

City of Stoughton

City-wide Organizational Assessment

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Intended Outcome of the Assessment



Candor. Insight. Results.

- > Identify opportunities to organize the City in a way that:
 - Maximizes the use of current talents and expertise
 - Fills current gaps in talent and expertise
 - Considers fiscal constraints of the City
 - Efficiently allocates limited resources
 - Positions the City to be prepared for future need and economic growth

- > Three models have been provided which consist of:
 - Model 1: Lowest fiscal impact addressing some areas requiring change or enhancement.
 - Model 2: Mid-level fiscal impact addressing additional areas requiring change or enhancement
 - Model 3: Greatest fiscal impact addressing most areas requiring change or enhancement

Project Scope



Candor. Insight. Results.

- > Organizational Assessment
- > Focus: HR, IT, City Admin, and Finance
- > Evaluate current staffing levels and operational efficiencies
- > Provide alternative options for future
- > Roles and responsibilities

Project Tasks



Candor. Insight. Results.

- > Review functions and responsibilities City-wide
- > Evaluate current staffing levels and operational efficiencies
- > Identify most efficient and value added approach to focus areas while maintaining service levels
- > Prioritize best practice opportunities and develop strategic roadmap for implementation

High Level Current State Assessment



Candor. Insight. Results.

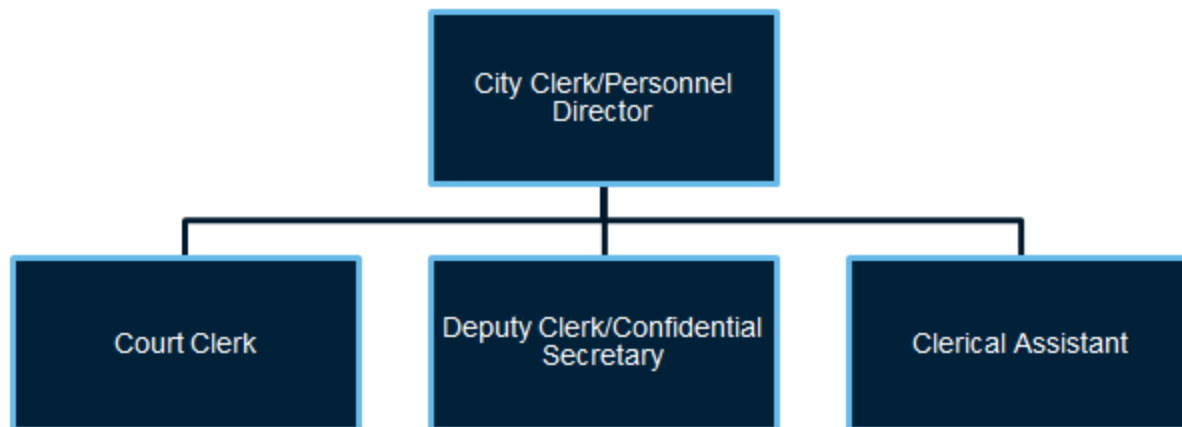
- > City is under-resourced compared to benchmarked data in human resources and information technology.
- > City lacks consistent policies and procedures across multiple departments resulting in inconsistencies, decreased efficiency and ambiguous roles and responsibilities.
- > Current organizational structure leads to lack of coordination and collaboration on issues that should be city-wide.
- > Key department heads are functioning without adequate support and perform duties which do not optimize their use of time.

City Clerk / Personnel Director (HR) – Current State



Candor. Insight. Results.

- > Role of city clerk and personnel director are currently combined but position is vacant
- > Significant turnover at this position
- > Survey results indicate a lower level of satisfaction in regards to HR related duties



City Clerk - Benchmarking



Candor. Insight. Results.

- > Cities with population between 10,000 and 15,000*
 - Average of 1.5 FTE
 - Average annual salary of \$55,550
- > Compared to benchmarks, the City of Stoughton is overstaffed
- > Although Stoughton is slightly higher in salary, the differential is most likely attributed to the combined current role

* Wisconsin Municipal Clerks Association

Personnel Director (HR) - Benchmarking



Candor. Insight. Results.

- > Benchmarking indicates that City staff of 115 employees requires 1.5 FTE HR staff*
- > Current active HR functions may not aggregate to one full time position
 - Due to several traditional HR functions not being performed such as:
 - Formal performance evaluations
 - Workforce planning
 - Skills leadership training

* Society for Human Resource Management and the International Public Management Association for Human Resources

HR - Observations



Candor. Insight. Results.

- > Mayor is temporarily responsible for HR related duties
- > Succession planning
- > Performance management
- > Policies and procedures

City Clerk / Human Resources - Considerations



Candor. Insight. Results.

- > Consistency with peers dictates:
 - City Clerk and HR related functions should be separated
 - Staff full time HR position
 - Benefits
 - Non-processing related payroll functions
 - Staff part time administrative resource
 - Could be shared with another department

Finance – Current State



Candor. Insight. Results.

- > Contains 3 full time positions and one 0.75 position



Finance - Benchmarks



Candor. Insight. Results.

- > Organizations with less than \$25M average 3% of expenditure on internal financial staff
 - Stoughton - \$13M per year, 2% expenditure
- > Median number of finance FTE per 100 city FTE is 3.4 FTE
 - Stoughton - 3.3 FTE

City	Finance FTE/ 100 City FTE	Finance FTE/\$1M
<i>Stoughton</i>	3.3	0.29
Average (Mean)	3.6	0.37
Median	3.4	0.24

Finance - Observations



Candor. Insight. Results.

- > Cash receipt decentralized
- > Other departments performing finance department role
- > Customer service and communication

- > Many of the benchmarked municipalities included the City Assessor's Office in their count of finance staff
 - Stoughton contracts for this service
- > Based on interviews and peer comparisons there appeared to be opportunities for increased automation such as implementing online payment options
- > With a dedicated HR resource, non-processing benefit responsibilities could shift away from finance

Information Technology – Current State



Candor. Insight. Results.

- > Currently no centralized IT department
- > Part time responsibility of the Planning department
- > Web services are overseen by the Director of the Opera House and Media Services
- > IT purchasing is completed by Planning or individual departments
- > Current structure limits the City's ability to:
 - Implement IT Governance
 - Execute effective IT project management
 - Ensure adequate IT Security

Information Technology - Benchmarks



Candor. Insight. Results.

- > IT operations expenditure average is \$6,667 per user
 - Stoughton – not near this level of expenditure
- > 500 or less employees average 1:18 IT ratio
 - Stoughton – 1:38
- > Cities expected IT, 2.0 FTE per 100 total FTE
 - Stoughton expected – 2.3 IT FTE

Information Technology - Observations



Candor. Insight. Results.

- > No employee IT training
- > No dedicated IT resources

Information Technology - Considerations



Candor. Insight. Results.

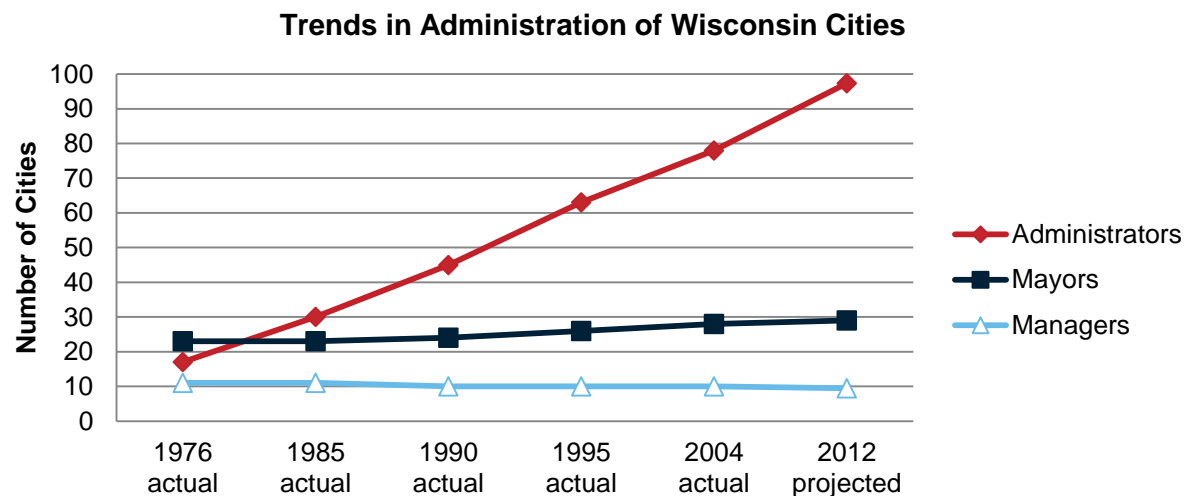
- > Based on benchmarking and employee feedback, there is a need for a centralized and dedicated IT resource
- > Planning department received high marks for responsiveness and ability to solve problems but IT focus is currently reactive in nature
- > Employees lack the requisite training to fully utilize technology

Administration – Current State



Candor. Insight. Results.

- > Low level of administrative support
 - Office of the Mayor and several departments
- > City Administrator
 - Not a historical position for Stoughton
 - Use of city administrators on the rise



City-wide - Observations



Candor. Insight. Results.

> Lack of the following:

- Turned in receipts for P-card
- Clarity for roles and responsibilities
- Internal communication/coordination
- Positional qualifications
- Citizen involvement
- Project implementation
- Online payment functionality
- Centralization for purchasing/policies
- Formalized risk management program
- Focus in employee retention and morale

City Administrator - Considerations



Candor. Insight. Results.

- > Enhance City-wide administration and strategy by either:
 - Creating a City Administrator position, or;
 - Providing clarity around ownership of key city-wide roles (risk management, IT strategy, HR strategy, etc)
- > Responsibilities of a City Administrator would typically include:
 - Carry out policy analysis and administrative implementation directives of the Mayor and City Council
 - Administer day-to-day operations of city government including the monitoring of ordinances, resolutions, council meeting minutes and state statutes.
 - Assist Mayor and City Council to establish City-wide objectives.
 - Provide staff support to the Mayor with the assistance of department heads.
 - Mediate inter-departmental disputes and roadblocks.
 - Coordinate economic development strategies among several city departments for the Mayor to create a single point of contact with developers.

- > **Model 1: Create HR Dedicated Role and Add IT Support**

- Most fiscally conservative model

- Focuses on the separation of HR duties from city clerk duties

- > **Model 2: Create IT Director Role**

- Builds on enhancements of first model

- Creates a new role to centralize and lead IT function

- > **Model 3: Create City Administrator Role**

- Builds on enhancements of first 2 models

- Creates a new position of City Administrator

Potential Funding Sources



Candor. Insight. Results.

Source	Funds
Taxes from the Utility to Offset Position Additions	\$80,000
Administrative Support Set-Aside	14,000
Clerk of Courts Reduction	25,000
Police Department Savings	38,000
Contracting and Service Delivery Adjustments	12,000
Contingency Funds	40,000

Shared Service Considerations



Candor. Insight. Results.

- > In addition to these funding options, the possibility of shared service agreements with other nearby entities was explored
- > Under such a scenario, the City would utilize the newly added staff (depending on the model adopted) to also offer services to another entity on a fee basis.
- > Research did not involve discussions with other entities to maintain the City's confidentiality.
- > Research was done, however, into the current practices of the communities: Cottage Grove, Evansville, Edgerton, Oregon, and McFarland.
- > In the majority of these entities, the Administrator managed personnel issues, supported by internal or external legal counsel.
- > Administrators in these communities surely have differing levels of HR expertise. If the City were to market the expertise of a new HR Director, for example, the rates would need to be lower than those of external legal service providers.

Long Term Cost Saving Opportunities



Candor. Insight. Results.

- > Although not specifically included in the cost saving estimates, there could be additional long term funding in the future through a reorganization of the Fire and Emergency Management Service (EMS) functions.
- > The leadership of the City's EMS and Fire functions are both approaching retirement.
- > A consolidation of these leadership roles, as successfully utilized in other municipalities, could result in future savings of \$78,000 to \$112,000 per year.

Model 1: Create HR Director Role and Add IT Support

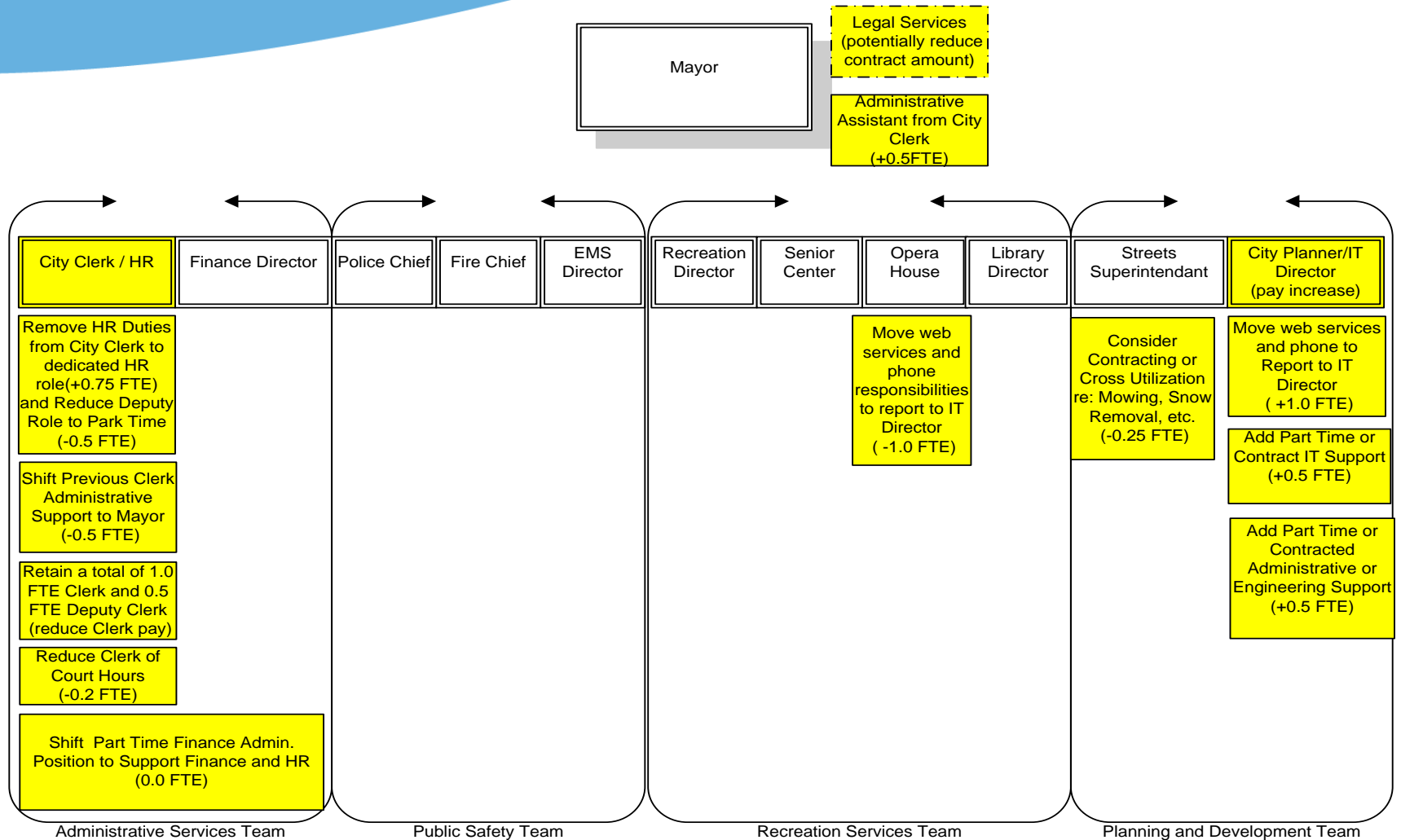


Candor. Insight. Results.

- > Separate City Clerk/Personnel Director roles
- > Add +0.75 FTE to HR staff
- > Deputy City Clerk to go to part time
- > Finance administrative support to support both Finance and HR
- > Director of Planning and Development will also be IT director
- > Additional IT support at +0.5 FTE
- > Add administrative support at +0.5 FTE

Pros	Cons
Provides needed administrative support to the Mayor and Department of Planning	Does not address underlying issues of interdepartmental coordination and cultural change
Increases HR service and expertise	Does not adequately meet IT needs
Expands pool of potential HR and City Clerk candidates	
Decreases liability risk exposure to City	
Requires lowest fiscal investment	

Model 1



Model 1: Net Financial Impact



Candor. Insight. Results.

Description of Change	Low Estimate	High Estimate
Model 1 Organizational Changes:		
Add Part Time HR Director (0.75 FTE)	\$ (50,000)	\$ (65,000)
Shift (0.75 FTE) Finance Administrative Support to be Shared Administrative Support	-	-
Remove HR Duties from Clerk and Deputy (-0.5 FTE)	30,000	35,000
Shift Administrative Support from Clerk to Mayor	-	-
Shift Web Services and Phone from Opera House to Planning/IT	-	-
Add Part Time or contracted Administrative or Engineering Support to Planning	(10,000)	(15,000)
Add Part Time and/or Contract IT Support	(40,000)	(60,000)
Pay Supplement for IT Director	(10,000)	(20,000)
Net Cost for Model 1 Changes:	\$ (80,000)	\$(125,000)
Potential Additional Funding Sources:		
Utility Payment in Lieu of Taxes	\$ 80,000	\$ 80,000
Administrative Set Aside (for Planning/IT)	10,000	15,000
Reduce Clerk of Court Hours (-0.2 FTE)	20,000	30,000
Savings from Police Department Negotiations	35,000	40,000
Other Savings (adjustments to contracts, etc.)	10,000	15,000
Fiscal Impact After All Potential Revenue/Savings Offsets:	\$75,000	\$55,000

Model 2: Create IT Director Role



Candor. Insight. Results.

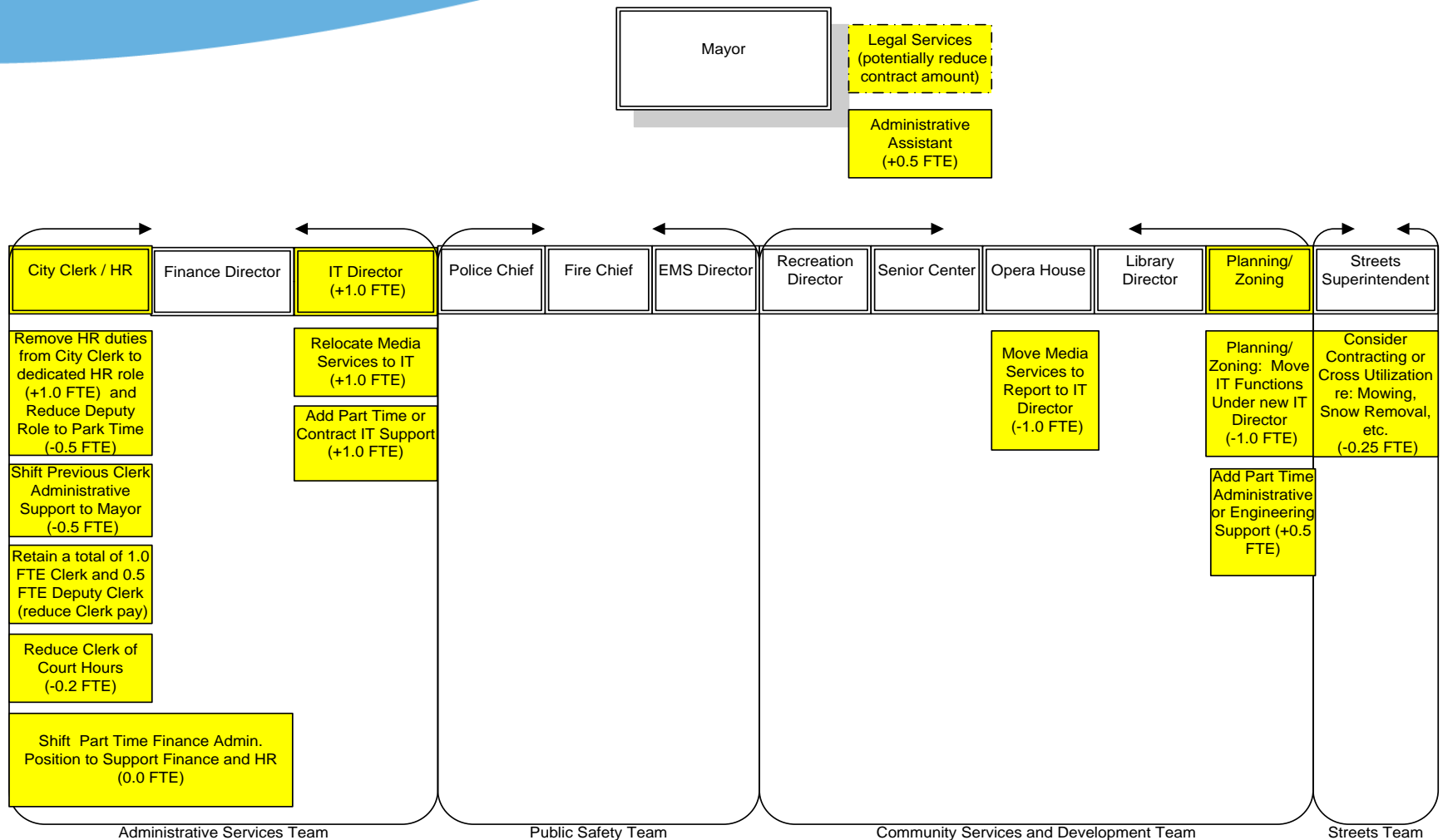
- > Separate City Clerk/Personnel Director roles
- > Add +1.0 FTE to HR staff
- > Deputy City Clerk to go to part time
- > Finance administrative support to support both Finance and HR
- > Create IT Director at +1.0 FTE
- > Move Media Services and web design to report to IT Director
- > Additional IT support at +1.0 FTE
- > Add administrative support at +0.5 FTE

Pros	Cons
Provides needed administrative support to the Mayor and Department of Planning	Does not address underlying issues of interdepartmental coordination and cultural change
Increases HR service and expertise	Requires some fiscal investment
Expands pool of potential HR and City Clerk candidates	
Centralizes IT strategy and leadership to expand services and efficiency	

Model 2



Candor. Insight. Results.



Model 2: Net Financial Impact



Candor. Insight. Results.

Description of Change	Low Estimate	High Estimate
Model 2 Organizational Changes:		
Add Full time HR Director (1.0 FTE)	\$ (65,000)	\$ (85,000)
Shift (0.75 FTE) Finance Administrative Support to be Shared Administrative Support	-	-
Remove HR Duties from Clerk and Deputy (-0.5 FTE)	30,000	35,000
Shift Administrative Support from Clerk to Mayor	-	-
Create a new IT Director Position (+1.0 FTE)	(70,000)	(90,000)
Shift Media Services from Opera House to New IT Department	-	-
Add Full Time and/or Contract IT Support	(60,000)	(80,000)
Add Part Time or contracted Administrative or Engineering Support to Planning	(10,000)	(15,000)
Net Cost for Model 2 Changes:	\$ (175,000)	\$ (235,000)
Potential Additional Funding Sources:		
Utility Payment in Lieu of Taxes	\$ 80,000	\$ 80,000
Administrative Set Aside (for Planning/IT)	10,000	15,000
Reduce Clerk of Court Hours (-0.2 FTE)	20,000	30,000
Savings from Police Department Negotiations	35,000	40,000
Other Savings (adjustments to contracts, etc.)	10,000	15,000
Fiscal Impact After All Potential Revenue/Savings Offsets:	\$ (20,000)	\$ (55,000)

Model 3: Create City Administrator Role

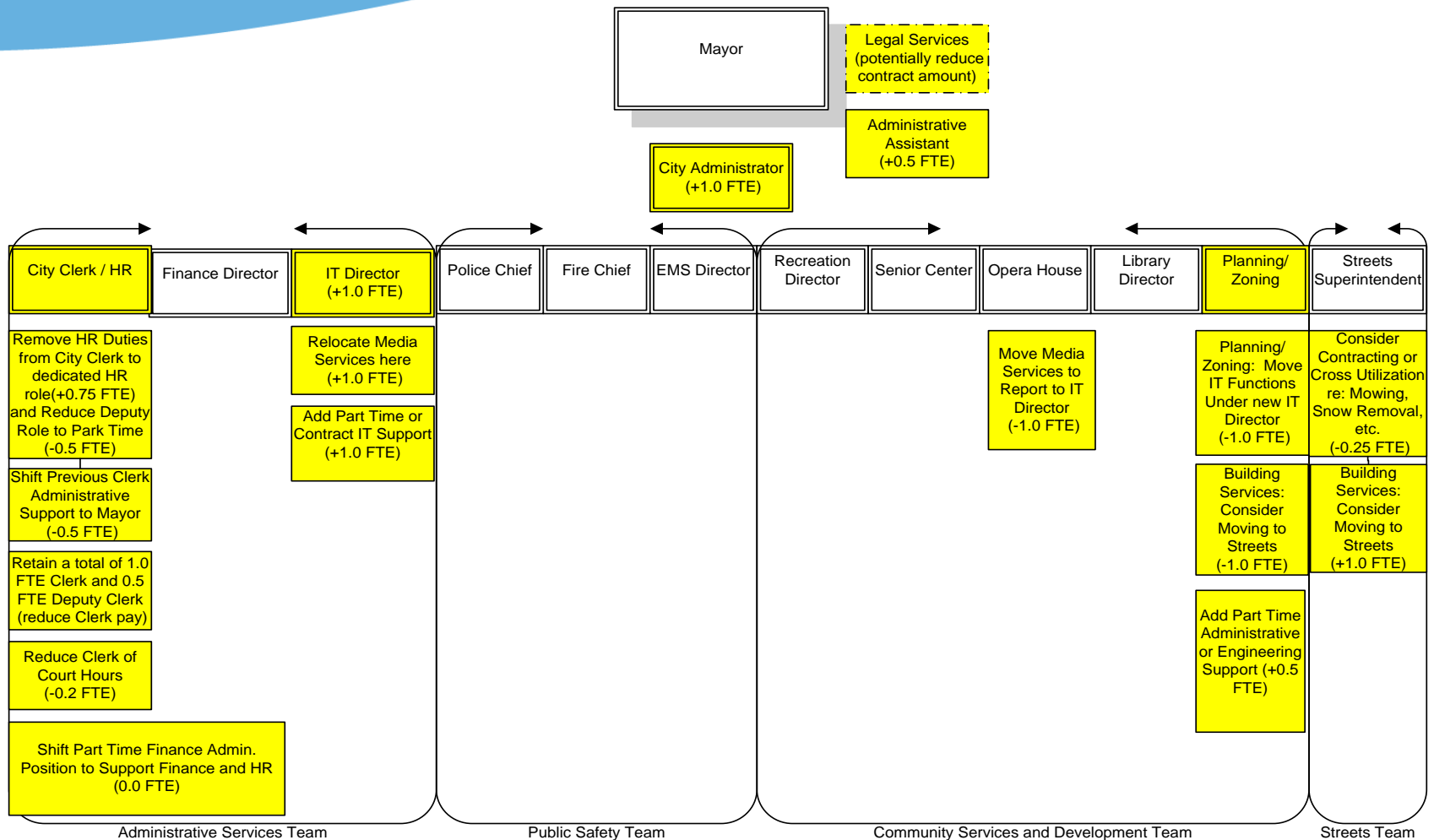


Candor. Insight. Results.

- > Separate City Clerk/Personnel Director roles
- > Add +0.75 FTE to HR staff
- > Deputy City Clerk to go to part time
- > Finance administrative support to support both Finance and HR
- > Move Media Services and web design to report to IT Director
- > Additional IT support at +1.0 FTE
- > Add administrative support at +0.5 FTE
- > Move Building Services to Streets
- > Create a City Administrator role at +1.0 FTE

Pros	Cons
Provides needed administrative support to the Mayor and Department of Planning	Requires highest fiscal investment
Increases HR service and expertise	
Expands pool of potential HR and City Clerk candidates	
Centralizes IT strategy and leadership to expand services and efficiency	
Provides administrative support to Mayor and greater interdepartmental coordination	

Model 3



Model 3: Net Financial Impact



Candor. Insight. Results.

Description of Change	Low Estimate	High Estimate
Model 3 Organizational Changes:		
Add Part Time HR Director (0.75 FTE)	\$ (50,000)	\$ (65,000)
Shift (0.75 FTE) Finance Administrative Support to be Shared Administrative Support	-	-
Remove HR Duties from Clerk and Deputy (-0.5 FTE)	30,000	35,000
Shift Administrative Support from Clerk to Mayor	-	-
Add IT Director	(70,000)	(90,000)
Shift Media Services from Opera House to New IT Department	-	-
Add Full Time and/or Contract IT Support	(60,000)	(80,000)
Add Part Time or contracted Administrative or Engineering Support to Planning	(10,000)	(15,000)
Add City Administrator (+1.0 FTE)	(100,000)	(120,000)
Net Cost for Model 3 Changes:	\$ (250,000)	\$ (320,000)
Potential Additional Funding Sources:		
Utility Payment in Lieu of Taxes	\$ 80,000	\$ 80,000
Administrative Set Aside (for Planning/IT)	10,000	15,000
Reduce Clerk of Court Hours (-0.2 FTE)	20,000	30,000
Savings from Police Department Negotiations	35,000	40,000
Other Savings (adjustments to contracts, etc.)	10,000	30,000
Use of Contingency Funds	40,000	40,000
Fiscal Impact After All Potential Revenue/Savings Offsets:	\$ (55,000)	\$ (85,000)

General Conclusions



Candor. Insight. Results.

- > City departments have opportunities to work more collaboratively together
- > City is under-resourced in HR and IT
- > City lacks multi-departmental policies and procedures
- > Lack of strategy, coordination and collaboration with current organizational structure
- > Key department heads expertise and talent is not optimized