CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT

Agenda Date: November 16, 2009

SUBJECT: Organizational Study of the City of Albany by Citygate Associates

REPORT BY: Beth Pollard, City Administrator

STAFF RECOMMENDATION

That Council refer the study to staff for further analysis and report back on policy issues as described in this report, for incorporation into the 2010-12 Council goal setting and budget planning, and for implementation of administrative recommendations in support of Council policy direction.

BACKGROUND

On October 19, 2009, the City Council conducted a study session to receive and discuss the results of an organizational and staffing review performed by Citygate Associates. The staff report for that meeting summarized the background for the study, its findings, and comments by City staff. Most of the hour-long session was focused on receiving the consultant's presentation about the contents of the study, and hearing public comment. At the conclusion of the presentation, Councilmembers made some comments about some additional information they wished the consultant to provide.

Staff discussed the request for additional information with the consultant, who advised that since this exceeded the scope of work on the project and the hours on the project had already exceeded the contract, that additional work would require a contract amendment and additional funds. Neither staff nor the consultant believed that this would be a cost effective approach for the city, and that some of the information requested can be explored by city staff. Consequently, staff recommends that the study be referred to staff for further analysis on certain aspects, and incorporation of some of the elements into the upcoming planning for the 2010-12 budget.

DISCUSSION

The staff report for the study session identified recommendations in the organizational analysis that I consider policy items, and those that I consider administrative items. On the policy items, below are my comments and recommendations. For the administrative items, those will be further reviewed by staff, and implemented over time as appropriate.

Policy Items

Technology: Greater emphasis on continual investment in technology hardware, software, and employee training.

The organizational study concludes the City is not keeping pace with technology. It notes that not only is this a concern of the staff that affects morale and productivity, technology is important to meet the needs of the community. As it states: "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."

Since the initiation of the report, a couple of key technology acquisitions have occurred: a new financial software package with optional modules, and a new telephone system for all City facilities that has features not contained within the existing separate telephone systems. However there are other items referenced, such as a computerized records management program and law enforcement statistical support software, that are not in place.

I recommend that the City undertake strategic planning for its information technology, generally along the lines recommended in the report. The timeline for preparing this plan will be affected by the City's IT and other city staff focus through February 2010 on moving back into City Hall and the Police and Fire Stations. Staff will work to come up with an achievable schedule to identity needs, priorities, and recommended resources, with the goal of beginning implementation in the 2010-12 budget.

Advisory bodies: Number of advisory bodies, level/type of staff support, and periodic review of continuing the advisory bodies.

The report concludes that Albany places a high value upon citizen involvement and community engagement, and as such, has more advisory bodies than most cities its size. Coupled with the concern that staff members are stretched thin, the consultants suggested that the City evaluate the staff resources dedicated to supporting advisory committees. It further recommends that the City conduct a bi-annual review of each group's purpose, authority, and necessity, and "sunset" them so as to require this evaluation and to keep them efficient, effective, and highly relevant.

I recommend that the City conduct a review of the each Commission, Committee, Board, and Task Force that considers factors such as purpose, authority, necessity, composition, meeting schedule, and expectations of the group, members, and staff support. If this review is authorized by Council, I will work with the staff liaisons to develop a review mechanism to apply to each group, and report back on the findings to City Council. Possible outcomes include recommendations for sharper clarity on purpose, expectations, and/or protocols; reduced staff support for research, reports, attendance, and/or minute taking; fewer commissions, committees, or boards; and group process training to maximize efficiency and effectiveness.

<u>Zero sum programming as a tool for monitoring appropriate workload levels, so that when tasks and responsibilities are added, others are reduced and/or resources are allocated; inventory core duties and non-core business in each department</u>

The consultants recommend that in addition to ongoing awareness about staff workload capacity, that each department review their functions and identify which are "core business" activities and which activities are "non-core." This is a process that staff can incorporate into planning for the upcoming cycle of Council goals, objectives, and two-year budget.

Zero sum programming requires both discipline and flexibility on the part of Council and staff. Discipline is needed to recognize boundaries in what the City can reasonably handle, and flexibility is needed to lower some expectations in exchange for new projects as opportunities or time sensitive issues emerge. The greater the clarity about the Council's priorities and core values, the greater the ability to evaluate whether a new project or program warrants inclusion into the current workplan. Staff recommends that as much direction on priorities and core values as possible be incorporated into the Spring 2010 goal setting.

One caution is that zero sum programming should not mean that the status quo cannot change; it is just that the change needs to occur with awareness about capacity and priorities. As the study states, it is important to have a culture of flexibility and change in order to remain relevant and effective for the community.

<u>The "Two out of Three Rule" - Considering priorities among price, quality, and speed</u>

The report notes that realistically speaking, only two out of three can be achieved at any one point in time; another way to describe it is: "We can do it fast, we can do it cheap, or we can do it well, but we can't do all three." The priority is going to be different for each project or program, but Council understanding and direction on which one or two of the three are most important, either in general or as decisions are made, is helpful to staff in meeting expectations.

<u>City Administrator roles, responsibilities, priorities, and title/authority; place greater focus on Mayor and Council support, communications and community engagement, and department performance</u>

The consultant recommended changes to the position of City Administrator to reflect shifts in perceived priorities of the City Council, changes in city management practices, and appropriate scope and depth of workload. These include:

- <u>Meeting perceived Council priorities in communications and community engagement through restructuring of positions and responsibilities.</u> The report notes the increasing interest by Council in the City engaging in more communication and other outreach with residents and other members of the

community. Some of these services are performed by the Recreation and Community Services Department, which manages the City website, cable television station, and special events. The Assistant City Administrator serves as the City's Public Information Officer for contacts with the media and during a disaster. The City Clerk maintains official city records. Other city information is generally decentralized and handled by each department.

In prior times, residents had access to City information through newspaper notices, news articles and features; up until fairly recently, *The Albany-El Cerrito Journal* was distributed free of charge to many residences. Now that newspapers are shrinking in popularity, they are no longer a reliable means of getting information to the public. The City website is instead a primary source of City information, but people have to subscribe or visit the site to get the information, in sharp contrast to the newspaper being on their front steps.

If cities want an informed and engaged community, it means investing in creative, current, and ongoing communication channels such as social media, neighborhood contacts, community partners, and other strategies. This will require some centralized City coordination and management. If this is an interest of Council, it would need to be developed and prioritized for the 2010-12 goal setting and budget.

If more communications under the purview of the City Administrator is a priority in the 2010-12 goal setting and budget planning, I will pursue transferring transferring some administrative services currently performed in the City Administrator Department to the Finance & Administrative Services Department as outlined in the study.

- Add City Clerk to the job title of the City Administrator.   While the consultant reports that some newer cities have the City Manager position include City Clerk, no cities in Alameda County currently have this in place. (Emeryville tried it but then transitioned to a City Clerk/Assistant to the City Manager.) I do not recommend making the City Administrator the City Clerk unless/until there are more compelling reasons to do so. At this time, I believe that the City Clerk is better suited in a position separate from the City Administrator, reporting to the City Administrator.

Joint ventures with other agencies, such as in portions of public safety and public works/wastewater collection.   The report recommends that the city explore possibilities for joint ventures in fire/emergency medical services (EMS), public safety dispatch, and sewer service.

Joint ventures between cities can be a cost-effective way to provide services that would be more costly, less effective, and/or lower in quality or quantity if performed separately. Smaller cities in particular can benefit when the service involves particularly sophisticated and costly equipment, facilities, expertise, and operations/maintenance. They are also

useful when the need covers a large area and service users benefit from integration of services. Joint ventures tend to be more popular for services that are more technical than policy related, and also tend to emerge during tight fiscal times. Sometimes the joint ventures take the form of contracts with other agencies, while other times joint powers authorities where each agency has an equal vote is created.

An example of a joint venture in Albany is the City's contract with the City of Berkeley to provide animal control services. Rather than Albany building, operating, and maintaining its own animal shelter and associated services, both cities benefit from an economy of scale by sharing costs. Other examples in Albany include liability and workers compensation insurance programs, development of a new emergency communications radio system, and citation/fine collections.

In evaluating potential joint ventures, issues to consider include cost savings, effects on quality and quantity of services, local concerns and controls, broader coordination for ease of residents/customers, and sophistication of equipment, expertise, and services involved.

- Fire/EMS: Albany Fire/EMS is currently engaged in joint ventures involving mutual aid, training, disaster preparedness, hazardous materials, and other aspects of its responsibilities. The report suggests that Albany explore other joint ventures in Fire/EMS such as contract, joint powers authority, or a special district. In such an exploration, it is important to consider Albany's unique status as an ambulance transport agency and the associated quality of service provided by the City and expected by the public. Only four cities in Alameda County provide, and are able to provide, ambulance transport service. The other Fire/EMS agencies in the County operate as first responders, meaning they mainly work to stabilize the patient until the private ambulance arrives, compared to transport agencies, which are more actively engaged in treating the patient from the time they arrive on scene.

  At the present time, joint ventures in management or merger are not readily available; however, I recommend the City be vigilant in keeping an eye out for opportunities that could arise, while keeping in mind Albany's unique and high quality services and the value of the trade-offs in cost savings.

- Dispatch: The City currently operates its own dispatch center for all police, fire, EMS, and other public safety calls. A possible opportune time to consider a joint venture in public safety dispatch is after the East Bay Regional Emergency Communications Authority completes construction on the new Alameda-Contra Costa County radio system, and most public safety agencies will be on a compatible, interoperable communications system. Issues of quality, responsiveness, and cost trade-offs would need to be evaluated, but there is likely to be more variety of partnership options when most agencies in two counties are on the same communications system.

- Sewers: The City's sewer program is currently undergoing review by federal and state agencies, and new regulations that seek to reduce the amount of stormwater

infiltrating sewer pipes during heavy rains are imminent. These regulations are expected to require increased capital investment in the City's sewer system. As part of the analysis of anticipated costs, staff recommends some consideration be given to alternative ownership, management and/or service possibilities.

As a general rule for city services, I recommend that Council authorize staff to monitor and seek opportunities for joint ventures, considering issues of cost savings, quality and quantity of service, sophistication of service, and local control.

<u>Greater focus around cost recovery in the Recreation Department and the Community Development Department</u>

The extent to which recreation and community development services are subsidized by the General Fund or supported by user fees is a matter of Council policy as well as a function of budget considerations. The general approach of the City has been to provide certain partially subsidized recreation services, such as a Senior Center, Teen Center, Child Care Center, and special events such that the community at-large can generally afford to participate. For community development, the general approach is for City review of private development projects to be paid by project applicants. In lean times, recreation programs and non-mandated community development services with little or no cost recovery become vulnerable to cutbacks.

A greater focus on cost recovery in recreation programming may shed greater light on which services are subsidized and to what extent, while a greater emphasis on cost recovery would likely decrease participation, particularly among lower income residents. A strict cost recovery system in community development may result in more dollars for the city, but it would be at the expense of charging residents for services they currently receive at no charge, such as initial advice on zoning regulations, permit process, etc.

Administrative items

Some of the recommendations in the report can be described as best business practices that can be incorporated administratively into the City organization. There include suggestions such as:

- <u>Ongoing staff development and succession planning to aim organization towards the future.</u> This involves encouraging staff members to identify professional development goals and work with supervisors and managers to train towards reaching these goals. In some cases these goals may include promotional positions within the City that are identified through succession planning. The report suggests that the City engage in succession planning to develop internal talent as well as to plan for restructuring of positions to meet current and future needs.

- <u>Organization of staff resources and contract services into functional areas to meet Council direction and priorities.</u> An ongoing responsibility for the City

Administrator is to organize resources and services into departments and assign appropriate resources and responsibilities to department or division heads. Ideas in the report will be incorporated as opportunities are created and as they emerge.

- Internal customer service surveys among staff for continual inter-departmental service development. The specific survey instrument in the report may not be the best mechanism to use; instead I intend to work with the department heads on providing helpful feedback to one another on inter-departmental services.

SUSTAINABILITY IMPACT

Not applicable.

FINANCIAL IMPACT

None at this time.

Attachments
Organizational Study of the City of Albany, CA Final Report, September 28, 2009