

Organizational Restructuring and Consolidation Team

Span of Control/Layers of Management Sub Team

Opportunity #1S: Increase span-of-control. Span of control is the number of employees supervised by one individual (not including volunteers or temporary employees).

Preferred Option: Review and consider the elimination or reclassification of 10 supervisory positions in 2005-2006 and five additional positions in 2007-2008. These would be positions with a supervisor to employee ratio of less than 4:1.

Alternative #1: Review and consider the elimination or reclassification of 5 supervisory positions in 2005-2006, 5 additional positions in 2007-2008 and 5 additional positions in 2009-2010. These would be positions with a supervisor to employee ratio of less than 3:1.

Alternative #2: Review and consider the elimination or reclassification of 15 supervisory positions in 2005-2006. These would be positions with a supervisor to employee ratio of less than 5:1.

Option (Preferred bold)	Cost Savings Per Biennium					
	2005-06		2007-08		2009-10	
	<u>GF</u>	<u>Other</u>	<u>GF</u>	<u>Other</u>	<u>GF</u>	<u>Other</u>
10 positions ¹	\$750,000	unknown	\$2,250,000	unknown	\$2,250,000	unknown
5 positions ²	\$375,000	unknown	\$1,500,000	unknown	\$2,250,000	unknown
15 positions ³	\$1,125,000	unknown	\$2,250,000	unknown	\$2,250,000	unknown

Note: Savings will be decreased if positions are reclassified instead of eliminated.

¹ Elimination of 10 positions in 2005-2006, 5 in 2007-2008

² Elimination of 5 positions in 2005-2006, 5 in 2007-2008, 5 in 2009-2010

³ Elimination of 15 positions in 2005-2006

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Opportunity #2S: Decrease layers of management. “Organizational layers” refers to the maximum number of people any one individual within a department would have to report through to reach the department director, including the department director.

Preferred Option: Establish policy that sets the layers of management based on the number of employees in the department. Achieve cost savings through improvements in spans of control. Set a maximum of 5 layers for departments with greater than 100 employees and 4 maximum layers for departments with less than 100 employees. For accountability, the department director provides recommendations to, and obtains concurrence of the City Manager, or the City Manager directs.

Alternative #1: Achieve cost savings through attrition and improvements in spans of control. Set a maximum of 5 layers for departments with more than 100 employees and a maximum of 4 layers for departments with between 100-200 employees.

Alternative #2: Achieve cost savings through reductions in layers as directed by the City Manager. Set a maximum of 5 layers for departments with more than 200 employees, a maximum of 4 layers for departments with between 100-200 employees and a maximum of 3 layers for departments with less than 100 employees.

There are no direct, identified cost savings provided for this opportunity.

Opportunity #3S: Conduct a review to address questions or issues related to the appropriate classification of positions. If the opportunity exists after a classification review, reorganize the department in order to achieve layer and span of control targets.

Preferred Option: Reclassify positions in accordance with duties. This may dictate a lower rate of pay. Leave pay at the current level for incumbent and provide no further pay increases until the salary range for the position reaches or exceeds the current pay of the incumbent.

Alternative #1: Leave pay at the current level for incumbent and provide no further pay increases until the salary range for the position reaches or exceeds the current pay of the incumbent. Once the position becomes vacant, reduce the salary range concurrent with its appropriate classification.

Alternative #2: Reduce the level of pay of the incumbent to the top step of the appropriate classification.

There are no direct, identified cost savings provided for this opportunity.

Organizational Restructuring and Consolidation Team

Functional Alignment Sub Team

Opportunity #1F: Consolidation of similar functions.

Option #1: Combine Historically Underutilized Business (HUB) with the Local Employment and Apprenticeship Program (LEAP).

Option #2: Explore the transfer of management and/or ownership of the Tacoma Airport with the Port of Tacoma.

Option #3: Combine the City's retirement systems administration under one department/division.

Option #4: Move the Risk Management function from the Human Resources Department to the Finance Department.

Option #5: Consolidate the electric maintenance function in the Fire Department and the street light and traffic signals function in Public Works.

Option #6: Eliminate the Office of Management and Budget (OMBA) as a separate department and consolidate its functions and personnel under the Finance Department.

Option	Cost Savings Per Biennium					
	2005-06		2007-08		2009-10	
	<u>GF</u>	<u>Other</u>	<u>GF</u>	<u>Other</u>	<u>GF</u>	<u>Other</u>
1. HUB/LEAP	0	\$21,000	0	\$42,000	0	\$42,000
2. Airport ¹	unknown	unknown	unknown	unknown	unknown	unknown
3. Retirement	\$20,000	0	\$40,000	0	\$40,000	0
4. Risk Mgmt.	unknown	unknown	unknown	unknown	unknown	unknown
5. Elect./Signals	\$28,800	0	\$57,600	0	\$57,600	0
6. OMBA	\$21,807	\$57,013	\$42,174	\$114,026	\$42,174	\$114,026

¹ The Airport currently has a debt of \$2,850,000 that could be reduced, eliminating a General Fund liability.

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Savings Summary from Recommendations

Savings from Recommendations						
Opportunity	2005-2006		2007-2008		2009-2010	
	General Fund	Other	General Fund	Other	General Fund	Other
1S. Positions	\$750,000	0	\$2,250,000	0	\$2,250,000	0
1F. Consolidations ¹	\$70,607	\$78,013	\$139,774	\$156,026	\$139,774	\$156,026
2F. Re-Sourcing	\$87,793	0	\$456,722	0	\$456,722	0
3F. Reg. Libraries ²	<u>0</u>	<u>0</u>	<u>vote</u>	<u>0</u>	<u>vote</u>	<u>0</u>
Total Savings	\$908,400	\$78,013	\$2,846,496	\$156,026	\$2,846,496	\$156,026

Note: There are no direct, identified General Fund cost savings provided for Opportunities #2S and #3S.

¹ Does not include \$2,850,000 reduced Airport debt.

² Does not include \$4.5 million (2007-2008) and \$9 million (2009-2010) cost savings from regionalizing the Tacoma Public Library (vote required).

