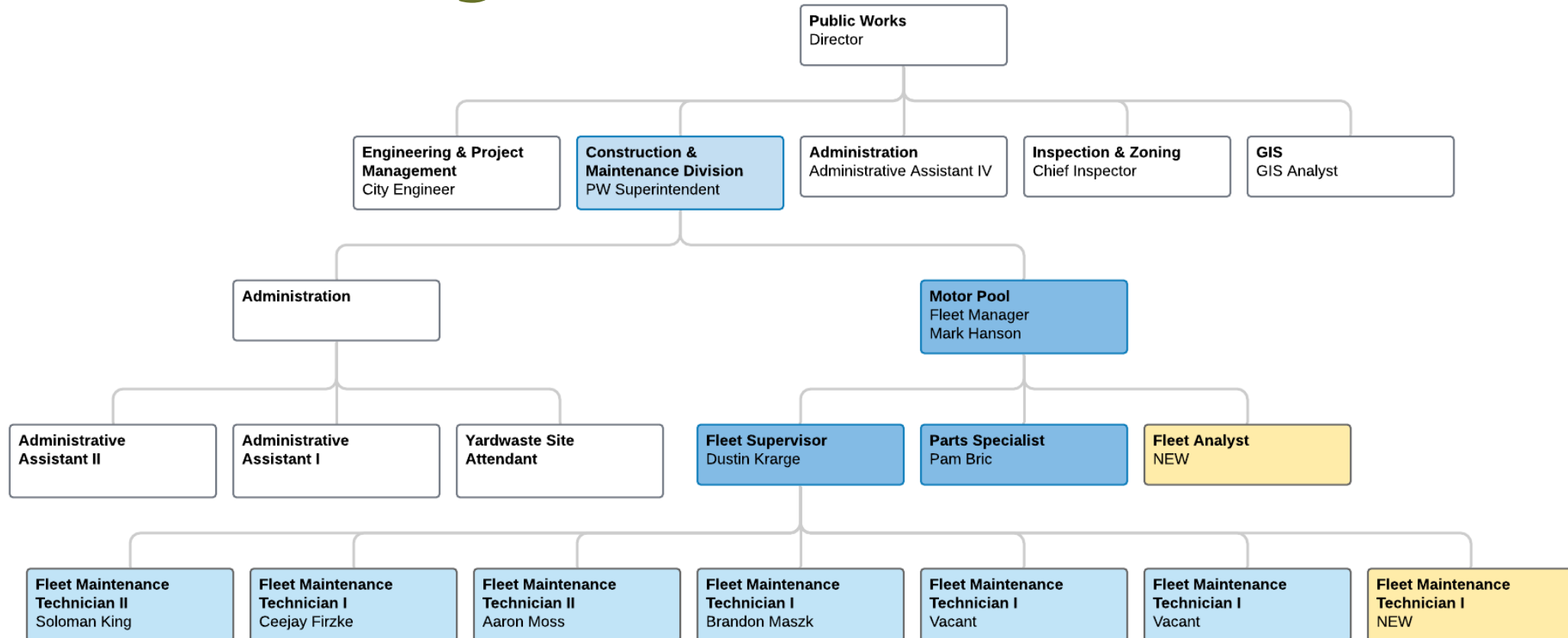
The City and some of the operating departments have considered moving to a decentralized approach to fleet maintenance and repair where each major department would essentially become their own in-house provider of fleet management and maintenance and repair services. The rationale for this is commendable - improve fleet availability, manage repair and maintenance priority, improve repair turnaround time, ensure that they have the right vehicle/equipment to meet their mission, etc. However, the relatively small fleet sizes for the other departments would not justify this approach and any economies of scale or operational flexibility from a resource perspective would be lost.

Based on our experience with other fleet organizations (municipal and private) and analyzing results of centralization efforts for other fleet owners, we would expect the City to achieve the highest level of service and lowest overall cost in a fully staffed and centralized fleet maintenance organization.

We certainly understand the unique fleet needs of each operating department in the City and are confident that a central fleet organization can be highly successful if given adequate resources including staffing, facilities, and systems. These, along with the strategies and tactics provided within this fleet study deliverable, will set the stage for the City of Wausau fleet management organization to become a high performing fleet services provider.

Recommended for Entire City Fleet

"Fleet Management Division"



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Competition for Skilled Technicians

Even in times of high unemployment, attracting, recruiting and retaining skilled employees is a challenge. When employment is at or near record highs as it has been recently, that challenge is exacerbated. Add to that the unique skill set required for a municipal fleet technician and retirements of long-time employees, many local government fleet organizations are experiencing higher than normal vacancy rates.

Employees today are very concerned with total compensation packages (i.e., pay, future pay increase opportunities, benefits, retirement plans, bonus structure, etc.) as expected. When two similar opportunities are available, all things being relatively equal, most applicants choose the job with the highest pay. However, in addition to pay, employees are becoming more focused on workplace culture, effective use of their talents and abilities, workplace flexibility, and leadership.

According to the US Department of Labor, there are more than 750,000 technicians working in just the automotive service and light truck industries in the United States across all industries, another 280,000 diesel truck mechanics and 220,000 equipment technicians. That equates to over 1.2 million employees that are dedicated to turning wrenches. Due to retirements, career changes, etc. there is a need to fill over 76,000 new technician positions each year.

Many fleet organizations across North America are facing similar challenges. Additionally, with an aging workforce (Baby Boomer generation), and the tendency for General X and Millennials to change jobs on average every 5 and 2 years respectively, technician recruitment and retention has been an ongoing issue and will continue to be an issue for the years to come.

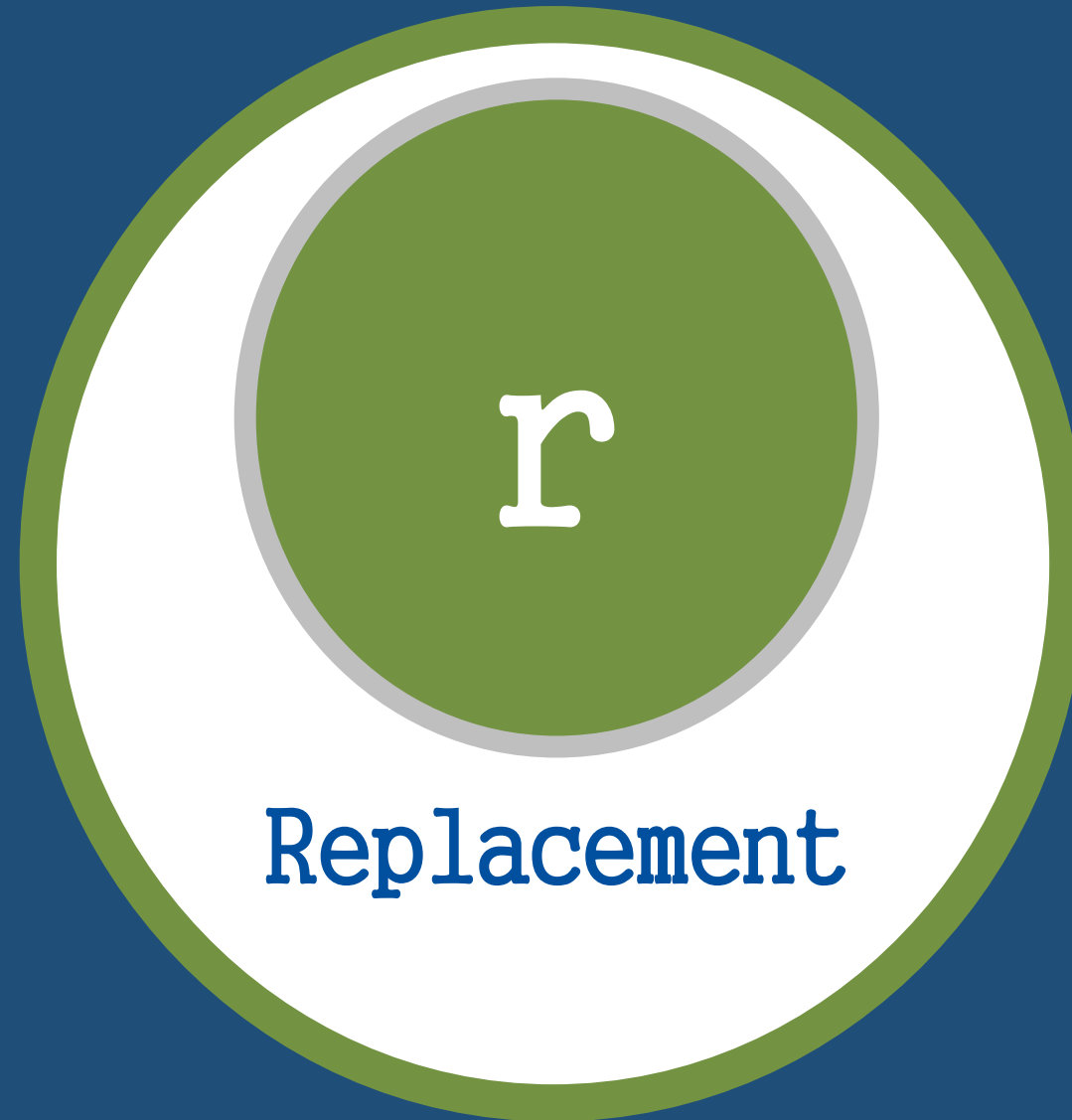
Technician Pay Comparison

This is not intended to be a comprehensive wage and salary study and the positions and associated pay or pay ranges are provided for illustrative purposes only.

Fleet Technician Salary Comparison			
Organization	Position	Salary Range	Notes
City of Wausau, WI	Equipment Services Mechanic	\$43,741 - \$61,237	Data Request
City of Wausau, WI	Senior Equipment Services Mechanic	\$47,264 - \$66,170	Data Request
Median Pay in US	Automotive Service Technician	\$42,090	DOL
Median Salary for Appleton, WI Area	Automotive Mechanic	\$48,910	Salary.com
Median Salary for Appleton, WI Area	Senior Automotive Mechanic	\$56,990	Salary.com
Median Salary for Appleton, WI Area	Diesel Truck Mechanic	\$52,618	Salary.com
Median Salary for Appleton, WI Area	Senior Diesel Truck Mechanic	\$56,593	Salary.com
City of La Crosse, WI	Automotive Mechanic	\$42,764.80	City Website
City of La Crosse, WI	Heavy Equipment Mechanic	\$45,760	City Website
City of Saint Paul, MN	Vehicle Mechanic	\$66,560	City Website
City of Saint Paul, MN	Vehicle Mechanic Lead Worker	\$68,806	City Website
City of Eau Claire, WI	Mechanic I	\$48,821.76 - \$56,868.66	City Website
City of Eau Claire, WI	Mechanic III	\$45,699.06 - 54,232.26	City Website
City of Eau Claire, WI	Service Technician	\$45,929.94 - \$57,695.46	City Website
City of Appleton, WI	Mechanic	\$47,694.40 - \$71,531.20	City Website
City of Appleton, WI	Master Mechanic	\$58,240 - \$62,400	City Website
City of Appleton, WI	Lead Mechanic	\$56,118.40 - \$84,198.40	City Website
City of Green Bay, WI	Mechanic	\$51,459.20 - \$69,576	2020 Pay Scale
Marathon County, WI	Equipment Services Mechanic	\$39,837 - \$53,781	2020 Pay Scale
Hennepin County, MN	Equipment Mechanic Journeyman	\$65,178.37	County Website
Hennepin County, MN	Equipment Mechanic Leadworker	\$70,213.69	County Website
City of Madison, WI	Automotive Mechanic	\$56,195.62 - \$62,625.68	City Website
City of Oshkosh, WI	Fleet and Equipment Mechanic	\$51,313.60 - \$70,387.20	City Website
Milwaukee County, WI	Fleet Mechanic	\$49,316.80 - \$56,804.80	County Website
City of Beloit, WI	General Fleet Mechanic	\$40,788.80 - \$52,998.40	City Website

Organizational Recommendations

- Continue with a centralized fleet management and maintenance and repair operation.
- Re-brand the Motor Pool Division to Fleet Management Division to more appropriately define the responsibilities of the fleet organization.
- Reclassify Facility and Fleet Manager position to Fleet Manager. The Wausau fleet justifies a full-time manager to lead the fleet organization.
- Rename fleet technicians/mechanics to Fleet Maintenance Technician and create three tiers (Fleet Maintenance Technician I, Fleet Maintenance Technician II, and Fleet Maintenance Technician III). Tie specific skills and certifications to each level and once achieved move the technicians to the next level.
 - Conduct a market compensation analysis to ensure skilled and experienced technicians are hired and retained
 - Develop a performance evaluation program where compensation (i.e., step increases and/or variable compensation) is tied directly to performance and high performing technicians can be awarded multiple step increases and not simply a compensation plan where a single step increase is awarded for basic satisfactory performance. Or, as mentioned above, develop a system where technicians are automatically advanced once they achieve certain skills or certifications (i.e., once ASE Master certification is achieved and employee meets stated performance targets such as billable hours per year and comeback rates, the technician is automatically moved to a Fleet Maintenance Technician III position).
- Fill the two vacant mechanic positions.
- Add a Technician I position to meet the entire City workload.
- Add a Fleet Analyst position to track and report on fleet performance, manage the fleet management information system, develop ad-hoc reports, perform trend analysis, and support the Fleet Manager.
- Bring all preventive maintenance and routine repairs back in-house (overflow work and specialty repairs should be sublet to commercial vendors) once the Fleet Management Division is fully staffed.

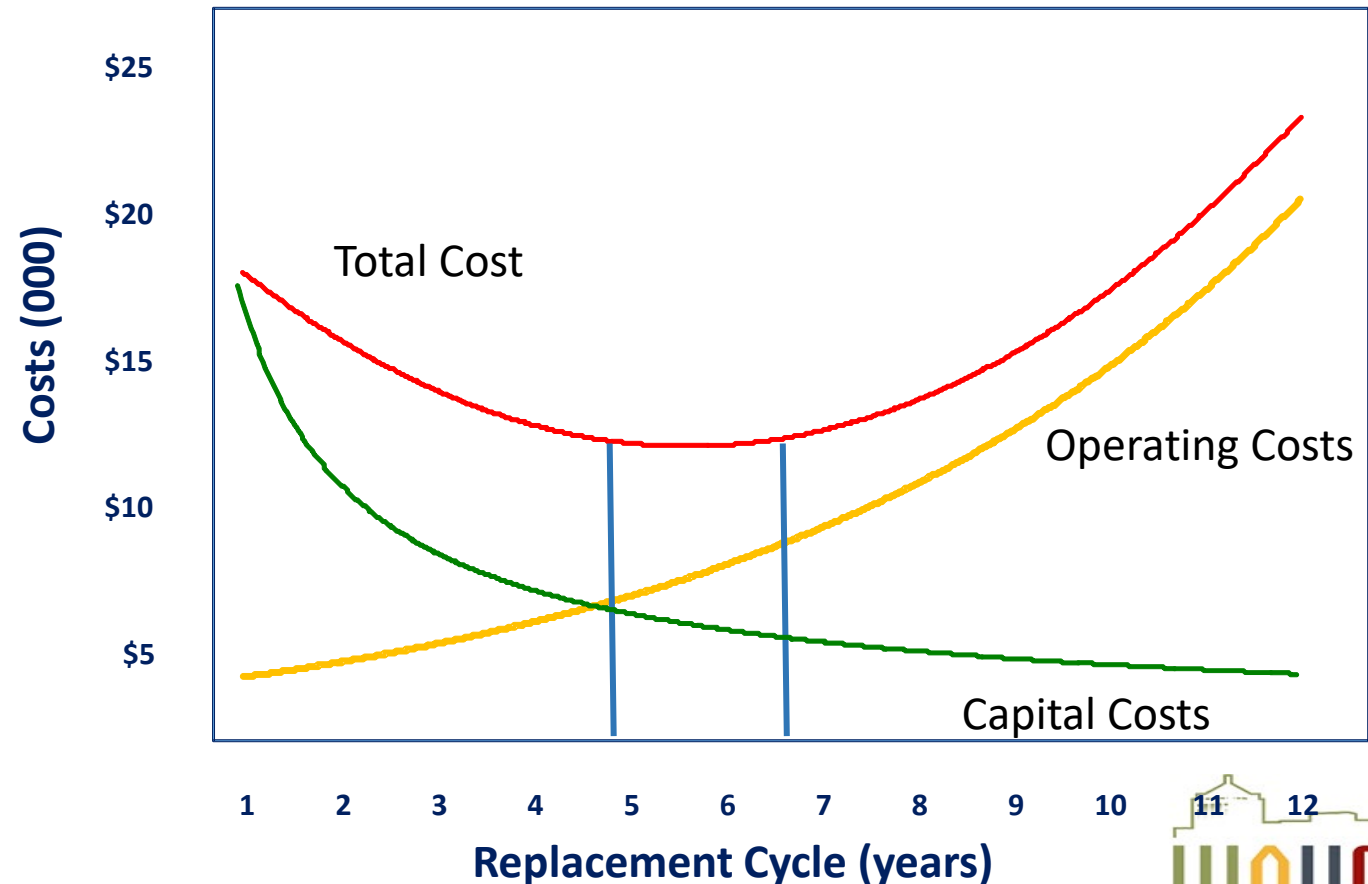


Economic Theory of Fleet Replacement

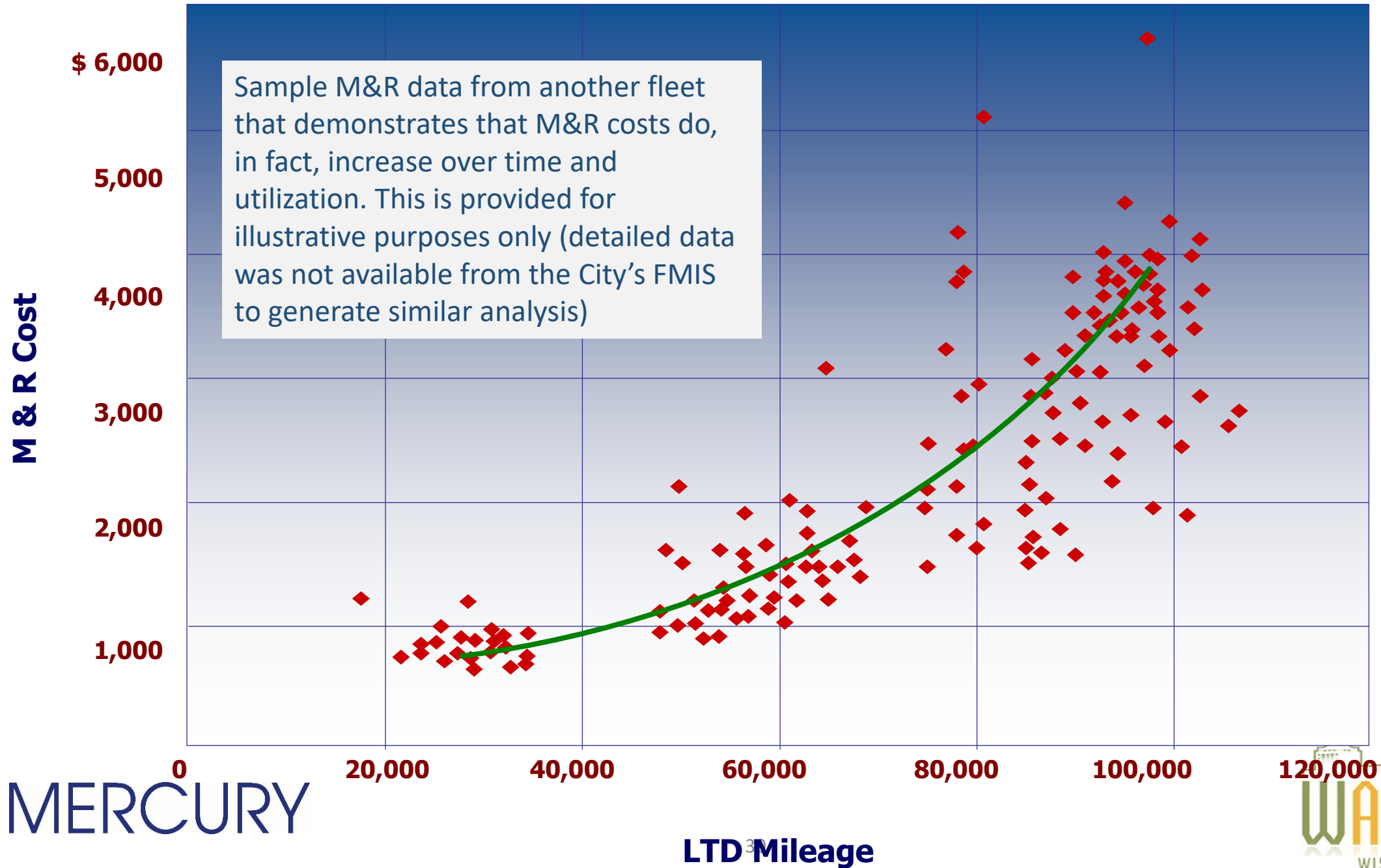
A widely held principle of fleet management is that replacement practices have a significant impact on fleet costs and performance. These impacts result from the fact that the total cost of ownership (TCO) of any type of vehicle or piece of equipment does not remain constant over time. Rather, it is high when a vehicle is new, diminishes steadily for some period of time until it reaches a minimum, and then increases steadily thereafter. The implication of this principle is that organizations that keep vehicles and equipment in their fleet beyond the point at which their TCO is at or near a minimum – that is, near the bottom of the U-shaped curve – incur higher than necessary costs.

Accordingly, increasing the frequency of vehicle replacements and reducing average vehicle age lowers vehicle and fleet costs – assuming that vehicles are not already being replaced at or near the point at which their TCO is at a minimum.

Capital, Operating and Total Cost Trend Lines



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Fleet Replacement Statistics



366 assets included in fleet replacement analysis

Does not include small engine equipment
Does not include rented or leased vehicles/equipment



Gross replacement cost of the fleet - \$27.7 M



Average 2021 gross replacement cost per asset - \$75.6 K



Average age of fleet assets in this analysis – 12.4 years



Target average replacement cycle – 11 years

Target average age of the owned fleet – 5.5 years



Average annual replacement requirement - \$2.5 M



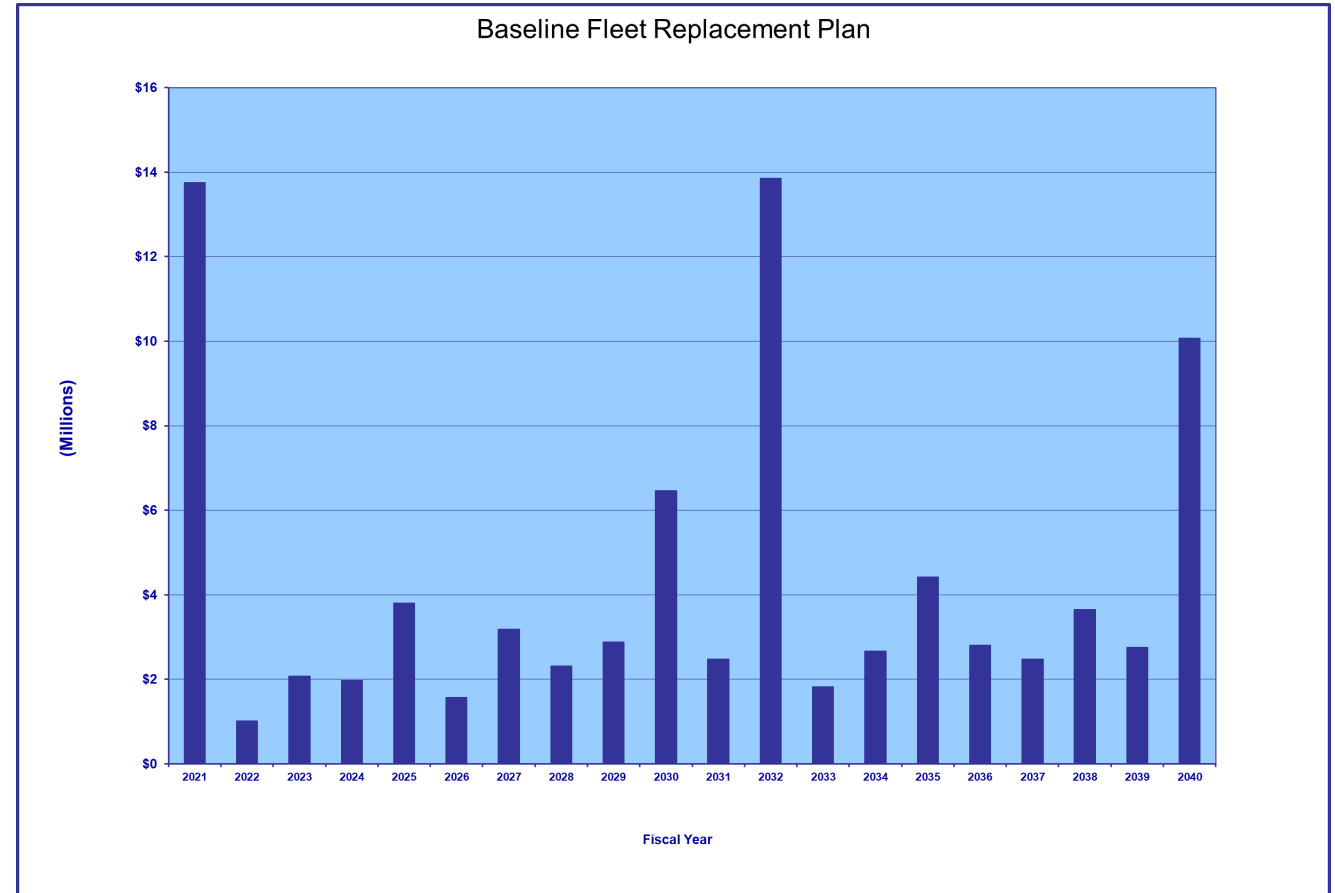
Average annual replacement budget 2018, 2019, 2020 - \$1.8 M



Underfunding fleet renewal has resulted in an aged fleet and significant replacement backlog

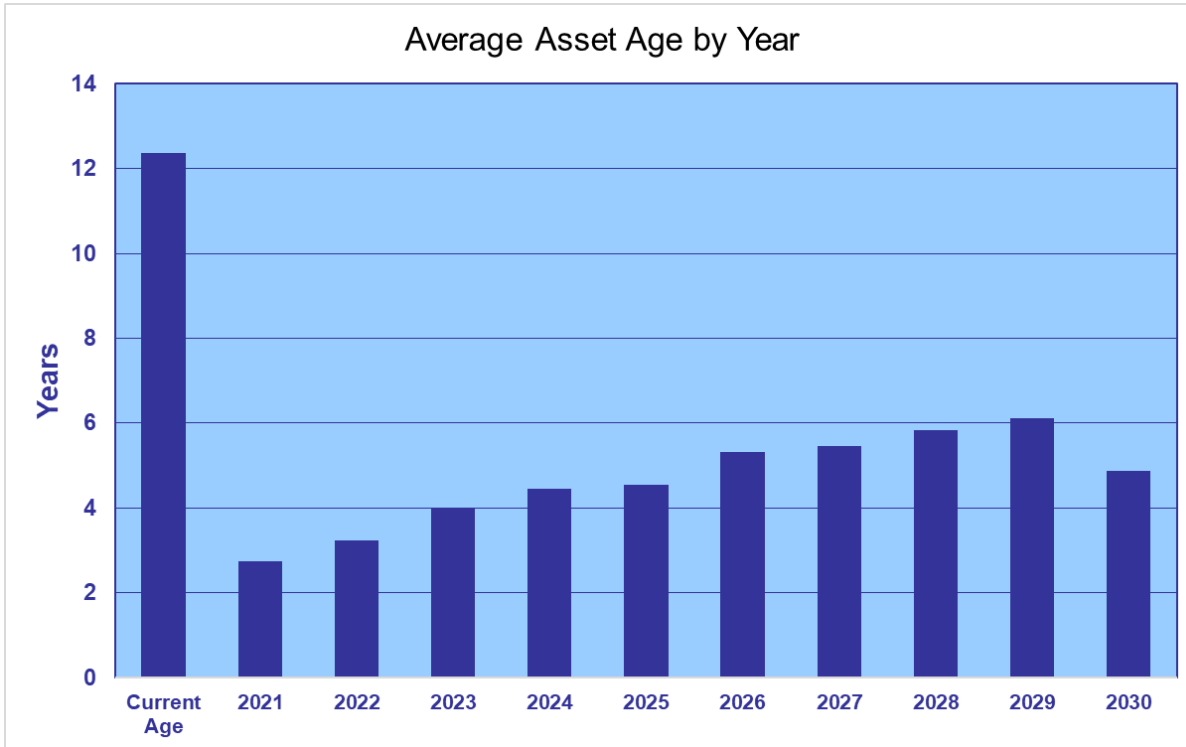
Fleet Replacement Analysis

Using Mercury's proprietary fleet replacement solution, *CARCAP™*, we modeled fleet replacement using various alternatives. For each asset, *CARCAP™* generates a replacement plan by 1) comparing current age and or utilization against the City's fleet replacement cycles; 2) projecting when each asset will reach each applicable criterion or threshold for replacement; and 3) estimating the purchase price of the asset in the year in which it will reach whichever threshold (age or utilization) comes first. We used this application to develop two replacement plans, a Baseline Plan and a Smoothed (more reasonable) Plan.

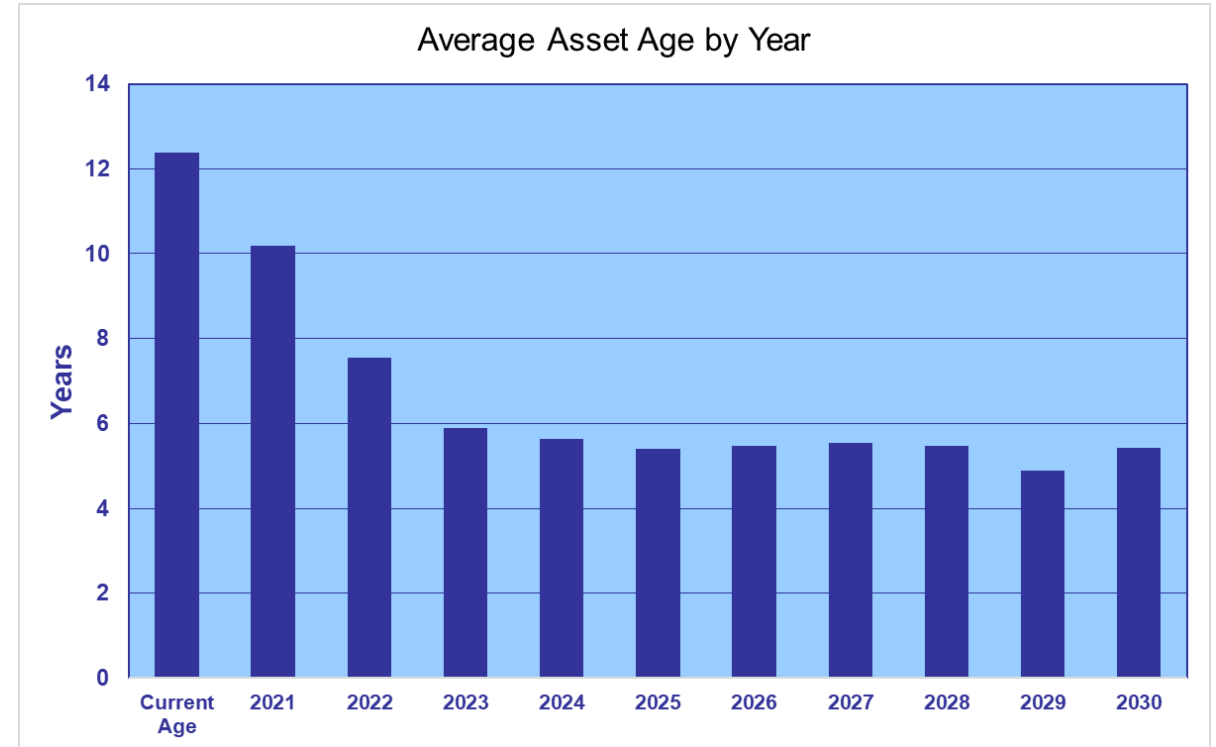


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Impact to Average Fleet Age



Baseline fleet replacement plan



Status Quo fleet replacement plan

(Based on an average replacement requirement of \$1.9 M per year)

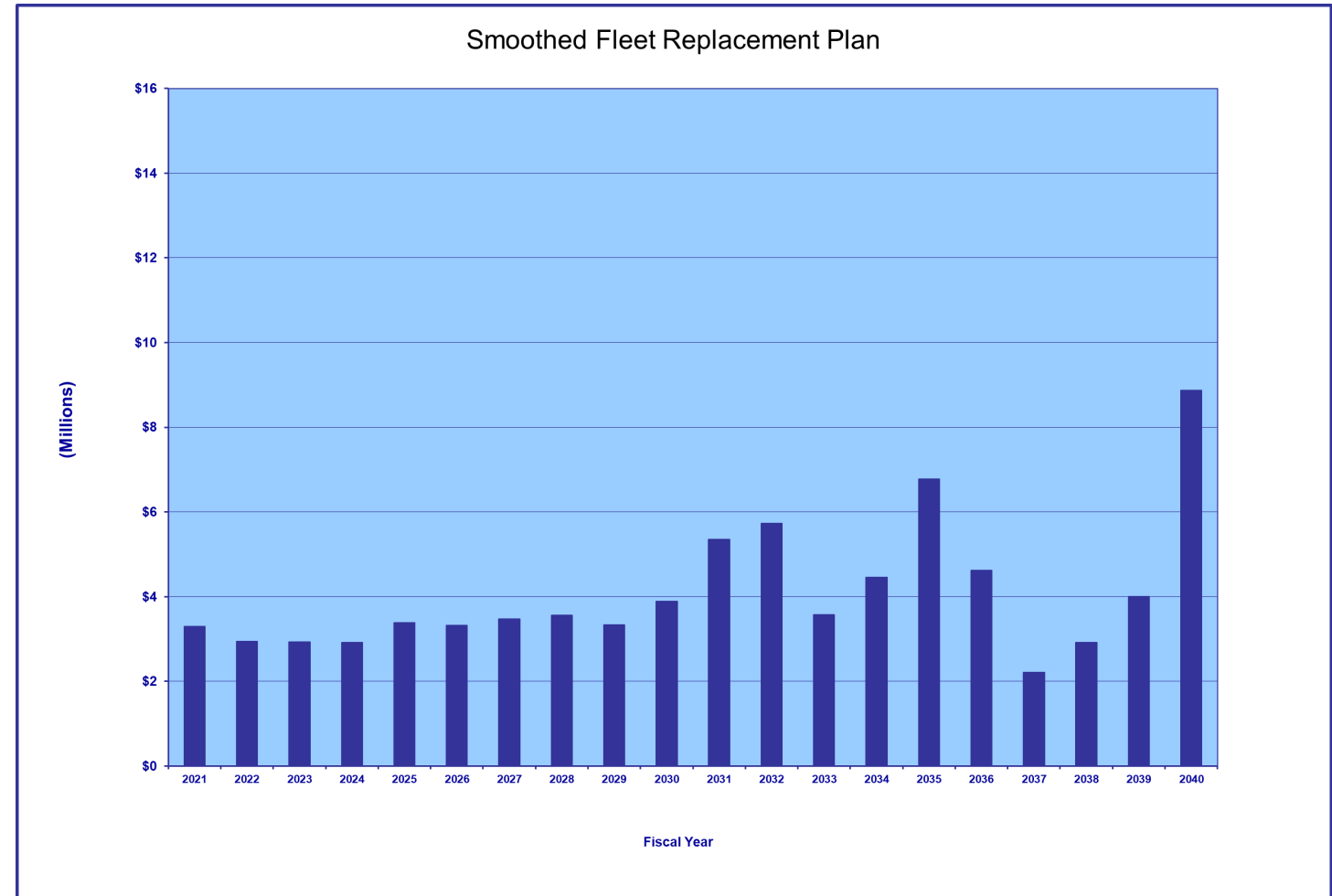
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Smoothed Plan Detail

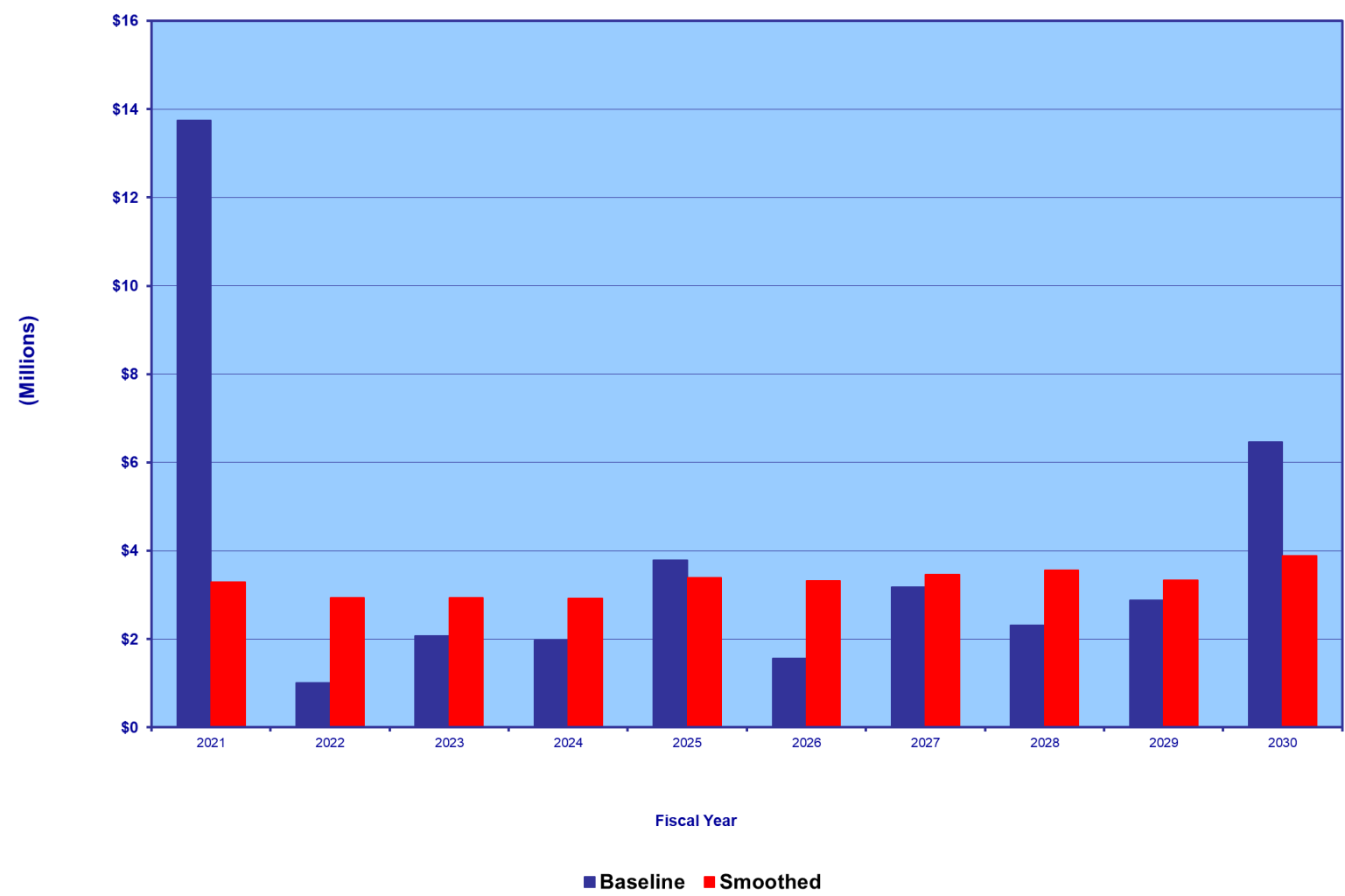
Ad Hoc Cash Statistics (millions)										
Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gross Replacement Costs	\$3.29	\$2.94	\$2.94	\$2.92	\$3.39	\$3.33	\$3.47	\$3.57	\$3.33	\$3.88
Remarketing Proceeds (Estimated)	\$0.17	\$0.14	\$0.16	\$0.28	\$0.65	\$0.80	\$0.80	\$0.66	\$0.52	\$1.28
Gross Replacement Costs Less Sales Proceeds	\$3.12	\$2.80	\$2.78	\$2.64	\$2.74	\$2.52	\$2.67	\$2.91	\$2.81	\$2.60

Even if the City had the financial wherewithal to do so, we would not recommend that the City attempt to replace such a large portion of the fleet in a single year, as shown in the Baseline Plan. There are a number of reasons for this including the logistical challenges of accomplishing it such as the impact of procuring, commissioning and decommissioning over 40% of the fleet and the “ripple effects” in future fleet replacement costs that would result from many of the assets replaced in the first year of the plan coming due for replacement simultaneously in future years.

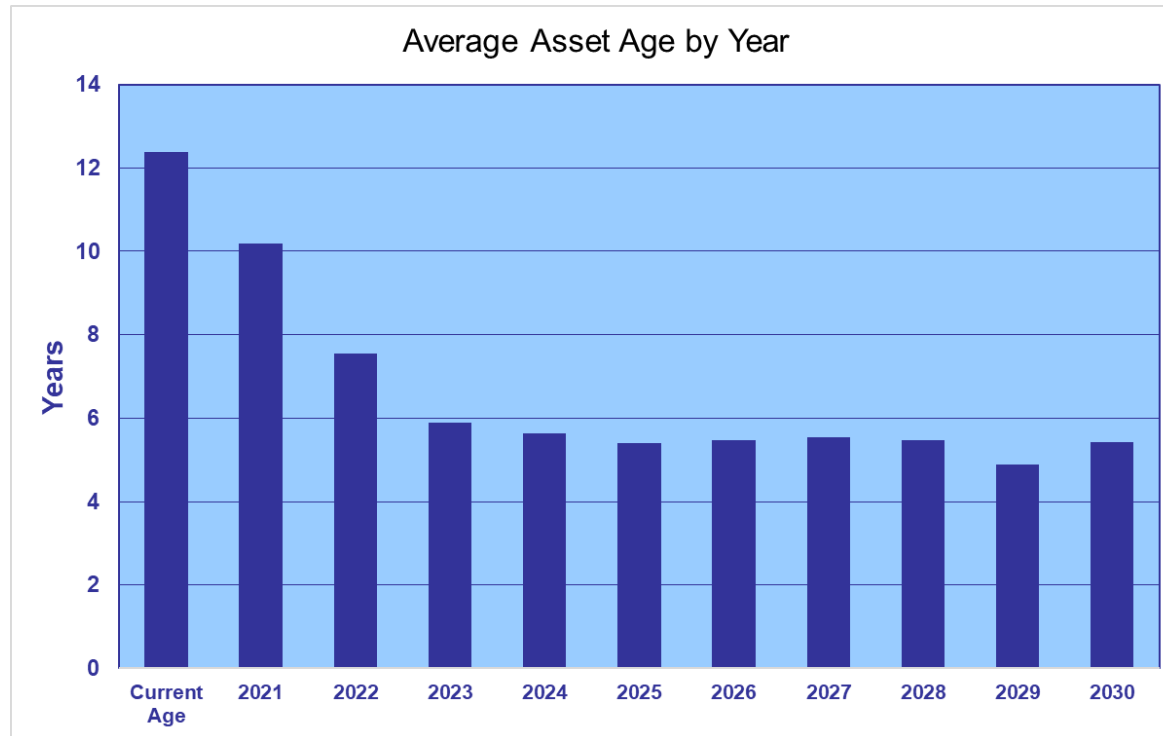
Therefore, a Smoothed Plan was developed that provides a more realistic and implementable solution. In this plan, initial replacements scheduled in 2021 were deferred one or more years.



Baseline v Smoothed Costs



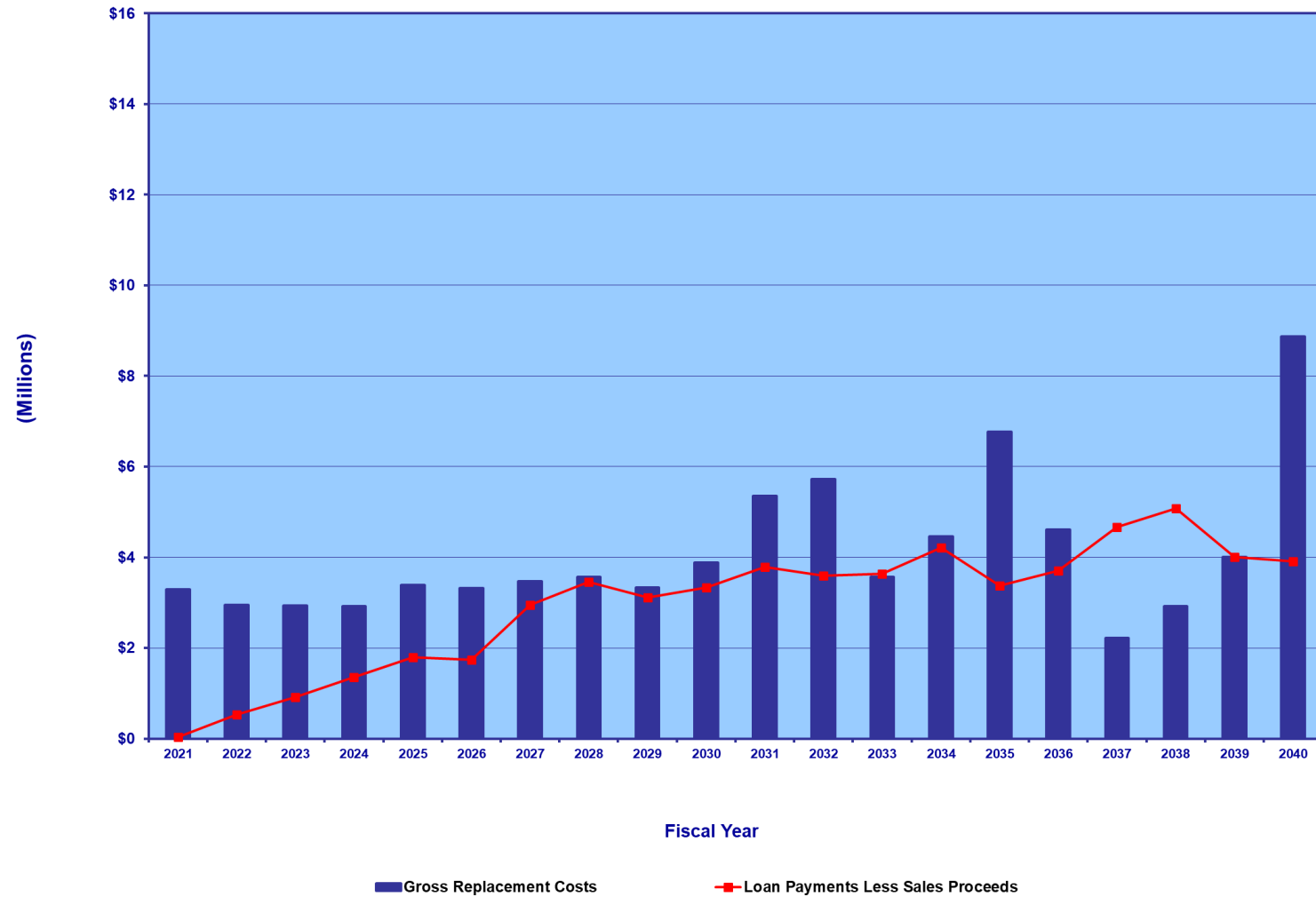
Impact to Average Fleet Age



Smoothed fleet replacement plan

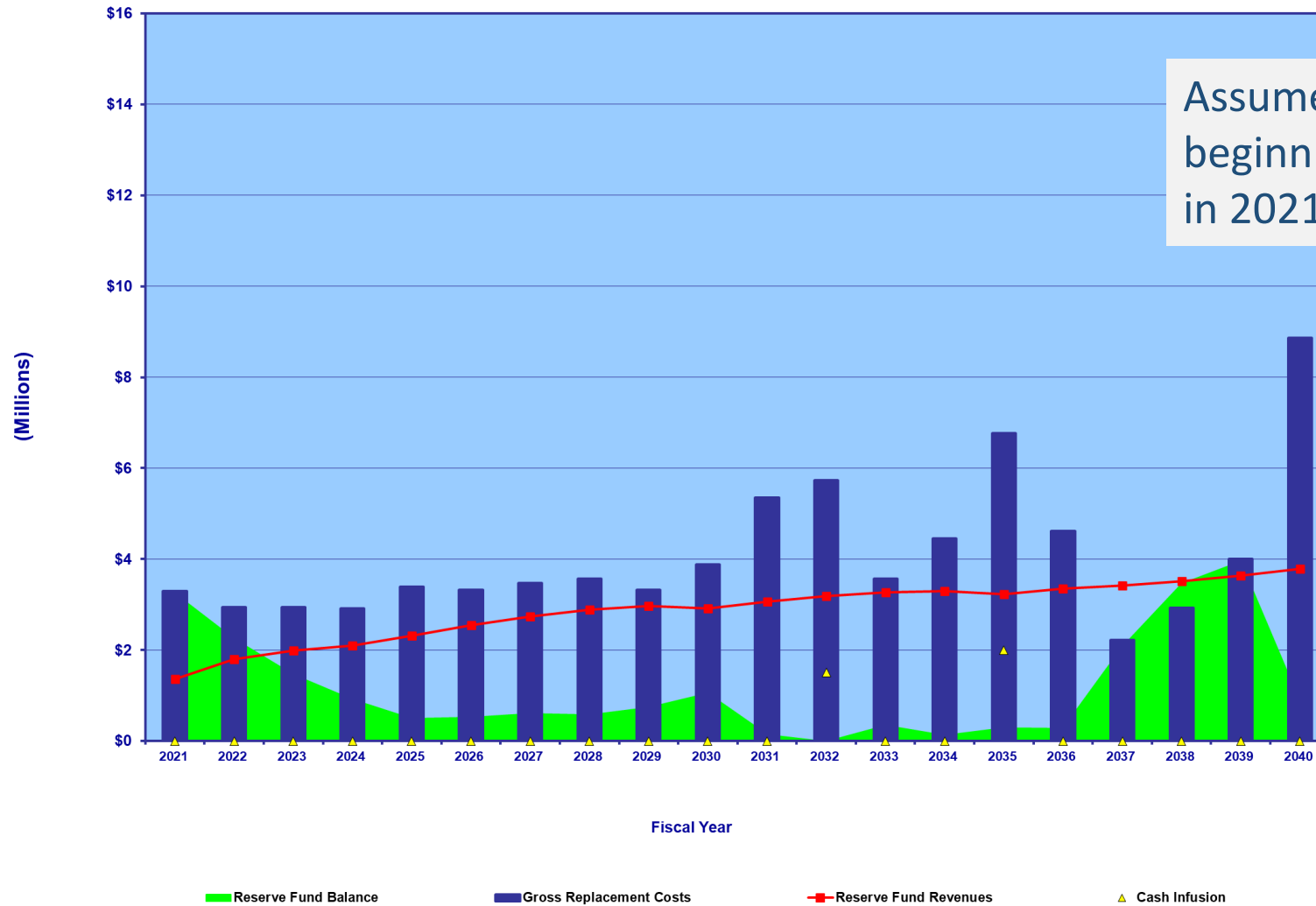
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Debt Financing



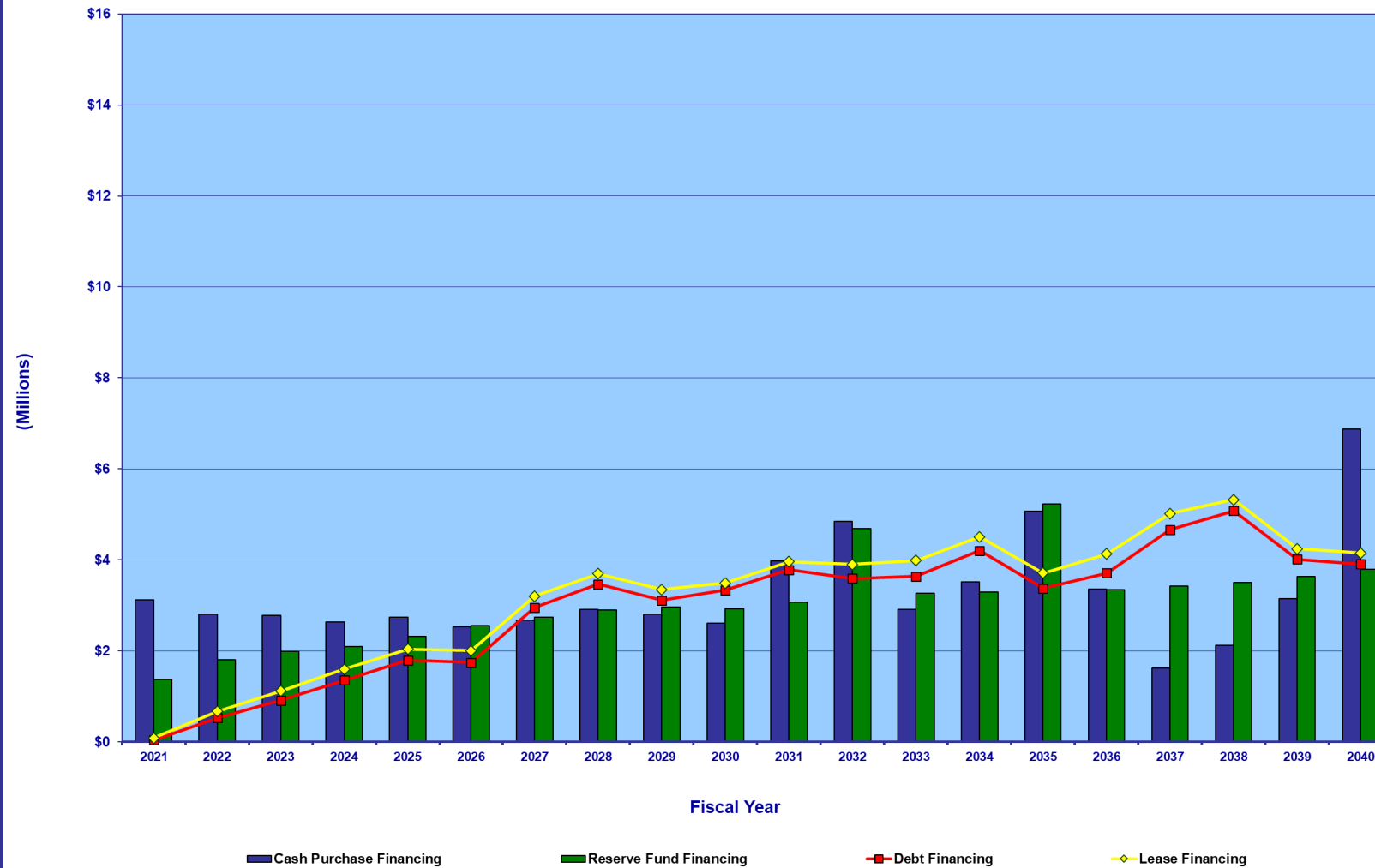
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Reserve Fund Financing



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Comparison of Net Fleet Replacement Funding Requirements



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Replacement Recommendations

- Renew the fleet with the goal of reducing the average fleet age to between 4 and 6 years
 - Achievable within 3 years at an average replacement requirement of about \$3.1 M per year for the first 3 years of the plan (Smoothed Replacement Plan)
- Three primary options:
 - Allocate additional cash to purchase more vehicles and equipment each year
 - Consider debt financing or expanded leasing program to renew fleet with lower initial cash outlay
 - Debt approach likely lower cost option but requires more acquisition effort for vehicles and equipment
 - Leasing from a fleet management company typically is more expensive but they offer management (and other) services if/as required
 - Utilize a fleet reserve fund that is dedicated to fleet replacements (should be segregated from fleet operating fund) and use a disciplined approach to replace vehicles in accordance with the replacement schedule. This approach required the development of accurate capital charge-back rates (original purchase cost less anticipated residual value plus a surcharge)
- New additions to the fleet should be funded by new budget requests and not from the existing capital fleet replacement fund



Activities Included in the Assessment

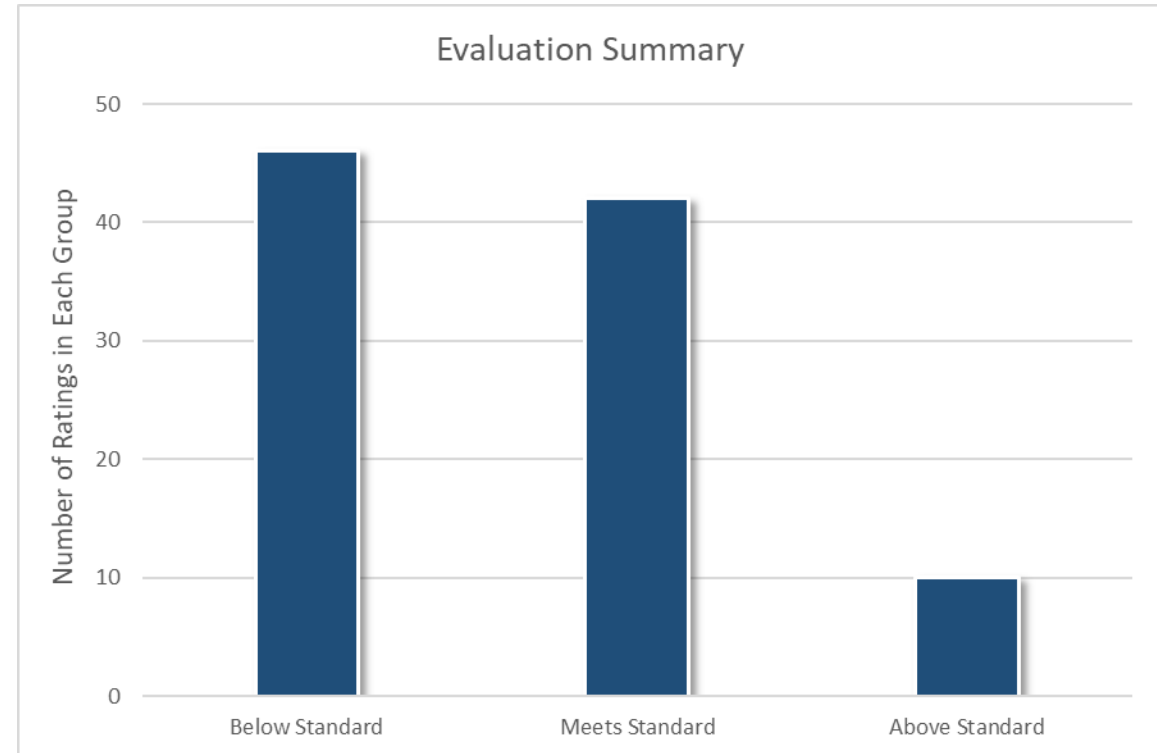
- Fleet Governance
- Asset Acquisition and Disposal
- Asset Utilization Management
- In-house Asset Maintenance and Repair
- In-house Parts Management
- Outsourced Maintenance and Repair Management
- Fleet Management Information System
- Customer Service Management

The full fleet management and maintenance and repair Activity Matrix has been provided under separate cover.

Fleet Activity Performance Summary

- Nearly 100 specific activities formally evaluated
- Each activity rated at Below Standard, Meets Standard, or Above Standard
- Key activity summaries provided later in this section
- Fleet cost is competitive at \$1,839/VEU

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Many of the activities rated Below Standard were a result of not formally tracking or reporting on performance in specific areas, lack of funding for fleet replacement, lack of resources (i.e., technicians) to meet industry performance benchmarks, and other reasons that are beyond the authority of MPD.

Ratings Explained

Above Standard

The functional area has all of the elements required to fully meet the needs of the fleet program. Current practices/performance exceed standard best management practices. The latest technologies, practices, and methods are being applied to the management and maintenance of the fleet.

Meets Standard

The functional area has most of the elements required to meet the needs of the fleet program. There may be minor improvement opportunities but generally meets industry best practices.

Below Standard

The functional area provides some of the elements required to meet the needs of the fleet program. Performance is below industry standards. Operational and management improvements are recommended.

Fleet Governance

Objective

The fleet organization develops and publishes a series of policies and procedures that address, organize, and simplify fleet operations. They are carefully developed and consistently applied. They are reviewed routinely to assess relevance, updated to maintain currency, and added-to or subtracted-from to serve as the most pertinent governing document for the programs.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

The City has an Employee handbook that covers a variety of HR related topics and some fleet related issues including vehicle take home policy, driver's safety, personal use of City vehicles, use of POVs for City business, accident reporting procedures, and pre/post trip inspections. A formal Fleet Management Handbook does not exist.

Action Item(s)

Combine the fleet related policies and procedures that exist in the City Employee handbook and the standard operating procedures (SOP) into a single Fleet Management Handbook, or at the very least, create a Fleet Policy page on a fleet website and provide relevant links to the existing policies. Make available online, distribute accordingly, and revise annually.

Fleet Standard Operating Procedures

Objective

Specific work instructions and/or standard operating procedures (i.e., desk reference manuals) have been developed to address specific activities.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD has a collection of Shop SOPs covering a multitude of procedures to include PMs, tools, shop equipment, housekeeping, and others. The Fleet Manager has started writing procedures for COVID related sanitizing, plow blade replacement, safety for welding, cutting, and other processes and is in the process of updating their PM checklists.

Action Item(s)

See previous action item.

Asset Acquisition

Objective

Focus is on matching fleet asset design to meet specific customer job requirements, rather than development of generic specifications.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD tries to match vehicle and equipment specifications (specs) to customer's needs. When appropriate, MPD will arrange for vehicle and equipment demonstrations from various manufacturers so provide an opportunity for the end user departments/operators to view and test new equipment make and models. However, some customers did provide a few accounts of not receiving the type of vehicle/equipment requested because MPD unilaterally decided on another vehicle type/configuration/color, etc.

Action Item(s)

Work directly with customer departments to ensure they have the right asset for their mission. The fleet organization should provide input, expertise, and recommendations, but ultimately it should be the department that approves the actual unit type, make, model, color, etc. as long as it conforms to any overarching City policies (i.e., fleet standardization).

Fleet Procurement

Objective

Cooperative bidding contracts (e.g., state contract, area purchasing authority, etc.) and multi-year bids are used to minimize procurement delays.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

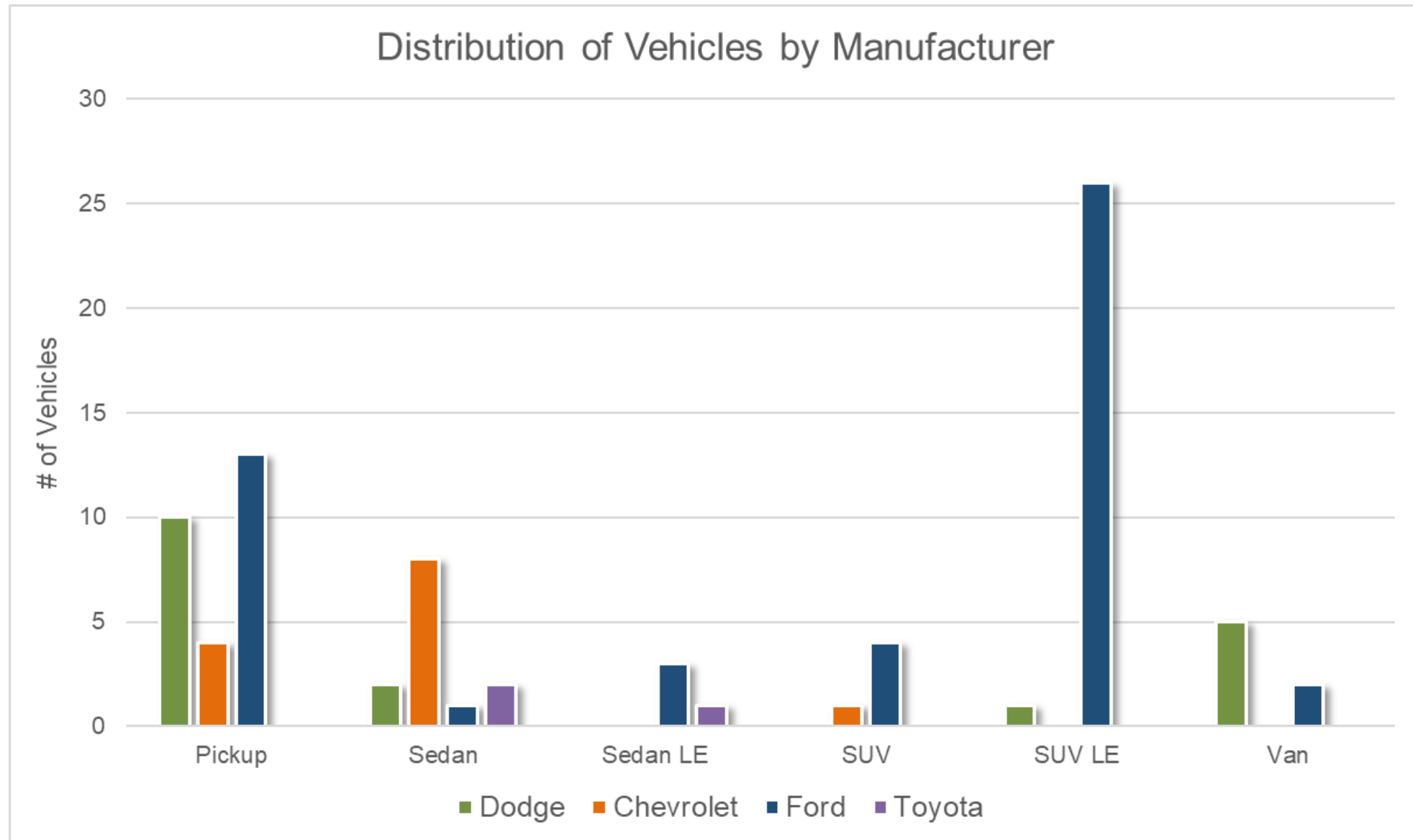
Observations

MPD uses the Wisconsin State Contracts when vehicles or equipment in the State contract meets their needs. MPD also uses co-operative contracts such as Sourcewell and HGAC. However, MPD goes out for individual bids for police vehicles each year instead of using the Wisconsin State Contract which has many police vehicles included, even some with upfitting options. Although the State bid is slightly higher than recent City initiated bids, our review of the prices found the discrepancy to be only a few dollars. The time and effort savings by using the State contract more than outweighs saving a few dollars on each vehicle. The State is also using the same dealership as MPD for police vehicles.

Action Item(s)

Continue to utilize the State vehicle and equipment contract and other cooperative bidding agreements for fleet procurement. Utilize the State contract to procure Police vehicles to reduce the time required to purchase these

units
MERCURY



Asset Decommissioning and Remarketing/Disposal

Objective

Assets are disposed in a timely manner with the greatest exposure to potential buyers, typically by using on-line auctions. Auction/disposal fees are reasonable (3%-8% are standard) and sales (residual value) are consistently above 10% of original purchase prices. Decommissioning effort is tracked (i.e., hours to prepare asset) and days-to-sale performance is tracked and reported.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

National online auction services are appropriately used to dispose of surplus assets. However, limited data is available to track performance (i.e., days to sale, average decommissioning time, average residual value, etc.) in this area.

Action Item(s)

Develop formal policy to govern vehicle disposal. Track and report decommissioning time (less than 2 hours per unit is the standard), days-to-sale (less than 60 days is a reasonable target), and average residual value (target is at least 10% of original purchase price).

Asset Allocation and Utilization Management

Objective

Formal policies exist to govern fleet utilization data capture, monitoring and reporting. Utilization guidelines are established and vehicles and equipment that fall below these thresholds are identified, investigated, and justification is required to continue asset assignment as is. The organization understands that these utilization statistics are only part of the equation, as criticality of the unit must also be considered.

Maturity Rating of Current Practice(s)

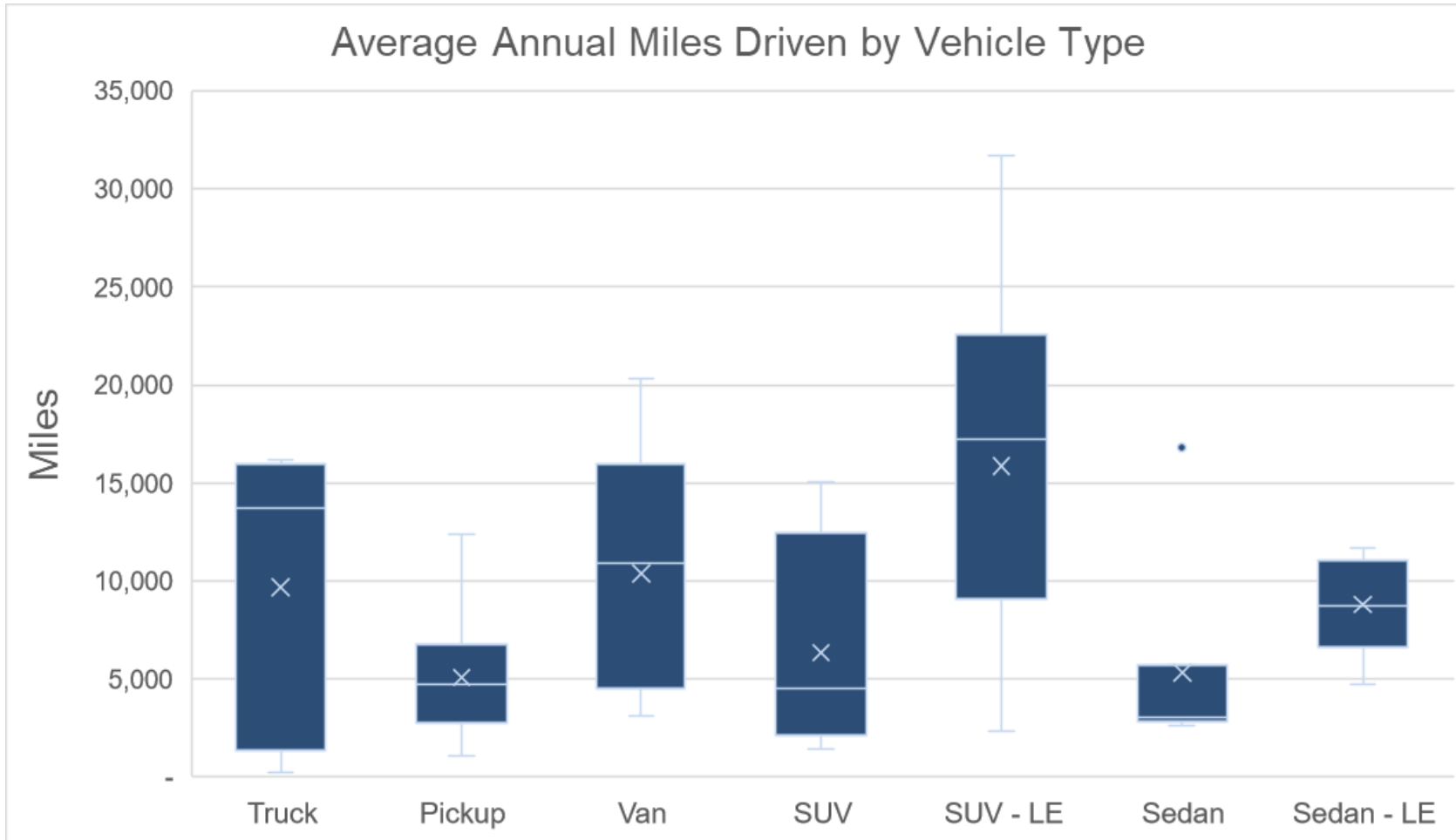
Above Standard Meets Standard Below Standard

Observations

MPD does not perform a formal fleet utilization study for the purpose of identifying potentially underutilization assets. Utilization is reviewed as part of the rate setting and replacement planning processes.

Action Item(s)

Develop formal fleet utilization policy with class specific guidelines for annual use targets. Report exceptions to this standard and require justification. Initial utilization standards should be based on 50% of the average utilization of a given class. Assets failing to achieve this level of use would require formal justification from a usage and criticality perspective for retention in the fleet. Conduct formal fleet rightsizing analysis.



Vehicles in service for less than 12 months were excluded from this analysis. Includes only vehicles where mileage data was provided.

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Vehicle Utilization Summary

26 vehicles averaged less than 5,000 miles per year. Note, the utilization of some trucks was only available as engine hours and thus are not included in this analysis.

Vehicle Type	# of Assets	Avg. Annual Miles Driven	# of Assets < 5,000 Miles per Year
Pickup	27	5,099	11
Sedan	7	5,319	5
Sedan, LE	5	8,822	1
SUV	4	6,359	3
SUV, LE	21	15,870	3
Truck	59	9,695	2
Van	8	10,374	1

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Work Order Management

Objective

Work orders are used to track all maintenance and repair activities including quick fixes. They should include detail such as work type task, reason for repair, technician that completed tasks, time on task, parts consumption, and necessary notes, pictures, and descriptions.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

While work orders are used to document most work, there are times when work orders are not opened for quick fixes. Additionally, operators sometimes perform maintenance or repair activities on their own trucks and the shop is not notified. However, if a part is used then a work order is opened to track parts consumption. MPD does not have any policy or procedure in place stating that only fleet technicians will repair City assets.

Action Item(s)

Open a work order in the fleet management information system for each maintenance and/or repair activity performed on a fleet asset. Work should only be accomplished by skilled fleet technicians. In the event that someone other than the MPD completes a service (including a commercial shop) the information should be reported immediately to the Fleet Supervisor or Fleet Manager.

Preventive Maintenance Program Design and Execution

Objective

Formal preventive maintenance (PM) program is in place to perform routine services such as fluid drain/replace and filter replacement as outlined by the OEM and an organization's experience. Additionally, an arguably more importantly, the PM is an opportunity to perform a comprehensive inspection of all major systems, components, parts, etc. to prevent failures before they have a chance to occur. PM intervals are based on OEM recommendations or experience, are progressive in nature (i.e., PMA, PMB, PMC, etc.), and compliance is monitored and reported.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

PMs are generated from OEM recommendations are set up by equipment types. PMA - inspect only, PMB - oil change, PMC - full service with fluid changes. Others include OMH - EGR cleaning and PMF - annual DOT inspection. MPD lowered the oil change intervals from 6,000 to 5,000 based on oil monitoring system results. Shop Supervisor sets PMs on new equipment after reviewing repair manuals. PM compliance is not formally measured and reported. Based on a recent PM due report, over 56% of vehicles were overdue for service (this includes routine maintenance services, required annual inspections, other inspections and services for small engine equipment).

Action Item(s)

Track and formally report on PM compliance by department, division and user. Overdue PMs should be given priority over other work in the shop.

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Service Writing and Job Assignment

Objective

To define maintenance and repair request in a manner that reduces technician diagnosis time/effort. This is typically accomplished by communicating the issue directly with the shop (i.e., service writer, shop supervisor, lead technician, etc.) and documenting the request in a formal work order management system. Work should then be assigned by established priority to a qualified technician to quickly and efficiently perform the repair.

Maternity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

Most services and repair requests are initiated with the customer contacting the MPD Shop Supervisor. The Supervisor opens a work order and assigns the work to technicians based on skill set and availability of technician.

Action Item(s)

No change.

Technician Supervision and Work Quality Assurance

Objective

Provide formal lines of authority for all shop personnel and more specifically, appropriate supervision to technicians to ensure productivity and efficiency goals are achieved, identify training needs, and provide quality assurance on work performed.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

One shop supervisor is appropriate for current technician staffing levels. Occasionally supervisor will turn wrenches to assist with shop workload.

Action Item(s)

No change.

Employee Training and Professional Development

Objective

Employee evaluations, retention and engagement programs are in place focusing employee development, improvement and morale. A formal talent review process exists to rate and rank employees by performance for succession planning and creation of individual development plans. At a minimum, a goal of 40 hours of technical training for each fleet technician/employee is set annually to stay current with the increasing pace of technology.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

Some training is provided to technicians when a new unit is delivered per requirements of the procurement agreement. The actual number of hours of technical training for each technician is not tracked, but the estimate is close to the benchmark of 40 hours per year per technician. The City does encourage industry training and certifications and pays an incentive for ASE certifications achieved.

Action Item(s)

Formally track the number of hours of technical training for each employee. The standard is 40 hours per year of technical training for each employee. Annual performance evaluations should be conducted in concert with a review of comebacks associated with each technician and any skill deficiencies to improve the employee's skill level.

Parts Procurement

Objective

The organization has standard policies and practices in place for acquiring and maintaining an inventory of fleet parts and supplies to expedite maintenance and service activities. Blanket purchase orders, contracts and procurement cards are used to expedite procurement.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

Contracts and other agreements are used for the procurement of most parts and supplies. At least one vendor has parts and supplies stocked in cabinets inside the parts room which are accessed by technicians through their employee identification card.

Action Item(s)

No change.

Parts Inventory Management and Control

Objective

The cost effective and timely provision of high-quality repair parts is a key element in fleet maintenance since it accounts for roughly 30-40 percent of fleet maintenance and repair costs. This activity (parts procurement, inventory management and control, ordering, stocking, storing issuing, replenishment, etc.), is crucial to the overall success of fleet maintenance services. In order to maintain inventory management integrity and to maximize wrench turning time for technicians, all parts should be disbursed by a skilled parts specialist.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

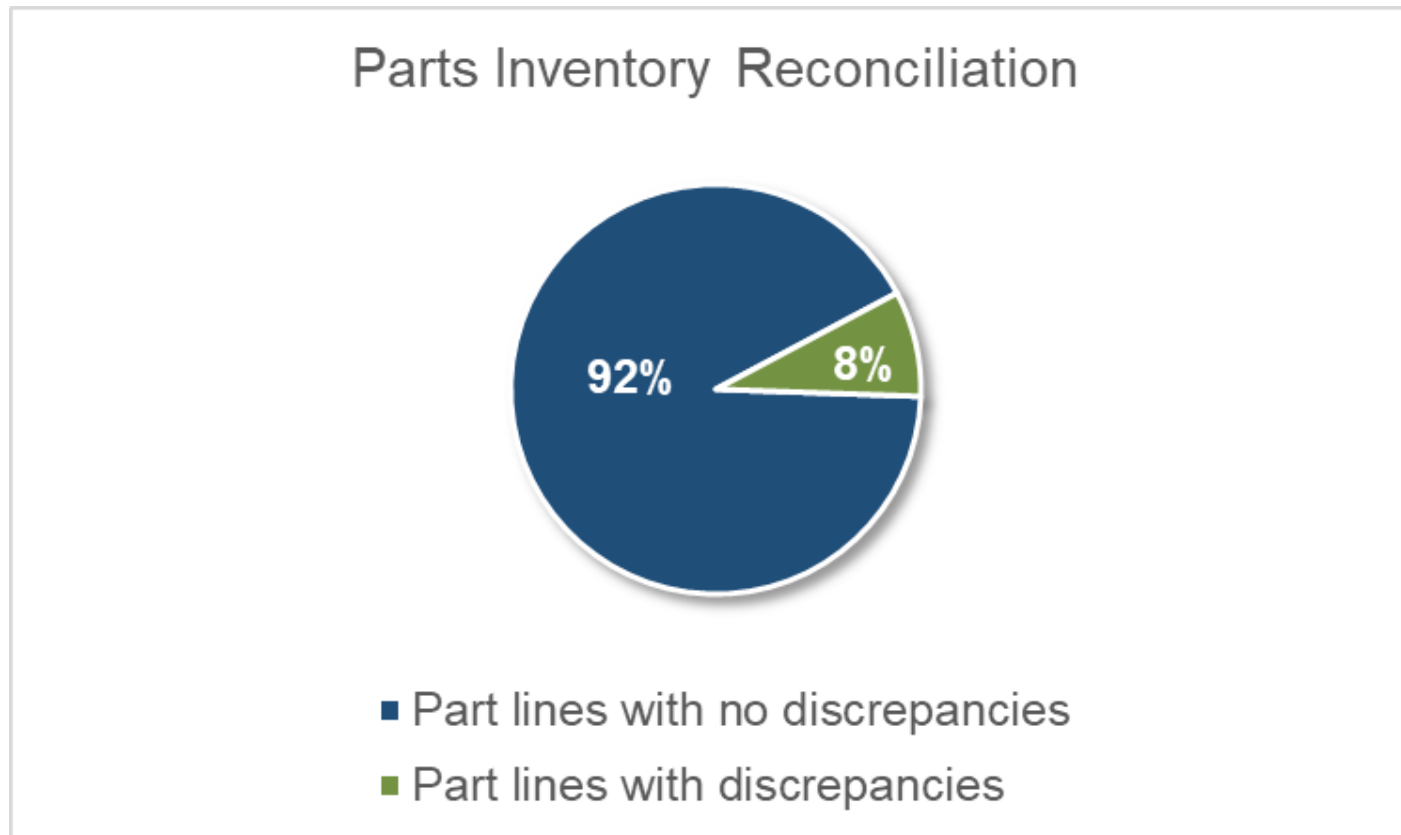
Observations

Technicians retrieve their own parts from the parts room and leave a “parts sheet” in the parts room that identifies any part that they have taken. The Parts Specialist will review the sheets, enter parts use information in the FMIS, and re-stock inventory as needed. The value of parts on hand was \$282/VEU, well in excess of the benchmark of \$150/VEU. Approximately 6% of all part line items had no issues within the past 12-months suggesting that they are likely obsolete.

Action Item(s)

When the new fleet shop is constructed, make sure that parts distribution is considered, and all parts are disbursed from the secure parts room by a parts specialist and access to the parts room is limited to parts personnel and the Supervisor. Return obsolete parts for a refund or credit. Review part lines min/max levels to ensure that the amount of parts on hand is not excessive.

Parts Inventory Count Review



A total of 156 part lines were randomly selected and inventoried to compare against the parts in stock report generated by the inventory management system. The goal is to have 100% accuracy.

Determination of Services to be Outsourced vs. Completed In-house

Objective

Utilize vendors for all specialty work, complex repairs, and other activities as determined by resource (i.e., skilled technicians, shop space, tools, equipment, etc.).

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD appropriately uses commercial vendors for complex repairs, specialty repairs and overflow work. Currently all light duty maintenance and repairs for the Police Department are being sublet to vendors due to lack of resources in the in-house shop.

Action Item(s)

Fill the vacant technician positions and add an additional technician to meet the workload demands of the entire City fleet. Inherently there are issues with utilizing vendors such as managing vendor performance, authorizing repairs, establishing priority, reviewing invoices, etc. which typically leads to increased costs to the organization.

Vendor Selection and Performance Management

Objective

The cost-effective use of vendors requires that procedures be followed for; 1) selecting a qualified vendor; 2) managing and controlling vendor performance relative to individual work orders and ongoing service levels (in the case of contract providers of services); and 3) capturing all relevant information on vendor-performed services so as to maintain a complete record of vehicle maintenance history and costs.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD does not have a list of vendors on formal contracts for this type of work. Any work that exceeds the \$5,000 procurement threshold requires a Purchase Order. There are no formal policies that require MPD to conduct a quality control inspection on work performed by the vendors. Vendor warranties are not being tracked in the FMIS.

Action Item(s)

Develop multi-year contracts/blanket purchase orders with vendors that are used often for fleet maintenance and repair services to expedite the process. The agreement should establish standards of performance, warranty levels for workmanship and parts, and priority of City fleet vehicles and equipment. Consider increasing the PO threshold from \$5,000 to \$10,000.

Management Information System Functionality, Configuration and Use

Objective

The fleet management information system (FMIS) is the key business tool for capturing, storing, and analyzing objective, quantitative data on all fleet management activities, such as fleet asset management, maintenance and repair management and parts management. In all fleet operations, a tremendous amount of information is recorded and compiled in the normal course of procuring, operating, and maintaining the vehicles and equipment used in that operation. This allows the organization to capture asset level data and report on key performance indicators (KPIs) and track trends of performance.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD uses CFA as their FMIS. This system has the basic functionality of a FMIS but is not being utilized to its fullest extent and capability. Training on the system has not been provided in several years. Current City employees are not able to generate many ad-hoc performance reports.

Action Item(s)

MPD should conduct a formal FMIS needs assessment to determine exactly what features are critical to the management responsibilities of MPD, based on this assessment, determine if CFA is the best fit for MPD or if a different FMIS would be more appropriate for MPD. At the very least, MPD will need extensive training on CFA to improve use of the system to better manage the fleet and make data driven management decisions.

FMIS Discussion

Technological advances made available by computerized fleet management information systems (FMIS) can provide fleet managers capabilities for capturing and reporting on key measures of performance and therefore enable them to manage fleets in ways never seen before. Fleet organizations are now able to collect and analyze work orders to determine worker productivity, fleet availability, maintenance effectiveness, repair turn-around rate, predictive component failures, and a myriad of other performance statistics.

Pairing the capabilities of the FMIS with external technologies (such as telematics) provides additional means of analyzing and tracking fleet trends, safety and unit readiness evaluation, fleet utilization and permits advanced management, dispatching and scheduling options.

Performance measurement and benchmarking have become important tools in an effective fleet manager's toolbox. They are invaluable because they provide an objective look at the fleet organization.

Management Reporting, KPI Section and Use, and Ad Hoc Analysis

Objective

The organization utilizes technology solutions to capture data, track performance, identify trends, and compare the fleet operation against industry standards and benchmarks. Standard KPIs are calculated and reported on a regular basis.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

No routine performance reports are generated and shared with management, customers or reviewed internally within MPD. The FMIS is used as a work order management tool and some data is tracked such as labor, parts, unit ID, etc. However, ad-hoc reporting, trend analysis, and regular performance management does not occur.

Action Item(s)

Track and report on standard fleet performance metrics (provided in the Appendix to this deliverable). Track trends over time to determine if the operation is improving, remaining the same, or declining. Generate and publish an annual State of Fleet report.

Customer Service

Objective

Customers have regular input and communication with the fleet organization through regular meetings, annual fleet reports, fleet committees, etc. Formal Service Level Agreements (SLA) have been established between the fleet organization and customer groups that define service expectations. Customer service satisfaction levels are solicited through the use of formal surveys (i.e., annual web-based survey) or “hanger” (i.e., transaction-based survey that requests customers to provide service satisfaction level following individual transactions) surveys.

Maturity Rating of Current Practice(s)

Above Standard

Meets Standard

Below Standard

Observations

MPD meets with department representatives as the need arises or when initiated by the customer. No formal customer satisfaction surveys are conducted, and SLAs do not exist.

Action Item(s)

Conduct an annual customer satisfaction survey to identify areas where improvement is needed. Track performance trends over time. Develop formal SLAs between MPD and major customer departments/divisions that define expectations, service levels, priority, etc. Create a fleet advisory committee and meet at least quarterly to discuss fleet issues. Develop and provide an annual “State of the Fleet” report to document accomplishments, report on performance, and discuss industry trends, and upcoming changes that may impact the customers.

Results from a very small sample set and informal survey of customer's satisfaction level with MPD in selected areas of fleet management and fleet maintenance and repair. The target is to achieve 4.0 score or greater. The average score from our limited survey is 2.8. The low scores were primarily attributed to fleet replacement/asset management activities due to an aging fleet and poor maintenance and repair turn-around times due to a lack of resources (technicians) in the shop.



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Current Fleet Maintenance Facility



Current Fleet Maintenance Facility

- Essentially 6 M&R bays
 - 4 contiguous general-purpose bays (effective bay size: 18'x52')
 - 2 PM bays at lower grade (effective bay size: 16'x22')
- Single weld/fabrication area (effective size: 18'x24')
- Parts room adjacent to the shop (approx. 800 SF)
 - Additional parts storage available on the mezzanine and in area behind the shop
- Single office for Fleet Manager and Shop Supervisor to share
- Employee amenities areas shared with other business units
- Administrative areas shared with other business units
- Located on same site as approximately 65% of the City's fleet

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Fleet Maintenance Facility Deficiencies

- Bay configuration is not optimal
- Poor traffic circulation space around the shop (exterior)
- Location of PM bays is not optimal
- Weld fabrication area is too small and not appropriately shielded from the rest of the shop
- Parts room is too small
- Parts room workstation located outside of the parts room
- Mezzanine is not secured
- Lack of separate dedicated office for Fleet Manager
- Storage location of bulk fluids not optimal
- Lack of natural lighting in the shop
- Lack of several shop support areas (i.e., tool room, equipment storage area, reference library, crew room, etc.)
- Location of break room creates pedestrian traffic in and around the shop
- Lack of dedicated administrative areas (i.e., business machine area, file storage room, visitor waiting area, collaboration space, etc.)



Fleet Maintenance Facility Requirements

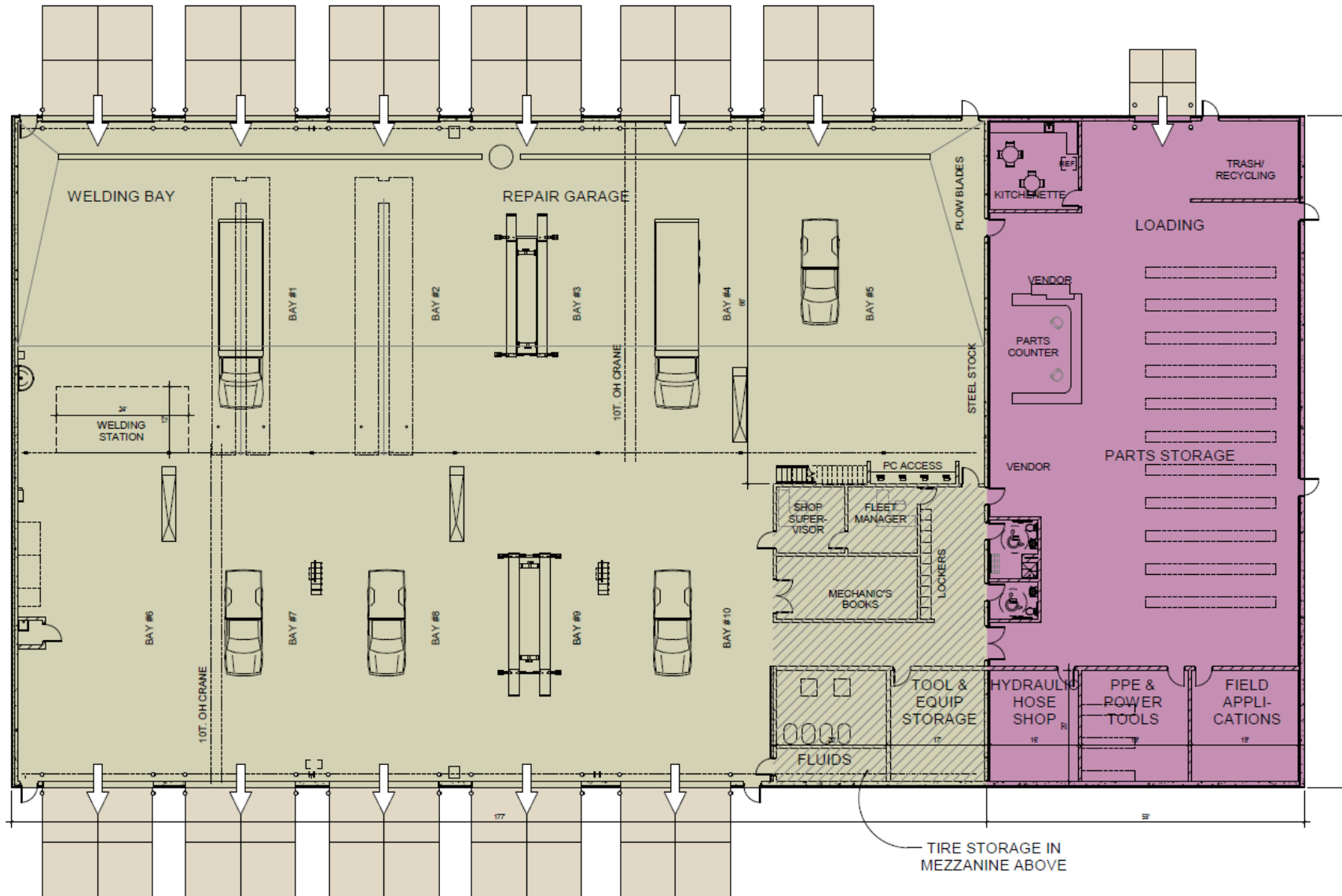
- Current workload (entire fleet)
 - 12 maintenance and repair bays (HD, LD SE)
 - 1 weld/fabrication bay
 - 1 Machine shop area
 - Standard shop support areas
 - Standard administrative areas
 - Standard employee amenity areas
 - HD and LD vehicle/equipment wash
 - Drive through enclosed system, high volume wash out system with catwalk, undercarriage spray

No growth was included in the M&R bay projection analysis since the U.S. Census estimated a -1.6% decline in population for the City of Wausau from 2010 to 2019. Additionally, the City's 2040 Wastewater Facilities Plan projects unremarkable growth from 2020 through 2040 that would likely not require significant increase in fleet size.

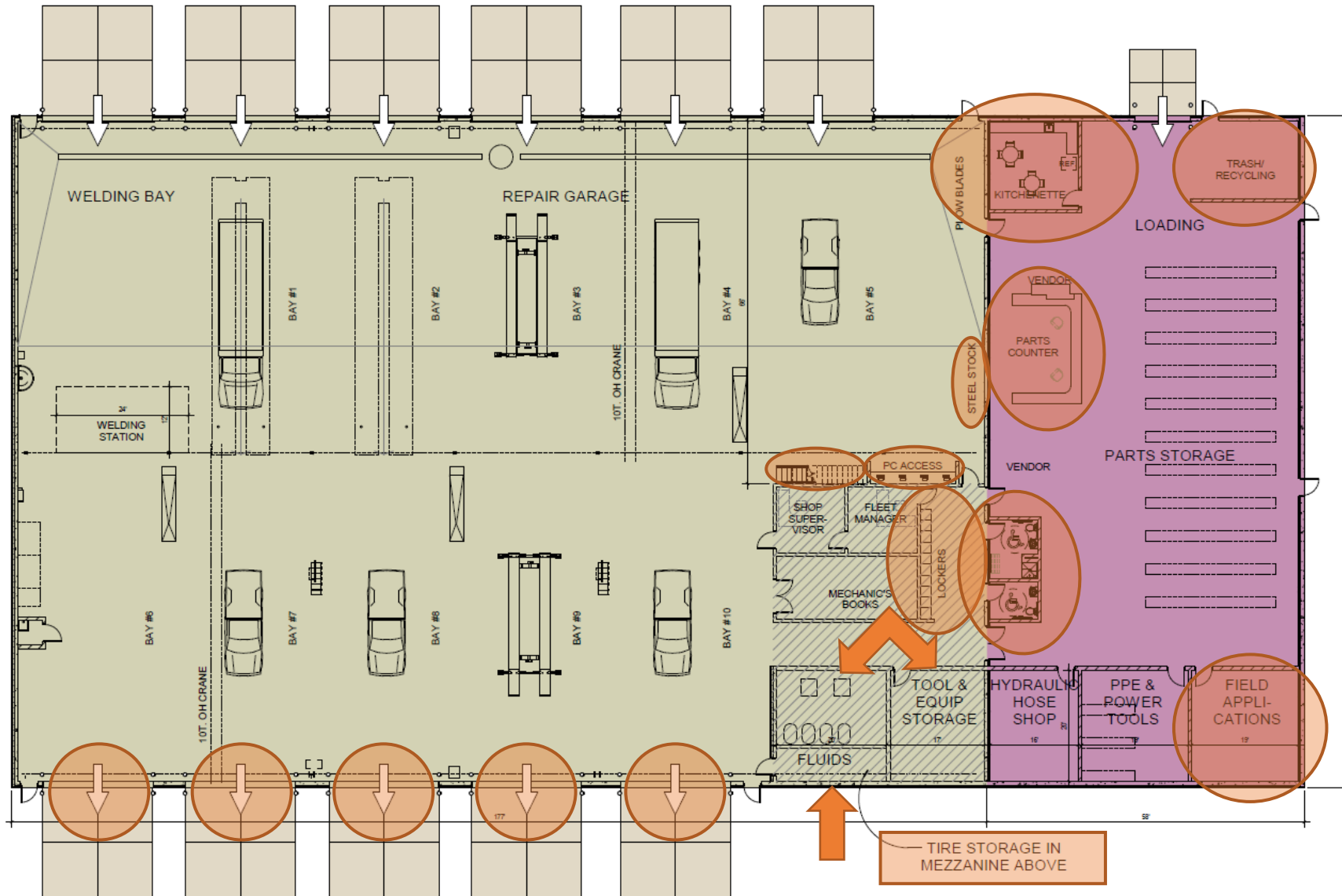
Planned Facility by Outside Design Firm

- Approximately 28,000 square feet
 - 10 maintenance and repair bays (HD, LD SE)
 - 1 weld/fabrication bay
 - General shop support areas
 - Limited administrative areas
 - Limited employee amenities
- Assumes shared use space in Phase 3 construction
 - Lobby/reception
 - Conference room

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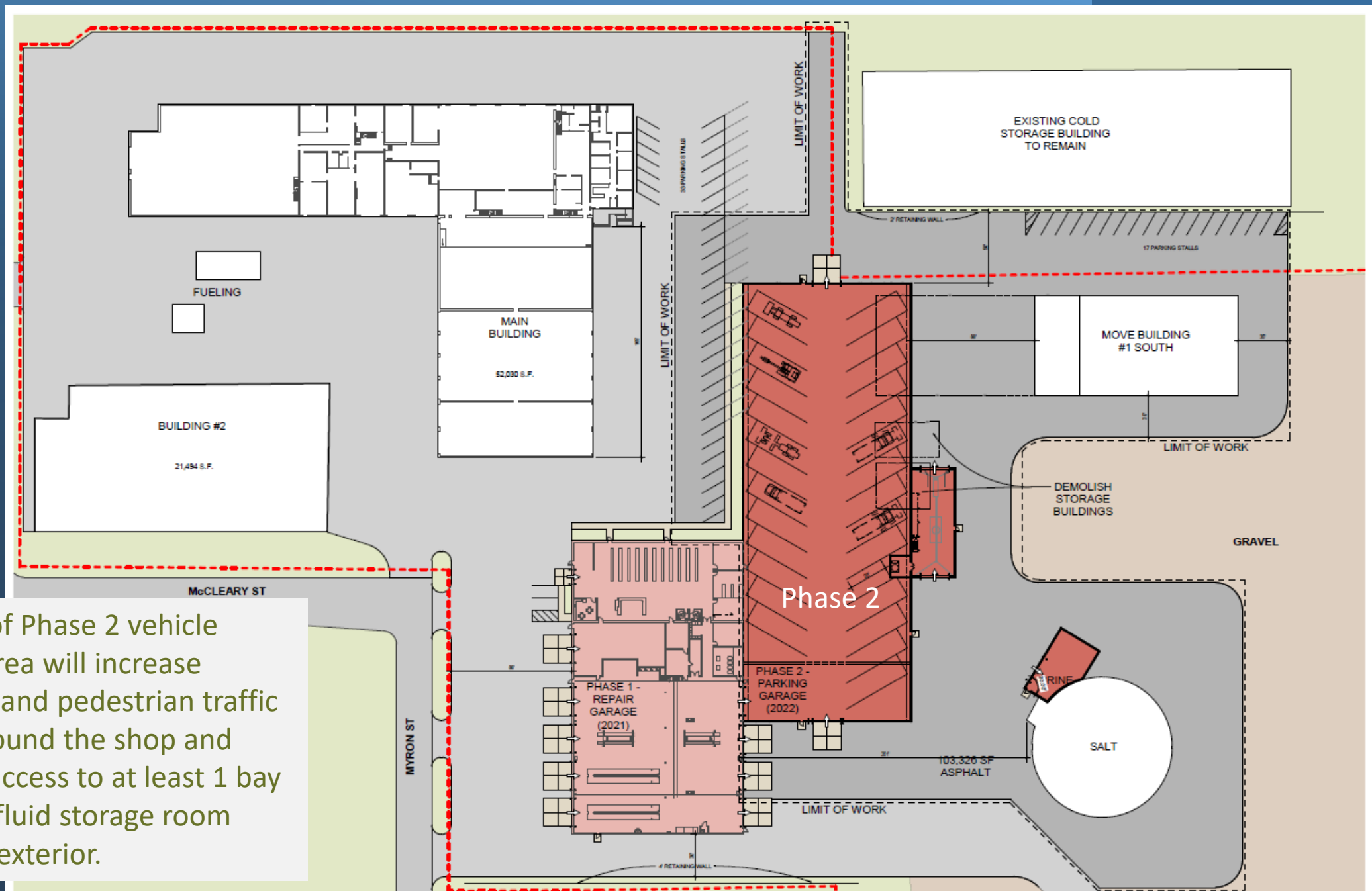
Current planned fleet maintenance facility. Eleven maintenance and repair bays; parts room, some shop support areas; some administrative areas; some employee amenity areas.

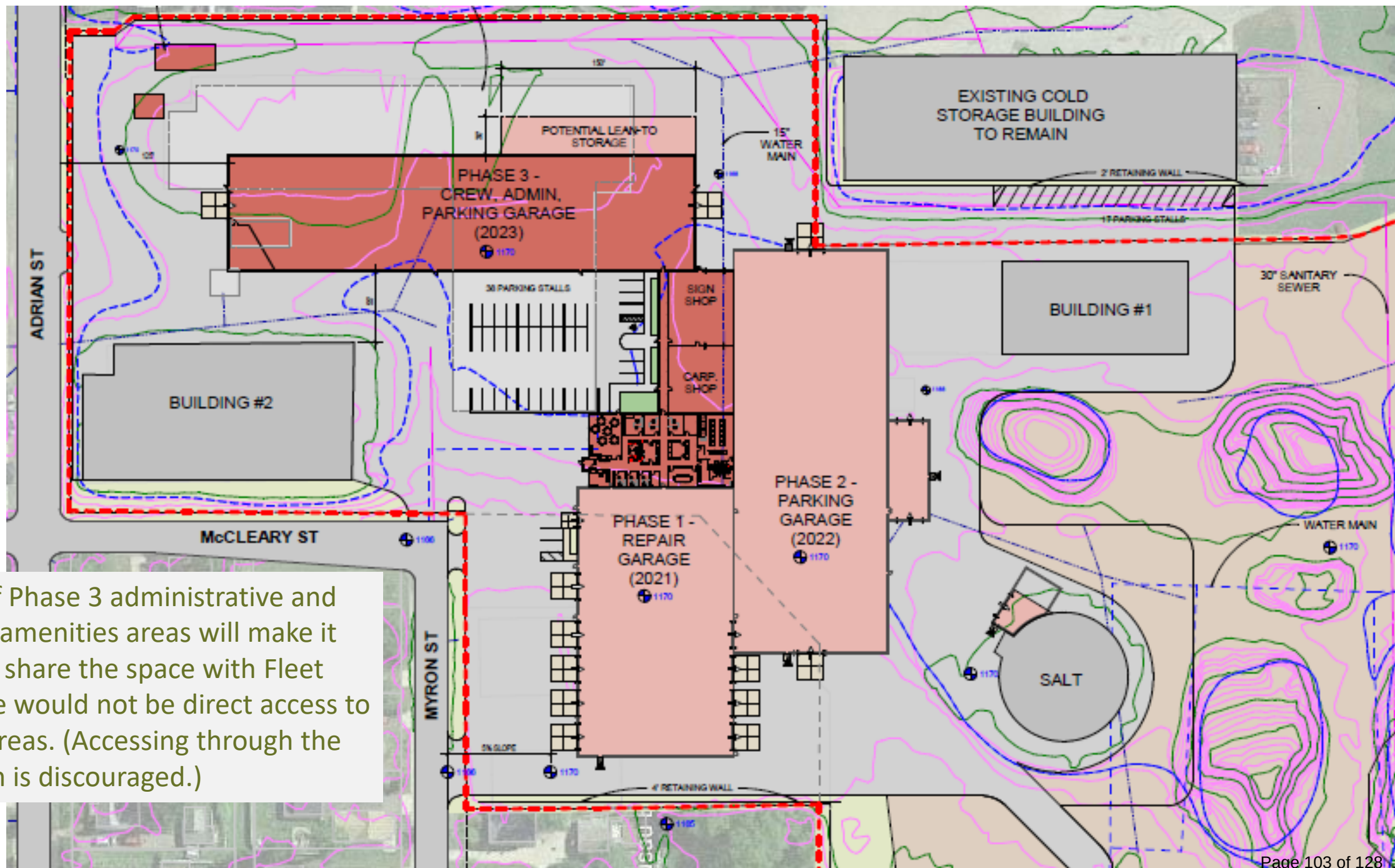


Areas that may require repositioning or change.

Proposed Revisions

- See total bays required as detailed earlier in this section
- Traffic pattern in the shop (one-way traffic) is not realistic. Bays will be drive in/back out from both sides
- Any person access to the mezzanine should be inside the parts room for controlled access since the mezzanine will be a secondary parts storage area
- Bulk fluid storage room should have roll-up or oversized door accessed directly from the exterior for delivery of fluids
- The tool and equipment storage room should have primary adjacency to the shop floor, not secondary as currently positioned
- Technicians should access parts from a “parts counter” (i.e., roll-up window) without entrance into the actual parts room
- There is a need for a machine shop area
- Steel stock should be positioned in the weld bay
- Separation (i.e., “knee wall” 8’ tall or other temporary solution) should be installed to separate the weld bay from the rest of the shop
- Positioning of the administrative areas is not optimal – requires customers and visitors to access offices through the open shop area
- The shop should have a conference room, business center, additional office (future fleet analyst), additional workstation, customer waiting area, lobby, etc.
- Any shop support or employee amenities areas should be completely separate from the parts room for inventory management control
- Outside agencies should not have access to the parts room
- Technicians should have either portable tablets/laptops or workstations positioned throughout the shop, near their bays, not combined as a “work center” as depicted
- Restrooms should be sized to accommodate multiple users at shift starting/ending times, break times, and lunch times and not limited to minimum code requirements
- Men and women should have separate, enclosed locker rooms
- Primary trash and recycling should not be positioned within the parts room
- If tires are going to be stored on the mezzanine, consideration should be given to including a conveyor system, elevator or other means to move tires up and down





Position of Phase 3 administrative and employee amenities areas will make it difficult to share the space with Fleet since there would not be direct access to the fleet areas. (Accessing through the Parts room is discouraged.)



Temporary Facilities Options

Police Department

- Two-bay facility located on Police Department property at HQ
- Facility formerly was quick lube shop
- Pits have been covered
- Effective width of the bays is only 12' compared to the recommended width of 16' for general maintenance and repair activities
- Unobstructed overhead clearance is no more than 14' (if current heating units are moved) compared to the recommended height of 18'

Conclusion

- Facility would require renovation and purchase of shop equipment (i.e., lifts, air compressor, fluid distribution system, etc.) and footprint would still be too small to be an effective M&R facility. It could be used as a quick fix site but other than that, it has limited value as a fleet maintenance facility and this option should not be pursued.

Temporary Facilities Options

Fire Department

- Two-bay facility located on adjacent to Fire HQ
- Facility formerly was M&R shop
- Some systems are available (i.e., exhaust removal system)
- Approximately 1,600 SF
- Good unobstructed overhead clearance
- Traffic circulation in/around the shop entrance would likely be an issue
- Limited dead line/ready line availability

Conclusion

- Facility could be used as a temporary service option to provide services closer to the Police Department and a portion of the Fire Department fleet. However, benefits would be limited and staffing of 2 or more technicians at a single shop is always recommended for safety reasons. For these reasons, we would only recommend use of this facility as a backup location if technician staffing levels at the current shop exceeded facility capacity. Current staffing levels do not require use of a satellite facility such as this one.



Motor Pool Fund

- Appropriately established as an Internal Service Fund
 - A fund used by a municipal government to account for financing of goods and services provided by one department to other departments on a cost reimbursement basis. An ISF should be designed to set rates to recover the full cost of providing these goods and services).
- Funds Motor Pool operations and capital fleet asset replacement

Category	2021 Budget	2020 Estimated Actual	2019 Actual
Total Operating Expenses	\$2,653,094	\$2,509,962	\$3,790,737
Capital Budget Adopted	\$3,391,299	\$2,091,533	\$1,707,372
Total Expenditures	\$6,044,393	\$4,630,462	\$3,892,560
Total Revenues	\$3,975,000	\$3,858,950	\$4,414,051
Projected income/loss	-\$2,069,393	-\$771,512	\$521,491

Current Rate Structure

- Utilization rate structure based on historical cost and usage of the asset
 - Depreciation component (original purchase price divided by expected useful life to determine annual capital cost)
 - Previous year maintenance and repair costs (includes in-house services, sublet services and parts)
 - Previous year actual fuel costs
 - Utilization of the asset in the previous year (miles driven or engine hours operated)
- The rental rate is then calculated (total previous year cost divided by miles driven or hours operated) to determine a cost per mile/hour rental rate for each unique asset.
- 2020 Adopted Budget projects expenditures will exceed revenues by \$800,000

Charge-back Rates

The most basic requirement of any effective cost chargeback system is that it recover 100 percent of the costs of the fleet services provided, ensuring the necessary funding for the acquisition, maintenance and fueling of vehicles. Revenues should be projected to meet the total estimated expenditures for the year and the rates should be updated annually.

A transparent and data derived chargeback system places both responsibility and authority for fleet costs “in the hands” of the appropriate party from which those costs are generated. It allows fleet users to manage their own costs by making consumption decisions in accordance with their operating needs and by managing the behaviors of their drivers and operators accordingly.

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Principles of Charge-back Rates

- Used to facilitate the distribution of costs
- Primary way to manage fleet costs is through increasing visibility of costs
- Rates should impact the behavior of those consuming the goods and/or services provided
- Rates should be developed to recover all the direct and indirect costs of the operation/division/program
- Capital and operating rates should be segregated and managed separately
- Rates should be updated annually
- Rates should be transparent
- Can be used to compare costs of the operation to industry benchmarks, peer organizations, and comparable commercial alternatives



Common Charge-back Approaches

- Operating Rate Structure
 - Proportional Cost Allocation
 - Time-based Charge-back Rates
 - Usage-based Charge-back Rates
 - Service-based Charge-back Rates (Recommended approach)

Rate Type Comparisons

Approach	Definition	Advantages	Disadvantages
Proportional Cost Allocation	The distribution of fleet costs to customers by pro-ratio, often done on an annual basis and calculated by an allocation statistic [e.g., the percentage of the total fleet assigned to each customer agency].	Simple to calculate; easy to administer; provides customer organizations with budget certainty.	Does not promote cost recognition; operating costs are indistinguishable; customers are unable to measure their costs against market comparables; customers are charged the same regardless of driving behavior and actual costs.

Rate Type Comparisons

Approach	Definition	Advantages	Disadvantages
Time/Class-Based	The distribution of costs based on some increment of time, usually “monthly”. Costs are normally grouped into vehicle classes and charges to customers are based on the average unit cost in each class.	Works well for fixed fleet costs such as vehicle depreciation (which are time based); provides customer organizations with budget certainty.	Difficult to calculate and administer; cross subsidization between customers [i.e., low cost units subsidize high cost ones]; capital and operating costs are indistinguishable, customers cannot understand or measure their costs against market comparables; customers are charged the same regardless of driving behavior and actual costs.

Rate Type Comparisons

Approach	Definition	Advantages	Disadvantages
Usage-Based	The distribution of fleet costs to users based on the number of miles (or engine hours) that are driven in a defined period of time. Uses class average rental rates.	Works well for variable (but not fixed) fleet costs; provide customer organizations with budget certainty.	Difficult to calculate and administer; cross subsidization between customers [i.e., low cost units subsidize high cost ones]; does not facilitate cost recognition; customers are charged the same regardless of driving behavior; fleet management organizations are forced into the position of being the “usage reporting police”.

Rate Type Comparisons

Approach	Definition	Advantages	Disadvantages
Service-Based	Fully allocated charge-back rates calculated for each line of [Fleet Management] business [e.g., maintenance and repair labor, asset acquisition and disposal, parts, sublet services, fuel services, vehicle wash, etc.]; customers are charged for actual services consumed [e.g., hours of labor calculated at a fully burdened rate per hour].	Rates are equitable since customers pay only for the specific goods and services consumed; cross subsidization between customers and funds is limited; encourages customers to scrutinize and question the rates used and prices charged. Easy to benchmark and compare against external fleet maintenance providers.	Relatively complex to design and maintain; dependent on the quality of data captured on the shop floor and at the parts counter; they can cause customers to experience fluctuations in fleet-related expenditures from month to month and year to year [accurate budgeting can be difficult]; tempts customers who run out of funds at the end of a fiscal year to defer vehicle maintenance in order to stay within budget.

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Service-based Rate Structure

- **In-house Maintenance and Repair Labor Rate**

- The rate for recovering these costs is an hourly labor (\$ per hour) charge for time spent by technicians working on specific vehicles. This hourly rate is multiplied by the actual number of hours charged by mechanics to each maintenance and repair work order to arrive at the total labor charges associated with performing the services documented on the work order.

- **In-house Parts Management Markup**

- This activity centers on the procurement and supply of parts used by maintenance technicians to perform vehicle maintenance and repair work in fleet shops. This includes activities associated with the establishment and administration of parts contracts and blanket purchase orders; the purchase of parts on an ad hoc basis; part ordering, pickup, and delivery; over-the-counter parts disbursement; inventory management and control; and/or the cost of an on-site parts service provider.

- **Sublet Repair Management**

- This activity centers on the procurement of vehicle maintenance and repair services from external service providers such as commercial repair shops.

Service-based Rate Structure Continued

- **Fuel Management**

- This activity involves the provision of vehicle fuel via City-owned and operated bulk fueling facilities or via a fuel credit card program. This is a cents per gallon markup on all fuel dispensed.

- **Vehicle Wash Management**

- This is a cost associated with management, maintenance and operation of the vehicle wash system, when implemented. The total direct and indirect costs are divided by the total number of vehicle washes to determine a cost per wash..

- **Asset Management and Administration**

- This is a set of activities associated with managing the acquisition, commissioning (e.g., licensing and titling), replacement, decommissioning, and disposal of vehicles included in the fleet.

(Developing actual service-based rates for the fleet operation was not part of the project scope of work)



Conclusion

The City's Motor Pool Division is staffed by experienced, knowledgeable and skilled employees. They have a good understanding of the foundational principles of managing and maintaining a diverse fleet. Many of the key elements are in place such as a robust preventive maintenance program, published fleet policies and procedures, a basic work order management system, etc. However, the lack of resources, primarily in terms of the number of technicians, has forced a considerable amount of work from the City shop to commercial vendors. While the use of commercial vendors for specialty work, vehicle upfitting, and occasional overflow work is appropriate, the wholesale approach to outsourcing all Police Department maintenance and repair activities has not been very successful.

While it has been a somewhat effective temporary solution in light of the lack of wrench turning capacity in the City shop, it should not be viewed as a long-term solution.

MPD has not been actively managing or reporting on shop performance, primarily due to the lack of time, resources, and experience in this area. This has resulted in a lack of confidence in the fleet program. Customers have no way of knowing if the service levels are appropriate (i.e., in line with industry standards) because quantitative performance metrics are not being tracked and reported.

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Conclusion Continued

The current fleet management information system has basic functionality to manage a fleet but it is not the most intuitive system and activities such as generating ad-hoc reports can be difficult at best as evidenced by the challenges of meeting the initial information request for this study of fleet operations. Without considerable training and/or a system administrator, continued use of the system will be problematic.

Additionally, the Facilities and Fleet Manager wears two hats, that of the Facilities Manager and the Fleet Manager which reduces his ability to effectively manage the fleet. The size and composition of the fleet justifies a full-time fleet manager.

That said, with the action items resulting from this study, the appropriate resources in terms of technician staffing levels and a support analyst, and with the construction of a new fleet maintenance facility, there is no reason that MPD cannot become a high performing fleet organization that is capable of meeting all of the needs of the customers that they support.

We have submitted, under separate cover, a Fleet Improvement Implementation Plan that identifies the key recommendations and proposed action items and prioritizes them on the basis of the impact of implementing the action item, the importance of implementing the action item, the complexity of implementation, and cost/effort to implement the action item.

Tony Yankovich, Managing Director
tyankovich@mercury-assoc.com
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Questions –

How well is the city working for its citizens?

Is the city meeting its fiduciary responsibility to the citizens, the bondholders, and the employees?

What are the most significant financial trends that either continued from the prior year or changed from the prior year?

Are there any future financial pressures we should highlight more clearly?

What key factors drove the biggest increases or decreases in revenues, expenditures, and fund balance?

Are there early warning signs that the board should be monitoring closely?

Does the city have any of the following symptoms?

- Procedures that everyone complains about, but no one changes
- Two separate systems – the way things *should* be done and the way things are *actually* done
- A problem that keeps getting fixed and it keeps coming back
- Communication problems between departments and/or key people
- Manager's time spent on many urgent but not important issues

A systemic audit is a photograph of a government showing exactly how the systems are being produced and exactly what to do about them. — adapted from <https://www.lambent.com/systemic-audit-business/>

Definition:

Systemic Audit

A systemic audit is a comprehensive, holistic evaluation of an entire organizational system—rather than just isolated processes or individual components—designed to uncover deep-seated structural flaws, communication breakdowns, and leverage points for sustainable change. It acts like an organizational snapshot to reveal how internal dynamics and formal or informal procedures truly interact.

Core Objectives

- Identify root causes: Uncover recurring problems that persist despite routine or superficial fixes.
- Map structural realities: Contrast official policies with the actual ways work gets done on the ground.
- Find leverage points: Pinpoint exact areas where minor strategic changes yield maximum operational improvements.

Key Components

- **Stakeholder interviews:** Gathering qualitative insights from key leaders and staff across multiple departments.
- **Workflow and communication review:** Assessing how information, tasks, and authority flow between distinct units.
- **Synthesized reporting:** Delivering structured feedback highlighting core constraints, structural strengths, and recommended action steps.

From: [Doug Diny](#)
To: [Kody Hart](#)
Cc: [Anne Jacobson](#); [Terry Kilian](#); [Sarah Watson](#)
Subject: FW: My Position on the Proposed Comprehensive City Review - for COW packet 9/2/2026
Date: Wednesday, August 26, 2026 6:47:05 PM
Attachments: [image001.png](#)

Kody,

Please add Alder Watson's email to then COW packet.



Doug Diny

Mayor
City of Wausau
715-261-6800
doug.diny@wausauwi.gov
407 Grant St
Wausau WI 54403

From: Sarah Watson <Sarah.Watson@wausauwi.gov>
Sent: Wednesday, August 26, 2026 1:56 PM
To: Matt Hoenecke <Matt.Hoenecke@wausauwi.gov>; Bruce Trueblood <Bruce.Trueblood@wausauwi.gov>; Doug Diny <Doug.Diny@wausauwi.gov>
Cc: Rachel Brown <Rachel.Brown@wausauwi.gov>; Anne Jacobson <Anne.Jacobson@wausauwi.gov>
Subject: My Position on the Proposed Comprehensive City Review - for COW packet 9/2/2026

Dear Alders Hoenecke and Trueblood, Council President Kilian, and Mayor Diny,

Because I have a previously scheduled professional obligation and will be unable to attend the Committee of the Whole meeting on Wednesday, September 2, I would like to share my position in advance. I respectfully ask that this letter be included in the public meeting packet and official record.

I support moving forward with an independent and comprehensive review of the City of Wausau's operations, financial processes, staffing, and organizational structure. I appreciate Alders Hoenecke and Trueblood for bringing this discussion before the full council, as well as Mayor Diny for proposing an organizational and staffing review. I believe these ideas can be brought together into a constructive process that provides lasting value to the city.

Distinguishing this review from our annual financial audit

I would like the final scope to clearly distinguish this work from the independent financial-statement audit the city already receives each year. That annual audit provides an important outside assessment of whether the city's financial statements are materially accurate and presented according to applicable accounting standards.

Unless specific concerns have been identified that require additional financial-statement testing or a forensic audit, I do not believe the city should pay another firm simply to duplicate work that has already been performed.

Instead, the proposed review should examine the systems surrounding our finances, including:

- Budget development and reporting;
- Internal controls and financial oversight;
- Implementation of previous audit and consultant recommendations;
- Debt and reserve planning;
- Procurement and contract management;
- Budget-to-actual reporting;
- Staffing and resource allocation; and
- Whether expenditures are connected to measurable community and council priorities.

Creating a better budgeting system

Most importantly, if the council is prepared to make a significant investment in this work, I want that investment to leave Wausau with a substantially improved budget process.

The review should include the development of a practical zero-based and priority-based budgeting framework appropriate for our city. This should include:

- A citywide inventory of programs and services;
- Identification of legally required and discretionary services;
- Program-level costs, revenues, and staffing;
- Workload and performance measures;
- Clear budget-to-actual information;
- Alternative service levels and the costs and consequences associated with each;
- Connections between spending and adopted city priorities; and
- A rotating schedule for deeper departmental and program reviews.

I am not suggesting that every department reconstruct every expenditure from zero every year. A phased or rotating process could provide the benefits of zero-based budgeting without creating an unmanageable annual burden for employees.

The consultant should not merely recommend that Wausau improve its budget process. The final deliverables should include an implementation plan, departmental templates, a more accessible public reporting format, staff and council training, and a pilot process that allows the city to begin using the new framework during the next feasible budget cycle.

Evaluating staffing, leadership, and organizational effectiveness

The review should objectively evaluate whether staffing levels correspond with workloads and service expectations. It should examine reporting relationships, spans of supervision,

consistency of administrative practices, communication between departments, and the coordination available to department heads and employees.

I would also like the review to evaluate Wausau's current executive and administrative structure and compare it with structures used in similar Wisconsin municipalities, including professional administrator or manager models. This should be approached as a long-term governance question, not as a judgment about any particular mayor, department head, employee, or administration: What structure will provide Wausau with effective coordination, accountability, professional expertise, and continuity over time?

As a standard component of a credible organizational assessment, the consultant should gather structured input from employees at different levels and across all departments. That could include an anonymous citywide survey, interviews, and objective workforce information such as vacancies, turnover, workloads, and spans of supervision. Results should be reported only in aggregate or as broad organizational themes so that no individual employee is identified.

Improvement rather than predetermined blame

I want the purpose of this review to be institutional improvement rather than predetermined blame. It should examine systems and practices across multiple administrations, identify what the city is doing well, distinguish systemic weaknesses from individual errors, and provide prioritized and measurable recommendations.

If evidence indicates that a specific matter requires forensic accounting, legal review, or a personnel investigation, the city should address it through the appropriate specialized process. The comprehensive review itself should not begin with the assumption that particular individuals are responsible for the city's challenges.

Scope, cost, and public accountability

I support directing council leadership and appropriate staff to develop a request for proposals incorporating these elements. The proposed RFP, phased cost options, and funding plan should then return to the full council for approval before a contract is awarded.

Proposals should separately price the major components of the review so the council can distinguish essential work from optional extensions. The city should also consider whether a portion of the cost can responsibly be paid from the 2026 year-end surplus or unrestricted reserves above the city's required fund-balance level. Before making that decision, we should receive clear information regarding projected year-end results, existing commitments, and the amount necessary to preserve the city's financial stability.

Finally, the selected consultant should report to the council through a structure that protects its independence but also promotes transparency. The work should include regular public progress reports, a final public report, and an implementation tracker identifying priorities, responsible parties, timelines, and measurable outcomes.

I support taking the next step toward an independent comprehensive review. If we are going to make this investment, however, I want it to do more than revisit past decisions or identify individuals to criticize. I want it to give Wausau a more effective organizational structure, clearer lines of responsibility, stronger financial information, and a budgeting

system that helps the council make responsible and transparent choices for years to come.

Thank you for considering my position as you discuss this issue on September 2.

Sincerely,

Sarah Watson
Aldersperson, District 8
City of Wausau

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From: Victoria Tierney <Victoria.Tierney@wausauwi.gov>

Sent: Thursday, August 27, 2026 11:39 AM

To: Terry Kilian <Terry.Kilian@wausauwi.gov>; Doug Diny <Doug.Diny@wausauwi.gov>; Rachel Brown <Rachel.Brown@wausauwi.gov>

Subject: COW on 9/3/26

Good morning all.

I just wanted to give all of you a heads up that I am unsure if I will be able to attend the COW on 9/2/26 at this time.

My mom was diagnosed with a brain aneurysm yesterday and we have to be in Madison on Monday morning.

After that appointment I will know if I can attend. I will send an email out after the appointment.

If I am not able to attend, would you please include the following in the packet. I know I am unable to vote but I would like to have my opinion read to the others present.

Good evening all,

Unfortunately, I am unable to attend tonight due to a family situation.

The reason for this COW tonight is to discuss whether we, as a whole, feel an audit of the city's financial situation should be evaluated by an independent auditor and what type of audit should be done, if the vote is to move forward with an audit.

I am very much in favor of an independent audit and would have voted to move forward with an audit. There have been some discrepancies brought forward regarding past expenses that were given to the public through records request and it is also my understanding it has been approximately 20 years since an audit of this nature has been completed.

I think that it is only reasonable to take a look at what our processes are and is this considered "best practice."

Could we be doing things more efficiently? How can we be more accurate in our numbers? How should our budget reports be published so that the information is clear to all and transparent to the taxpayers, as it is their money we are spending.

Our constituents are asking for this audit to take place and we work for the citizens of this city, representing what they want and feel is necessary.

I don't feel there has been any criminal intent in how our finances have been handled, however, there was an audit of the motor pool in 2021 and the majority of the recommendations were not followed with no explanation as to why.

I don't feel that the accounting practices and numbers have been reported accurately to the council and public. I do feel that sometimes information has been given to us on a "need to know basis" not giving a complete and accurate picture.

I do believe that there are times the information given has not been complete intentionally. Therefore my first choice would be a forensic audit. My second choice would be an operational audit.

Thank you for your time,

Vicki Tierney

Alder-District 9

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