

City of Tacoma
Breakthrough Change Initiative –
*Organizational Restructuring/
Consolidation Team*

**Functional Alignment
Subcommittee Final Report
June 7, 2005**

Table of Contents

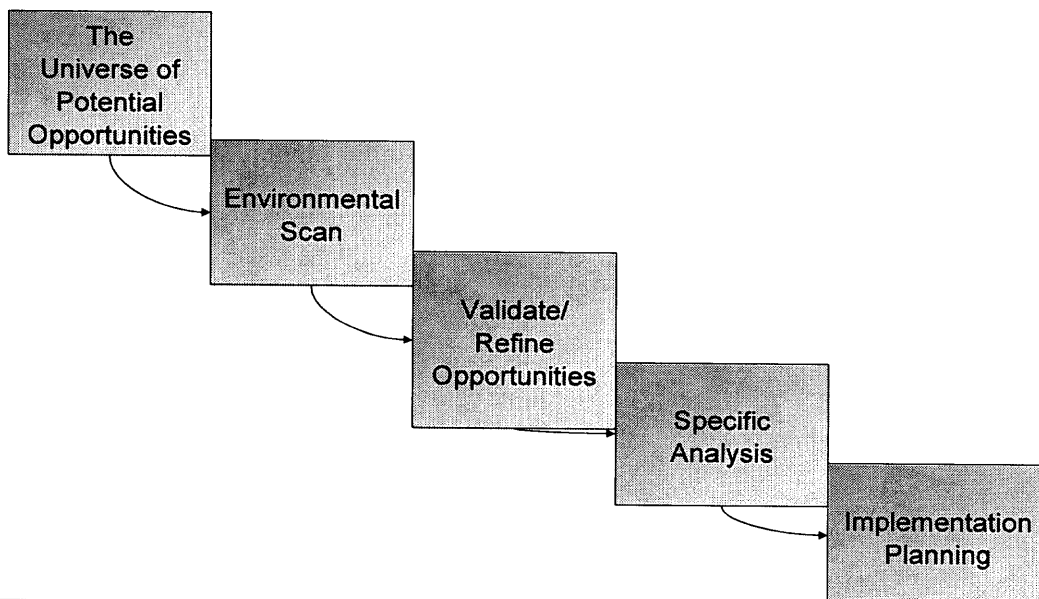
1 Overview of Framework for Assessing Functional Alignment Opportunities	1
2 Summary of Functional Consolidation, Re-sourcing, and Regionalization Opportunities	3
2.1 Functional Consolidation	3
2.2 Re-sourcing	10
2.3 Regionalization	15
3 Proposed Next Steps in Evaluating Potential Functional Alignment Opportunities	21

1 Overview of Framework for Assessing Functional Alignment Opportunities

- **General Objectives of Functional Alignment Changes**
 - Reduce costs
 - Improve effectiveness or efficiency of service delivery at same cost

- **Types of Functional Alignment**
 - Functional Consolidation
 - Internal reorganization of functions or services
 - Re-Sourcing
 - Alternative staffing/service delivery
 - Volunteers
 - Corrections crews
 - Use of temporary/part-time/non-commissioned staff
 - Out-Sourcing
 - Non-profit providers
 - Other government or quasi-government agencies
 - For-profit providers
 - In-Sourcing
 - Interagency agreements to provide service for others
 - Regionalization
 - Out-sourcing or in-sourcing
 - Co-location of services
 - Combined operations – separate authority
 - Combined operations – single authority

- **Schematic Overview of Functional Alignment Assessment Framework**



- **Step 1: Understand the Universe of Potential Opportunities**
 - Collect baseline data
 - Services/budget matrix
 - Organizational charts
 - Spans of control
 - Description of functions and services by department
 - General budget/cost and staffing information
 - Outcomes
 - General information about functions and organization

- **Step 2: Environmental Scan: Compare What We Do to Other Similar and High Performing Organizations**
 - Review results of Best Practices and Benchmarking research
 - Functions consolidated, re-sourced, or regionalized
 - Criteria used in assessing potential opportunities
 - Review results of Benchmarking surveys
 - Functions consolidated, re-sourced, or regionalized
 - Criteria used in assessing potential opportunities
 - Establish criteria applicable to City of Tacoma functions and organization
 - Review baseline data on City of Tacoma functions and apply criteria and best practices research to identify list of potential opportunities
 - Outcomes
 - Preliminary list of potential opportunities for consolidating, re-sourcing, or regionalizing service delivery

- **Step 3: Validate/Refine Preliminary List of Opportunities**
 - Prioritize criteria and establish framework to assess opportunities
 - High level analysis to validate preliminary opportunities and determine if they warrant additional study (see full list of criteria for each type of opportunity)
 - Reduce costs/improve efficiency
 - Executive/legislative support
 - Improve service quality
 - Manageable services, labor impacts and risks
 - Customer input
 - Outcomes
 - Ranking of preliminary opportunities
 - List of specific opportunities that ranked highest in the initial review and warrant further analysis

- **Step 4: Complete More Detailed Analysis of Specific Opportunities**
 - Conduct detailed feasibility studies for specific opportunities
 - Map and analyze business processes
 - Review organizational structure and job descriptions
 - Research experience of other jurisdictions
 - Develop specific recommendations for improvement
 - Identify type of functional alignment

- Conduct cost benefit analysis of recommendations
 - Develop performance measures, assess performance and identify targets for improved performance
- Outcomes
 - Specific recommendations for High Potential Opportunities that make good business sense to pursue
- **Step 5: Complete Implementation Planning for Feasible Opportunities**
 - Develop a practical plan to take advantage of specific High Potential Opportunities that prove feasible
 - Determine what/how necessary investments will be made
 - Develop a work plan with specific tasks, assigned responsibilities, and deadlines
 - Develop change management and communications plans
 - Outcome: Detailed implementation plans for implementing recommended High Potential Opportunities
- **Context for Breakthrough Change Team Recommendations**
 - Focus on Step 1 and Step 2 with cursory approach to Step 3
 - List of high potential opportunities summarized in the *Breakthrough Change Initiatives: Phase II: Opportunities and Recommendation* summary matrix
 - Additional analysis is required to complete Step 3, Step 4 and Step 5

2 Summary of Functional Consolidation, Re-Sourcing and Regionalization Opportunities

2.1 Functional Consolidation

- **General Overview**
 - Using data from other local governments, efficiencies and cost savings are likely available from consolidation of functions that have similar customers and provide similar functions; have the same equipment needs; require similar job skills for employees performing the functions; and have similar service location requirements
 - The Organizational Restructuring/Consolidation Team has identified the need for a longer term process to align the City of Tacoma's services, organization structure and budget; best practices employed by other governmental entities reveal that improved decision making can result when determining what services are to be provided; how they are to be provided; and how the governmental entity should be organized to provide the services in the most cost effective and efficient manner in a single integrated process
 - Additional analysis needs to be completed before the consolidation opportunities presented in this report are implemented

- **Literature Review**
 - Some information from comparative cities and ICMA Center for Performance Measurement was collected
 - Minimal information was collected on the organization of specific functions and services in other organizations

- **Criteria Identified for Assessing Functional Consolidation Opportunities**
 - Basic criteria identified by sub-team
 - Impact on service quality
 - Efficiency
 - Labor impacts
 - Legal/policy implications
 - Social responsibility/values
 - Specific criteria identified by sub-team
 - Similar job skills
 - Similar customers
 - Similar functions
 - Similar equipment used
 - Low equipment utilization
 - Similar service locations
 - Criteria identified in literature review
 - Potential for improving customer service
 - Potential for improving accountability
 - Potential for improving quality of service
 - Potential cost savings
 - Management support
 - Information system compatibility
 - Capability/capacity of staff and management
 - Perceived fit with other department mission
 - Prioritized criteria identified by full team (# supporting)
 - Potential for cost savings (10)
 - Potential to improve service quality (10)
 - Brings similar functions/skills together (6)
 - Fit with other department mission (4)
 - Minimal impact on labor agreements (3)
 - Improve accountability
 - Management and staff acceptance/support
 - Legal implications
 - Capability/capacity of staff and management
 - Social responsibility
 - Information system compatibility

- **Potential Functional Consolidation Opportunities Identified in Tacoma:**

- Preliminary List**

- Combine the Historically Underutilized Business program (HUB) with the Local Employment and Apprenticeship Program (LEAP) – both in Finance
 - Combine the City’s retirement system administration functions under one department/division
 - Combine field inspection functions and activities such as building/development/code inspections
 - Combine Human Resources, Human Rights, and Human Services into one department
 - Combine “dirty” (Public Works related or managed) and “clean” (Tacoma Public Utilities managed) utilities
 - Combine housing services: Tacoma Economic Development Department (TEDD) and Human Rights and Human Services
 - Combine Tacoma Public Utilities (TPU) Tacoma Rail and Public Works Mountain Division
 - Combine billing and collection functions – combine miscellaneous billing and receivables management functions. (i.e. Portland Dept. of Revenue)
 - Combine Finance and OMBA – Finance and Office of Management and Budget both deal with financial issues
 - Combine telecommunications support functions with IT: phone, radio, etc
 - Combine SAP and Human Resources training in one area
 - Combine employee Safety Training: Fire/Police/Public Works/Utilities
 - Combine communications/Public Information Officer (PIO) (Police, Fire, BISD, General Services/Community Relations) functions
 - Combine Police and Fire under one Public Safety Department
 - Combine Telecom and TPU Communications functions into a single section
 - Consolidate the Electric Maintenance function in the Fire Department and the Street Light and Traffic Signals function in Public Works
 - Consolidate utility bill Customer Service – Customer service for the solid waste portion of combined utility bills is currently handled separately from customer service for the rest of the items on TPU bills
 - Decentralize General Services functions and/or shift to other departments
 - Merge TV Tacoma and INET franchise administration (non-general fund)
 - Move the risk management function from the Human Resources Department to the Finance Department
 - Transfer the management and/or ownership of the Tacoma Airport to the Port of Tacoma

- **Prioritized List of Potential Functional Consolidation Opportunities**

- Criteria used by team to prioritize opportunities (weight)
 - Potential for cost savings (10)
 - Potential to improve service quality (10)
 - Brings similar functions/skills together (6)
 - Fit with other department mission (4)
 - Minimal impact on labor agreements (3)

- Prioritized list of preliminary Functional Consolidation opportunities

Opportunity	Criteria and Weighting					TOTAL POINTS	% Max. Points 330	Final Rank
	Potential for Cost Savings 10	Potential to Improve Service Quality 10	Brings Similar Functions Together 6	Fit with Other Department Mission 4	Minimal Impact on Labor Agreements 3			
Combine the Historically Underutilized Business (HUB) program with the Local Employment and Apprenticeship Program (LEAP)	100	100	60	40	30	330	100%	1
Move the Airport to the Port of Tacoma	100	90	60	40	30	320	97%	2
Combine Retirement System Administration functions under one Department/Division	30	100	60	40	30	260	79%	3
Move the Risk Management function from Human Resources to Finance	30	90	60	32	30	242	73%	4
Consolidate the Electric Maintenance function in the Fire Department with the Street Light & Traffic Signals function in Public Works	80	80	60	0	21	241	73%	5
Move the Office of Management and Budget under Finance	100	0	54	36	30	220	67%	6

• **Recommendations for Functional Consolidation Opportunities to be Analyzed in More Detail**

1. Combine the Historically Underutilized Business program (HUB) with the Local Employment and Apprenticeship Program (LEAP) – both in Finance

- a. General discussion
 - i. None
- b. Pros
 - i. Both programs serve similar functions and customers
 - ii. Each program has an administrator and clerical support – potential for savings by having one supervisor for both programs
 - iii. No bargaining unit requirements to negotiate
- c. Cons
 - i. Although customers are similar the programs’ specific clients may be different
 - ii. May be difficult to hire/develop scope of expertise required for both programs
 - iii. May be a broader policy question about City role in these programs
 - iv. Financial savings likely to be small in short term
- d. Estimated cost savings
 - i. \$21,000 per year
 - ii. Savings are based on reducing two supervisors to one and making one supervisor a staff level position
 - iii. The savings will depend on how this change is implemented: The position could be demoted or the pay could be frozen at the current rate
- e. Non-financial outcomes/other comments
 - i. Provides functional alignment

2. Explore transferring the management and/or ownership of the Tacoma Airport to the Port of Tacoma

- a. Pros
 - i. Many Ports operate airports – consolidation is not uncommon
 - ii. The airport provides a regional service and the Port has a regional mission
 - iii. The Airport is operated as an enterprise fund, however, it has a \$2.85 million loan which would become a General Fund obligation if the Airport operation does not have the ability to repay – eliminates the risk that the airport will not be able to repay the loan
 - iv. No bargaining unit requirements to negotiate
 - v. Eliminates the drain on overhead resources to oversee and support the airport organization
- b. Cons
 - i. Any transfer requires FAA approval
 - ii. No short term cost savings for Tacoma General Fund
 - iii. Discussed by The Port of Tacoma and City of Tacoma in 2002, but no interest was generated
- c. Estimated cost savings
 - i. Reduce potential liability by \$2.85 million
- d. Non-financial outcomes/other comments
 - i. Better alignment with regional transportation missions and revenue collection

3. Combine the City's retirement system administration functions under one department/division

- a. General discussion
 - i. In the Human Resources Department's Risk Management Division there are two positions: an administrative assistant (1.0 FTE) and an office assistant (.5FTE) handling LEOFF I pension plans
 - ii. Deferred compensation retirement program, retiree health savings plan and VEBA could also be included in this consolidation
- b. Pros
 - i. Potential cost savings if administration and support staff have excess capacity
 - ii. Technical synergies possible – similar functions and skills
 - iii. Centralizing functions could help focus staff on responsibilities and improve performance (ex: meeting deadlines, compliance)
 - iv. No bargaining unit requirements to negotiate
- c. Cons:
 - i. Each system is distinct and has its own set of regulations (ex: LEOFF I not part of City systems)
 - ii. No crossover of investment and other decisions.
 - iii. Boards would remain separate
 - iv. Not likely to be source of significant cost savings

- v. May mean re-allocation of some General Funds to cover the additional administrative costs of consolidation
- d. Estimated cost savings
 - i. \$20,000 per year
 - ii. Potential reduction of the .5 FTE Office Assistant position estimated at \$18,884 annual savings based on wages, longevity pay and benefits
 - iii. Some additional savings provided through reduction in administrative costs such as phone, office furniture and equipment, office space and other similarly related expenses; assumed at 5% of a full time positions salary may result in an approximate \$1900 annual savings
 - iv. Reclassification, if warranted, of Human Resources Division Manager position due to decrease in size of staff and functional responsibilities – financial impact to be determined
- e. Non-financial outcomes/other comments
 - i. Could also be opportunity for re-sourcing or contracting out
 - ii. Provides opportunities for economies of scale, cross-training and back-up resources

4. Move the risk management function from the Human Resources Department to the Finance Department

- a. General discussion
 - i. Reclassification, if warranted, of division manager position due to decrease in the size of staff and functional responsibilities – the reclassification would determine the savings rate, depending on classification most appropriate
 - ii. Other groups are studying this topic; it may need more systemic review
 - iii. Organization location of Risk Management function, according to 2003 ICMA Center for Performance Measurement data for cities between 100,000 and 500,000 population:
 - 25 percent in finance
 - 29 percent in human resources
 - 38 percent in other administration
 - 8 percent in attorney/legal
- b. Pros
 - i. Potential for reducing staff if Risk and Retirement Administration both moved
 - ii. Align financial element of risk management (e.g., reserve fund management), which is partly housed in OMBA, with program management function – if OMBA also moved to Finance
 - iii. No bargaining unit requirements to negotiate
- c. Cons
 - i. May not be a source of significant cost savings, given that there does not appear to be excess capacity
- d. Estimated cost savings
 - i. UNKNOWN

- e. Non-financial outcomes/other comments
 - i. Potential for efficiencies

5. Consolidate the Electric Maintenance function in the Fire Department and the Street Light and Traffic Signals function in Public Works

- a. General discussion
 - i. Need additional analysis to determine if functions are truly compatible
 - ii. Fire Department: \$1,085,245 budget, of which \$812,485 is personnel—4 FTE (2005-2006 budget)
- b. Pros
 - i. Similar employee skills and similar equipment.
 - ii. Potential to have more people trained on critical systems for priority situations
 - iii. No bargaining unit requirements to negotiate, members of the same union
- c. Cons
 - i. Functions support specialized assets with specialized training – may be limited overlap
 - ii. Different department missions, customers and priorities
 - iii. Potential to reduce control of function by each department and decrease responsiveness to departmental needs.
 - iv. May be minimal cost savings
- d. Estimated cost savings
 - i. Consolidating could demote one supervisory position and achieve savings of approximately \$10 per hour, for an annual savings of \$28,800, including benefits
 - ii. \$28,800 in 2005-2006, \$57,600 in 2007-2008 and 2009-2010
- e. Non-financial outcomes/other comments
 - i. None identified

6. Eliminate the Office of Management and Budget (OMBA) as a separate department and consolidate its budget function and personnel under the Finance Department

- a. General discussion
 - i. Approximately 27 percent of local governments with a population of 100,000 to 500,000 have freestanding budget offices, with larger jurisdictions more likely to operate with the budget office as a separate department
 - ii. 67 percent of local governments (aggregating all sizes) locate the budget function in a unit containing other fiscal or administrative activities. (GFOA 2002 report).
- b. Pros
 - i. Both departments have director and assistant director positions and consolidation could downgrade, but not eliminate a position
 - ii. Staff perform similar functions
 - iii. OMBA was recently created—it was formerly located in Finance

- iv. Consolidating these functions is a national trend and may create synergies
- v. No bargaining unit requirements to negotiate
- c. Cons
 - i. May lose talented people in OMBA if demoted/moved
 - ii. May not be able to retain current OMBA director in Finance Department due to policy not allowing supervision of family members
 - iii. May need to re-assign functions that exist in OMBA besides budget, including long-range planning, 6 year General Fund forecast, strategic planning focus, performance audit, and other functions
 - iv. Budget negotiations require a high level or equal degree of management authority to work through the budget process with departments
 - v. Reducing staff and level of staff might reduce the level of service
- d. Estimated cost savings
 - i. Assumes assistant budget director position is retained
 - ii. Assumes director position is eliminated
 - iii. Assumes new position is created
 - a. financial supervisor (\$78,100 difference), or
 - b. financial analyst (\$90,400 difference)
 - iv. Estimated savings of \$78,100/year, \$90,400/year, or \$170,500/year depending on classification of new position
 - a. GF: \$21,087 or \$24,408 or \$46,035, depending on classification of positions
 - b. Other: \$57,013 or \$65,992 or \$124,465, depending on classification of positions
 - c. Percentage of General Fund savings is calculated at 27/73 ratio, actual ratio may vary slightly
 - v. \$170,500 per year if eliminated director position completely
- e. Non-financial outcomes/other comments
 - i. None noted

2.2 Re-Sourcing

- **General Overview**
 - Includes outsourcing, in-sourcing, and alternate staffing models.
 - Data obtained from ICMA and other cities indicates that costs savings and other efficiencies can be achieved by changing the way City services are delivered
 - Services that are not core competencies for the city, services that are required infrequently or seasonally, and services where private sector firms are competitive should be considered for re-sourcing
 - Additional analysis needs to be completed before the consolidation opportunities are implemented
- **Literature Review**

- Primary sources include:
 - “Privatization Strategies for Success”, ICMA July 2004
 - “Profile of Local Government Services Choices” ICMA Survey Results ICMA, 2002-2003
 - “Proposed Three-Year Financial Strategic Plan”, City of Long Beach, CA January 28, 2003
 - “Competitive Contracting: Opportunities to Improve Service Delivery and Save Money” Office of the City Auditor, Portland, Oregon May 1995
 - “Review of Contracting Out County Services”, Office of the County Auditor, Washington County, Oregon January 1999
 - Privatization.org/Reason Foundation database
- Examples of re-sourcing from other organizations

Department/Service	Program	Out/In-Source Oppty Long Beach CA - 2003	Portland OR - 1995		MRSC	2002-2003 ICMA Survey
			Current	Potential		
Public Safety	Ambulance Services			■		20.5%
Public Safety	Parking Enforcement	■			Bellevue	1.3%
Public Safety	Towing Operations	■				79.5%
Public Works	Construction			■		
Public Works	Engineering Services			■		
Public Works	Garbage/Recycling		Full			43.1%
Public Works	Landscape/Street Median Maintenance	■				18.1%
Public Works	Parking Lot Management		Full		Bellevue	20.6%
Public Works	Street Repair/Maintenance		Partial			35.3%
Public Works	Surveying	□				
Public Works	Traffic Signal Maintenance			■		27.1%
Public Works	Tree Trimming/Planting/Urban Forestry			■		38.3%
Public Works	Weed Abatement	■				
Recreation	Adult Athletics			■		
Recreation	Golf Course Maintenance			■		
Misc.	Neighborhood Services	□				
Recreation	Recreation Classes		Partial	■		8.7%
Recreation	Tennis Center Management		Full			8.7%
Support Services	Billing and Collection Functions	■				
Support Services	HVAC System Maintenance				Kennewick	
Support Services	Building Janitors	■	Full			
Support Services	Buildings & Grounds Maintenance			■		30.4%
Support Services	Building Security		Full			19.1%
Support Services	Business License Processing	■				
Support Services	Communication/Marketing/PR	□				11.9%
Support Services	Computer Programming		Partial			
Support Services	Contract Management	□				
Support Services	Employee Safety Programs/Training	□				
Support Services	Fleet Maintenance	■	Partial			36.0%
Support Services	GIS	□				
Support Services	Health/Life Insurance		Partial			
Support Services	Helicopter Maintenance	■				
Support Services	Horticultural Services			■		
Support Services	Information Technology/Data Proc. Svcs	■				17.3%
Support Services	Insurance Claims Handling		Partial			
Support Services	Mail Presorting			■	Lacey	
Support Services	Parking Meter Coin Collection		Full			
Support Services	Personnel Arbitration			■		
Support Services	Recruitment & Selection			■		8.6%
Support Services	Reprographic Services	■			Bellevue	
Support Services	Telephone System Maintenance			■		
Support Services	Training				Walla Walla	
Support Services	Video Production	□				
	Analyze Short Term Review	■				% Private for Profit
		□				

• **Criteria Identified for Assessing Re-Sourcing Opportunities**

- Basic criteria identified by sub-team
 - Impact on service quality
 - Efficiency
 - Labor impacts

- Legal/policy implications
 - Social responsibility/values
- Specific criteria identified by sub-team
 - Identify services that are about to sunset
 - Frequency of in-house need
 - Highly variable work load
 - Matching pay with job requirements
 - Cost comparison
 - Revenue potential
 - Capacity or utilization
- Criteria identified in literature review
 - Executive and legislative support
 - Executive sponsorship/support
 - Legislative sponsorship/support
 - Core/strategic v. non-core functions
 - Potential for cost savings
 - Low task complexity
 - Low asset specificity
 - Market capacity
 - Potential for operational efficiency
 - Under utilization of special skills
 - New function, type or time of service
 - Outside capacity to perform
 - Availability/reliability/stability
 - Multiple options/vendors
 - Ability to expand/reduce service
 - Manageable risks
 - Liability
 - Transaction costs
 - Financial/cash management
 - Information
 - Security
 - Business interruption if contractor fails
 - Minimal legal barriers
 - Authority to re-source
 - Bargaining agreement compliance
 - Flexibility
 - Ability to manage and control
 - Current management issues
 - Objective performance requirements
 - Internal capacity to effectively manage contract
 - Vendor reporting capability
- Prioritized criteria identified by subcommittee
 - Reduce costs (10)
 - Improve service quality (10)
 - Bringing similar functions/skills together (6)

- Fit with other department mission (4)
- Impact on labor agreements (3)
- Improve accountability
- Management and staff acceptance/support
- Legal implications
- Capability/capacity of staff and management
- Social responsibility
- Information system compatibility

- **Potential Re-Sourcing Opportunities Identified in Tacoma: Preliminary List**

- Classification and compensation – outside expertise to facilitate total compensation approach
- Retirement management - outsourcing
- Health benefits administration - outsourcing
- Information technology services - outsourcing
- Advanced Life Support (ALS) ambulance transport (Fire service)
- Labor negotiations
- Annual financial report (CAFR) preparation
- Asphalt plant operations
- Signs and pavement marking - installation and maintenance
- Printing/reprographic services
- Grounds maintenance
- Bridge tending operations
- Fire prevention bureau: inspection, education – everything but suppression
- Parking enforcement – Public Works currently provides parking enforcement
- Urban forestry – trimming and caring for trees in the City’s right-of-way
- Garbage pick-up
- Senior centers
- Property development and marketing (Foss Waterway Development Authority)
- Jail services – currently all contracted out to Pierce County; re-evaluate the services and cost of the contract
- Consider using more non-commissioned or contracted police personnel for carrying out administrative activities currently being carried out by commissioned police officers
- Claims assessing – consider using third-party to assess and settle external claims that are filed against the City

- **Prioritized List of Potential Re-Sourcing Opportunities**

- Criteria used by team to prioritize list
 - Reduce costs (10)
 - Improve service quality (10)
 - Bringing similar functions/skills together (6)
 - Fit with other department mission (4)
 - Impact on labor agreements (3)
- Prioritized list of preliminary Re-Sourcing opportunities (see table on next page)

Opportunity	Criteria and Weighting				TOTAL POINTS	% Max. Points	Final Rank
	Potential for Cost Savings 12	Executive and Legislative Support 5	Potential to Improve Service Quality 5	Managable Risks 3			
Increase Use of Non-Commissioned or Contracted Personnel in Police to Perform Administrative or Other Duties	120	50	40	24	234	94%	1
Sign Manufacturing/Pavement Marking; Installation and Maintenance	36	35	45	30	146	58%	2
Grounds Maintenance	72	35	0	30	137	55%	3
Printing and Reprographic Services	48	45	0	30	123	49%	4

- **Recommendations for Re-Sourcing Opportunities to be Analyzed in More Detail**

1. **Increase use of non-commissioned staff in the Police Department to perform administrative duties or other tasks – those duties typically performed by commissioned staff but do not require commissioned authority**

- a. General discussion

- i. Staffing of substations (for future planning) could be with non-commissioned staff – this area alone could include up to 4 people
- ii. Reclassifying the current Quartermaster and PIO positions as non-commissioned positions. (Approximate savings of \$23,166 per position per year)
- iii. The cost savings from this option comes from having non-commissioned rather than commissioned new-hires to staff the substations or, the replacement of commissioned staff with non-commissioned staff
- iv. Note: Tacoma had the lowest civilian staffing per 1,000 population (at .17) of large Washington and Oregon cities in 2003 (Source: 2003 FBI Crime in the United States)

- b. Pros

- i. Using non-commissioned personnel costs less than using commissioned personnel
- ii. Potential to improve services by moving commissioned personnel into patrol or other direct services and using non-commissioned personnel in non-critical or support or administrative

- c. Cons

- i. Difficult to change a commissioned position to a non-commissioned position
- ii. There are a limited number of administrative functions that currently exist within TPD and that could be re-classified as non-commissioned
- iii. There can be advantages to having commissioned personnel in certain positions

- d. Estimated cost savings

- i. Example: Staffing substation with non-commissioned staff: \$140,568 per year
 - ii. Re-classifying the current Quartermaster and Public Information Officer positions as non-commissioned positions with approximate savings of \$23,266 per position per year
- e. Non-financial outcomes/other comments
 - i. None noted

2. Contract out grounds maintenance function to a private firm

- a. General discussion
 - i. This could be used to pilot managed competition where the City and private contractors submit bids for specific services
 - b. Pros
 - i. Private sector is highly capable of performing function.
 - ii. Potential for cost savings
 - c. Cons
 - i. Quality of grounds maintenance may not be as high
 - ii. Responsiveness to City needs may not be as good
 - iii. Labor issues will need to be worked out
 - d. Estimated cost savings
 - i. \$87,793 per year = (2005 budget of 1,755,862 x 5%)
 - ii. Temporary estimate based on 5% savings through partial outsource
 - e. Non-financial outcomes/other comments
 - i. None noted
3. Contract out sign manufacturing/pavement marking installation and maintenance
- a. Not recommended for additional analysis at this time
4. Printing and reprographics services
- a. Considerable effort made to optimize in-house and contracted services over last several years
 - b. Not recommended for additional analysis at this time

2.3 Regionalization

• **General Overview**

- Experience by other local governments indicates that cost savings can result from regionalizing services that require specially trained and equipped personnel and that can reasonably be provided by a single entity within the selected service delivery area
- Additional analysis needs to be completed before the consolidation opportunities are implemented

• **Literature Review**

- Primary sources include:

- “Collaboration Across Boundaries: The Basics for Change”, ICMA May 2004
- “Profile of Local Government Services Choices” ICMA Survey Results ICMA, 2002-2003
- “Reinventing Government: Implementation at the Local Level” ICMA Survey Results ICMA, 2003
- “Proposed Three-Year Financial Strategic Plan”, City of Long Beach, CA January 28, 2003
- “Consolidating Police Services, An IACP Planning Approach”, International Association of Police Chiefs, May 2003
- “Consolidation of Services: Pueblo County and the City of Pueblo” Governance Task Force of the 2010 Commission, Final Report and Recommendations May 8, 2002
- “Joint Work Plan for Partnering Opportunities” King County Auditor’s Office & Office of City Auditor, Seattle, May 13, 2003
- “City-County Records Storage Partnering Opportunities” King County Auditor’s Office & Office of City Auditor, Seattle, March 23, 2004
- “The Benefits and Costs of City-County Unification” University of New Mexico Bureau of Business and Economic Research, for the Albuquerque Bernalillo County Unification Charter Commission
- Intergovernmental Agreement City of Portland/Multnomah County
- Examples from other jurisdictions
 - See ICMA Survey
 - Seattle/King County
 - Records Storage
 - Printing, Duplicating and Graphic Design
 - Mail Services
 - Animal Control Services
 - Government Access Cable
 - Portland/Multnomah County
 - Facilities
 - Fleet
 - Communications & Electronics
 - Printing and Distribution
 - Others
 - CDBG Program
 - Health and Human Services
 - Information Technology
 - Jail and Community Corrections
 - Libraries
 - Municipal Court/Specialty Courts
 - Parks & Recreation
 - Plan/Building Permit Review
 - Planning Commission
 - Public Safety

- Special enforcement, investigation and prosecution units
 - Emergency communications
 - Regional fire/EMS
 - Public Works
- **Criteria Identified for Assessing Regionalization Opportunities**
 - Basic criteria identified by sub-team
 - Impact on service quality
 - Efficiency
 - Labor impacts
 - Legal/policy implications
 - Social responsibility/values
 - Specific criteria identified by sub-team
 - Specialized teams
 - Specialized equipment
 - Contracts with other jurisdictions
 - Location of capacity to do job
 - Revenue generation
 - Criteria from literature review
 - Executive and legislative support
 - Opportunity for analysis/data exists
 - Similarities among services and operations
 - A manageable fiscal magnitude and breadth of operation
 - Potential for cost savings
 - Potential for implementation
 - Similar or compatible data management systems
 - Possibility of maintaining or increasing service levels
 - Prioritized criteria identified by Subcommittee
 - Reduce costs/improve efficiency (11)
 - Combining similar services/operations/systems (6)
 - Improve service quality (5)
 - Executive/legislative support (5)
 - Social responsibility (2)
 - Practical to do (2)
 - Another agency has the capacity to do the work (2)
 - Legal/policy implications
 - Specialized teams
 - Manageable labor impacts
 - Manageable fiscal magnitude and breadth of operations
 - Ability to put in place oversight mechanism
 - Generate revenues (in-source)
- **Potential Regionalization Opportunities Identified in Tacoma: Preliminary List**
 - Libraries – currently have City and County libraries
 - Police services
 - Fire/EMS services

- Animal Control
- Sell SAP services to other organizations such as the Port of Tacoma
- Business licensing – potentially combine with County or State licensing
- Tax collection – potentially combine with County or provide service to other cities
- Senior centers – look for other regional sponsors for the centers
- Economic development
- Transportation planning
- Bridge inspection – look to utilize County or State resources
- Regionalize emergency dispatch service
- Arts/arts organization support

• **Prioritized List of Potential Regionalization Opportunities**

- Criteria used by team to prioritize list
 - Reduce costs/improve efficiency (11)
 - Combining similar services/operations/systems (6)
 - Improve service quality (5)
 - Executive/legislative support (5)
- Prioritized list of preliminary Regionalization opportunities

Opportunity	Criteria and Weighting				TOTAL POINTS	% Max. Points	Final Rank
	Potential for Cost Savings 11	Combines Similar Services/ Operations/ Systems 6	Potential to Improve Service Quality 5	Executive and Legislative Support 5			
Animal Control: Regionalize with Adjacent Urban Centers	77	42	35	30	184	97%	1
Bridge Inspection	66	42	35	35	178	94%	2
Transportation Planning	77	42	5	10	134	71%	3
Arts/Arts Organization Support	66	42	10	5	123	65%	4
Ask Voters to Allow City Library to be Annexed to Pierce County Library District	77	42	0	0	119	63%	5

• **Recommendations for Regionalization Opportunities to be Analyzed in More Detail**

1. With the agreement of Pierce County Library District (PCLD), citizens of the City of Tacoma could vote to annex the City's library services to PCLD (Junior Taxing district)

a. General discussion

- i. The library district would be solely responsible for delivering library services to Tacoma residents
- ii. The PCLD is governed by a Board of Trustees and this Board would be responsible for determining levels of service and policies for all libraries in the district, including Tacoma libraries

b. Pros

- i. There would be a substantial savings for the City's General Fund

- ii. There would be a reduction in the demand for support services from BIS, HR and Finance and Legal
- iii. All capital assets would belong to the City of Tacoma
- c. Cons
 - i. State law regarding the governance of Class A municipal libraries would need to be changed
 - ii. The library community has historically been adverse to such a change and has successfully contested it
 - iii. The annexation to Tacoma's library services would require agreement by PCLD and be voted on by the citizens of Tacoma
 - iv. Because the total revenue the PCLD would collect from City residents is significantly less than the current operating budget for Tacoma Public Library, there would be a change in the level of service that Pierce County Library District could provide to the City of Tacoma
 - v. The governance of library services for the City of Tacoma would be moved to the Board of the PCLD
 - vi. Although there would be a reduction of the need for support services from BIS, HR, Finance and Legal, the fixed costs for those services would be re-allocated to the remaining General Fund services and decrease the savings realized by the annexation
 - vii. There would be some significant one-time costs to replace the entire computer infrastructure to be compatible with PCLD
 - viii. Potential labor issues
- d. Estimated cost savings
 - i. Long-term cost savings would likely be in the millions annually, but it will take several years and significant political will to make the legislative changes and also a vote of the people
 - ii. Estimate: \$4.5 million per year beginning in 2007-2008 biennium; savings is based on difference between funding for Tacoma Public libraries if they were part of PCLD versus the funding subsidy for Tacoma Public libraries currently provided by City of Tacoma's General Fund
- e. Non-financial outcomes/other comments
 - i. None noted

2. Share regional animal control with adjacent urban municipalities

- a. General discussion
 - i. Estimate cost for animal control to be \$1.1 million for 2006
 - ii. RFP will go out in June to see if anyone is interested in providing animal control service
 - iii. Partnering with adjacent cities idea is where a team working on finding an alternative is headed
- b. Pros
 - i. The City needs to find an alternative to the current situation effective 2006

- ii. Most expensive animal control problems exist outside cities
- c. Cons
 - i.
- d. Estimated cost savings
 - i. Unknown
- e. Non-financial outcomes/other comments
 - i. None noted

3. Create regional organization for arts support (organizational and financial support)

- a. General discussion
 - i. Issue could be explored by the City of Tacoma Arts Commission
- b. Pros
 - i. Many of the venues in the city benefit the entire area and could benefit from broader support
 - ii. Could eliminate competition
 - iii. Reduce administrative overhead
 - iv. Eliminate duplication of various arts commissions, committees
- c. Cons
 - i. A joint structure a number of years ago (at least 10) didn't work. The City took the work back
 - ii. The City's control and focus on City-related activities may be diluted
- d. Estimated cost savings
 - i. UNKNOWN
- e. Non-financial outcomes/other comments
 - i. None noted

4. Bridge inspection

- a. Not recommended for additional analysis at this time

5. Transportation planning

- a. Not recommended for additional analysis at this time

3 Proposed Next Steps in Evaluating Potential Functional Alignment Opportunities

- **Validate High Potential Opportunities**
 - Review recommendations and other options for general feasibility
 - Collect additional data and perform supplemental analysis where needed to validate preliminary opportunities and determine if they warrant additional study (see full list of criteria for each type of opportunity)

- **Complete More Detailed Analysis of Specific Opportunities**
 - Conduct detailed feasibility studies for specific opportunities
 - Map and analyze business processes
 - Review organizational structure and job descriptions
 - Research experience of other jurisdictions
 - Develop specific recommendations for improvement
 - Identify type of functional alignment
 - Conduct cost benefit analysis of recommendations
 - Develop performance measures, assess performance and identify targets for improved performance
 - Outcomes
 - Specific recommendations for High Potential Opportunities that make good business sense to pursue

- **Complete Implementation Planning for Feasible Opportunities**
 - Develop a practical plan to take advantage of specific High Potential Opportunities that prove feasible
 - Determine what/how necessary investments will be made
 - Develop a work plan with specific tasks, assigned responsibilities, and deadlines
 - Develop change management and communications plans
 - Outcome
 - Detailed implementation plans for implementing recommended High Potential Opportunities