

City Council Workshop Citywide Organizational Review

City of Glendale

January 7, 2014

Management
Partners



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Project Purpose

- Review the City's organization structure and the key executive positions
- Ensure divisions and functions are appropriately placed to maximize efficiency and effectiveness
- Identify opportunities for optimization based on best management practices

Project Purpose, continued

- Adopt a long-term organizational structure that will support Glendale's 5-year forecast and create organizational stability
- Facilitate the preparation of a comprehensive, physical reorganization that could generate revenues from the lease or sale of underutilized assets

Project Approach

- Conducted 26 interviews with elected and appointed officials
- Reviewed a variety of documents
- Obtained and analyzed organization charts from peer agencies (Mesa, Chandler, Scottsdale, Gilbert, Tempe and Peoria)
- Analyzed functions, spans of control, reporting relationships for Glendale, compared with best practices and guiding principles

General Observations

- Peer agency research suggests no trends or patterns for the “perfect” organizational structure
- Significant organizational fatigue, low morale
- Current structure indicates history of “management by accommodation”
- Culture of low accountability

Signs of Management by Accommodation

- “Departments” with small number of employees
- Use of “executive director” titles regardless of size or scope of department
- Lack of alignment between similar functions; illogical placement of functions
- Reassignment of some functions to accommodate low performance
- Prior promotions based on personality or “favored status”

Signs of Low Accountability

- Performance standards and expectations are not always clear
- Limited use of metrics to measure and manage performance
- If they exist, performance metrics are based on outputs, not outcomes
- Attitude of impunity by certain managers in the wake of poor decisions

Effective Organization Structures

- Designed around desired outcomes instead of specialties
- Based on a clear statement of outcomes, clarity about core mission and services
- Have a clear chain of command, but expectations of horizontal teamwork to achieve desired outcomes
- Have fewer executives who are expected to work collaboratively to achieve results

Guiding Principles

- Centralized, clustered services that maximize economies of scale, eliminate duplication and align functions with common core missions
- Sustainable and fiscally viable organization, able to foster innovation and plan for the future
- Value reengineering processes (through technology or alternative systems) to improve efficiency, effectiveness and customer service

Guiding Principles

- Value placed on departmental resource and knowledge sharing
- Operational units where decisions can be made at the lowest possible level
- Focus on management by accountability, not accommodation

Recommendation 1

- Reduce the number of operating departments from 14 to 10, organized based on desired outcomes
 - Some work groups are too small to be “departments”
 - Absorb three executive positions into remaining departments
- Recommendations would be effective July 2014

Recommendation 2

- Centralize and align functions where it will add value, improve coordination and generate potential economies of scale
 - Capital improvement planning, engineering and project management
 - Street and right-of-way maintenance
 - Community facilities rental and management
 - Internal support functions that are co-dependent and serve the entire enterprise

Recommendation 3

- Retain two assistant city manager positions; fill current vacancy immediately
 - One with responsibility for development and infrastructure asset management departments and functions
 - One with responsibility for community programs and services, intergovernmental relations, economic development, communications, “mega-events” and high-priority special projects

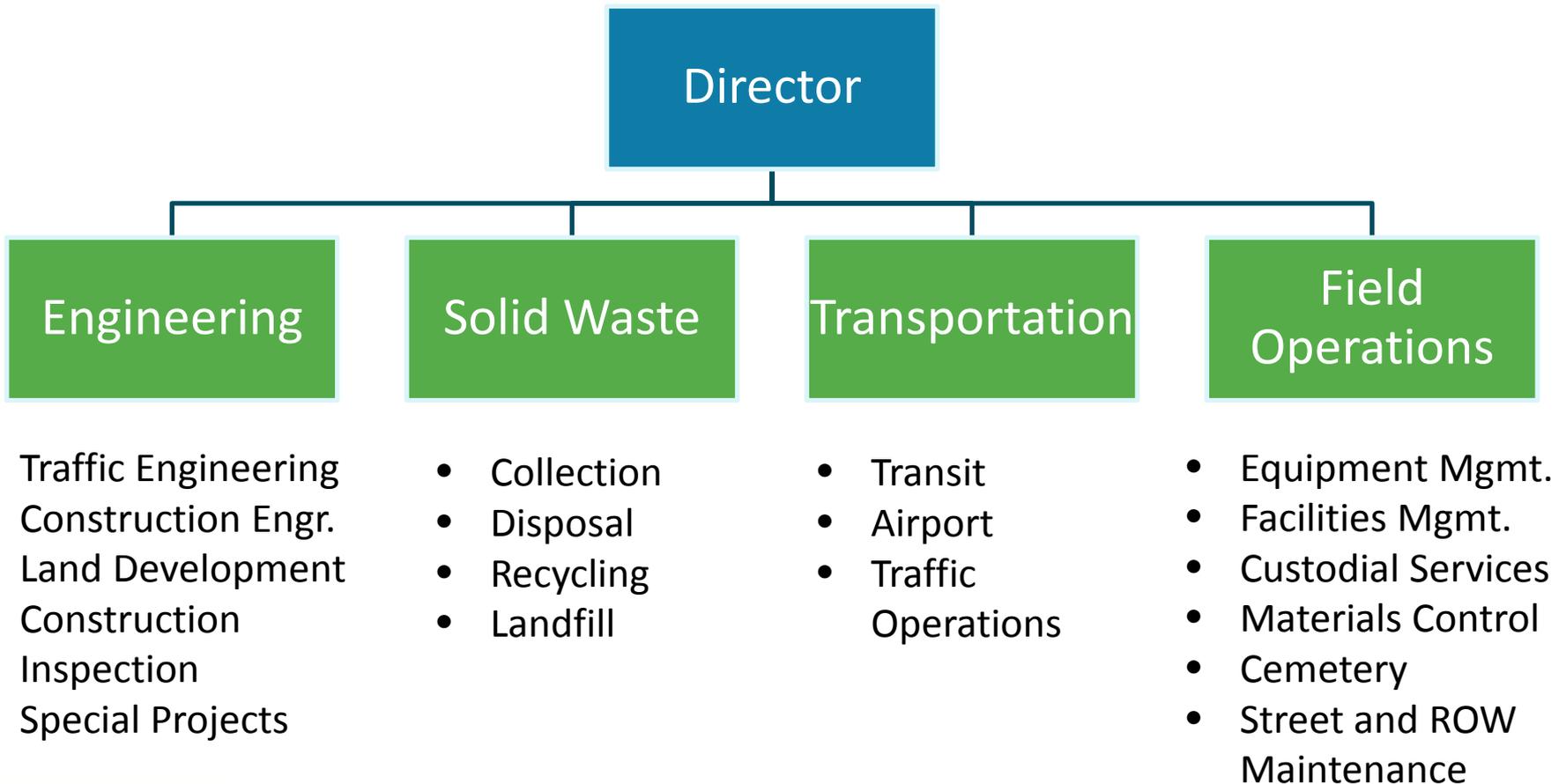
Recommendation 4

- Change title for remaining department heads from “executive director” to “director”
 - Department director is a more common title, preferred by the executive directors
 - Executive director title does not make sense for leaders of small, single-function work groups
 - Will not impact current compensation

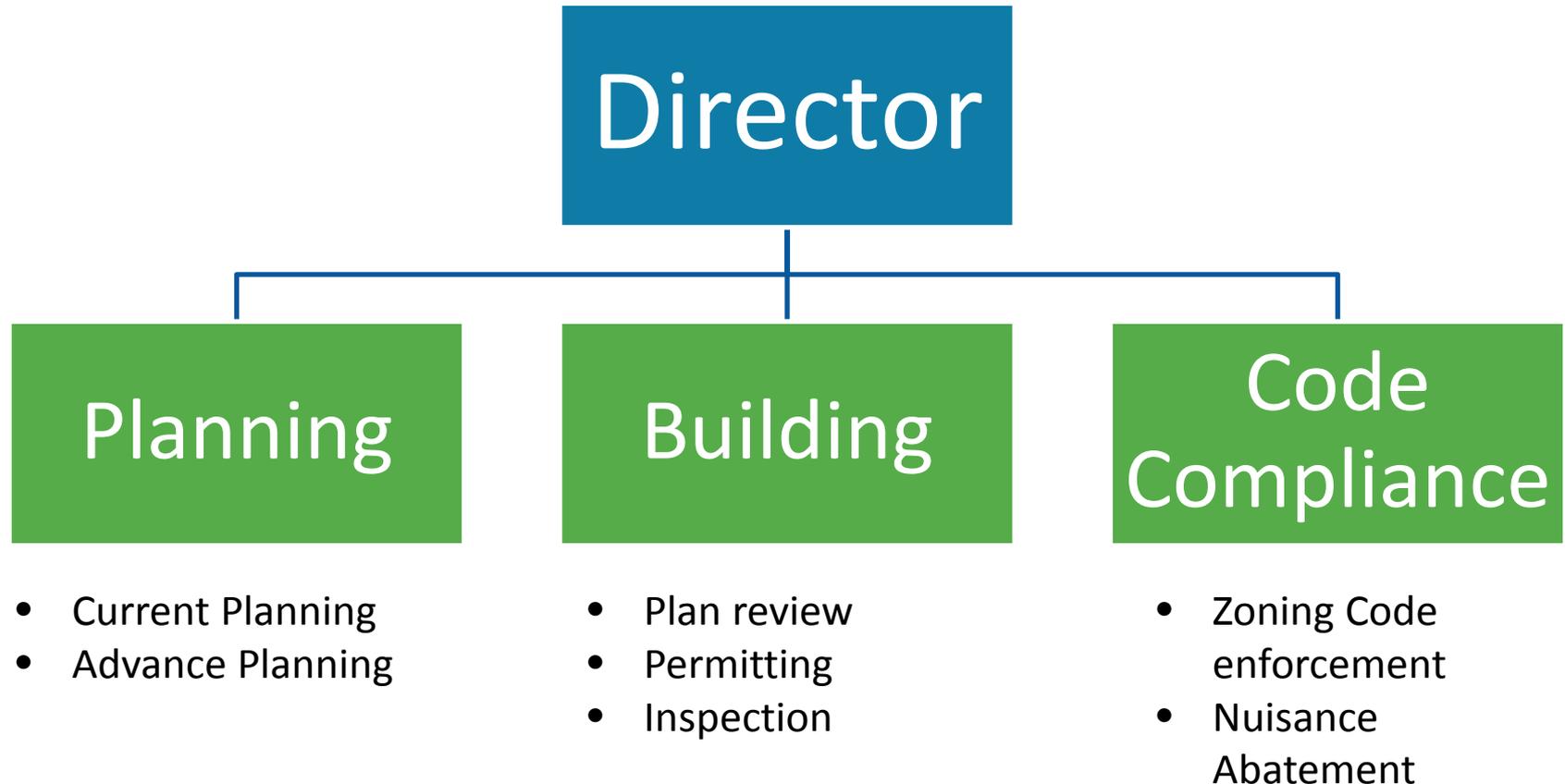
Proposed Organizational Structure

- No change to the following departments
 - City Auditor
 - Police
 - Fire
 - Human Resources/Risk Management
 - Water Services
 - City Attorney
 - Court
- Other departments are recommended for some change, either by consolidation or reassignment of functions

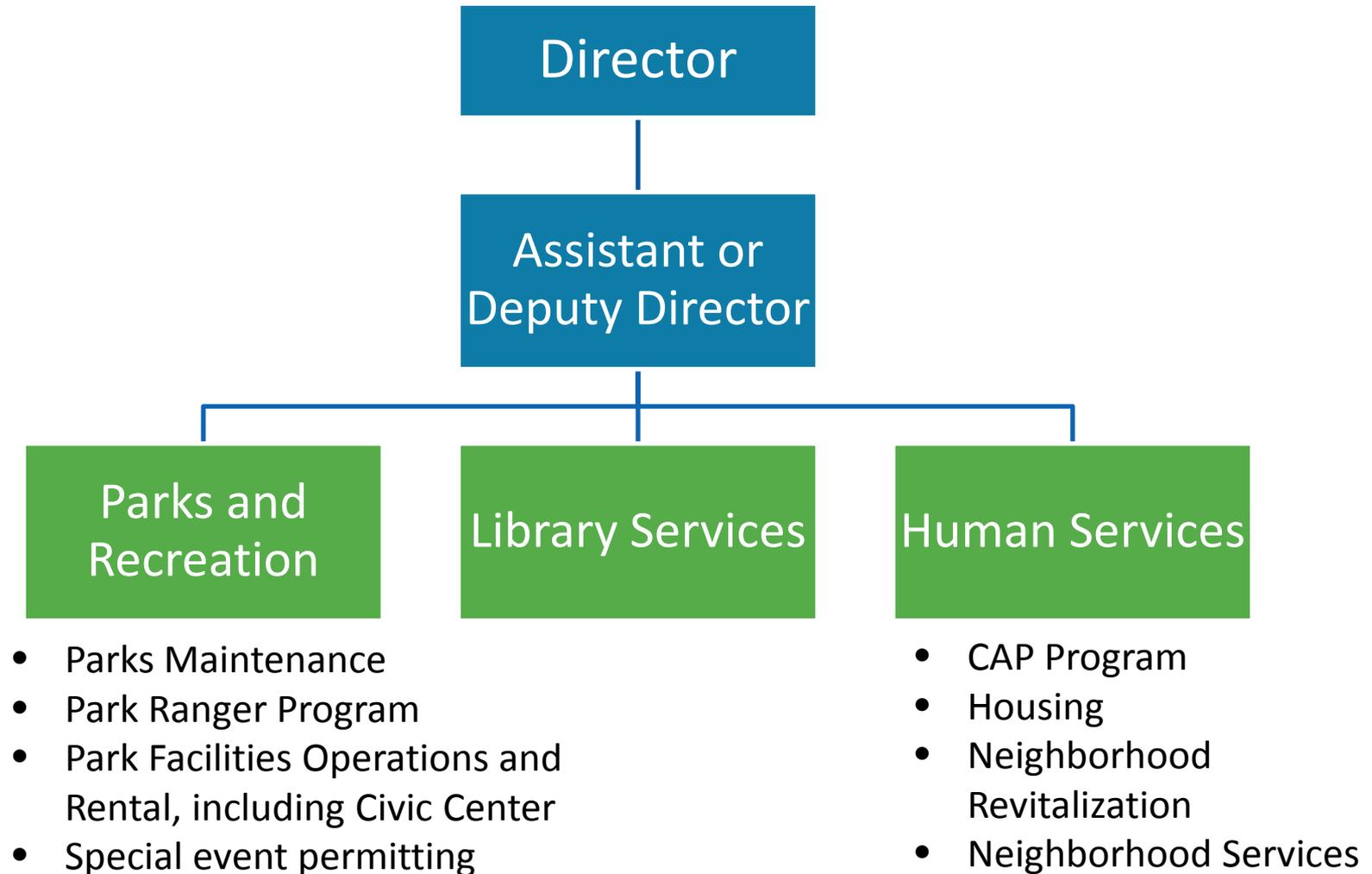
Public Works



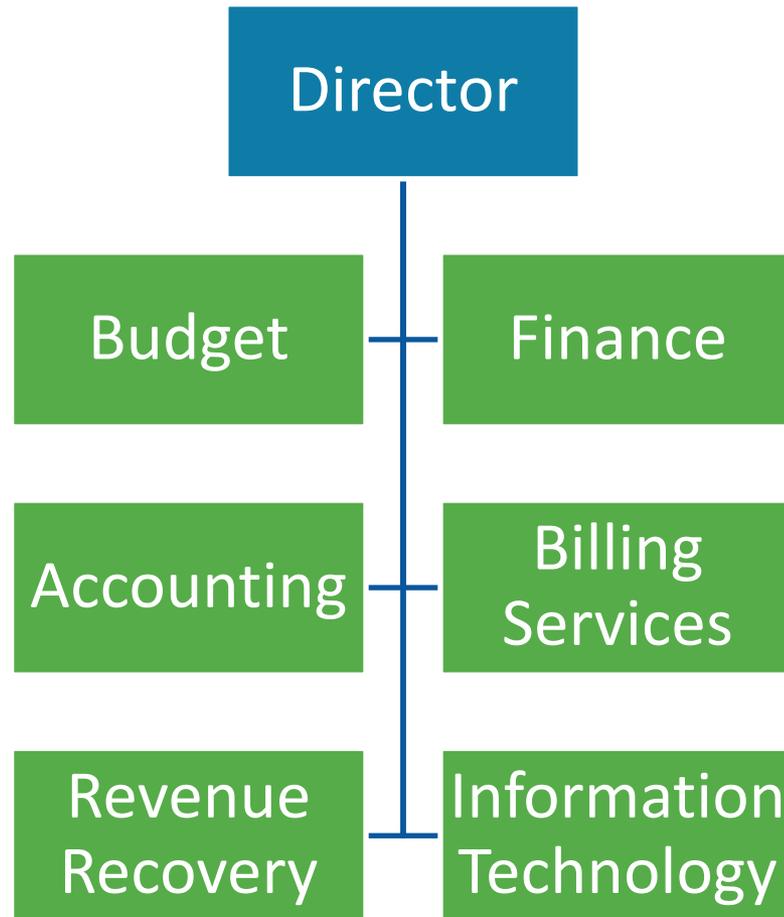
Development Services Department



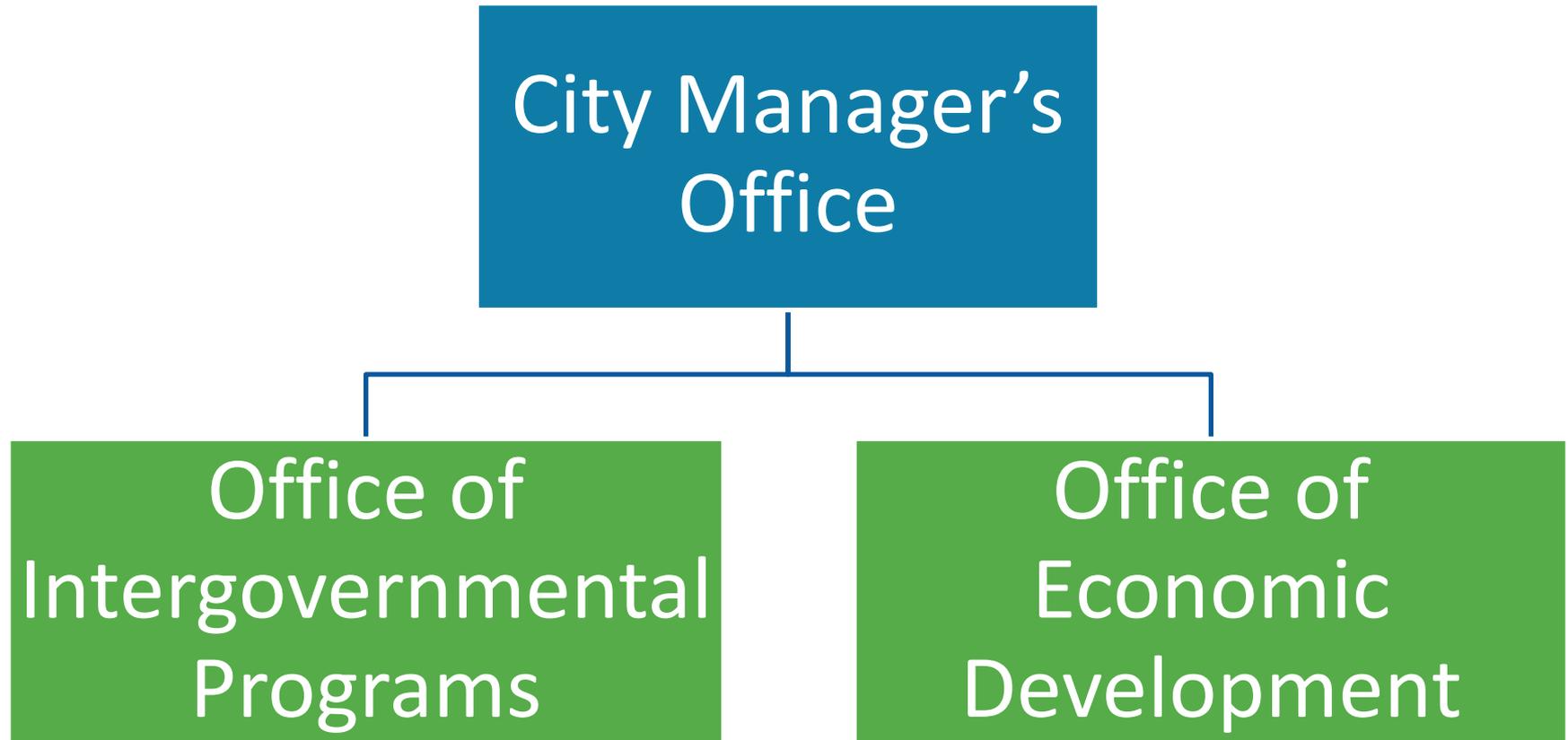
Community Services Department



Finance and Technology Department



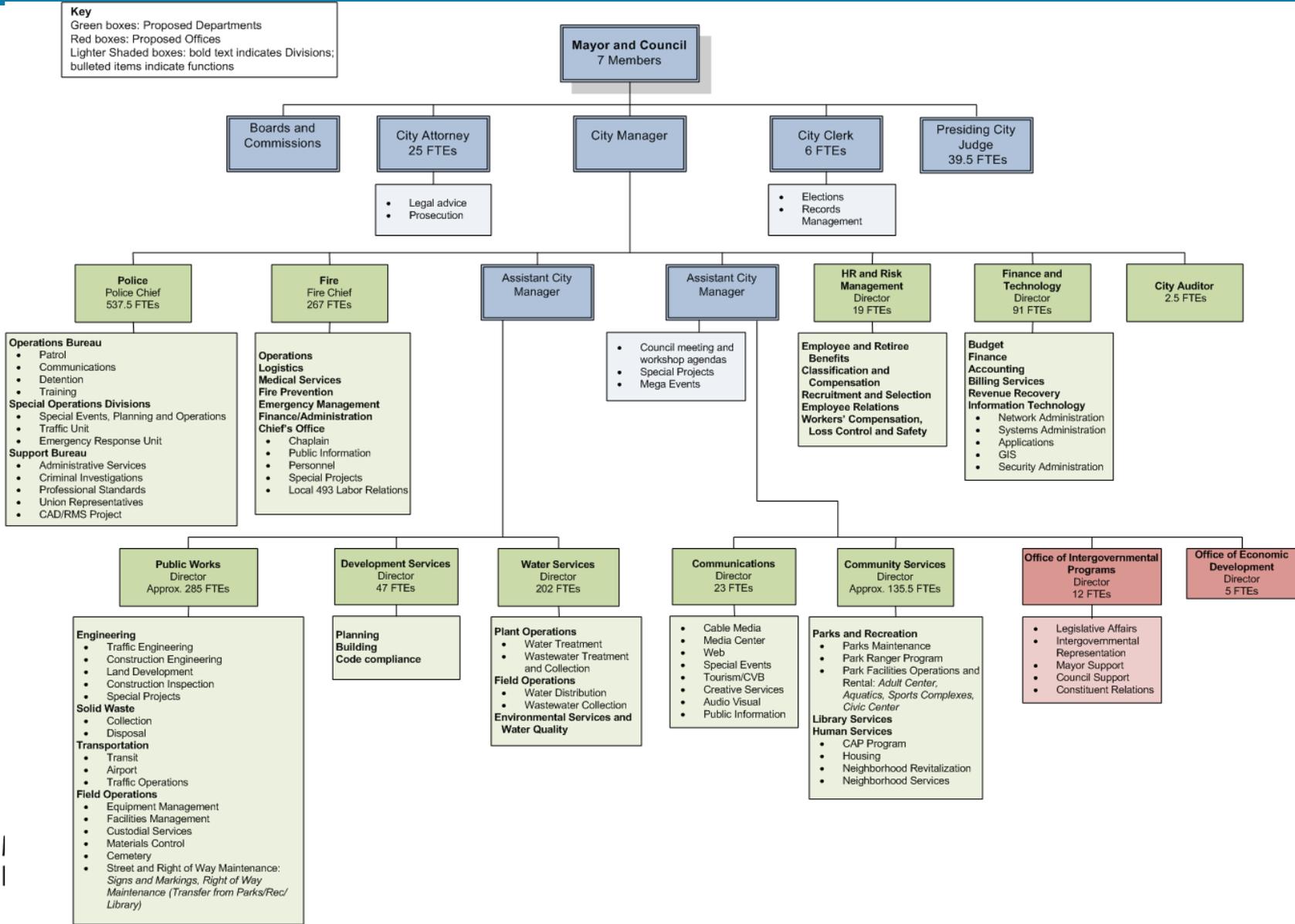
City Manager's Office



Recommended Reporting Relationships

- City Manager retains direct reports for:
 - Police
 - Fire
 - Finance and Technology
 - Human Resources/Risk Management
 - City Auditor
 - Two Assistant City Managers
- Assistant city managers are responsible for balance of departments, offices, special projects and mega-events

Proposed Organizational Structure



Benefits of Proposed Changes

- Reduces the number of executive level positions by three
- Improves efficiency and effectiveness by consolidating like functions
- Fosters inter-and intra-department knowledge sharing
- Creates long-term stability in support of the City's 5-year financial forecast
- Creates opportunities for enhanced asset utilization through physical relocation

Benefits of Proposed Changes

- Ensures clarity about chain of command, while supporting horizontal teamwork at the executive level
- Ensures capacity to manage special projects and coordinate external affairs at the executive level
- Creates opportunities for future savings by streamlining departmental functions and physical locations once initial consolidations are complete

Additional Observations

- Technology is not being leveraged to its fullest potential due to lack of coherent governance structure and strategic investment planning
- Information technology functions are more decentralized than other internal support functions
 - Partly due to highly specialized systems in some departments
 - Culture has not embraced technology to its fullest extent

Recommendations 5 and 6

- Institute a stronger governance structure for making decisions about information technology priorities and resource allocation on an organization-wide basis
- Develop an information technology strategic investment plan

Additional Observations

- Opportunities exist to achieve significant cost savings through alternative service delivery of certain functions.
- Experience of other cities suggests cost savings between 10% and 50%, depending on the service, without degradation in service quality

Recommendation 7

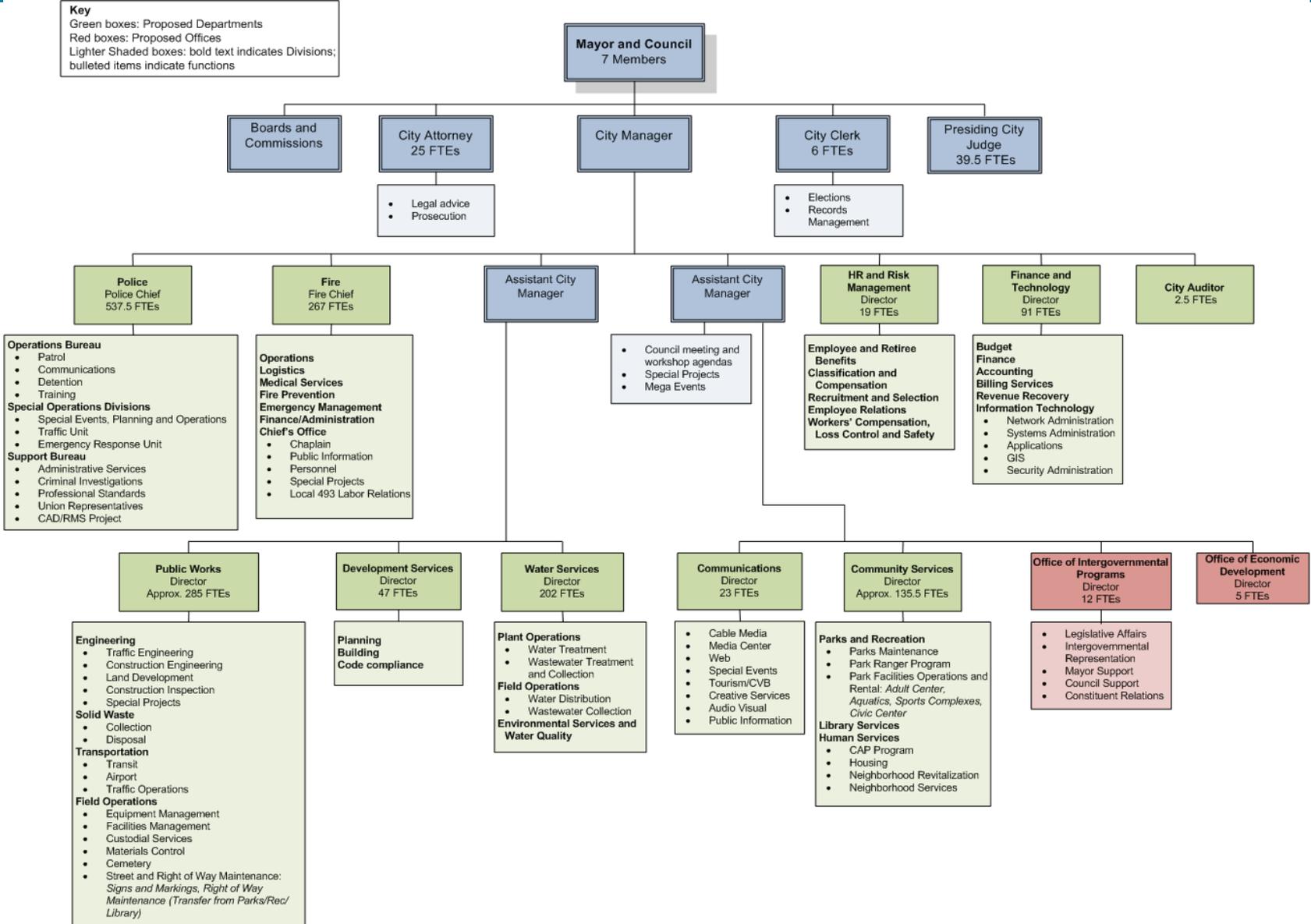
- Explore alternative service delivery opportunities for the following services
 - Refuse hauling
 - Street sweeping
 - Traffic signal maintenance
 - Park and landscaping maintenance
 - Custodial services

Next Steps

- Develop implementation action plan to execute proposed changes in organization structure and functional alignment
- Implement most changes effective with FY 2014-15 budget
- Fill vacant assistant city manager position as soon as practical

Proposed Organizational Structure

Key
 Green boxes: Proposed Departments
 Red boxes: Proposed Offices
 Lighter Shaded boxes: bold text indicates Divisions;
 bulleted items indicate functions



Questions?

Thank you!

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