CITYGATE ASSOCIATES, LLC

■ FOLSOM (SACRAMENTO)   MANAGEMENT CONSULTANTS ■

ORGANIZATIONAL STUDY OF THE

CITY OF ALBANY, CA

Final Report

September 28, 2009

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EXECUTIVE SUMMARY

This report presents the results of Citygate Associates, LLC's organizational review of the City of Albany's municipal operations. Citygate conducted the study between March 2009 and June 2009.

THE STUDY SCOPE AND WHY CITYGATE WAS HIRED

The purpose of this study was for Citygate to provide an independent, third party review of the City's organizational structure to identify potential cost savings, service improvements, or other efficiencies to improve the effectiveness of the City organization. In addition, to the extent possible, Citygate was asked to help the City develop strategies and options for providing services in a tighter fiscal environment over the long term.

To achieve the objective of the study Citygate analyzed the policies, procedures, management and operations of the City's following offices and departments:

- ◆ City Administrator's Office
- ◆ City Clerk's Office
- ◆ Finance and Administrative Services Department
- ◆ Community Development Department
- ◆ Recreation and Community Services Department
- ◆ Police Department
- ◆ Fire Department.

THE PROCESS USED BY CITYGATE

In conducting this study Citygate outlined an approach that would facilitate the effective gathering of necessary information to address the objectives of the study. This process included:

- ◆ Meeting with the City's assigned project staff to initiate the study
- ◆ Orienting employees on our study efforts by conducting two employee orientation meetings
- ◆ Interviewing the Mayor and members of the City Council
- ◆ Interviewing the City Administrator, Assistant City Administrator, City Clerk, Finance and Administrative Services Director, Recreation and Community Services Director, Community Development Director, Police Chief, and Fire Chief
- ◆ Interviewing various personnel throughout the City
- ◆ Offering various mechanisms for all employees in the City to participate in the study, e.g., direct interviews, confidential e-mail, telephone conference, written correspondence, and group meetings
- ◆ Conducting department walk-throughs and making observations

- ◆ Reviewing available documents and records including organization charts, annual budgets, policies, procedures, staff reports, etc.

- ◆ Identifying areas for productivity improvement

- ◆ Identifying training needs

- ◆ Presenting findings to the City leadership staff to confirm the issues and direction of the study

- ◆ Developing an Action Plan for the City.

THE BACKGROUND AND EVOLUTION OF THIS STUDY

The intent and scope of this study has evolved over time. As initially conceived last year, prior to the economic downturn in September 2008, the study was intended to take a fresh, independent third-party look at organizational changes that could be made to improve efficiency and effectiveness. After the 2008 downturn, as was reflected in the Request for Proposal (RFP) issued at the beginning of this year, the emphasis of the study was placed upon making immediate fixes to close the General Fund deficit; which at the time of the RFP was estimated to be in excess of $350,000 by June 30, 2010. Midway through the study, the City's Finance Director was able to identify steps to substantially reduce the projected General Fund deficit. As a result, after consultation with the City, the focus of the study shifted to organizational changes and improvements oriented towards the future and, thus, more long-term in nature.

SEVEN RECURRING THEMES IN THE REPORT

During the course of Citygate's research and analysis, we identified Seven Recurring Themes. In our judgment, these are the most important items for the City to be aware of and to address as a result of this study. Albany has the opportunity to be a dynamic organization that is capable of making meaningful and sustainable changes to ensure the organization's relevance to the ongoing needs of the community. These themes are described in detail within the body of the full report, and are summarized below:

Seven Recurring Themes

Theme No. 1: The Good News for Albany

The City of Albany is well positioned to make positive organizational changes. Such is not always the case. The City Council is likely to support departures from the status quo. The City's reserves are adequate to handle one-time expenditures that might be necessary when combined with long-term solutions to the City's structural deficit problems. Employees in the organization recognize the seriousness of these economic times.

Theme No. 2: Albany is Committed to Quality Services

The City has historically committed to providing quality municipal services. Its citizens, no doubt, have grown accustomed to these services.

> ### *Theme No. 3: Albany is Committed to Citizen Involvement*

The citizens of Albany place a high value on their right to participate in the municipal government decision-making process.

> ### *Theme No. 4: Albany Has a Talented, Hard Working Staff That Believes it is Stretched Thin*

Citygate observed that overall the City's staff is talented, knowledgeable, committed, conscientious, and hard working. Unfortunately, as is the case in small cities, Albany's staff is stretched thin.

> ### *Theme No. 5: Albany Faces Challenges with Cost, Quality, and Responsiveness Tradeoffs*

Albany is in a better position financially than many cities in California; the City lives within its means. Having said this, the City's resources are tight and will remain tight into the foreseeable future. To meet the challenge of this continual financial pressure, the City must nurture an environment that is committed to continual adjustments, iterations, and change.

> ### *Theme No. 6: Albany Has Fallen Behind in Technology and Training*

The City is underinvested in computer-based technology, technology-related training, and technology technical support.

> ### *Theme No. 7: Albany Has Challenges (and Opportunities) With Succession Planning and Development*

The City has an obligation, and a need, to plan for the succession and development of its key personnel. Doing so is a fundamental requirement of best practices. At a minimum, key positions that require succession planning and development include the City Administrator and all department heads.

OVERVIEW OF RECOMMENDATIONS

Citygate makes forty-one (41) recommendations to address the issues and concerns described in the Seven Recurring Themes as well as other areas for improvement that are important but not necessarily directly tied to the themes. In summary, the recommendations address issues having to do with the following:

- ◆ Succession planning and development to ensure organizational vitality and responsiveness

- ◆ Aligning the organization to improve communications and community engagement in order to meet expectations now and into the future

- ◆ Avoiding small city burn-out of staff; managing expectations

- ◆ Developing Professional Development Plans for key personnel as an investment in the future

- ◆ Strengthening the City's Informational Technology program to ensure efficiency and effectiveness over the long term

- ◆ Dealing effectively with the City's public works program and exploring new venturing options for the future

- ◆ Aligning the City's administrative support programs for the future

- ◆ Institutionalizing continual improvement through internal customer service surveying

- ◆ Exploring new venturing options in fire and police public safety services.

It is suggested that in order to obtain a complete understanding of Citygate's analysis and recommendations, this report should be read in its entirety.

COSTS ASSOCIATED WITH THE RECOMMENDATIONS

In summary, the recommendations in this report represent both cost savings and cost increases.

Most notable of these on the potential cost savings side are the following recommendations:

- ◆ Elimination of the Assistant City Administrator position ($140,000)

- ◆ Elimination of the full-time City Clerk position ($120,000)

- ◆ Part-time Human Resources Manager possibility ($25,000)

- ◆ Reduction of overtime and comp time associated with staff support to the City's various commissions, committees, and advisory bodies ($20,000)

- ◆ Reduction in the use of outside City Engineer services ($60,000)

- ◆ Increased cost recovery through Time & Material deposits in Community Development ($100,000)

- ◆ Establishment of Recreation Services Fund ($50,000).

Most notable on the potential cost increases side are the following recommendations:

- ◆ Addition of the Assistant to the City Administrator position ($120,000)

- ◆ Addition of the Deputy City Clerk position ($90,000)

- ◆ Addition of the Assistant Community Development Director position ($140,000)

- ◆ Addition of the Teen Center Supervisor ($52,000).

ACTION PLAN

A listing of our recommended action items and a blueprint for their implementation are presented in the following Action Plan. The columns from left to right contain:

1. The priority of each recommended action item

2. The suggested implementation time frame

3. The anticipated benefits of each recommended action item

4. The responsible party(ies).

The legend at the bottom of each page of the Action Plan defines the level of each priority indicated by the letters "A" through "D." It is important to note that priorities have been established independent of the suggested timeframe. For example, a recommendation, step, or action may have the highest priority (indicated by the letter "A") but may require an estimated six months to implement. Conversely, an action item with the letter "C" priority, which indicates that the action is not critical but will improve operations, may have a two-month timeframe, since the estimated implementation effort would not require an extended period of time.

It is also important to note that an "A" priority, which indicates that the action item is deemed "mandatory or critical," should not be interpreted to mean that it is "mandated" by a statute or regulation – it is simply an "urgent" action item of the highest priority.

The timeframes indicated in the Action Plan do not necessarily mean the anticipated completion dates for the implementation of each action item.

ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
CITYWIDE				
Recommendation No. 1: Develop succession plans for the City Administrator and all department heads.	A	60 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator
Recommendation No. 2: Begin a discussion between staff and the City Council to discuss the advisory body staff support problem and aligning Council expectations with the City's limited staffing levels.	A	30 days	Provides realistic allocation of limited human resources; prevents staff burnout and turnover; promotes organizational stability; maintains good morale	Mayor; City Administrator
Recommendation No. 3: Increase "self-help" advisory committee staffing; decrease paid staffing.	A	60 days	Provides realistic allocation of limited human resources; prevents staff burnout and turnover; promotes organizational stability; maintains good morale	City Administrator
Recommendation No. 4: Manage advisory committee expectations regarding staff support.	A	60 days	Provides realistic allocation of limited human resources; prevents staff burnout and turnover; promotes organizational stability; maintains good morale	Mayor; City Administrator
Recommendation No. 5: Sunset all committees and advisory committees; review bi-annually during budget update process.	B	January 1, 2010	Provides realistic allocation of limited human resources; keeps bureaucracy small and vital	City Council

LEGEND
A Recommendation mandatory or critical
B Strongly recommended
C Not critical, but will improve operations
D Recommended, but additional study required

CITYGATE ASSOCIATES, LLC

ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 6: Increase consciousness of Zero Sum Programming.	A	Immediately and ongoing	Provides realistic allocation of limited human resources	City Council; City Administrator
Recommendation No. 7: Close the serious technology gap; make I.T. a top priority investment.	A	Immediately	Improves efficiency of organization; keeps organization modern and well connected to community	City Administrator
Recommendation No. 8: Develop and adopt a 5-Year Information Technology Strategic Plan.	A	90 days	Improves efficiency of organization; keeps organization modern and well connected to community	City Administrator
CITY ADMINISTRATOR'S OFFICE				
Recommendation No. 9: Place a priority on Mayor and City Council support, community communications and community engagement, and department performance.	B	Ongoing	Aligns chief administrative office with current needs of the Council and community	City Administrator
Recommendation No. 10: Move Human Resources into the Finance and Administrative Services Department.	B	180 days	Places HR into team-based work environment for greater flexibility and support	City Administrator; Finance and Administrative Services Director
Recommendation No. 11: Explore making the Human Resources Manager position a part-time assignment.	C	180 days	Achieves cost savings; improves staff flexibility	City Administrator; Human Resources Manager

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ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 12: Eliminate the Assistant City Administrator (ACA) position.	B	90 days	Aligns chief administrative office with current needs of the Council and community	City Administrator
Recommendation No. 13: Explore reclassifying the ACA incumbent to Assistant Community Development Director.	B	90 days	Aligns chief administrative office with current needs of the Council and community; improves employee morale	City Administrator
Recommendation No. 14: Hire an Assistant to the City Administrator with state-of-the-art technology-based communications and community engagement skills.	A	120 days	Aligns chief administrative office with current needs of the Council and community	City Administrator
Recommendation No. 15: Institute a modern council-manager form of government.	B	180 days	Aligns chief administrative office with best practices	Mayor and City Council; City Administrator
CITY CLERK'S OFFICE				
Recommendation No. 16: Develop and execute a succession plan for the City Clerk position.	A	90 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator; City Clerk
Recommendation No. 17: Work towards designating the City Administrator as the City's official City Clerk.	B	90 days	Places City Clerk function into team-based work environment for greater flexibility and support	Mayor and City Council; City Administrator

Action Plan

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ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 18: Work towards transferring the City Clerk record keeping function into Finance and Administrative Services Department.	B	180 days	Achieves cost savings; improves staff flexibility and morale	Mayor and City Council; City Administrator; City Clerk; Finance and Administrative Services Director
Recommendation No. 19: Explore establishing a part-time Deputy City Clerk position.	B	180 days	Achieves cost savings	City Administrator
Recommendation No. 20: Convert to a computer-based Records Management System.	A	180 days	Increases efficiency and effectiveness of records storing, retrieving, and sharing services	City Clerk
Recommendation No. 21: Institutionalize internal customer service survey.	B	90 days	Improves organizational efficiency and effectiveness	City Clerk
FINANCE AND ADMINISTRATIVE SERVICES				
Recommendation No. 22: Develop a succession plan for the Finance and Administrative Services Director position.	A	90 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator; Finance and Administrative Services Director
Recommendation No. 23: Expand the scope of the Finance and Administrative Services Department and change its name.	B	180 days	Creates a team-based work environment for greater flexibility, efficiency, and effectiveness; achieves cost savings; improves staff flexibility and employee morale	City Administrator; Finance and Administrative Services Director

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ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 24: Establish Professional Development Plans for key Finance staff.	A	90 days	Improves organizational stability and employee morale	Finance and Administrative Services Director
Recommendation No. 25: Institutionalize internal customer service survey.	B	90 days	Improves organizational efficiency and effectiveness	Finance and Administrative Services Director
COMMUNITY DEVELOPMENT				
Recommendation No. 26: Establish succession plans for Community Development Director, Planning & Building Manager, Public Works Manager, and City Engineer positions.	A	90 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator; Community Development Director; Planning and Building Manager, Public Works Manager
Recommendation No. 27: Consider "Key Factors" and succession plans prior to establishing public works as a full separate department or just a mini-department.	B	180 days	Improves organizational efficiency and effectiveness	City Administrator
Recommendation No. 28: Explore joint venturing the City's sewer collection system with other sanitation districts in the East Bay region.	C	180 days	Improves organizational efficiency and effectiveness in a future regulatory environment	City Administrator; Finance and Administrative Services Director; Public Works Manager

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D Recommended, but additional study required

CITYGATE ASSOCIATES, LLC

ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 29: Establish a Time and Materials (T&M) trust fund deposit system for large discretionary development project applications to maximize cost recovery.	A	90 days	Protects the General Fund	City Administrator; Finance and Administrative Services Director
RECREATION AND COMMUNITY SERVICES				
Recommendation No. 30: Establish a succession plan for the Recreation and Community Services Director position.	A	90 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator, Recreation and Community Services Director
Recommendation No. 31: Provide operational flexibility to the Recreation and Community Services Director for the Recreation Supervisor position(s); modify position classification(s) as needed.	A	90 days	Increases organizational efficiency and effectiveness; increases employee morale and customer satisfaction	City Administrator; Recreation and Community Services Director
Recommendation No. 32: Establish a Professional Development Plan for the Recreation Coordinator position.	A	60 days	Improves organizational stability and employee morale	City Administrator; Recreation and Community Services Director
Recommendation No. 33: Modify the Management Analyst position duties to allow for greater focus on CATV and City communications.	A	60 days	Increases quality of community communications and engagement	City Administrator; Recreation and Community Services Director

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ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 34: Establish separate Recreation Services Fund by July 1, 2010; broaden the Fund to include Community Services by July 1, 2012.	B	180 days	Increases flexibility and financial independence, which will lead to greater efficiency and effectiveness; increases employee morale and customer satisfaction	City Administrator; Finance and Administrative Services Director; Recreation and Community Services Director
Recommendation No. 35: Modernize computer-based point-of-sale financial system by January 1, 2010 or sooner.	A	90 days	Increases efficiency, effectiveness, financial accountability, and customer satisfaction	City Administrator; Finance and Administrative Services Director; Recreation and Community Services Director
POLICE				
Recommendation No. 36: Establish a succession plan for the Police Chief position.	A	90 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator, Police Chief
Recommendation No. 37: Establish Professional Development Plans for supervisors.	A	60 days	Increases organizational stability and employee morale	City Administrator; Police Chief
Recommendation No. 38: Explore contracting for emergency dispatching services with other agencies and/or the private sector.	B	90 days	Achieves cost savings; increases efficiency and effectiveness	City Administrator; Police Chief

Action Plan

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B Strongly recommended
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D Recommended, but additional study required

ALBANY CITYWIDE ORGANIZATIONAL REVIEW ACTION PLAN

Recommendation	Priority A/B/C/D	Time Frame for Completion	Anticipated Benefits	Responsible Party(ies)
Recommendation No. 39: Upgrade computer-based statistical support software.	A	180 days	Increases efficiency and effectiveness of crime fighting operations	City Administrator; Police Chief
FIRE				
Recommendation No. 40: Develop and execute a succession plan for the Fire Chief position.	A	60 days	Provides organizational stability and vitality; allows City to manage its own leadership destiny	City Administrator; Fire Chief
Recommendation No. 41: Take steps to venture or consolidate with other fire agencies in the East Bay region.	A	180 days	Possibly increases efficiency and effectiveness of fire and emergency medical operations	City Administrator; Fire Chief

LEGEND
A Recommendation mandatory or critical
B Strongly recommended
C Not critical, but will improve operations
D Recommended, but additional study required

SECTION I—INTRODUCTION

Citygate Associates, LLC is pleased to present this Citywide Organizational Review report to the City of Albany. We commend the City Council and City staff for taking the initiative to address the important issues identified in this report. We thank and appreciate all the parties involved in this study for their cooperation, candor, and strong commitment to public service and to the City of Albany.

STUDY SCOPE OF WORK

As envisioned by the City, the purpose of this study was two fold. First, to provide an independent, third party review of the City's organizational structure to identify potential cost savings, service improvements, or other efficiencies to improve the City's effectiveness. Second, in response to worsening economic conditions and forecasts becoming increasingly bleak, to help the City develop strategies and options for providing services in a tighter fiscal environment.

In order to meet the objectives of the scope of work identified above, the following key factors deemed critical to the success of the City were reviewed in varying degrees of detail:

- Mission and goals of the City of Albany
- Communication among the staffs, and among the staff with their customers
- Current and future performance measures
- Support systems
- Management structure and effectiveness
- Allocation of employees and other resources
- Personnel management, supervision, and reporting
- Use of technology
- Staffing, budgeting, and training
- Workload trends
- Physical layout of current City operations
- Fee schedules.

The scope of Citygate Associates' engagement did not include either a financial audit or a compliance audit.

Citygate set a goal of providing only those recommendations that are realistic and can, in fact, be implemented to help improve the City of Albany's overall effectiveness and meet the needs of the City Council and the customers and citizens that it serves.

STUDY APPROACH

In conducting the study Citygate used an approach that would facilitate the effective gathering of the necessary information. This process included:

◆   Meeting with the City's assigned project staff to initiate the study

◆   Orienting all employees on our study efforts and conducting two employee orientation meetings

◆   Interviewing the Mayor and members of the City Council

◆   Interviewing the City Administrator, Assistant City Administrator, City Clerk, Finance and Administrative Services Director, Recreation and Community Services Director, Community Development Director, Police Chief, and Fire Chief

◆   Interviewing various personnel throughout the City

◆   Offering various mechanisms for all employees in the City to participate in the study, e.g., direct interviews, confidential e-mail, telephone conference, written correspondence, and group meetings

◆   Conducting walk-through observations

◆   Reviewing available documents and records including organization charts, annual budgets, policies, procedures, staff reports, etc.

◆   Identifying areas for productivity improvement

◆   Identifying training needs

◆   Presenting themes to the City leadership staff

◆   Development of an Action Plan for the City.

Throughout this process, it was our policy to review findings of the study with multiple sources in order to increase the accuracy of findings and data used in the report. The findings were selectively presented and discussed with City staff to allow an opportunity to describe organizational operations and comment on our findings.

We would like to thank City staff for their candor and cooperation and for the time and effort expended in responding to our many requests for information.

ADVICE TO THE READER

From time to time throughout this report, we will speak clearly and to the point without pulling any punches. It is not our intent to offend anyone. However, we believe that our client is best served by frankness. The characteristics of the City of Albany municipal organization have evolved over an extended period of time as a result of many factors. The programs and processes have both good and bad characteristics, none of which are the fault of any one person.

To the extent problems exist; they are, in most instances, process problems as opposed to being personnel problems. That is not to say that there are not attitudes and philosophies that need adjusting in order to better reflect the policies of the City Council and the administrative direction from its appointed leadership team. There are. However, notwithstanding these human shortcomings, City staff overall works very hard and in a conscientious manner to do what is in the best interest of the City. Many of them labor under difficult circumstances.

The City of Albany, located in Alameda County, has a population of approximately 17,000 and a staff of about 100 full-time employees and 30 part-time employees. The City provides a full range of services through the following departments: Administration, City Clerk, Community Development, Finance and Administrative Services, Fire and Emergency Medical Services, Police, and Recreation and Community Services.

THE MUNICIPAL ORGANIZATION

City of Albany
Citizens of Albany

ELECTED | ADVISORY | ADMINISTRATIVE

Pension Board

City Treasurer

Mayor and City Council

City Attorney

Social and Economic Justice Commission

Traffic and Safety Commission

Planning and Zoning Commission

Civil Service Board

Parks and Recreation Commission

City Administrator

Community Development
- Planning and Building
- Engineering
- Public Works
- Environmental Resources
- Transportation
- Network Maintenance

Police Department
- Administration
- Investigation
- Patrol
- Support Services

Finance and Administrative Services
- • Fiscal Administration
  • Accounts payable
  • Accounts Receivable
  • Payroll
- Budgeting/ Forecasting
- Data Processing/ Communications
- Administration
- Personnel Services
- Risk Management
- Special Projects

Fire and Emergency Medical
- Prevention
- Suppression
- Emergency Medical Care
- Disaster Preparedness
- Hazardous Material

Recreation and Community Services
- Administration Division
- Community Services Div.
  • Cable TV
  • Civic Arts
  • Preschool
  • Senior Services
  • Community Center
  • Volunteer Services
- Recreation Division
  • Adult Sports
  • Childcare
  • Day Camp
  • Facility/Admin
  • Teen Activities

City Clerk
- Elections
- Records
- Passport Services

CITYGATE ASSOCIATES, LLC

SECTION II—RECURRING STUDY THEMES

Several important recurring themes emerged during the course of this study. These themes are described below in order to provide context and perspective to the reader.

THEME NO. 1: THE GOOD NEWS FOR ALBANY

The good news is that, in our judgment, the City of Albany is well positioned to make positive organizational changes. Such is not always the case. These are the indicators:

◆ The City Council overall believes, and rightfully so, that the City has a competent, hard working, and dedicated staff.

◆ The City Council is likely to support departures from the status quo if they are well thought out and implementable, even if done so in phases over time.

◆ The City is in a relatively strong financial position; reserves are adequate to handle one-time expenditures that might be necessary when combined with long-term solutions to the City's structural deficit problems.

◆ The employees in the organization recognize the seriousness of these economic times and are more open to change than they might otherwise be.

THEME NO. 2: ALBANY IS COMMITTED TO QUALITY SERVICES

The City has historically committed to providing quality municipal services. Its citizens, no doubt, have grown accustomed to these services

Albany's streets are well maintained and the parks are green and well trimmed. The City's police department enjoys the trust of the community and the department's response times are good. Fire and medical emergency services in Albany are well run, and the department has an admirable commitment to fire prevention. The City's recreation program is robust. City facilities are clean and well maintained. In recent years, the City has made major improvements to its sewer and storm drain systems and has put in place responsible ongoing maintenance and replacement programs. The City's financial management program is solid.

THEME NO. 3: ALBANY IS COMMITTED TO CITIZEN INVOLVEMENT

The citizens of Albany place a high value on their right to participate in the municipal government decision-making process. The City Council also reflects this value as evidenced by the number of standing and ad hoc advisory committees and task forces. This commitment has an impact on staffing levels and staff workload. These impacts, and what to do about them, are discussed in more detail later in this report.

THEME NO. 4: ALBANY HAS A TALENTED, HARD WORKING STAFF THAT BELIEVES IT IS STRETCHED THIN

Citygate observed that overall the City's staff is talented, knowledgeable, committed, conscientious, and hard working. There also exists a high level of appreciation for the City of

Albany. Every employee we met considered the City a good place to work. Such is not always the case, as compared to the numerous other municipalities Citygate has studied.

There is a pervasive perception on the part of staff, particularly non-sworn staff, that they are stretched very thin. For example, staff feels stretched thin when it comes to giving attention to citizen customers who need special attention on an unscheduled basis. This causes interruptions in workflow. Staff also feels stretched thin when it comes to providing support to the City's numerous advisory committees, commissions, and boards. Being understaffed is a common refrain in city government; however, small agencies are particularly vulnerable to such frustrations because employees are so often called upon to be all things to all people.

THEME NO. 5: ALBANY FACES CHALLENGES WITH COST, QUALITY, AND RESPONSIVENESS TRADEOFFS (THE "TWO OUT OF THREE RULE")

Albany is faced with budget strains, as are most cities in California these days. However, Albany is in a relatively enviable position as a result of having lived within its means over the years. The City's reserves are at responsible levels and, unlike some cities in the state, Albany has not yet over-obligated itself to a degree that would threaten its existence.

It is a fact of modern life that all organizations, be they public or private, must constantly look for ways to improve and to become more efficient. Otherwise, they will eventually become unaffordable or irrelevant, in whole or in part. This is particularly true for a small agency because it does not have the benefits gained from economy of scale. As citizen expectations rise, which they continue to do, it becomes harder and harder to be responsive. Such is the nature of things. To meet the challenge of this continual squeeze, the City must nurture an environment that is committed to continual adjustments, iterations, and change.

As the City considers organizational change, it would be wise to remember the reality of the "Two Out of Three Rule". That is, there are three considerations that influence the delivery of any product or service. However, realistically speaking, only two out of three can be achieved at any one point in time:

◆ Price: How much will the product or service cost and what is the customer or citizen willing to pay? For example, will a senior center program be subsidized heavily or not subsidized at all?

◆ Quality: How good will the product or service be relative to the average city? In other words, will it be the same, better than, or worse than the average city? For example, will staff provide support to all citizens' advisory committees, commissions, and boards, or none at all?

◆ Speed: Does the service or product need to be delivered immediately upon demand, or can it wait? If so, how long can a customer or citizen wait? For example, in this day of online access to so many services, should City Hall be open five days a week? What do the hours need to be?

Change and reassessment is an essential and normal ingredient to good, sustainable organizational health.

THEME NO. 6: ALBANY HAS FALLEN BEHIND IN TECHNOLOGY AND TRAINING

The City is underinvested in computer-based technology, technology-related training, and technology technical support. This, without a doubt, was the number one concern raised by staff at both of the employee orientation meetings conducted by the Citygate team. Our individual interviews with City employees and the observations we made of the work environment and workstations corroborated these concerns. Best practice cities, large and small, have made strong commitments to technology and training. Unlike benefits that are visible to city customers, like streets, parks, police cars, and fire trucks, the benefits of technology and training are, for the most part, not seen. Albany must keep pace if it is to maintain its connection and credibility with its citizenry. The City's credibility will begin to unravel if there is too much of an experiential difference between Albany taxpayers' daily life and the experience they have with City Hall. This expectation gap can lead to political instability, which at its worse can lead to organizational instability and a decline in the quality of City services.

THEME NO. 7: ALBANY HAS CHALLENGES (AND OPPORTUNITIES) WITH SUCCESSION PLANNING AND DEVELOPMENT

The City has an obligation to plan for the succession of key personnel. Doing so is a fundamental requirement of best practices. It is both a challenge and an opportunity. Healthy, best practice organizations embrace change as an ongoing necessity.

Municipal organizations, much more so than private sector organizations, put the needs of individual employees ahead of the City's organizational needs and, worse yet, the needs of the community. This temptation should be minimized. Best practice succession planning adheres to the following priorities:

- ◆ 1st – Best for the Community
- ◆ 2nd – Best for the Organization
- ◆ 3rd – Best for the Individual.

At a minimum, key positions that require succession planning include, for example, the City Administrator and all department heads.

SECTION III—CITYWIDE SOLUTIONS

During the course of this study, Citygate found several areas of the City's operations that present opportunities for system-wide improvements that would increase the efficiency and effectiveness of more than one department. Several of these citywide areas for improvement have been identified and discussed previously in the "Recurring Study Themes" section of this report. The areas that need attention are succession planning, staff being stretched thin, and the use of Information Technology (I.T.).

SUCCESSION PLANNING

The City has an obligation to its citizens to plan for the succession of key personnel. Well-managed leadership change through succession planning keeps an organization vital and modern, while at the same time ensuring the stability of its ongoing services and programs.

City organizations are prone to putting the needs of the individual employee ahead of the needs of the organization and the community. This is understandable; however, such urges need to be resisted. Responsible, high quality succession planning for a city government adheres to the following priorities:

◆ **1st – Best for the Community**: The succession plans under consideration need to serve, first and foremost, the community. What kind of leadership does the City need now and what will it need over the long-term? Are the leadership needs of the community changing? What skill sets will be required in leaders going forward?

◆ **2nd – Best for the Organization**: As a second priority, the succession plans need to serve the best interests of the organization. Does the plan put the needed talent and skill sets in the right place in the organization to achieve maximum efficiency and effectiveness? Does the succession plan result in appropriate span-of-control? Does the plan foster good teamwork? Does the plan foster organizational vitality or does it foster organizational stagnation?

◆ **3rd – Best for the Individual**: As a third and final priority, the succession plans must work for the individual involved in the transition.

Having established the above succession planning priorities, the needs of each individual employee remain very important. Individuals affected by succession plan transitions must be treated with respect and dignity. Succession planning, at its best, should be likened to a constructive, honest conversation among friends and colleagues. When all is said and done, everybody needs to be able to look in the mirror and know they did the right thing for everyone involved; but that ultimately, individual needs did not trump the needs of the organization and the community.

For Albany, good succession plans would involve the following steps:[1]

> Step 1: Get a non-binding commitment in writing from the incumbent as to their future plans.
>
> Step 2: Analyze the work being done now by the incumbent.
>
> Step 3: Analyze the work and skill sets needed in the future.
>
> Step 4: Identify prospective replacement pool, if any.
>
> Step 5: Develop people in the pool.
>
> Step 6: Evaluate potential candidates.

<u>Consequences of Not Taking Action:</u> Getting the City's succession plans in order is one of the more important recommendations in this study. Failure to act will cause the City to lag behind best practices in the areas of community engagement, communications, records management, information technology, capital projects, financial management systems, and public safety.

Recommendation No. 1:   **Develop succession plans for the City Administrator and all department heads.**

STAFF BELIEVES THEY ARE STRETCHED THIN

Demographically, Albany has a highly educated population. Citizens are comfortable with and expect extensive analysis and communication with staff at all levels. Meeting these high expectations is demanding on staff and often takes time away from other equally important day-to-day operational duties and responsibilities. Nonetheless, providing this high level of service is desired by City leaders in order to maintain the small-town ambience, which is a key feature of the City's mission statement.

As stated earlier in this report, there is a pervasive perception on the part of staff, particularly non-sworn staff, that they are stretched thin. Feeling understaffed is a common refrain; however, small agencies are particularly vulnerable to such frustrations because general employees are so often called upon to be all things to all people. This causes interruptions in workflow. Albany's non-public safety staffing levels are in fact low as compared to other neighboring small cities in the Bay Area. The following table illustrates this point by comparing the levels of general employees per 1,000 population:

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[1] Source: Dale Carnagie, Adapted from Rothwell, W. (2005a). Effective succession planning: Ensuring leadership continuity and building talent from within. 3rd ed. New York: Amacom.

Staffing Levels

City	Population	Employees/1,000
Emeryville	10,100	9.90
Mill Valley	14,000	6.60
Pinole	19,400	5.26
El Cerrito	23,400	4.27
Hercules	24,900	3.73
Piedmont	11,200	3.30
Orinda	17,400	2.80
Albany	**16,900**	**2.78**

Staff also feels stretched thin when it comes to providing support to the City's numerous advisory committees, commissions, and boards. Albany does have quite a bit more of these types of bodies than most cities its size. No doubt this is a reflection of the value the City Council places upon citizen involvement and community engagement. The City has 16 such advisory bodies:

City of Albany Advisory Bodies

1. Ad Hoc Dog Committee
2. Arts Committee
3. Charter Review Committee
4. Civil Service Board
5. Community Media Access Committee
6. Disaster Policy Advisory Group
7. Library Board
8. Park and Recreation Commission
9. Planning and Zoning Commission
10. Police and Fire Pension Board
11. Social and Economic Justice Commission
12. Sustainability Committee
13. Traffic and Safety Commission
14. Tree Task Force
15. Waterfront Committee
16. Youth Task Force.

To offer a perspective, Albany has more advisory bodies per 1,000 in population then 10 out of 12 of the nearby comparably sized cities in the North/East Bay Area Region (see table below).

City	Population	Committees	Committees per 1,000
1. Hercules	24,900	3	.12
2. San Pablo	29,800	4	.13
3. Pinole	19,400	5	.26
4. Orinda	17,400	6	.34
5. Mill Valley	14,000	5	.36
6. Lafayette	24,100	10	.41
7. Moraga	16,200	9	.56
8. El Cerrito	23,400	13	.56
9. San Anselmo	12,600	8	.63
10. Piedmont	11,200	10	.89
11. Albany	**16,900**	**15**	**1.1**
12. Emeryville	10,100	19	1.88

Committees Per 1,000
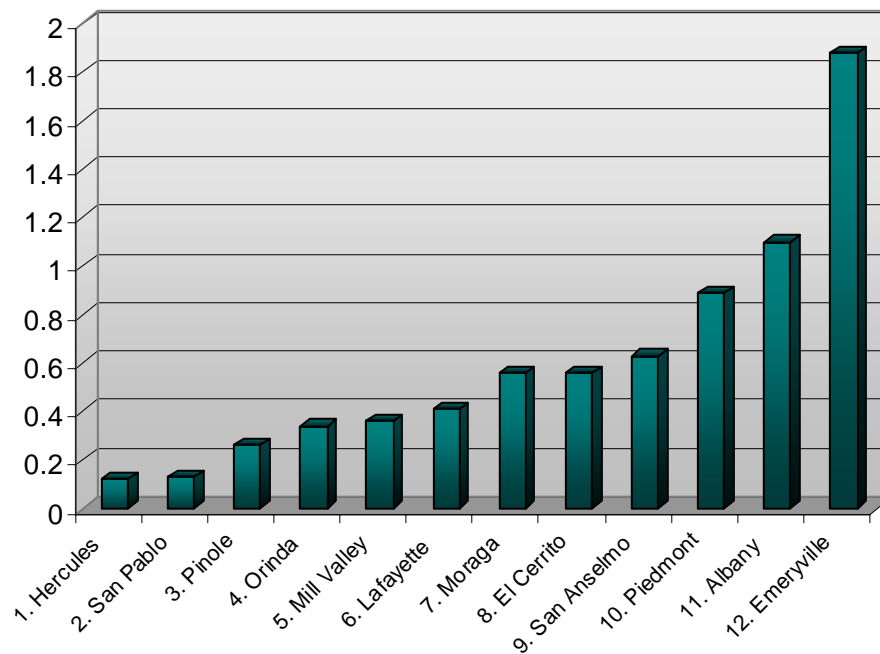
Citygate does not, and would not, suggest that the City reduce its number of advisory bodies. Such is the appropriate sole domain of the City Council. However, it has been the practice of the City that each committee, to one degree or another, have staff support. This can work in a large city where there are many staff and many specialists; but it is difficult if not impossible for a small city like Albany. It would be advisable for the City Council to have a firm sunset policy

for all its committees and advisory bodies. The policy should include a bi-annual review of each committee or advisory body's current purpose, authority, and necessity. The review should be built into the budget development process at the front end. A simple question should be asked: ***Can the City Get by Without This Committee or Advisory Body***? The City organization needs to continually prune, adjust, change, and redefine itself so that it remains efficient, effective, and highly relevant.

Zero Sum Programming

Communities and their elected city councils invariably add more and more programs, services, and work tasks to the expectations they have for their staff. This is to be expected. However, if left without any counter prevailing pressures, the organization can become overwhelmed, scattered, frustrated, and ineffective. It is important that the organization's leaders, both elected and appointed, heighten their collective awareness of the limitations of staff, particularly in a small organization like Albany. The organization needs to develop its own form of "Zero Sum Programming"; that is, when a service or program gets added, a service of equal weight or effort gets dropped. Or, at least a discussion is held in an open and transparent manner.

To heighten the awareness, with the help of the Mayor and City Administrator, each of Albany's departments should inventory their "core business" activities and their "Non-Core Business." The inventory should be reviewed and discussed in detail at a public meeting of the Mayor and City Council, staff, and interested community stakeholders. Review of the inventory should be built into the budgetary process.

Consequences of Not Taking Action: Getting a more thoughtful balance between the needs of the City's advisory bodies and the reasonable expectations that can and should be placed upon staff in a small city like Albany is important. Not giving this problem attention, at its worse, could lead to burnout, turnover, organizational instability, drop in service, and an increase in customer dissatisfaction.

Recommendation No. 2:	**Begin a discussion between staff and the City Council to discuss the advisory body staff support problem and aligning Council expectations with the City's limited staffing levels.**
Recommendation No. 3:	**Increase "self-help" advisory committee staffing; decrease paid staffing.**
Recommendation No. 4:	**Manage advisory committee expectations regarding staff support.**
Recommendation No. 5:	**Sunset all committees and advisory committees; review bi-annually during budget update process.**
Recommendation No. 6:	**Increase consciousness of Zero Sum Programming.**

As mentioned earlier in this report, the City has not kept current on its investment in modern computer-based technology or the systems and staffing that such systems require. Cities, particularly small cities, often struggle with the question of how much I.T. should be provided by in-house staff versus how much should be provided by vendors. Albany is weak in both areas. The current in-house tech support provider was actually hired as a maintenance worker in the public works division. Citygate is of the opinion that the individual in this position is sufficiently skilled, if supported properly, to move the City to where it needs to be in terms of basic technology systems. He knows what the City needs, he is capable of doing the planning that is required, and he is cost-conscious by nature. Building on the City's in-house skills and aptitudes would be more cost effective than contracting out for these services.

The City needs to formulate and adopt an Informational Technology Strategic Plan. Development of the plan needs to be collaboration between the City's I.T. lead staff member and the customer departments. A good small city I.T. strategic plan will have, at a minimum, the following elements:

- ◆ A Vision and Mission Statement
- ◆ An assessment of client department service outcome needs
- ◆ An inventory of current systems, equipment, and software
  - ➢ The network
  - ➢ Telephony
  - ➢ Web-based systems
  - ➢ Workstations
  - ➢ Electronic payment system
  - ➢ File systems – Records management systems.
- ◆ Requirements for the next five years
  - ➢ Infrastructure
  - ➢ Hardware
  - ➢ Software
  - ➢ Training
  - ➢ Replacement standards.

The City's I.T. staff estimates that upgrading the City's network, workstation, and software systems to make them current would require a one-time $100,000 investment and $25,000 to $40,000 per year on an ongoing basis thereafter. This estimate helps provide an order of magnitude number; however, we suspect the estimate is on the low side.

Consequences of Not Taking Action: Failure to act will cause the City's workforce to continue to be frustrated in their work. They have the will to do great work, but they do not have the tools. This affects morale and commitment, which are the lifeblood of a small city organization. Albany must keep pace if it is to maintain its connection and credibility with its citizenry.

Recommendation No. 7:   **Close the serious technology gap; make I.T. a <u>top priority</u> investment.**

Recommendation No. 8:   **Develop and adopt a 5-Year Information Technology Strategic Plan.**

SECTION IV—CITY ADMINISTRATOR'S OFFICE

ROLES AND RESPONSIBILITIES OF THE CITY ADMINISTRATOR'S OFFICE

In the City of Albany, the City Administrator is charged with providing executive level day-to-day administrative leadership, support, and supervisorial duties for the entire municipal organization. The City Administrator monitors the performance of all departments to make sure they are conducting all their affairs in accord with City Council policy expectations. The City Administrator's specific duties include, for example:

◆ Making recommendations to the City Council concerning any conditions or situations that require Council direction or policy determination

◆ Preparing the recommended budget for consideration and adoption by the City Council

◆ Keeping the City Council advised of the current and long-term financial condition of the City

◆ Ensuring ordinances and applicable laws are enforced

◆ Managing implementation of the goals, objectives and work plan adopted by the City Council

◆ Serving as Municipal Employee Relations Officer

◆ Serving as Human Resources Officer

◆ Serving as the City's Risk Manager

◆ Serving as the Executive Director of the Albany Public Facilities Financing Authority

◆ Serving as the Executive Director of the Albany Community Reinvestment Agency.

The City Administrator's Office oversees day-to-day personnel functions, including labor negotiations, benefits administration, workers' compensation, recruitment and selection, and employee training and development. In addition, the City Administrator's Office coordinates the City's economic development/redevelopment program and public information program.

The City Administrator's Office includes two full-time employees and two part-time employees: City Administrator, Assistant City Administrator (part-time), Human Resources Manager, and Secretary to the City Administrator (part-time).

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

A best practice chief executive office in a municipal setting should be organized in a way that reflects the needs and priorities of the community and the Mayor and City Council. As is the case in every city, these needs and priorities change over time. Albany's current City Administrator's Office is organizationally weighted towards human resources and special

projects. This organizational structure should be reexamined in light of the City's current needs and priorities.

New Focus for the Office

Citygate suggest that the City Administrator's Office have a greater focus on the following key responsibilities:

- ◆ Mayor and Council support
- ◆ Communications and community engagement
- ◆ Department performance.

The office, for the future, should be less involved in the time consuming complications of capital project management, human resources, and economic development management. Shifting the office's emphasis would be good for the community, organization, and the incumbent.

Toward this end, the Human Resource function should eventually be moved into the Finance and Administrative Services Department. Concurrently, the City should open a discussion with the incumbent Human Resources Manager to determine the feasibility of achieving cost savings by reducing his hours to a part-time position. The City's current Human Resource Manager serves with distinction; however, we believe this could be a cost saving win-win for the City and the incumbent.

The Assistant City Administrator incumbent excels at special project management. These projects have been varied, but have mostly centered on capital projects and economic development. The incumbent also serves as City Administrator Pro Tem in the absence of the City Administrator. The special projects duties are important, but they are not in alignment with the City's current needs having to do with communications and community engagement. Therefore, the City Administrator's Office would be better served if these duties were transferred out in to the line departments. We suggest the City explore moving the incumbent into the Community Development Department as the Assistant Director.

As discussed in the City Clerk section of this study, the City Administrator should eventually be designated as the City's official City Clerk. This is intended to consolidate existing resources in order to enhance community engagement and community communications.

The City Administrator's Office needs to acquire high-level communication and community engagement expertise for the future. This expertise must include modern, computer-based, Internet-based forms of communication fully capable of operating in a "wired world." To achieve this important objective, the City should hire an *Assistant to the City Administrator* with state-of-the-art technology-based communications and community engagement skills. The candidate should possess the prerequisite administrative and management qualifications normally associated with the city administrator/manager career ladder; but an emphasis should be placed upon having a proven knowledge of modern communications and community engagement techniques.

New Authority for the Office

When it comes to the important responsibility of appointing or dismissing department heads, the City Administrator's authority is limited to offering advice to the City Council. By far, most

cities in California have city managers, rather than city administrators. Although some observers suggest that the role of city administrator is the functional equivalent of a city manager, there are important differences. Arguably, the most important distinction is that city administrators have the responsibility for city operations but they do not have the ultimate authority to hire and build their own team or to dismiss non-performing department heads. Citygate, speaking from experience, notes that not having this authority will more often than not work to the disadvantage of the City.[1]

Consequences of Not Taking Action: Failure to adjust to changing times will cause the City to fall behind in the ever changing world of rapid communications and high-level citizen involvement and empowerment. The City has gone through an important period of infrastructure rebuilding over the past ten (10) years during which the City Administrator's Office, rightfully so, placed an emphasis on special project management. The most visible example of this emphasis is the Civic Center Remodel project that is now nearing completion. The storm drain and sewer system improvement programs are additional examples of this emphasis. It is now time for a change in emphasis so that the City Administrator's Office can stay ahead of current City Council and community needs.

RECOMMENDATIONS

Recommendation No. 9:   **Place a priority on Mayor and City Council support, community communications and community engagement, and department performance.**

Recommendation No. 10:   **Move Human Resources into the Finance and Administrative Services Department.**

Recommendation No. 11:   **Explore making the Human Resources Manager position a part-time assignment.**

Recommendation No. 12:   **Eliminate the Assistant City Administrator (ACA) position.**

Recommendation No. 13:   **Explore reclassifying the ACA incumbent to Assistant Community Development Director.**

Recommendation No. 14:   **Hire an Assistant to the City Administrator with state-of-the-art technology-based communications and community engagement skills.**

Recommendation No. 15:   **Institute a modern council-manager form of government.**

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[1] City Manager and City Administrator Role Similarities and Differences: Perceptions Ammons The American Review of Public Administration.2008; 38: 24-40.

SECTION V—CITY CLERK'S OFFICE

ROLES AND RESPONSIBILITIES OF THE CITY CLERK'S OFFICE

In the City of Albany, the City Clerk is charged with maintaining and providing the City's official public records and documents. The City Clerk's specific duties include, for example:

◆ Preparing the agendas for the meetings of the City Council, the Albany Community Reinvestment Agency, Albany Municipal Services Joint Powers Authority and the Albany Public Facilities Financing Authority

◆ Recording, preparing, certifying and maintaining the minutes of these public meetings

◆ Maintaining official City documents

◆ Ensuring that ordinances are codified into the Municipal Code

◆ Processing and maintaining resolutions, ordinances, contracts, claims, deeds and other documents, as required under applicable provisions of the state law and City statutes

◆ Publishing legal notices pertaining to ordinances, public hearings, and bids, receives and opens sealed bids

◆ Certifying copies of records and documents, administers the Oath and Affirmation of Office

◆ Maintaining custody of the official City Seal

◆ Serving as a Passport Agent, Deputy City Treasurer, member of the City's Pension Board and staff liaison to the Charter Review Committee

◆ Coordinating and supervising the conduct of regular and special municipal elections

◆ Serving as the filing officer for the Fair Political Practices Commission and handles the campaign statements and statements of economic interest.

The City Clerk also does special projects, as deemed necessary by the City Administrator.

The City Clerk is an Officer of the City Charter and is appointed by the City Council.

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

Albany's City Clerk's Office is orderly and efficient. The incumbent has been in service to the City for over thirty-four (34) years. She has served with distinction. The City Clerk's Office makes efficient use of electronic systems for preparation of the City Council packet. Agendas and staff reports are available online. The City's records are well-maintained and readily available to staff and the public, when needed.

Succession Planning

As mentioned earlier in this study, the City needs to do succession planning for its key personnel, including the City Clerk position. Notwithstanding the fact that the incumbent City Clerk has served with distinction; it would best serve the community if her plans were made clear so that the City can reassess the current needs and demands of the community and the role of the City Clerk's Office. As stated earlier in this report, the priorities must be: community; organization; individual.

Modernize, Move, Rescale, and Support the City Clerk Program

Current best practices in California are moving away from the traditional "guardian" role of the City Clerk. Many City Councils no longer directly appoint the City Clerk themselves. Newly formed small cities in California often designate the chief administrative officer, typically the city manager, as the city clerk in order to streamline city operations. It is also common today for the city clerk to be hired by and supervised by the chief administrative officer or an administrative services department.

Citygate recommends Albany move in this direction. We suggest the City Council designate the City Administrator as the City's official City Clerk. A Deputy City Clerk appointed by the City Administrator would perform the actual duties of the office. This change should take place in accordance with the aforementioned City Clerk succession plan. The City Clerk function works best as an administrative support program available to both the city organization and the community. Organizationally, the City Clerk's Office could either continue to be a stand-alone department or, as an alternative, it could become a division in the Finance and Administrative Services Department. The latter approach would provide more access to financial resources, technology, and readily available back-up support for meetings, minutes, and passport services. It might allow for the Deputy City Clerk position to become a part-time position. These options should be fully and openly explored.

Records Management System

The current records management system is well organized; however, it remains hard copy-based. Increasingly, in this world of instant communication and rapid data transmission, the City's record keeping system is becoming slow, expensive, and non-performing. Best practices require the City to move towards a modern, computer-based records management system. There are many models available in today's software market. Several of these specialize in small agency environments.

Internal Customer Service Survey

It is Citygate's understanding, based on our conversations with the Albany City Clerk, that ten years ago the City conducted an internal customer service survey wherein the City had an opportunity to assess the quality and value of the support services provided by the City Clerk. An opportunity to provide suggestions was also included in the survey. Conducting a customer service survey on a regular basis would help the City stay current relative to the services provided by the City Clerk's Office. Surely, this would be a best practice.

Consequences of Not Taking Action: Failure to act will cause the City to increasingly fall behind the information needs and requirements of the organization and the community.

RECOMMENDATIONS

Recommendation No. 16:   **Develop and execute a succession plan for the City Clerk position.**

Recommendation No. 17:   **Work towards designating the City Administrator as the City's official City Clerk.**

Recommendation No. 18:   **Work towards transferring the City Clerk record keeping function into Finance and Administrative Services Department.**

Recommendation No. 19:   **Explore establishing a part-time Deputy City Clerk position.**

Recommendation No. 20:   **Convert to a computer-based Records Management System.**

Recommendation No. 21:   **Institutionalize internal customer service survey.**

CITYGATE ASSOCIATES, LLC

SECTION VI—FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

ROLES AND RESPONSIBILITIES OF THE FINANCE DEPARTMENT

In the City of Albany, the Finance and Administrative Services Department monitors the fiscal operations of the City. The specific functions and duties of the Department include, for example, the following:

- ◆ Accounts payable
- ◆ Accounts receivable
- ◆ Payroll
- ◆ Business licenses
- ◆ Taxi permits.

The Department also addresses the long-term financial operations of the City by developing five-year revenue and expenditure forecasts, midyear budget review and revisions, cost analyses of labor contracts, general budgetary oversight and control, grant funding, debt issuance, and fiscal administration of the Albany Public Facilities Financing Authority, along with capital improvement projects such as lighting and landscaping, streets, sewer and capital facilities.

The Department compiles financial reports – income statements, balance sheets, trial balances and other general ledger functions, and compiles and reconciles general fixed assets.

Albany's Finance Department has been recognized the last seven fiscal years for outstanding financial reporting and government accounting by the Government Finance Officers Association of the United States and Canada.[1]

The Department has five (5) authorized positions.

PRESENT SITUATION AND OPPORTUNITIES FOR IMPROVEMENT

The City's Finance Department performs the fundamentals of municipal finance in an exemplary manner. The Department consistently produces timely and accurate financial information. Policies and practices are in place to ensure that the City's finances are managed in a consistent, fiscally conservative manner. Spending and reserves are at prudent levels.

Succession Planning

As mentioned earlier in this study, the City needs to do succession planning for its key personnel, including the Finance and Administrative Services Director position. Irrespective of the incumbent's dedication and accomplishments, it would best serve the community if his plans were made clear so that the City can reassess the current needs and demands of the community and the organization.

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[1] Source: City of Albany Website

Expand the Scope of the Department

Looking to the future, Citygate suggests the City build upon the Department's successes by expanding its role and responsibilities over time. Although the Department has the big expansive title of "Finance and Administrative Services," it really does not live up to the billing.

The Department as it exists today is limited to traditional "Finance" operations. The City would be better served if all internal support and administrative operations were integrated into one service-oriented department.

These additional internal support and administrative operations would include, for example:

◆ Centralized purchasing

◆ Human Resources

◆ City Clerk (Deputy City Clerk)

◆ Risk Management

◆ Information Technology.

Consolidating these functions will achieve any number of benefits for the City. First, looking down the road, when the City recruits for a new department head, it will be able to draw from a larger pool of talent that will be drawn to the challenge of running a larger, more complex department. Centralized purchasing will reduce the City's cost for goods and services. Moving Human Resources out of the City Administrator's Office will free up the City Administrator so she can focus on Mayor and Council support, communications and community engagement, and Department performance. It will also support the option of making the HR position a part-time assignment, which could be a win-win for the City and the incumbent. The City Clerk function will have more back up and support, which will enhance internal and external customer service. It will also place the City Clerk at the hub on the City's I.T. operations, which will help with modernizing the records management system. Moving I.T. into the Department and establishing it as a division will give it the prominence and personnel back up it needs to grow and better serve the organization. Placing I.T. in the Department will also further the Director's goal of achieving "paperless workflow" in all of the City's financial activities.

Rename the Department

In conjunction with broadening the scope of the Department, it would make sense to simply drop "Finance" from the name of the Department. The new name would be the Administrative Services Department. Perhaps this is just a matter of personal taste or professional preference; however, one could argue that it places a greater emphasis upon "Services," which is more in keeping with what should be the goal and mission of the Department as it earns a larger role in the organization.

Professional Development Plans for Key Personnel

Earlier this year, the Finance Department lost its Accounting Supervisor. The individual who left was a CPA and had served for six years. She had become a very key person in the overall operations of the Department. A qualified individual has recently modified and filled the position with an Accountant. Given that managing City finances is a key municipal function, it

would be wise for the City to establish and invest in a Professional Development Plan for the new Accountant. A Professional Development Plan template is provided in Section VIII (Recreation and Community Services) of this report.

The City should also establish a Professional Development Plan for the individual currently providing I.T. services for the City. The PDP should be developed in conjunction with his reclassification that we discussed in Section III of this report.

Managing Cost Recovery and the City's Fee Schedule

As part of this study, we reviewed the City's overall approach to managing cost recovery. The purpose of the review was to ensure that the City was using best practices to protect the General Fund. We considered the City's use of cost allocation documentation and cost distribution, as well as the process by which the City reviews and updates its fee schedule. We reviewed the City's latest fee schedule for thoroughness. We found the City's current systems in this regard to be commendable and appropriate for a City the size of Albany.

Internal Customer Service Survey

Best practice administrative services departments communicate with their line department customers to make sure they are receiving the types and levels of services they require to be successful. Best practice administrative services departments "earn their overhead charge" every day. As mentioned in Section V (City Clerk) of this report, the Department should conduct an internal customer service survey of the City's line departments every 6 months, or upon completion of a service it provides, for example, the bi-annual budget process, I.T. upgrades, performance evaluations, etc.

Survey questions that could be asked of the line department employees would include, for example, the following:

- ◆ Are you getting the financial information you need to do job your job efficiently and effectively?

- ◆ Are you getting the support you need from Human Resources to do your job well?

- ◆ Are you getting the Informational Technology (I.T.) support that you need to do your job at *Best Practice* levels?

- ◆ Are you getting the goods and services you need from the City's purchasing system in a timely manner in order to exceed citizen expectations?

- ◆ Are you getting the documents, contracts, staff reports, and support you need from the City Clerk's Office?

RECOMMENDATIONS

Recommendation No. 22:	**Develop a succession plan for the Finance and Administrative Services Director position.**
Recommendation No. 23:	**Expand the scope of the Finance and Administrative Services Department and change its name.**

Recommendation No. 24:   **Establish Professional Development Plans for key Finance staff.**

Recommendation No. 25:   **Institutionalize internal customer service survey.**

SECTION VII—COMMUNITY DEVELOPMENT DEPARTMENT

ROLES AND RESPONSIBILITIES OF THE COMMUNITY DEVELOPMENT DEPARTMENT

The Community Development Department is responsible for guiding the physical development of the City of Albany. This is achieved by preparing and implementing the General Plan and supporting ordinances; administering the development and building permit approval process, including the application of the Uniform Building Codes; design and construction control of public improvement projects; inspecting all in-progress construction projects; and enforcing adherence to the City's health, safety and environmental codes as they relate to the physical environment. The Community Development Department is comprised of five separate divisions that perform the following functions:

Building

- ◆ Conducts building plan checks

- ◆ Issues building permits

- ◆ Provides inspection services for building construction and electrical, plumbing and mechanical installations

- ◆ Responds to complaints concerning building, electrical, plumbing and mechanical code compliance.

Planning and Zoning

- ◆ Processes all development applications and design review approvals

- ◆ Administers the General Plan

- ◆ Provides staff services to the City Council and Planning and Zoning Commission.

Public Works

- ◆ Constructs improvements to streets, sewers, and storm drains

- ◆ Repairs and maintains City infrastructure

- ◆ Conducts street cleaning and sweeping

- ◆ Installs and maintains street signs

- ◆ Maintains the landscaping of City facilities and parks.

Transportation

- ◆ Designs and manages the traffic circulation system

- ◆ Designs and manages the pedestrian and bicycle circulation system

- ◆ Participates in regional transportation activities

- ◆ Conditions development permits approvals

◆ Provides staff services to the Traffic and Safety Commission.

Environmental Resources

◆ Manages solid waste and recycling programs

◆ Manages climate action and pollution prevention programs

◆ Manages green economic development program

◆ Manages urban forestry program

◆ Manages Sustainability Environment and Economic Development Program (SEED)

◆ Provides staff services to the Sustainability Committee

◆ Provides staff services to the Waterfront Committee.

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

Succession Planning

As mentioned earlier in this study, the City needs to do succession planning for its key personnel, including the Community Development Director, Planning & Building Manager, and Public Works Manager positions. Irrespective of both the incumbents' dedication and accomplishments, it would best serve the community if their plans were made clear so that the City can reassess the current needs and demands of the community and the role of the Community Development Director and the Public Works Manager.

The City also needs to do succession planning for the City Engineer position. A registered civil engineer under contract currently fills this position from a private sector firm. The City also has an in-house civil engineer. The two engineers design and plan checking work for both City-sponsored projects and private developer/applicant-sponsored projects. As part of the succession plan the City should move towards having the in-house engineer focus on City-sponsored projects and the contract engineer focus on private developer/applicant-sponsored projects. Using this approach would allow the City to easily increase or decrease its more expensive contract engineering services. In order to ensure ongoing competition, good pricing, and good service, it would be advisable for the City to eventually have at least two engineering firms under contract at any point in time.

Earlier in this report, we suggest the City explore reclassifying the Assistant City Administrator to Assistant Community Development Director. As proposed, the incumbent would bring with her the duties and assignments currently in her portfolio, including economic development, special projects, and community development related activities. Additional duties would be assigned as determined based on the needs of the department and the skills and aptitudes of the incumbent. The reclassification and assignment of duties should be done in conjunction with the Succession Plan discussions for the Community Development Director and Public Works Manager.

In addition, as part of the Succession Plan for the Community Development Director, the City should over time expand the duties, responsibilities, and leadership opportunities for the Planning Manager.

What to do With Public Works

Housing the City's public works program in the Community Development Department is unusual. Citygate observed that in many important program areas, particularly capital projects, for all intents and purposes the Public Works Program Manager is reporting to the City Administrator not the Community Development Director. This might be working for the short-term, but it is not likely to work well for the future. Thus, changes should be made.

Maintenance oriented, fully built out cities such as Albany have their public works operations separate from planning and building functions. The crossover of disciplines comes into play when the City needs civil engineering design services; such is often the case with private development applications. In newer, growing cities the city engineering function is more often than not housed in the Community Development Department or it exists as a stand-alone department.

For Albany, there are several key factors to consider. First, in the next ten (10) years, what level of public infrastructure construction activities does the City expect? If such activities are on the increase, then a stand-alone public works/city engineering department would best serve the City. On the other hand, if infrastructure activities are on the decrease, then reducing the public works function to essentially a public facility and infrastructure maintenance program would best serve the City. Next, what level of development activity does the City expect and what will be the City's needs in terms of design engineering? Finally, is the City going to stay in the sewer collection business or will it consolidate with another agency? Also, what are the skills sets of the incumbent Community Development Director and the Public Works Manager?

All of these factors need to be considered <u>before</u> the City determines whether public works should be a fully developed department or simply a mini-department with a limited role and limited staff. These factors should be considered in conjunction with the three succession plans referenced above.

Infrastructure Inspection

Some time ago, during a peak period of public infrastructure construction, the City established a Sewer and Storm Drain System Inspector position. The need for such a single purpose inspection position can no longer be justified from a cost/benefit standpoint. During the course of this study, the City took the initiative to eliminate the position and create a new, broader classification that includes all public works inspection duties. The City also combined public works inspections with building inspections.

Sewer Collection System

The City needs to take a hard look at whether it should remain in the sewer collection system business. It is Citygate's understanding that the City is under considerable pressure from the State Water Resources Control Board with regard to the quality of the City's discharges into the regional sewage collection system. This regulatory pressure will require an ever-increasing level

of operational sophistication and high-level certifications from the State. It is clearly the desire of the State to see fewer and fewer small sewer system collection agencies. The City should open joint venturing discussions with the Stege Sanitary District as well as the East Bay Municipal Utilities District (EBMUD). The objective of venturing together would be to save money for the City's ratepayers over the long-term, as the regulatory environment worsens.

Cost Recovery

Fees offset the City's development permit review processing costs. Sometimes the fees cover the City's costs, but often they do not. Best practices require that the City work towards achieving 100 percent cost recovery for these activities. To achieve this, the City should move as many of its larger application permit types and processes into a Time and Materials (T&M) trust fund deposit system. This is a common practice throughout California. Much in the way of systems and procedures already exist in other agencies, particularly in those cities that have experienced rapid growth in recent decades, such as Brentwood, Antioch, Dublin, and Livermore. Albany should look to these agencies for suggestions and template sharing.

Code Enforcement Program

During the course of this study, the City's interest in code enforcement increased. To date, the City has had a small, reactive program based on a complaint-response. Should the City Council wish to expand the Code Enforcement program it will need to make several key decisions, including:

1. Which areas of enforcement should be included in the program?

   ➢ Business license inspections

   ➢ Landscape maintenance

   ➢ Vehicle abatement

   ➢ Illegal dumping

   ➢ Building Code violations such as roof leaks, electrical malfunctions, lack of water or heat

   ➢ Zoning ordinance requirements for structures such as businesses out of zone or illegal signs

   ➢ Inoperable and abandoned vehicles

   ➢ Blight on private properties such as removal of boarded up structures, junk, or rubbish

   ➢ Demolition of dangerous buildings.

2. Which areas of enforcement should be conducted on a complaint-only basis?

3. Which areas of enforcement should be conducted on a proactive basis and how?

4. What will be the reporting-out mechanism administratively and at the policy setting level in order to provide transparency and continual improvements?

5. What will be the matrixes used to measure success?

6. What additional staff resources can be committed to code enforcement?

Best Practice code enforcement programs rely upon very clear policy direction from the elected officials in terms of expectations. Close collaboration with staff on an ongoing basis will enhance the City's chances for success. Good communication is important because the work is by its very nature riddled with challenging interactions with the public.

Cities have several options in terms of where to house their code enforcement program: Community Development; Building Department; Housing Department; or Police Department. In most instances it is placed in the Community Development Department. Doing so allows the day-to-day activities of code enforcement to be coordinated with zoning, signage, and building regulations and ordinances. This would be a good place to start for Albany. In terms of staffing, the City should plan on adding staff for the program as opposed to placing additional duties on existing staff. As an alternative, the City could pursue joint venturing or contracting discussions with Richmond, El Cerrito, or Berkeley.

RECOMMENDATIONS

Recommendation No. 26:	**Establish succession plans for Community Development Director, Planning & Building Manager, Public Works Manager, and City Engineer positions.**
Recommendation No. 27:	**Consider "Key Factors" and succession plans prior to establishing public works as a full separate department or just a mini-department.**
Recommendation No. 28:	**Explore joint venturing the City's sewer collection system with other sanitation districts in the East Bay region.**
Recommendation No. 29:	**Establish a Time and Materials (T&M) trust fund deposit system for large discretionary development project applications to maximize cost recovery.**

SECTION VIII—RECREATION AND COMMUNITY SERVICES

ROLES AND RESPONSIBILITIES OF THE RECREATION AND COMMUNITY SERVICES DEPARTMENT

The Recreation and Community Services Department provides services to the community in the areas of:

- Childcare services
- Teen services
- Senior services
- Recreational classes, activities and programs
- Adult sports
- Facility management and rental
- Civic arts
- Cable television KALB Channel 33
- Management of the Albany community center
- Volunteer corps
- Community special events.

The Department provides staff support for the Park and Recreation Commission, Arts Committee, Community Media Access Committee, Youth Task Force, Gilman Street JPA Committee, Ad Hoc Dog Committee, Tree Task Force, Integrated Pest Management Task Force, and the Albany Field Users Working Group. The Department is also actively involved with Friends of the Albany Seniors, The Prevention Council, Albany Police Athletic League, and other community groups and organizations.

The Department manages four City-owned facilities:

- Community Center on Marin Avenue
- Senior Center on Masonic Avenue
- Child Care Center at Memorial Park
- Teen Center at Ocean View Park.

There are 11 permanent employees and 25 part-time employees within the Recreation and Community Services Department.

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

The Recreation and Community Services Department leverages its resources in a way that allows it to achieve a high level of program diversity and vitality. The Department is progressive, flexible, responsive, and popular. The Department operates with an entrepreneurial mindset; always looking for new ways to serve the community and new ways to stay in touch with the

market and its customer base. It innovates and reassesses on an ongoing basis as a function of its organizational culture.

Give the Department Operational Freedom and Flexibility

To sustain a vibrant department, the City needs to provide a level of operational flexibility less rigid than that found in other departments. You cannot run a recreation and community services department like an accounting office, public works crew, or firefighting company. It is like retail; it is all about responsiveness, customer service, and return business!

Professional Development Plans

Toward this end, it is important that the City invest in and broaden the job duties of the Department's Management Analyst positions as much as possible. New titles should be sought that will accommodate growth towards more and more responsibility over time, as skills and duties increase. A Professional Development Plan (PDP) should be crafted and implemented to support each incumbent's professional growth and to ensure retention. The PDP should include, at a minimum, the following elements:

City Of Albany Recreation and Community Services Department
5-Year Professional Development Plan

Your Professional Goal: Your career goal within and outside of the City of Albany. Be honest and precise.

Your Level of Education: High school; college; advanced degree(s).

Your Needed Education: Any education that you will have to get to achieve your professional goal.

List of Your Skills: Detail the skills you have that support your professional goal.

List of Experience To Date: Detail your work experience that supports your professional goal.

Required Skills and Experience: Detail the skills and experience you must have in order to achieve your professional goal.

Step One EMPLOYEE: The first steps you need to take in order to achieve your final career goal.

Target Finish Date: Set or negotiate a date to complete Step One.

Step One CITY: The City, in return, negotiates and details its commitment(s) to the employee.

Step Two EMPLOYEE: The next steps that you need to take in order to achieve your final career goal.

Target Finish Date: Set or negotiate a date to complete Step Two.

Step Two CITY: The City, in return, negotiates and details its commitment(s) to the employee.

Continue with more steps, as needed, in order to achieve the stated professional development goals.

The Department should also explore the possibility, at least on a part-time basis, of assigning the Management Analysts to other departments, including the City Administrator's Office, in order to broaden their experience base and confidence.

Community Communications: CATV

The City is committed to improving its connectivity and engagement with the community. This is a direct reflection of the City Council's current priorities. To further this objective, the Management Analyst currently assigned to managing the City's CATV system needs to be freed up from his other recreation and community services program duties that do not relate directly to City and Department communications. This can be done by reassigning duties among current personnel or adding additional part-time personnel to offload his duties.

Financial Independence

The Recreation and Community Services Department should be pulled out of the City's General Fund. Initially, a Recreation Services Fund should be established. After a couple of years of success, the Fund should be broadened to include Community Services, as well. Doing so will allow the Department to operate more like a business, and will, over time, strengthen its entrepreneurial culture. A separate fund will have a beginning balance, an ending balance, and a reserve. It will show Transfers In (and out) primarily to and from the General Fund. This will more clearly delineate the City's level of subsidy, which is a good thing for managers and program operators to focus on as part of their ongoing responsibilities. Having a separate fund will, over time, provide a level of protection from having to compete for the limited resources in the General Fund.

Technology Upgrades: POS

The Department reports that it has had to rely far too much on hardcopy, non-computer-based point-of-sale (POS) cash register systems. This creates inefficiencies, errors, and poor customer relations. This is not best practice. It is our understanding that the recently purchased automated financial system includes a POS module. It should be brought online as soon as possible.

Consequences of Not Taking Action: Failure to establish a separate Fund for the Department will place the Department in a financially uncertain environment. Moreover, the entrepreneurial efforts, cost conscientiousness, and hard work of staff in the Department will be stifled because the financial gains will just end up in the General Fund. The other changes, if not made, will diminish the City's ability to focus its attention on communication with the community.

Succession Planning

As mentioned earlier in this study, the City needs to do succession planning for its key personnel, including the Recreation and Community Services Director position. Irrespective of the incumbents' dedication and accomplishments, it would best serve the community if her plans were made clear so that the City can assess, develop, and invest based on the current needs and demands of the community and the role of the Director's position.

Recommendation No. 30:	**Establish a succession plan for the Recreation and Community Services Director position.**
Recommendation No. 31:	**Provide operational flexibility to the Recreation and Community Services Director for the Recreation Supervisor position(s); modify position classification(s) as needed.**
Recommendation No. 32:	**Establish a Professional Development Plan for the Recreation Coordinator position.**
Recommendation No. 33:	**Modify the Management Analyst position duties to allow for greater focus on CATV and City communications.**
Recommendation No. 34:	**Establish separate Recreation Services Fund by July 1, 2010; broaden the Fund to include Community Services by July 1, 2012.**
Recommendation No. 35:	**Modernize computer-based point-of-sale financial system by January 1, 2010, or sooner.**

SECTION IX—POLICE DEPARTMENT

ROLES AND RESPONSIBILITIES OF THE POLICE DEPARTMENT

The Albany Police Department is responsible for the preservation of public peace, enforcement of laws, protection of life and property, and providing police-related services to the community. These responsibilities are accomplished through proactive police patrol, traffic enforcement, criminal investigation, and support services activities. The Police Department maintains a 24-hour Public Safety Answering Point (PSAP) for 911 emergency police, fire, and medical dispatch, as well as routine telecommunications services for these three professional disciplines.

The Department also administers the Albany Police Activities League (APAL) youth services programs and manages the School Crossing Guard Program. Authorized full- and part-time staffing currently consists of 27 sworn peace officers, 11 support staff, and 10 crossing guards. A corps of volunteer reserve officers supplements the Department staff.

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

The City's Police Department is a well-run police department. The Department has a progressive approach to community-based policing and is an active participant in local and regional crime fighting initiatives. The Department has successfully passed multiple operational audits and inspections conducted by County and State law enforcement oversight bodies. Albany has earned a reputation as being a safe community in which to live and work. The Police Department is focused on preserving this safe environment.

Professional Development Plans for Leadership Team

The Police Department in recent years has been committed to professionalizing all its crime fighting and crime prevention activities. To further this objective, Citygate recommends that the Chief institute Professional Development Plans for the Department leadership team, which is comprised of two lieutenants and five sergeants. A template for the PDP is provided in Section VIII of this study. We suggest the Chief lead by example by first establishing his own PDP in consultation with his leadership team.

Emergency Dispatch Center

The Police Department operates its own combined police/fire emergency dispatch center staffed by a Police Administrative Services Supervisor and two Communications Clerks. The dispatch center currently meets, for the most part, the needs of both departments. There has been a level of concern from time to time regarding operator availability during periods of peak demand; however, it is our understanding that efforts are underway to improve communications between the Police Department and Fire Department on this and other dispatch-related problems.

The City should open a dialogue with adjoining agencies to determine whether it could obtain dispatch services at a significantly lower cost or at the same cost with a higher level of service. Personnel in both departments, no doubt, will raise some objections to this change. However,

the City should remain open-minded on the issue and should pursue it to its logical conclusion. The current dispatch center personnel should be participants in the information gathering process and should be fully informed along the way.

Using Technology to Fight Crime

On a regular basis, the current Chief of Police studies and analyzes the Department's crime statistics as part of the Department's daily and weekly deployment decision-making process. It is his desire to make this information more readily available to his leadership team so that they can better focus their crime fighting efforts with daily real-time information and solutions. Modern software is currently available in the marketplace that can push this crime data, and interpretation of the data, electronically from the Chief to his leadership team and then to the patrol officers in the field. Utilization of this type of modern, crime-fighting software will improve the efficiency and effectiveness of Albany's small police department.

Succession Planning

As mentioned earlier in this study, the City needs to do succession planning for its key personnel, including the Police Chief position. Irrespective of the incumbents' dedication and accomplishments, it would best serve the community if his plans were made clear so that the City can assess, develop, and invest based on the current needs and demands of the community and the role of the Police Chief.

RECOMMENDATIONS

Recommendation No. 36:	**Establish a succession plan for the Police Chief position.**
Recommendation No. 37:	**Establish Professional Development Plans for supervisors.**
Recommendation No. 38:	**Explore contracting for emergency dispatching services with other agencies and/or the private sector.**
Recommendation No. 39:	**Upgrade computer-based statistical support software.**

SECTION X—FIRE DEPARTMENT

ROLES AND RESPONSIBILITIES OF THE FIRE DEPARTMENT

The Albany Fire Department is a full-service fire department. It provides the community with fire protection, emergency and disaster response, paramedic services, and community education, including CPR, first aid, home safety, earthquake preparedness and search and rescue classes. The Fire Department provides residents with a smoke detector installation program, sponsors a junior firefighter program, and is available for blood pressure screening for any Albany resident. The Fire Department is also responsible for the City's Emergency Operations Center at the Albany Community Center. Since 1994, the Albany Fire Department has installed approximately 1,720 residential smoke alarms. The Fire Department also has new and growing responsibilities in the areas of hazardous materials management and response and storm water pollution prevention. Additionally, Fire Department personnel maintain a high level of departmental training in fire prevention and code enforcement to assist them with the annual inspections of approximately 820 commercial businesses and residential apartments.

The Fire Department operates out of one fire station with twenty (20) sworn personnel.

PRESENT SITUATION, OPPORTUNITIES FOR IMPROVEMENT, AND CONSEQUENCES OF NOT TAKING ACTION

The Albany Fire Department is well run and well respected among small agency fire departments. It is recognized as a leading small agency in the areas of fire prevention, emergency preparedness, and emergency medical response.

The Department has experienced little in the way of turnover or growth. This fact, no doubt, works against the Department's efforts to diversify its workforce. The Department is mostly comprised of non-Hispanic white men. There are no women in sworn fire safety positions.

Fire departments operate in very close quarters; the human relationships are close knit and status quo oriented. As a result, fire departments are often more resistant to change then other departments. However, when the opportunity for change and reassessment presents itself, such as a change in departmental leadership, the community and organization can and should take a fresh look at how it delivers its fire services.

Venturing With Other Agencies for the Future

Small fire safety agencies in urbanized service areas can be inefficient when compared to larger agencies. What they gain in community popularity and connectivity, they loose in duplication of effort, particularly in the areas of training, administrative services, and command staffing. Many of the fire service training, safety and fire code regulation programs are now regulated by the Federal and State safety regulations, and if done at all, must be done to meet these regulations. Some, like the EMS program, are audited by the EMS oversight agencies. The fire service has become increasingly technical and complex, requiring program managers or specialists to spend considerable time in them in order to be adequately trained and competent.

Citygate recognizes that affording an effectively-sized command staff has become very difficult for all small agencies. These pressures have combined to drastically reduce the number of career fire departments in the state that operate three or fewer fire stations by themselves.

The other increasing issue for command staff is to be trained, competent and certified to safely supervise emergency operations. It is becoming very difficult for small agencies to provide adequate training to "grow" their command staff internally. At the same time, recruiting many command capable personnel from other fire agencies is increasingly difficult because many are no longer willing to relocate their families late in their career due to the cost of housing and the fact that with the 3 percent at 50 retirement plan, they are close to retirement just when they advance finally to the command ranks. Moreover, the City chooses to exercise its right to provide transport services as part of its medical emergency response program. This higher level of service adds additional technical training requirements for all firefighter/paramedic personnel and additional management complexities for the command staff. Additionally, there is the expense of the ambulance apparatus and conducting the transport billing/revenue collection.

Currently, Albany's Fire Department is only staffed with two chief officers. They and/or an acting officer must provide trained, certified, competent Incident Command functions at emergencies 24/7/365. Historically, many small agencies "made do" with a small command team who could live locally and take emergency call duty from home after hours. This model is in increasing jeopardy going forward for cost of residency reasons and the amount of certification training for an Incident Commander.

In other Fire Master Plans, Citygate has frequently recommended that a minimum fire headquarters model is 3-5 chief officers and one clerical support. This provides:

♦ 3 – Battalion Chiefs, one of which is always on-duty in the fire station 24/7/365

♦ 1 – Fire Chief (Command, Management, Budget, Department Head functions)

♦ 1 – Fire Prevention Position (Fire Marshal or Inspector)

♦ 1 – Office Support (clerical).

Citygate typically finds that once the above minimum fire headquarters staff is in place they can supervise effectively 3-7 or even 10 fire stations, depending on geography and other factors. Given the economics of providing this level of headquarters service for a 1-3 fire station department, the number of all career firefighter, independent fire departments are rapidly disappearing statewide. Over the last decade, for economy of scale, many small agencies have merged into larger existing agencies or done sub-regional consolidations.

Albany should also take steps to venture or consolidate with other fire agencies in the East Bay region. As step one towards this objective, a transparent discussion should take place to answer the following key questions:

1. To what degree can Albany obtain its current level of service at a lower cost by joint venturing with other fire agencies?

2. To what degree can Albany obtain a higher level of service at its current level of cost by venturing with other fire agencies?

Citygate believes the answers will lead to cost containments and service enhancements; both of which would be good for the community. Although the needs of the community are paramount,

we believe the answers to these two questions could also be a win for the City's current fire personnel overall.

In terms of beneficial outcomes, venturing or consolidating with other fire agencies in the East Bay region will over time achieve the following:

◆ With a larger department, there are more senior line fire captains to draw from if acting chief officers are needed.

◆ With a larger, common chief officer pool, there is more opportunity to train and develop future assistant and fire chief officers.

◆ A full-time, dedicated duty chief would be available at all times.

◆ A full-time, dedicated division chief would be available to manage each of the specialty areas requiring full-time technical attention, such as training and fire prevention.

◆ Adequate administrative support staff.

◆ Adequate prevention and training programs.

◆ Common training and focus for line personnel and also for staff seeking promotion into the chief ranks.

◆ Ability to standardize operations and equipment, resulting in both improved emergency scene coordination and a potential for cost savings.

◆ A larger pool for career development, promotions and backfill when vacancies occur.

Governance Models for the Future

There are several models for the governance and operation of shared or consolidated fire services. Each has its strengths and shortcomings. The principal models are:

◆ *Independent Fire Districts:* Establishment of an independent fire district would require LAFCO agreement and two-thirds local voter approval for a new tax rate to support the district, which will require independent funding. An independent district will require a larger administrative structure because it will have a separate and independent board, be responsible for its own personnel, finance and purchasing functions plus not be accountable to the local city elected officials. Its advantage, if approved by the voters with an adequate revenue base, is that it has as its principal focus the provision of fire service that is appropriately funded without using current city General Fund revenues that might be devoted to other purposes such as police services.

◆ *Dependent Fire Districts:* A dependent district is usually operated by County Boards of Supervisors serving as the board of directors. While dependent districts have most of the same advantages and disadvantages of independent districts, uniquely the governing board is not composed of people wholly elected from within the area served by the district. The only direct representation is the supervisor or supervisors whose district(s) cover the participating municipalities within the district.

◆ *Joint Powers Authorities:* When several cities or other local government agencies seek to provide consolidated services and yet want to retain a greater measure of fiscal and operational oversight than either an independent or dependent district would allow, they usually turn to the creation of a Joint Powers Authority. California law allows an almost infinite variety of shared services between governmental agencies and permits the partners to create almost any governing structure that meets the local needs for fiscal and operational control. For example, a JPA with a board composed of elected officials from each of the partner agencies is the most common form. Funding for the combined service can similarly be provided to the JPA by each partner agency according to whatever formula the parties may find agreeable.

◆ *Contract for Services:* Frequently, the shared fire service may be best provided by having one agency take the lead and act as the service provider while the other agency pays a "fair share" under contract arrangements. It is not uncommon for one city to provide fire service to a portion of or all of a neighboring city at an agreed contractual cost. All of the savings and operational efficiencies that might be found in consolidation under a JPA can be realized in a contractual arrangement. However, the disadvantage is that day-to-day policy control rests with the elected officials of the agency providing the service. Unless there is a close and common vision regarding how to operate the service, conflict can arise between the partners, with the city "buying" the fire service from their neighbor feeling they "pay" but have little control over the nature and quality of the service.

Succession Planning

As stated previously, when the opportunity for change and reassessment presents itself, such as a change in department leadership, the City owes it to itself and the community to take a fresh look at how it delivers its fire services. The City needs to do succession planning for its fire chief position. The fire chief succession plan and the venturing with other agencies questions are interrelated. This complicates command staffing decisions and, to that extent, succession planning.

Because of the complexities involved in providing safe, certified fire incident command staffing and in understanding the types of sub-regional partnership options, the City would be best served if it obtained as needed outside expertise to assist City staff with a fire chief succession plan and taking steps to venture with other agencies questions.

Also, last year Ralph Andersen Associates conducted a limited scope management study for the City. The study looked at the pros and cons of combining the two public safety chief positions into one position as well as shared management with another fire agency. The City should consider the information provided in the study as it prepares its Succession Plan for the Fire Chief position.

Recommendation No. 40: **Develop and execute a succession plan for the Fire Chief position.**

Recommendation No. 41: **Take steps to venture or consolidate with other fire agencies in the East Bay region.**