

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

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**Executive Summary Report**  
**June 6, 2005**

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# 1 Project Background and Goals

The City Manager initiated the Breakthrough Change Initiative process in December 2004 at the conclusion of the City's 2005-2006 budget process. During the 2005-2006 budget process the City estimated General Fund deficits of \$15.9 million in the 2007-2008 budget biennium and \$26.5 million in the 2009-2010 budget biennium. Breakthrough Change Initiatives are focused on structural issues and service areas that have the greatest potential to offer significant, long-term, recurring savings and efficiencies to the City's General Fund expenditures starting in 2005. There are four initiatives:

- Organizational Restructuring/Consolidation.
- Risk Management.
- Employee Compensation and Benefits.
- Vehicles and Equipment.

The proposed savings target for the initiatives is \$3 million to \$5 million per year in permanent and sustainable cost reductions. The City Manager assigned City staff to each of the initiatives and asked them to submit their recommendations in June 2006.

The primary goal of the Organizational Restructuring/Consolidation Breakthrough Change Initiative is to achieve annual cost savings of \$1,166,000. Secondary goals include:

- To provide a more efficient and effective organization for delivering services to citizens.
- To minimize impacts of organizational changes on providing City services.
- To optimize span of control.
- To provide for an organization that provides functional alignment and acknowledges strategic priorities.

The members of the Organizational Restructuring/Consolidation Breakthrough Change Initiative (BCI) Team (Team) are:

- |                           |                              |
|---------------------------|------------------------------|
| • Rod Kerslake, Chair     | • Gwen Kopetzky              |
| • John Briehl, Vice Chair | • Donald Ramsdell            |
| • Lilly Aguilar           | • Craig Sivley               |
| • Leslie Rowen            | • Susan Odencrantz           |
| • Mike Fitzgerald         | • Ron Rosi                   |
| • Michelle Lewis-Hodges   | • Facilitator: Mary Morrison |

On March 4, 2005 the Team further refined the scope and objectives of its work in a status report to the City Council. Specific scope refinements included:

- The Team assumes that the organization (General Government) will, in the future, be a smaller organization both in terms of the range of services provided and the number of employees providing those services.
- The Team does not plan to undertake a service prioritization/evaluation process as was done in the biennial budget process but will focus on organizational structure and service delivery.

- The Team is not intending to review the City's Cost Allocation System but will recognize it in its work in terms of impact on organizational structure and service delivery.
- Elimination of layers of management or reduction in management positions as necessary will target cost savings of \$750,000 per City Council request.

The Team developed several working assumptions to help guide their work. Those assumptions included:

- Achieving cost savings needs to address both short-term and long term revenue shortfalls.
- The City has many functional areas that have been in place for many years and may not reflect current needs and best practices.
- Any discussion of centralization and decentralization should be tempered by a combination of effectiveness and efficiency.
- The current and future funding levels will not adequately support the current organization structure.
- The City's structure, as is, may impede teamwork on cross-functional issues within and between departments.
- Significant savings will result in degradation of services.
- There may be opportunities for greater alignment of services.
- Some support services and/or divisions may be absorbed into other areas.
- The City's structure can be flattened to some extent to be more efficient.

The Team's general approach to its work was to develop a framework and decision-making tools for use by the City Manager, City Council and Department Directors to achieve the BCI goals and to identify specific opportunities for achieving the Team's primary and secondary goals. In developing the framework the team endeavored to:

- Develop an understanding of the City's organizational structure and the reasons for that structure.
- Determine the roles of the various levels of employee positions within the organization.
- Identify span of control within the current organizational structure.
- Identify services delivered through the existing organizational structure and how they are delivered.
- Identify benchmarks, best practices, and experiences of other government organizations.
- Develop recommendations based on review and analysis of data.

To complete its work the Team divided itself into two subcommittees. One subcommittee focused on management spans of control, layers of management and supervisory position classifications. A second subcommittee focused on functional alignment opportunities related to functional consolidation, alternative service delivery (out-sourcing, in-sourcing, volunteers, etc.) and regionalization of service delivery. A brief description of each subcommittee's objectives and process is provided below.

## **1.1 Span of Control/Layers Subcommittee**

The Span of Control/Layers Subcommittee was tasked with identifying \$750,000 in General Fund savings resulting from reductions in management positions and related costs as requested by Council. The Subcommittee began its overall work effort in mid-February 2005 and has been meeting on a regular basis since then. Specific steps completed by the Subcommittee included:

- A review of management literature and studies or audits from other jurisdictions regarding their initiatives in addressing organizational structures, layers of management, and span of control.
- Collection, compilation and analysis of organization charts for each City department and division.
- Documenting the span of control for each supervisor and identifying management positions as a percentage of total personnel, the management position to direct subordinates ratio and total layers of management for each department.
- Development of general position descriptions for Director, Assistant Director, Division Manager, Program Manager, Supervisor, and Lead positions.
- A review of studies or audits conducted for City departments that in some instances included summary reports highlighting recommended changes affecting organizational structure.
- Development of criteria for assessing span of control, layers of management and supervisory position classifications.
- Development of specific recommendations designed to enhance organizational efficiency and achieve targeted cost savings.

## **1.2 Functional Alignment Subcommittee**

The Functional Alignment Subcommittee was tasked with identifying alternative ways to deliver services that would reduce costs or improve the effectiveness of service delivery at the same cost. Specific steps completed by the Subcommittee included:

- A review of management literature and studies or audits from other jurisdictions regarding their initiatives in restructuring their organizations, privatizing service delivery, regionalizing service delivery or using other alternative ways to deliver services.
- Development of a framework and criteria for assessing potential functional alignment opportunities.
- Identification of functional alignment opportunities with potential for cost savings and/or service enhancement.

The Subcommittee did not engage in a detailed analysis to identify specific high potential opportunities. The data collection and analysis required to complete that work was beyond the scope and time parameters of the Subcommittee's task. Instead, the Subcommittee used criteria and structured but subjective ranking to select high potential opportunities that will require additional analysis prior to being implemented. See the Subcommittee's full report for a discussion of the process, criteria and additional analysis required.

## 2 Summary of High Potential Opportunities

### 2.1 Span of Control/Layers Subcommittee

- **High Potential Opportunity #1: Span of Control.** There is opportunity for the City to improve upon the citywide average span of control of 5.4 direct reports to each supervisor (5.4:1). Such an effort could reduce costs although service quality may be degraded. The Subcommittee recommends that the increase in spans of control be achieved in a planned manner over several years because of the high level of risk to the City's services.
  - **Definition.**
    - Span of Control refers to the number of employees supervised by any one individual. For the purpose of this review the number of employees does not include temporaries or volunteers.
  - **Option #1: Moderate Impact.**
    - Review and consider if it is possible to either eliminate or reclassify positions with a span of control of less than 3:1. An estimated 120 supervisory positions would be reviewed.
    - Require City departments to develop a plan to achieve an average span of control at a level approved by the City Manager. Span of control guidelines should vary by department size with larger departments having larger span of control.
    - Implement staffing reductions and changes beginning in 2006 and extending through 2009.
      - Equivalent of 5 positions eliminated in 2006.
      - Equivalent of 5 additional positions eliminated in 2007-2008.
      - Equivalent of 5 additional positions eliminated in 2009-2010.
    - Estimated cost savings of:
      - \$375,000 in 2006.
      - \$750,000 per year or \$1,500,000 total in 2007-2008.
      - \$1,125,000 per year or \$2,250,000 total in 2009-2010.
      - Total cumulative cost savings of \$4,125,000 through 2010.
  - **Option #2: Major Impact. *Preferred Option***
    - Review and consider if it is possible to either eliminate or reclassify positions with a span of control of less than 4:1. An estimated 170 supervisory positions would be reviewed.
    - Require City departments to develop a plan to achieve an average span of control at a level approved by the City Manager. Span of control guidelines should vary by department size with larger departments having larger span of control.
    - Implement staffing reductions and changes beginning in 2006 and extending through 2008.
      - Equivalent of 10 positions eliminated in 2006.
      - Equivalent of 5 additional positions eliminated in 2007-2008.
    - Estimated cost savings of:

- \$750,000 in 2006.
  - \$1,125,000 per year or \$2,250,000 in 2007-2008 and 2009-2010.
  - Total cumulative cost savings of \$5,250,000 through 2010.
- **Option #3: Dramatic Impact.**
- Review and consider if it is possible to either eliminate or reclassify positions with a span of control of less than 5:1. An estimated 215 supervisory positions would be reviewed.
  - Require City departments to develop a plan to achieve an average span of control at a level approved by the City Manager. Span of control guidelines should vary by department size with larger departments having larger span of control.
  - Implement all staffing reductions and changes in 2006.
    - Equivalent of 15 positions eliminated in 2006.
  - Estimated cost savings of:
    - \$1,125,000 in 2006 and \$2,250,000 in 2007-2008 and 2009-2010.
    - Total cumulative cost savings of \$5,625,000 through 2010.

**High Potential Opportunity #2: Layers of Management.** Reduce the layers of management where feasible, noting that the current number of management layers in the City is not considered excessive. Establish policy that sets the layers of management based on the number of employees in the department.

- **Definition.**
- Layers of management is identified as the highest number of layers the non-supervisory staff would have to report through to reach the top manager. That method was used to count the “longest leg” –or greatest number of layers—separating frontline staff from each department’s director, including the director.

- **Data on Management Layers.**

| <u># of Layers</u> | <u># Departments</u> | <u>Size of Staff</u> |
|--------------------|----------------------|----------------------|
| 1                  | 2                    | <5                   |
| 2                  | 2                    | <11                  |
| 3                  | 3                    | 11 to <100           |
| 3                  | 1                    | 101 to <200          |
| 4                  | 3                    | 11 to <100           |
| 4                  | 2                    | 101 to <200          |
| 5                  | 1                    | 11 to <100           |
| 5                  | 3                    | 101 to >200          |

- **Option #1: Moderate Impact.**
- 5 maximum layers for departments with more than 100 employees.
  - 4 maximum layers for departments with less than 100 employees.
  - Department directors develop and implement plans.
  - No estimated cost savings directly attributed to changes in layers of management.
- **Option #2: Major Impact.**
- 5 maximum layers for departments with more than 200 employees.
  - 4 maximum layers for departments with less than 200 employees.

- Department directors develop and implement plans.
  - No estimated cost savings directly attributed to changes in layers of management.
- **Option #3: Dramatic Impact.**
  - 5 maximum layers for departments with more than 200 employees.
  - 4 maximum layers for departments with between 100 and 200 employees.
  - 3 maximum layers for departments with less than 100 employees.
  - City Manager directs implementation of changes with additional analysis of specific departments.
  - Savings achieved through City Manager directed reductions in layers.
- **High Potential Opportunity #3: Supervisory Position Classification System.** Conduct further review as may be warranted to appropriately align supervisory position classifications with duties. Appropriately classifying positions has the potential for cost savings contingent on what approach is applied to reclassification.
  - **Option #1: Moderate Impact.**
    - Leave pay at current level for incumbent and do not provide any further pay increases until the salary range for the position reaches or exceeds the incumbent's current rate of pay.
  - **Option #2: Major Impact.**
    - Leave pay at current level for incumbent and do not provide any further pay increases until the salary range for the position reaches or exceeds the incumbent's current rate of pay.
    - Reduce the salary range of the position once the position becomes vacant.
  - **Option #3: Dramatic Impact.**
    - Reduce the level of pay for the incumbent to the top step of the appropriate classification.
- **Other Recommendations.**
  - Develop policies, procedures and infrastructure to collect data on span of control and layers of management on a periodic basis.
  - Develop a central repository for City of Tacoma organizational structure information and a standard methodology for analysis of organizational structure.

## **2.2 Functional Alignment Subcommittee**

The Functional Alignment Subcommittee identified a framework for considering Functional Alignment Opportunities. That framework includes five steps:

- Step 1: Understand the Universe of Potential Opportunities.
- Step 2: Environmental Scan: Compare What We Do to Other Similar and High Performing Organizations.
- Step 3: Validate/Refine Preliminary List of Opportunities.
- Step 4: Complete More Detailed Analysis of Specific Opportunities.
- Step 5: Complete Implementation Planning for Feasible Opportunities.

The Subcommittee focused on Step 1 and Step 2 with a minimal amount of objective data applied to Step 3. Additional data collection and analysis will be required to complete Step 3, Step 4 and Step 5. In addition, other opportunities may be identified from further review and analysis of the other potential opportunities identified by the Subcommittee. See the Subcommittee's full report for additional information. Several of the opportunities represent changes in policy and potential changes in service levels which will require significant discussion before being implemented.

- **High Potential Opportunity #1: Consolidation of Similar Functions.** Functional consolidation opportunities presented here were selected based on a subjective ranking of a larger list of potential opportunities. Please refer to the Subcommittee's final report for the complete list of the opportunities considered. The high potential opportunities to consolidate functions included:
  - **Option #1: Combine HUB/LEAP (Finance).** Combine the Historically Underutilized Business program (HUB) with the Local Employment and Apprenticeship Program (LEAP) – both in Finance.
  - **Option #2: Explore Transferring the Tacoma Airport to the Port of Tacoma (General Services).** Transfer the management and/or ownership of the Tacoma Airport to the Port of Tacoma.
  - **Option #3: Combine Retirement System Administration (Various).** Combine the City's retirement system administration functions under one department/division.
  - **Option #4: Move Risk Management to Finance.** Move the risk management function from the Human Resources Department to the Finance Department.
  - **Option #5: Consolidate Fire Department Electricians and Public Works Street Light/Signal Maintenance.** Consolidate the Electric Maintenance function in the Fire Department and the Street Light/Traffic Signals function in Public Works.
  - **Option #6: Move OMBA to Finance.** Eliminate the Office of Management and Budget (OMBA) as a separate department and consolidate its budget function and personnel under the Finance Department.

The estimated savings associated with the High Potential Opportunities for functional consolidation range from \$148,000 to \$240,000 annually depending on the classification and position changes. An estimated \$70,000 to \$95,000 of this amount is in the General Fund. In addition, the General Fund stands behind a \$2.85 million loan for the Airport. Depending on the terms of transfer, transferring the Airport to the Port could eliminate some or all of this potential General Fund liability.

- **High Potential Opportunity #2: Re-sourcing of Service Delivery.** The Subcommittee defined opportunities to re-source service delivery to include out-sourcing service delivery to another private or not-for-profit organization, in-sourcing or performing work for other organizations (to reduce overall costs), and implementing alternative staffing arrangements. The high potential opportunities to re-source service delivery included:
  - **Option #1: Police Department – Non Commissioned Staffing.** 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 that

do not require commissioned authority. Cost savings estimates used the staffing for a new substation and reclassification of two additional officer positions.

- **Option #2: Public Works – Grounds Maintenance.** Contract out grounds maintenance function to a private firm or pilot the use of managed competition to allow both City and private firms to bid on this service.

The estimated savings associated with the High Potential Opportunities for re-sourcing service delivery are \$228,000 annually with the full amount in the General Fund.

- **High Potential Opportunity #3: Regionalization of Service Delivery.** Regionalizing service delivery involves transferring responsibility for delivering a City service to another organization with responsibility for delivering services to a regional customer base. The high potential opportunities for regionalizing service delivery included:
  - **Option #1: City Library.** With the agreement of Pierce County Library District, citizens of the City of Tacoma could vote to annex the City's library services to Pierce County Library District (Junior Taxing district).
  - **Option #2: Animal Control.** Share regional animal control with adjacent urban municipalities.
  - **Option #3: City Arts Organization Support.** Create regional organization for arts support (organizational and financial support).

The estimated savings associated with the High Potential Opportunities for regionalization of service delivery will depend on the specific service contract or service delivery arrangement. The potential savings associated with regionalization of the Library is estimated at \$4.5 million annually and is based on difference between the current funding and the funding for Tacoma Public libraries if they were part of PCLD. Note that a successful ballot measure would be required to implement this option.

## 2.3 Summary of Potential Cost Savings

The potential cost savings associated with the High Potential Opportunities identified by the Organizational Restructuring/Consolidation Initiative are summarized below by biennial budget period. Note that the estimated cost savings for the Functional Alignment opportunities does not include cost savings related to regionalizing the City's library service since a vote of the people would be required. This savings is estimated at \$4.5 million per year and is based on the difference between the current funding and the funding for Tacoma Public libraries if they were part of the PCLD. A more complete summary of the estimated cost savings is included in Attachment A.

| <b>Subcommittee/Type</b>                    | <b>2005-2006</b>  | <b>2007-2008</b>    | <b>2009-2010</b>    |
|---|-------------------|---------------------|---------------------|
| <b>Span of Control/Layers(General Fund)</b> |                   |                     |                     |
| • Option #1: Moderate                       | \$ 375,000        | \$ 1,500,000        | \$ 2,250,000        |
| • Option #2: Major ( <i>Preferred</i> )     | \$ 750,000        | \$ 2,250,000        | \$ 2,250,000        |
| • Option #3: Dramatic                       | \$ 1,125,000      | \$ 2,250,000        | \$ 2,250,000        |
| <b>Functional Alignment(Low Estimate)</b>   |                   |                     |                     |
| • General Fund                              | \$ 158,000        | \$ 597,000          | \$ 597,000          |
| • Other                                     | \$ 78,000         | \$ 156,000          | \$ 156,000          |
| • Total                                     | \$ 236,000        | \$ 753,000          | \$ 753,000          |
| <b>Total</b>                                |                   |                     |                     |
| • Using Span Option #1: Moderate            | \$ 611,000        | \$ 2,253,000        | \$ 2,910,000        |
| • Using Span Option #2: Major               | \$ <b>986,000</b> | \$ <b>3,003,000</b> | \$ <b>3,003,000</b> |
| • Using Span Option #3: Dramatic            | \$ 1,361,000      | \$ 3,003,000        | \$ 3,003,000        |

*Note: Does not include estimated \$4.5 million cost savings from regionalizing the Tacoma Public Library (public vote required).*

## 3 Postscript

The Breakthrough Change Initiative Process is designed to address only a small portion of the expected General Fund deficit. With a target of between \$3 million and \$5 million in permanent and sustainable cost savings, the Initiatives will account for between 22% and 38% of the estimated \$26.5 million deficit expected for the 2009-2010 budget biennium. Additional actions, including potentially significant reductions in services and employees, will be required to address the remaining gap in funding.

The Organizational Restructuring/Consolidation Team believes that the organization structure and functional alignment of the City of Tacoma should follow from the overall purpose and scope of the organization. Given the funding issues facing the City, the scope and level of City services are likely to undergo significant change in the near future. The City's organization structure and functional alignment should be reviewed and modified when this change occurs.

**Breakthrough Change Initiatives  
Organizational Restructuring/Consolidation Team  
Attachment A**

**Summary of Potential Cost Savings**

| <u>Subcommittee/Opportunity/Option</u>                            |              | <u>2005-06</u>     | <u>2007-08</u>     | <u>2009-10</u>     |
|---|--------------|--------------------|--------------------|--------------------|
| <b>Span of Control/Layers Subcommittee</b>                        |              |                    |                    |                    |
| <u>Span of Control</u>  |              |                    |                    |                    |
| Option #1: Moderate<br>(Review <3:1)                              | GF           | \$ 375,000         | \$1,500,000        | \$2,250,000        |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>\$ 375,000</b>  | <b>\$1,500,000</b> | <b>\$2,250,000</b> |
| <i>Option #2: Major<br/>(Review &lt;4:1)<br/>Preferred Option</i> | GF           | \$ 750,000         | \$2,250,000        | \$2,250,000        |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>\$ 750,000</b>  | <b>\$2,250,000</b> | <b>\$2,250,000</b> |
| Option #3: Dramatic<br>(Review <5:1)                              | GF           | \$1,125,000        | \$2,250,000        | \$2,250,000        |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>\$1,125,000</b> | <b>\$2,250,000</b> | <b>\$2,250,000</b> |
| <u>Layers of Management</u>                                       |              |                    |                    |                    |
| Option #1: Moderate   | GF           | \$ 0               | \$ 0               | \$ 0               |
|   | Non-GF       | <u>\$ 0</u>        | <u>\$ 0</u>        | <u>\$ 0</u>        |
|   | <b>Total</b> | <b>\$ 0</b>        | <b>\$ 0</b>        | <b>\$ 0</b>        |
| Option #2: Major  | GF           | \$ 0               | \$ 0               | \$ 0               |
|   | Non-GF       | <u>\$ 0</u>        | <u>\$ 0</u>        | <u>\$ 0</u>        |
|   | <b>Total</b> | <b>\$ 0</b>        | <b>\$ 0</b>        | <b>\$ 0</b>        |
| Option #3: Dramatic   | GF           | Unknown            | Unknown            | Unknown            |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>Unknown</b>     | <b>Unknown</b>     | <b>Unknown</b>     |
| <u>Supervisory Position Classification</u>                        |              |                    |                    |                    |
| Option #1: Moderate   | GF           | Unknown            | Unknown            | Unknown            |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>Unknown</b>     | <b>Unknown</b>     | <b>Unknown</b>     |
| Option #2: Major  | GF           | Unknown            | Unknown            | Unknown            |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>Unknown</b>     | <b>Unknown</b>     | <b>Unknown</b>     |
| Option #3: Dramatic   | GF           | Unknown            | Unknown            | Unknown            |
|   | Non-GF       | <u>Unknown</u>     | <u>Unknown</u>     | <u>Unknown</u>     |
|   | <b>Total</b> | <b>Unknown</b>     | <b>Unknown</b>     | <b>Unknown</b>     |

| <u>Subcommittee/Opportunity/Option</u> | <u>2005-06</u> | <u>2007-08</u> | <u>2009-10</u> |
|--|----------------|----------------|----------------|
|--|----------------|----------------|----------------|

**Functional Alignment Subcommittee**

Consolidation of Similar Functions

Option #1: Combine HUB/LEAP (Finance)

|              |                  |                  |                  |
|--------------|------------------|------------------|------------------|
| GF           | \$ 0             | \$ 0             | \$ 0             |
| Non-GF       | \$ 21,000        | \$ 42,000        | \$ 42,000        |
| <b>Total</b> | <b>\$ 21,000</b> | <b>\$ 42,000</b> | <b>\$ 42,000</b> |

Option #2: Tacoma Airport to Port of Tacoma (General Services)

|              |                |                |                |
|--------------|----------------|----------------|----------------|
| GF           | Unknown        | Unknown        | Unknown        |
| Non-GF       | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| <b>Total</b> | <b>Unknown</b> | <b>Unknown</b> | <b>Unknown</b> |

*Note: The Airport currently has a debt of \$2,850,000 that could be reduced, eliminating a contingent General Fund liability.*

Option #3: Combine Retirement System Administration (Various)

|              |                  |                  |                  |
|--------------|------------------|------------------|------------------|
| GF           | \$ 20,000        | \$ 40,000        | \$ 40,000        |
| Non-GF       | \$ 0             | \$ 0             | \$ 0             |
| <b>Total</b> | <b>\$ 20,000</b> | <b>\$ 40,000</b> | <b>\$ 40,000</b> |

Option #4: Move Risk Management to Finance

|              |                |                |                |
|--------------|----------------|----------------|----------------|
| GF           | Unknown        | Unknown        | Unknown        |
| Non-GF       | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| <b>Total</b> | <b>Unknown</b> | <b>Unknown</b> | <b>Unknown</b> |

Option #5: Consolidate Fire Department Electricians and Public Works Street Light/Signal Maintenance

|              |                  |                  |                  |
|--------------|------------------|------------------|------------------|
| GF           | \$ 28,800        | \$ 57,600        | \$ 57,600        |
| Non-GF       | \$ 0             | \$ 0             | \$ 0             |
| <b>Total</b> | <b>\$ 28,800</b> | <b>\$ 57,600</b> | <b>\$ 57,600</b> |

Option #6: Move OMBA to Finance

Low Estimate

|              |                  |                   |                   |
|--------------|------------------|-------------------|-------------------|
| GF           | \$ 21,087        | \$ 42,174         | \$ 42,174         |
| Non-GF       | \$ 57,013        | \$ 114,026        | \$ 114,026        |
| <b>Total</b> | <b>\$ 78,100</b> | <b>\$ 156,200</b> | <b>\$ 156,200</b> |

High Estimate

|              |                   |                   |                   |
|--------------|-------------------|-------------------|-------------------|
| GF           | \$ 46,035         | \$ 92,070         | \$ 92,070         |
| Non-GF       | \$ 124,465        | \$ 248,930        | \$ 248,930        |
| <b>Total</b> | <b>\$ 170,500</b> | <b>\$ 341,000</b> | <b>\$ 341,000</b> |

| <u>Subcommittee/Opportunity/Option</u> | <u>2005-06</u> | <u>2007-08</u> | <u>2009-10</u> |
|--|----------------|----------------|----------------|
|--|----------------|----------------|----------------|

Re-Sourcing Service Delivery

Option #1: Police Department – Non Commissioned Staffing

|              |             |                   |                   |
|--------------|-------------|-------------------|-------------------|
| GF           | \$ 0        | \$ 281,136        | \$ 281,136        |
| Non-GF       | <u>\$ 0</u> | <u>\$ 0</u>       | <u>\$ 0</u>       |
| <b>Total</b> | <b>\$ 0</b> | <b>\$ 281,136</b> | <b>\$ 281,136</b> |

Option #2: Public Works – Grounds Maintenance

|              |             |                   |                   |
|--------------|-------------|-------------------|-------------------|
| GF           | \$ 87,793   | \$ 175,586        | \$ 175,586        |
| Non-GF       | <u>\$ 0</u> | <u>\$ 0</u>       | <u>\$ 0</u>       |
| <b>Total</b> | <b>\$ 0</b> | <b>\$ 175,586</b> | <b>\$ 175,586</b> |

*Note: Based on 5% savings of 2005 budget of \$1,755,862.*

Regionalizing Service Delivery

Option #1: Library to Pierce County Library District

|              |             |                    |                    |
|--------------|-------------|--------------------|--------------------|
| GF           | \$ 0        | \$4,500,000        | \$9,000,000        |
| Non-GF       | <u>\$ 0</u> | <u>\$ 0</u>        | <u>\$ 0</u>        |
| <b>Total</b> | <b>\$ 0</b> | <b>\$4,500,000</b> | <b>\$9,000,000</b> |

*Note: Based on the difference between the current General Fund support for the City of Tacoma Library and the funding if part of the Pierce County Library District (vote required).*

Option #2: Animal Control

|              |                |                |                |
|--------------|----------------|----------------|----------------|
| GF           | Unknown        | Unknown        | Unknown        |
| Non-GF       | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| <b>Total</b> | <b>Unknown</b> | <b>Unknown</b> | <b>Unknown</b> |

Option #3: Arts Organization Support

|              |                |                |                |
|--------------|----------------|----------------|----------------|
| GF           | Unknown        | Unknown        | Unknown        |
| Non-GF       | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| <b>Total</b> | <b>Unknown</b> | <b>Unknown</b> | <b>Unknown</b> |

| <b><u>Grand Totals</u></b>                 | <b><u>2005-06</u></b> | <b><u>2007-08</u></b> | <b><u>2009-10</u></b> |
|--|-----------------------|-----------------------|-----------------------|
| <b>Span of Control/Layers</b>              |                       |                       |                       |
| Option #1: Moderate                        | \$ 375,000            | \$1,500,000           | \$2,250,000           |
| <b>Option #2: Major (Preferred Option)</b> | <b>\$ 750,000</b>     | <b>\$2,250,000</b>    | <b>\$2,250,000</b>    |
| Option #3: Dramatic                        | \$ 1,125,000          | \$2,250,000           | \$2,250,000           |

**Functional Alignment (Low Estimate)**

|              |                  |                   |                   |
|--------------|------------------|-------------------|-------------------|
| General Fund | \$ 157,680       | \$ 596,496        | \$ 596,496        |
| Other        | <u>\$ 78,013</u> | <u>\$ 156,026</u> | <u>\$ 156,026</u> |
| Total        | \$ 235,693       | \$ 752,522        | \$ 752,522        |

*Note: Does not include estimated \$4.5 million cost savings from regionalizing the Tacoma Public Library (vote required).*

**Combined**

**Using Span of Control/Layers:**

|  |                   |                    |                    |
|--|-------------------|--------------------|--------------------|
| Option #1: Moderate                        | \$ 610,693        | \$2,252,522        | \$3,002,522        |
| <b>Option #2: Major (Preferred Option)</b> | <b>\$ 985,693</b> | <b>\$3,002,522</b> | <b>\$3,002,522</b> |
| Option #3: Dramatic                        | \$ 1,360,693      | \$3,002,522        | \$3,002,522        |

*Note: Does not include estimated \$4.5 million cost savings from regionalizing the Tacoma Public Library (vote required).*