CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
JUNE 8, 2026

5755 COUNTRY CLUB ROAD
CITY HALL COUNCIL CHAMBERS
5:30 PM

AGENDA

1. CONVENE CITY COUNCIL WORK SESSION

A. Roll Call

Mayor Labadie	_____
Councilmember Maddy	_____
Councilmember Sanschagrin	_____
Councilmember Gorham	_____
Councilmember DiGruttolo	_____

B. Review Agenda

2. DISCUSSION

A. Engineering Staffing Discussion

3. ADJOURN

City of Shorewood

City Council Work Session Item 2.A.

Title/Subject: Engineering Staffing Discussion
Meeting Date: June 8, 2026
Prepared By: Matt Morreim, Public Works Director

Attachments

1. Larry Brown Letter 2026-03-25
2. Engineering Service Delivery Model Comparison & Analysis

Background

The City Council Work Session held on March 23, 2026, provided a focused discussion on the city's engineering staffing model and overall service delivery approach. The work session included a detailed staff presentation on engineering functions, historical overview, a work study analysis, organizational assessment and details of shifts in responsibilities between city staff and the engineering consultant. These materials were developed in response to prior Council discussions and were intended to evaluate current workload, staffing capacity, cost considerations, and alternative service models, while outlining a recommended path forward to maintain high-quality, cost-effective engineering services aligned with the city's operational and long-term infrastructure goals.

The following additional items were requested by council to address:

- Historical insight of engineering staffing beyond the information provided in the March 23 memo
- Insight from planning commissioner Brandon Braithwaite, who is a city engineer for Hutchinson, MN
- Additional comparison of models 1 and 2 including service level metrics, staffing timeline, and duties that city staff could be doing in these scenarios
- Address resident concerns, issues or failures of the current model including contractor oversight, change orders, responsiveness and over-engineering
- Provide more clarity on tasks that will be transitioned to city staff
- Address reactive vs. proactive inspections as it relates to a council referenced redevelopment project and engineering projects
- Address the city's capital plans and vision of infrastructure, including the city's vision of watermain expansion
- Address the assertion of overall spending on engineering that residents are providing to council. Detail engineering costs by projects, development and general engineering
- Provide a comparison of what other comparable cities are spending on engineering.

History and Insights

At the request of Council, city staff requested historical insight and context to the engineering and consulting dynamic from former Public Works Director and City Engineer Larry Brown. In

the attached letter, Larry outlines his 27-year tenure with the City, including periods where he simultaneously served as both Public Works Director and City Engineer, noting the significant workload demands, risks, and challenges associated with that combined structure. He describes the City's evolution between in-house and contracted engineering models, emphasizing that separating roles and maintaining experienced engineering oversight, particularly during complex capital improvement projects, was critical to reducing risk and improving project outcomes. The letter further highlights the value of experienced consulting engineers, citing positive outcomes under the current consultant model, and cautions against selecting services based solely on cost due to the potential for greater long-term impacts from design or construction issues.

Additionally, staff gained additional insight into city engineering staff models from Planning Commissioner Brandon Braithwaite, PE, who is the City Engineer/Assistant Director of Public Works for the City of Hutchinson. Braithwaite shared Hutchinson's past and current engineering staff models, and also that of Verona, WI, where he was a City Council Member and member of the Public Works Committee until 2025. Braithwaite also shared insight from other small cities in McLeod County, MN who operate outside of Metropolitan Council's jurisdiction. He provided examples on the roles and responsibilities of engineering technicians in Hutchinson under his supervision. However, Brandon did not feel comfortable making a recommendation for the City of Shorewood due to his limited knowledge of the City having lived here less than a year and not being familiar with our current staff or consultant engineers' scope of practice. He did state that generally, as most cities scale in size, and as environmental regulations and reporting become more onerous each year, gradual option of Model 3 becomes the goal of most cities as they grow. This transition seems to emerge, broadly, in the population 6,000-12,000 range, and most cities population 12,000-18,000 have an engineering department of 3-5 staff.

Model Comparisons

The attached model comparison and analysis memo provides a comprehensive evaluation of Shorewood's current service model and two alternative approaches—Model 1 (Engineering Technician with consultant support) and Model 2 (City Engineer with consultant support). The memo outlines key service goals, compares operational and financial impacts, and assesses implementation considerations, including responsiveness, institutional knowledge, consultant reliance, and cost. The analysis concludes that while both alternatives offer service improvements over the current model, Model 1 is identified as the most balanced option for Shorewood, offering enhanced day-to-day coordination, improved public responsiveness, and strengthened internal capacity at a lower cost and with less long-term staffing risk.

During the March 23, 2026 City Council work session, staff discussed current engineering service delivery and the roles of City staff and consultants in supporting public infrastructure projects and daily operations with the different engineering models. The organizational assessment that was presented discussed budget impacts, advantages and challenges/tradeoffs for each engineering model. Council requested that staff expand on resident concerns of consultant cost, oversight, accountability, change orders and responsiveness along with any additional failures of the current engineering model.

- Consultant cost is closely monitored by the Public Works Director but it is primarily driven by capital projects approved by council and development projects. Costs are detailed in the last section of the council memo.
- Day-to-day consultant oversight is actively managed by the Public Works and Planning Directors ensuring that construction and development activities, compliance, and field

issues are handled in a timely manner.

- Accountability is further reinforced through more defined roles and the transition of select responsibilities from consultants to city staff, strengthening direct oversight and institutional knowledge.
- Project change orders and construction-related decisions are overseen by the Public Works Director in coordination with engineering consultants, providing consistent review and control of scope, cost, and quality. Additionally, the City Council recently adopted a change order policy to provide project guidance as it relates to change orders.
- The city's consultant engineer and city staff remain responsive to resident concerns, with public works staff serving as the primary point of contact for day-to-day engineering and infrastructure-related inquiries, ensuring continued timely communication and resolution of issues.

Transition and Metrics

City staff have continued to evaluate the transition plan that was presented at the March 23rd Work Session for shifting engineering and public works related responsibilities from a consultant to city staff. The plan organized each function by staff lead, level of effort, transition timeline, and performance metrics, with an emphasis on progressively reducing reliance on consultant services while maintaining high service levels and responsiveness. City staff have considered transitioning of construction administration responsibilities, including bidding, payment review, project closeout, and related activities for all projects. City staff will plan to take on those duties for smaller scale capital improvement projects. Overall, the updated transition plan continues to show a deliberate strategy to build internal capacity, improve operational control, and achieve cost efficiencies through strategic transitioning of duties.

Additional metrics related to changing engineering models are detailed in the attached memo.

Project Inspections

City staff and consulting staff perform construction inspections for public improvement projects in a manner that is generally commensurate with project scale and associated development or building fees. In the case referenced by city council on March 23rd, where excessive tree removal occurred on a development project, the City responded through an inspection following a resident complaint, which is typical for smaller development projects. Routine and proactive daily inspections are not standard practice for these types of projects, as implementing a high level of oversight would require a significant increase in development or building fees to support the additional staff and consultant time.

Routine inspection is a typical part of larger capital projects, including the SE Well improvements, mill and overlay projects and the Birch Bluff and Strawberry Lane reconstruction projects. Routine project inspections regularly provide proactive guidance to contractors to avoid timely and costly mistakes. Additionally, there is required proactive material testing to ensure that the specified materials are used. Lastly, public works staff routinely perform informal visual inspections on a daily basis of contractors that are performing work in the public right-of-way ensuring that public facilities (streets, sidewalks, etc.) are not damaged.

Capital Improvement Plans

The City has a 10-year capital improvement plan (CIP) that details infrastructure, facility and equipment projects and purchases. The CIP is updated and presented to city council every year for discussion and comments. The updated CIP is approved by council each year when the city's

budget is approved. At the March council meeting, Council commented that there were plans to expand watermain throughout the city and result in significant need for engineering services, in-house or consultant. The city developed a water distribution plan in 1996 and updated the plan in 2012. Since 1996, the city has not followed the implementation plan based on council direction. Currently, watermain expansion projects are not in the current CIP with the exception of Mill Street. Staff can update the water distribution implementation plan for current costs if requested by council. The city can also consider water distribution plans as part of the city's comprehensive plan process and discuss implementation strategies.

Consultant Costs

Overall consultant costs are highly dependent on capital projects and development. Below is an overview of the last three years of consultant costs broken out into oversight, planning and projects.

	2023		2024		2025		2026 (thru 5/15/26)	
Category	Consultant Cost	% of Total	Consultant Cost	% of Total	Consultant Cost	% of Total	Consultant Cost	% of Total
Development	$ 62,904.00	4%	$ 38,013.00	4%	$ 104,526.00	11%	$ 9,936.50	9%
General Engineering	$ 124,380.00	7%	$ 149,158.64	18%	$ 118,198.40	13%	$ 19,102.50	17%
GIS	$ 68,439.50	4%	$ 42,966.00	5%	$ 69,249.00	8%	$ 5,510.50	5%
Projects-Streets/Utility	$ 1,019,159.29	59%	$ 398,119.49	47%	$ 398,934.60	43%	$ 20,252.00	18%
Projects-Parks	$ 111,194.58	6%	$ 23,044.46	3%	$ 2,200.00	0%	$ -	0%
Projects-Sanitary	$ 86,778.45	5%	$ 31,511.00	4%	$ 1,605.00	0%	$ 1,269.00	1%
Projects-Storm	$ 221,459.75	13%	$ 111,996.25	13%	$ 50,386.50	5%	$ 16,782.00	15%
Projects-Water	$ 20,977.32	1%	$ 56,112.18	7%	$ 174,101.01	19%	$ 38,963.00	35%
Projects Total	$ 1,459,569.39	85%	$ 620,783.38	73%	$ 627,227.11	68%	$ 77,266.00	69%
Grand Total	$ 1,715,292.89		$ 850,921.02		$ 919,200.51		$ 111,815.50	

Consultant costs for development are paid by developers. General engineer consulting costs include meetings (staff and council), resident relations, pavement management plan, standard specification update, TH 7 engineering, municipal code updating, and data requests.

Consulting costs vary widely depending on service structure, project workload, and how responsibilities are divided between staff and consultants. Reported annual consulting expenditures are $94,893 (2024) and $176,115 (2025) for Victoria (excluding road and utility projects), $806,308 (2024) and $1,515,007 (2025) for Mahtomedi, and $118,750 (2024) and $286,318 (2025) for Spring Park. These comparisons highlight that consulting costs can fluctuate significantly year to year and are influenced by capital programming, staffing structure, and the extent to which routine engineering functions are performed in-house versus contracted services.

Strategic Alignment

Organizational Strength & Good Governance

- Culture of continuous improvement

Discussion Requested

Council discussion and direction requested.

March 25, 2026

Mrs. Sandie Thone,
City Clerk
City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

RE: Historical Summary of the City Engineer's Position

Dear Sandy:

Pursuant to your request, I offer the following summary of dates, highlights and my perspective regarding the position of the City Engineer.

I had the pleasure of being employed with the city for 27 years serving in various combinations of the positions of City Engineer and Director of Public Works. Prior to my hire at the City of Shorewood, the city had hired out the position of City Engineer to the consulting firm of OSM and Associates. Mr. Joel Dressel had served in the contracted position of City Engineer for several years.

At the time of my hire, it was made clear that I was being hired on for the position of the City Engineer. However, the city had accepted the resignation of long time Director of Public Works, Don Zdrazil. Mr. Zdrazil had given notice to the city that he was going to enter into retirement three months after I was hired. With his retirement, I assumed the additional responsibilities of Director of Public Works.

For your reference, I offer the various dates and positions during my employment with the city.

- Oct 2, 1995 to Jan 22, 1996 City Engineer: (3 months, 21 days)
- Jan 23, 1996 to Jan 7, 2007 Dir of Public Works & City Engineer: (10 yrs, 11 months, 16 days)
- Jan 8, 2007 to Feb 24 2008 Dir of Public Works: (1 yr, 1 months, 17 days)
- Feb 25, 2008 to Aug 17, 2008 Acting City Administrator / Dir. of Public Works: (5 months, 24 days)
- Aug 18, 2008 to Mar 25, 2012 Dir. of Public Works: (3 yrs, 7 months, 8 days)
- Mar 26, 2012 to Jun 22, 2012 Acting City Administrator, Dir. of Public Works: (2 months, 28 days)
- Jun 23, 2012 to Dec 28, 2022 Dir. of Public Works: (10 yrs, 6 months, 6 days)

As cited in the chronology above, I performed the combined duty of Director of Public Works and City Engineer for approximately eleven years. During that period, the city was taking a very active role in the expansion of the water system and roadway reconstruction programs. While I am very proud of the projects that were completed, the workload took a personal toll. Over several years, serving in both positions, I was averaging 60-80 hours per week, trying to carry out the duties of both positions.

While projects were being successfully completed, during this time, it was not an entirely smooth path. Over a few short years, the city was entangled in seven matters of litigation, all at the same time, due to construction over runs and performance issues by the contractors. This took a heavy toll on staff and consultants, let alone the financial costs to the city. I recall spending a great deal of time, over 1.5 years, either in court proceedings or preparing to go to court.

As part of the after-action review, it was determined that the city had to have more experienced field representatives, to properly manage and maintain control of the contractors more efficiently, and in a timelier manner. Simply put, resolve minor issues promptly, before they became larger issues that result in disagreements and litigative matters. In addition, stringent oversight was needed over the design process by seasoned engineers and field staff, to minimize design and construction errors.

To make sure that a high standard was kept, it was decided that the positions were once again be separated. On January 8, 2007, Mr. James Landini was brought on board as the City Engineer. Mr. Landini was and is a Professional Registered Engineer, and was to provide oversight and direction to the consultants for major CIP construction projects.

The City of Shorewood, being a small city, is not any different than other smaller communities. There is always the tension between staffing at professional levels that the city can afford, while attempting to keep a high level of professionalism and performance. In my perspective, Mr. Landini matched the typical level of experience common to most small communities, to fill the position of the City Engineer. That is, a young registered engineer with just a few years of experience. While Mr. Landini served in the role, the city still had to rely on the consulting services for project design and inspection services, due to the resources needed, the complexity and various disciplines required to design, construct, and oversee these types of projects. Mr. Landini's day to day duties ultimately centered around providing oversight to the design process and handling the everyday needs of the city, including grading and drainage review for building permits, tackling drainage issues and completing agency administrative processes.

After Mr. Landini resigned, the discussion again centered on the need to obtain oversight of the design processes by "Seasoned," and more experienced engineers. Therefore, it was determined that having a contracted City Engineer fill the "in-house" role who was employed by the consulting firm providing design services would result in minimizing errors, due to direct connection of the city engineering position and the designers. At that point, the city returned to having a contracted City Engineer in-house. Mr. Steve Gurney filled that position, while being employed by WSB and Associates, Inc. Mr. Gurney served in that role with a high degree of professionalism and served the city well.

As time went on, the city continued with this model. Various professional engineers filled the position. After several years with WSB and Associates, it was determined that the city should review the engineering contract and open up invitations for providing in-house City Engineer services, in addition to design and construction oversight services.

Having been part of the selection committee for selecting a consultant, I must admit that I was not on board with Bolten & Menk. My recommendation was to go with another consultant. Ultimately, Bolten & Menk was selected and Mr. Andrew Budde was brought onboard. It is here that I admit that I was painfully wrong. Mr. Budde far exceeded the experience level and sound engineering judgement demonstrated by any of the past consultants. I came to depend on and deeply respect Mr. Budde's insight, level of experience, and professionalism under pressure that he demonstrated, day after day.

In working with Mr. Budde, I also learned that Bolten & Menk maintains a unique corporate structure. Prior to my employment with the city, I had served in a consulting firm, as the manager of municipal consulting services. I had witnessed and performed in several models of filling the city engineering role for several small communities. Many times, I had witnessed new engineers being contracted with cities, only to serve a few years, being promoted within their consulting firms, and moving up the ladder. The result would be that with the promotions, they would leave the cities they started with, to serve in their new positions. The cities would then be faced with starting over, losing all of the history. That has not been the case with Bolten & Menk. Mr. Budde, despite having been promoted to a Principal of the firm, has remained with the City of Shorewood. That certainly is unique to the consulting world.

It is here that I reflect on what I have witnessed with the City of Shorewood and some of the other small Lake Minnetonka Communities. With limited resources, it is certainly a challenge to provide a high level of service, while still falling within budget constraints. Having stated that, it becomes far too easy to look at the initial cost of engineering consultants and select the lowest bid for services, in an attempt to meet the financial constraints. However, from first hand experience, the initial cost for services should not be the defining factor. As noted earlier, if the costs of mistakes, poor design and improper decisions in the field are made, the resultant costs to the city far exceed what appears to be any savings for consultant services. Due to the number and vast fields of expertise required for any major CIP project, there will always be the potential for errors. That is true for any consultant. However, maintaining a high level of experience, both in design staff and field representatives is imperative in controlling the overall costs of successfully completing projects. In addition, this degree of professionalism, if carried out properly, minimizes the inconvenience and potential impacts to our residents, whom we serve.

In my experience, I have also witnessed several communities hire on the young professional engineers, with just a few years of professional experience, because that is what it appears the city can afford. Common to many of the young engineers, they are eager to gain the experience, and move on to other positions with consultants or larger communities. Thus, the smaller communities end up being the training ground for young engineers, while often having to bear the expense of poorly executed projects for design errors, due to lack of seasoned experience. Under this scenario, the cities also lose the design history that often becomes so important, in future events.

I hope that this memo helps in the process of continuing to provide the highest level of service to the residents of the City of Shorewood.

Sincerely,

Larry Brown, PE

6/8/2026 City Council Work Session Attachment

Engineering Service Delivery Model Comparison & Analysis

Prepared by : Sandie Thone, City Clerk/HR Director

At the March 23rd City Council Work Session, after reviewing and discussing five engineering staffing models, council directed staff to bring back a comparison of Engineering Staffing Models 1: Engineering Technician on staff & Consultant Support and Model 2: Staff City Engineer on staff & Consultant Support. Goals that the council identified as key include:

- Providing the highest level of day-to-day engineering support including project administration, contractor oversight, accountability, change orders, etc.
- Having a staff member be the 'face of the city' for engineering
- Continuity, transparency, and public responsiveness
- Reducing reliance on consultants for routine coordination work while maintaining access to licensed engineering expertise
- Engineering cost savings
- Institutional knowledge and long-term planning
- Service level metrics

Council directed staff to evaluate and compare Models 1, which adds an Engineering Technician as the city's primary operational contact with consultants retained for higher-level and specialty work, and Model 2, which adds a City Engineer on staff while continuing to use consultants for major projects and specialty needs.

Both options may offer improvement over a fully contracted structure, but they differ significantly in cost, staffing commitment, and the level of in-house engineering authority they provide.

Council will have an opportunity to weigh many differing opinions in the case of one or the other or to remain and rely on a more fully contracted structure or transition some duties to already existing staff.

In the case of this comparison and analysis the goal is to provide a comprehensive and objective evaluation of the options and base the analysis on the true comparison and facts at hand. In addition, following the comparison, specific questions that were posed by council are addressed.

Model 1 — Engineering Technician + Consultant Support

Model 1 is the most practical and cost-conscious next step for Shorewood. It creates a clear day-to-day city contact for resident questions, right-of-way matters, records, GIS support, permit coordination, field follow-up, and small-project support, while preserving consultant access for licensed engineering judgment, major capital project delivery, complex development review, and specialty technical work. This model strengthens institutional knowledge, improves responsiveness, and allows the city to internalize routine engineering-related work without committing immediately to the full cost and recruitment challenges of a City Engineer position.

Model 2 — City Engineer + Consultant Support

Model 2 provides stronger in-house professional engineering authority and greater direct oversight of consultant work, capital planning, and strategic engineering decisions. However, it also creates a materially higher fixed annual cost and greater long-term staffing commitment. For a city with Shorewood's workload profile, the available engineering demand may not consistently justify a full-time City Engineer unless the city intends to internalize substantially more engineering work than it performs today. Recruitment and retention risk is also higher for this level of position.

Current Model - Fully Contracted Model

The current structure provides access to specialty expertise and project delivery support, but may be less effective for day-to-day responsiveness, immediate public-facing service, and building city-owned institutional knowledge. Under a fully contracted approach, the city may also end up using consultant-level resources for work that is routine, record-based, coordination-oriented, or operational rather than truly professional-engineering in nature. As staff has stated in previous engineering staffing discussions, many of these routine duties are currently being transitioned or performed by Public Works staff, but for this comparison, we will use the completely fully contracted model.

Engineering Model Comparison

In the following comparison table, you will observe how the different service models may impact decision-making factors.

Engineering Model Comparison

Decision Factor	Current Contracted Model	Model 1: Engineering Technician + Consultant	Model 2: City Engineer + Consultant
Primary benefit	Access to outside expertise as needed	Improves daily responsiveness, coordination, and institutional knowledge at lower fixed cost	Provides the strongest in-house engineering leadership and oversight
Best use	Major projects and specialty support only	Routine engineering support, resident response, records, GIS, permit coordination, and small-project support	Broader internal engineering leadership, consultant oversight, and strategic planning
Responsiveness to routine issues	Moderate; often consultant-dependent and reactive	High; creates a clear day-to-day city contact	High; city-led response with professional oversight
Institutional knowledge retained by city	Lower to moderate (dependent on retention)	Moderate to high (dependent on retention)	High (dependent on retention)
Licensed engineering authority in-house	No	No; consultant remains engineer of record	Yes, for general engineering functions, with consultant support still needed for some specialty and major work
Estimated annual fixed staffing cost	Minimal added fixed cost; consultant costs remain variable	Approximately $116,000–$138,000 fully loaded (or budget neutral with staff transition plan)	Approximately $150,000–$190,000 fully loaded
Impact on consultant spending	Baseline	Moderate reduction in routine and coordination-based consultant hours	Greater reduction in general engineering hours, but consultant use remains significant
Implementation risk	No staffing change, but ongoing service limitations remain	Lower risk; easier to phase in and adjust over time	Higher cost and higher recruitment/retention risk
Overall fit for Shorewood now	Does not sufficiently strengthen daily city ownership	**Best fit** for current workload, transition path, and budget flexibility	Potential future option if the city later wants to internalize significantly more engineering work or significantly increase the CIP program

Council Question: What are the potential shortcomings of the current contracted model?

Addressing the failures or shortcomings of the current model was a request brought forth during the engineering staffing discussion in March. A fully contracted model can work well for technical quality and specialized project delivery, but it may underperform in areas that depend on day-to-day presence, immediate access, and city-owned institutional knowledge. The main risks are slower responsiveness for routine issues, less visible accountability to residents, fragmented ownership of project history and asset information, reduced internal capacity to monitor consultant scope and cost, and limited ability to build engineering knowledge into daily operations. Under a contracted-only structure, the city also risks paying consultant-level rates for work that is routine, coordination-based, records-based, or operational rather than truly professional-engineering in nature.

In addition, smaller issues may receive less proactive attention because they compete with larger billable project work. Although this is a fair assessment of the potential failures or shortcomings of this model, staff maintains the current service with Bolton & Menk to be highly responsive and accountable to residents and daily operations. In addition, some of the routine work is being performed by Public Works staff.

Council Question: What is Shorewood not consistently getting today or doing today that Model 1 or Model 2 may provide?

This is a question that was posed by the council during the engineering staffing discussion in March. Both Model 1 and Model 2 may provide a more immediate city engineering presence for resident calls, contractor questions, permit follow-up, internal coordination, field review, GIS and asset record maintenance, and continuity from one project year to the next. Model 1 provides this through an Engineering Technician who can own routine technical, field, mapping, inspection-support, and coordination work.

Model 2 provides all that plus stronger in-house professional engineering leadership, higher-level technical review, and greater internal authority for engineering recommendations, standards, and oversight. In short, Model 1 strengthens operational ownership; Model 2 strengthens both operational ownership and professional engineering leadership. Again, staff believe that our current model does a fine job of providing that city engineering presence between city staff and Bolton & Menk.

Council Question: What is the transition timeline and estimated cost?

Model 1: Model 1 could likely be implemented in approximately 3 to 9 months, depending on whether Shorewood creates a new position, repurposes an existing role upon vacancy, or phases duties into the new classification gradually.

Compensation: Based on Minnesota engineering technician market benchmarks and Shorewood's Compensation schedule, a reasonable planning estimate for salary is approximately $86,000 to $108,000 annually, with a fully loaded employer cost often landing in an approximate range of $116,000 to $138,000 once benefits, payroll taxes, retirement contributions, equipment, training, and overhead are included. Comparable market salary information shows Minnesota engineering technician pay frequently falls around $42-$52 per hour equivalent, with public sector roles often higher than general market averages.

Because Model 1 still relies on consulting services for major projects and high-level expertise, Shorewood should expect only a partial reduction in consultant spending, primarily by shifting routine coordination, records, field support, and smaller technical tasks away from consultants. The classification for this position would likely fall to the same grade as the current Streets Inspector, a Grade 12 with a 2026 pay range of $86,653 to $108,306. If the council decides to move forward, creating the new Engineering Technician position, it will need to be professionally classified and brought back for review and approval. In addition, council would need to decide between the following options to add the position into the current organizational structure:

1) Option 1: Transition to the Engineering Technician position over time to replace the current Streets Inspector position. This would involve waiting until the person in this current position transitions out, which makes the timeline unpredictable.

2) Option 2: Add the Engineering Technician position to the current organizational structure in addition to the Streets Inspector position and transition the duties as applicable.

3) Option 3: Eliminate the Streets Inspector position and replace it with the Engineering Technician position. This is not the recommended option for staff because it would require removing an existing employee position to create a new one, which does not align with the City's organizational objective of valuing and investing in employees. Staff believe the stronger approach is to pursue a transition strategy that meets operational needs while also demonstrating respect for current staff and preserving organizational stability.

Model 2: Model 2 would likely require approximately 6 to 12 months to implement, and possibly longer if recruitment is difficult.

Compensation: A City Engineer salary in Minnesota generally falls in a broad range around $115,000 to $150,000, with many municipal examples clustering above that range depending on organization size and responsibility. A prudent fully loaded planning estimate for Shorewood would likely be approximately $150,000 to 190,000 annually or more once benefits, retirement, payroll taxes, licensing, equipment, training, and overhead are included. Public Minnesota city engineer compensation sources show substantially higher compensation than technician-level roles.

Model 2 may reduce consultant spending more than Model 1 for ongoing general engineering functions, but not enough to assume a one-for-one offset because Shorewood would still contract for major capital projects, specialty design, additional capacity, and development surges. As a result, Model 2 may improve service and control, but it is less likely than Model 1 to generate net budget savings unless Shorewood substantially expands the amount of engineering work performed in-house. The timeline for this model would include adding it to the 2027 budget for recruitment and implementation in 2027.

The Shorewood 2026 budget includes $120,000 for General Engineering.

Model	**Estimated Annual Cost**
Current Fully Contracted Model	Existing consultant spending baseline (varies by annual workload and projects)
Model 1 – Engineering Technician + Consultant Support	Approximately $116,000 to $138,000 fully loaded, plus continued consultant costs for major and specialty work (or budget neutral with the staff transition option)
Model 2 – City Engineer + Consultant Support	Approximately $150,000 to $190,000 fully loaded, plus continued consultant costs for major and specialty work

Council Question: Could either option save money compared with contracting for all engineering services?

Model 1 is the more plausible cost-saving or cost-neutral option over time because it replaces consultant hours on repeatable, lower-complexity work with a lower-cost in-house resource while preserving consultant flexibility for major and specialized work. Savings would depend on disciplined scope management and the extent to which Shorewood intentionally shifts routine tasks away from consultants.

Model 2 is less likely to save money in the short term because its fixed personnel cost is much higher. It may still be justified if the city values stronger internal engineering leadership, oversight, and accountability enough to pay for that capacity, but it should be considered primarily a service-level and governance enhancement rather than an obvious direct cost-reduction strategy.

Council Question: What service level metrics or performance measures would be included?

If Shorewood moves forward with a new engineering service structure, the city should evaluate success based on whether the model improves responsiveness, strengthens city-owned coordination and knowledge, and delivers those gains at a justifiable and sustainable cost. The most useful test is not simply whether a new position is filled, but whether the structure measurably performs better than the current approach in the areas residents and staff experience most directly. To do that, the city could track a defined set of service-level metrics during the first 12 to 24 months of implementation and compare results against the current baseline.

Key performance measures may include: response time to resident and contractor inquiries; turnaround time for permits, right-of-way issues, and routine engineering coordination items; number of routine issues resolved directly by city staff without escalation to a consultant; reduction in consultant hours spent on coordination, records, and lower-complexity support work; annual consultant cost trends compared with pre-implementation spending. Tracking key performance indicators and service level metrics may require additional staff time and/or leveraging automation.

A structure should be considered effective if it improves day-to-day service levels, reduces the use of higher-cost consultant time for routine work, and increases continuity without creating disproportionate new fixed costs. In practical terms, the preferred model should show faster response and follow-up, clearer ownership of routine issues, stronger institutional knowledge, and more disciplined use of consultants.

If those gains are achieved while keeping total engineering-related spending stable or improving the value received per dollar spent, the new structure can reasonably be viewed as providing a higher level of service at a relatively low-cost point. This framework would also allow the Council to revisit the model after an initial implementation period and determine whether the city should maintain the structure, refine responsibilities, or consider a higher-service model in the future.

Analysis Results

This analysis compares two organizational options for strengthening Shorewood's engineering service delivery. After reviewing service needs, workload patterns, implementation risk, and cost implications, the analysis strongly suggests Model 1: an Engineering Technician serving as the primary day-to-day city contact, supported by contracted engineering services for licensed engineering work, major capital projects, development review, and specialized expertise, as the preferred option. Model 1 best aligns with Shorewood's current workload and transition path because it may improve responsiveness, continuity, and internal ownership while preserving cost flexibility and limiting long-term staffing risk.

Model 1 may provide the best balance of improved service delivery, stronger day-to-day ownership of engineering-related work, and fiscal flexibility. It addresses the city's most immediate needs by creating a clear internal point of contact for routine engineering support, permitting coordination, GIS and records maintenance, field follow-up, and small-project assistance, while continuing to use consultant resources where professional engineering licensure, specialty expertise, or large-scale project capacity are required. This approach may improve responsiveness and continuity without overcommitting the city to the higher fixed cost and recruitment risk associated with a full-time City Engineer position.

In practical terms, choosing Model 1 may allow the city to gain stronger day-to-day responsiveness, better coordination, improved institutional knowledge, and a more visible internal engineering presence at a lower cost and with less recruitment risk than Model 2.

What the city may give up under Model 1 is the added benefit of having full in-house professional engineering authority, deeper direct oversight of complex engineering decisions, and greater long-term capacity to internalize higher-level engineering functions.

By contrast, choosing Model 2 would give the city a stronger internal leadership role for engineering, greater technical authority, and more direct control over consultant management, capital planning, and engineering standards, but at a materially higher fixed cost and with a greater long-term staffing commitment. Model 2 would be a potential future option if the city later wanted to internalize significantly more engineering work or significantly increase the CIP program.