



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE: SEPTEMBER 6, 2011    ITEM NUMBER:**

**SUBJECT:            DEPARTMENTAL REORGANIZATION**

**DATE:                AUGUST 31, 2011**

**FROM:                OFFICE OF THE CHIEF EXECUTIVE OFFICER**

**PRESENTATION BY:    THOMAS R. HATCH, CHIEF EXECUTIVE OFFICER**

**FOR FURTHER INFORMATION CONTACT:            THOMAS R. HATCH (714) 754-5328**

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## **RECOMMENDATION:**

Staff recommends that the City Council approve the following organizational structure changes to be effective October 1, 2011:

1. Information Technology Division become a division within the Finance Department;
2. Recreation Division become a division within the Public Services Department;
3. Human Resources/Risk Management Division become of a division within the CEO Department;
4. A new Communications and Marketing Division be created within the CEO Department;
5. The Central Services Section become a section within the Communications, Marketing and Community Affairs Division of the CEO Department;
6. The Housing and Community Development Division become a Division of the Development Services Department;
7. Eliminate the current vacant positions of Administrative Services Director, Human Resources Administrator - Risk Management, and Budget and Research Officer;
8. Reclassify the following existing positions:
  - a. Finance Director to Finance and Information Technology Director
  - b. Human Resources Administrator in Human Resources to Human Resources Manager
  - c. Human Resources Analyst in Risk Management to Principal Human Resources Analyst in Risk Management; and
9. Create and fund the following new positions:
  - a. Public Affairs Manager - Communications and Marketing in the CEO Department
  - b. Public Affairs Manager – Community Affairs and Special Events in the CEO Department
  - c. Budget Analyst in the Finance Department

- d. Executive Secretary (Confidential) in the City Council Office to support workload and communications of five City Council members
- e. Executive Secretary (Confidential) in the CEO Department to support the workload of the Assistant CEO, Communication & Marketing staff, Community Affairs and Special Events staff, Management Analyst and support for City Attorney's Office.

## **BACKGROUND AND DISCUSSION:**

Part of the responsibility of the Chief Executive Officer is to continuously evaluate the organization to assure that its structure provides for the delivery of services to the Community in the most efficient and effective way possible and that the City Council's projects, programs and initiatives can be accomplished.

As a result of this evaluation, the CEO is recommending certain changes to the current organizational structure which will take advantage of a number of vacant positions which exist and will better position the City to address the City Council's work program, and a number of unmet community issues and needs. The proposed changes affect the City Council, CEO, Finance, Public Services, and Administrative Services departments, and are summarized below:

### **Administrative Services Department**

The proposed reorganization will eliminate the Department and move its various divisions and sections to other departments. Currently, the Administrative Services Department includes the following divisions: Human Resources/Risk Management, Information Technology/Central Services and Recreation under the direction of the Administrative Services Director. The Administrative Services Director position has been vacant for the last several months. This current vacancy as well as other vacant positions in this department provides the City with an opportunity to change the organizational structure to enhance both efficiency and effectiveness.

Based upon an analysis of the current organizational structure and community and organizational needs, it is recommended that the Human Resources/Risk Management and Central Services(Graphic Design, Reprographics, Mail Room) functions, be located within the CEO Department and the Information Technology Division become a division within the Finance Department.

Additionally, it is recommended that the Recreation Division become a division of the Public Services Department, since it is common for recreation services in local government to be combined with park maintenance.

The following is a description of the positions that would be eliminated, and those that would be reclassified, as a result of this reorganization:

- Positions to be eliminated:
  - Administrative Services Director (currently vacant)
  - Human Resources Administrator – Risk Management (currently vacant)
- Existing positions to be reclassified:
  - Human Resources Administrator in Human Resources to Human Resources Manager
  - Human Resources Analyst in Risk Management to Principal Human Resources Analyst in Risk Management

There are no other staffing changes proposed in the Information Technology, Central Services or Recreation divisions.

The Recreation Manager position is a funded position in the FY 2011-12 budget, but it is currently vacant. This position is needed to oversee the daily operations of the recreation programs in the City and this will be a key position as the Division moves to the Public Services Department. This reorganization plan includes filling this vacancy as soon as possible.

## **Finance Department**

The Information Technology Division would become a separate division within the Finance Department under the direction of the newly titled Finance and Information Technology Director.

The following is a description of the positions that would be eliminated, those that would be reclassified, and those that would be created as a result of this reorganization:

- Positions to be eliminated:
  - Budget and Research Officer (currently vacant due to promotion of incumbent to Finance Director)
- Positions to be reclassified:
  - Finance Director to Finance and Information Technology Director
- Positions to be created:
  - Budget Analyst (replaces Budget and Research Officer management position)

## **CEO Department**

The CEO Department staffing currently consists of the CEO, Assistant CEO (full-time, currently vacant), a Management Analyst (50% assigned to housing programs), and the Executive Assistant to the Chief Executive Officer. A contract Interim Communications Director, and part-time Public Affairs Manager provide additional communications and marketing support to the CEO. An Executive Secretary position which previously existed in the Department was moved to the City Clerk's Division to provide needed assistance. The City Clerk and Housing and Community Development divisions are part of the CEO Department and report to the Assistant Chief Executive Officer.

The reorganization proposes to move Housing and Community Development Division to the Development Services Department. In addition, the reorganization proposes to move the Human Resources/Risk Management Division to the CEO Department and be initially managed by contract services through Management Partners. Management Partners will continue to support the extremely heavy workload of the RFP process, employee support, and necessary meet and confer communications. The Central Services Section will move to the CEO Department and a new Communications, Marketing and Community Affairs Division will be created within the CEO Department. In order to properly staff the department, meet community and City Council expectations, and address community needs, a number of new positions are required to properly staff the CEO Department as follows:

- Positions to be created:
  - Public Affairs Manager – Communications and Marketing
  - Public Affairs Manager - Community Affairs and Special Events
  - Executive Secretary (Confidential)
  - Executive Secretary (Confidential)

The Public Affairs Manager – Communications and Marketing, will continue to improve the quantity and quality of internal and external communication, manage video production, manage central services, upgrade the website, complete special projects and serve as the Public Information Officer for the City. This position will be in the same job classification as the previous Legislative and Public Affairs Manager but will complete many other new duties.

The Public Affairs Manager – Community Affairs and Special Events, will continue to ensure that the City actively supports and connects our organization to the larger community. This position will liaison with the Costa Mesa Conference and Visitor Bureau, OC Fair and Events Center, Chamber of Commerce, local high schools, etc. The position will also manage the legislative advocacy program, interact with other governmental agencies, actively support community events, complete special projects, etc. This position will be in the same job classification as the previous Legislative and Public Affairs Manager but will complete many other new duties.

**Public Services Department**

The only proposed change is the movement of the Recreation Division from the former Administrative Services Department to the Public Services Department. There are no new positions or reclassifications resulting from this action.

**ALTERNATIVES CONSIDERED:**

The City Council can consider the following alternatives:

1. Make other changes to the department reorganization plan.
2. Decide not to make any changes to the current organizational structure.

**FISCAL REVIEW:**

The fiscal impact of these changes on a **full** fiscal year basis is shown in the chart below:

<b>Staffing Recommendation</b>	<b>Cost</b>
Eliminated Positions	\$ (540,159)
Reclassifications	\$ 59,877
New Positions	\$ 633,676
<b>Estimated Annual Cost</b>	<b>\$ 153,394</b>
Less Revenue from Costa Mesa Conference and Visitors Board (CMCVB)	\$ (50,000)
<b>Total estimated annual cost resulting from reorganization</b>	<b>\$ 103,394</b>

The fiscal impact of these changes for the current **2011-12 fiscal year** is shown in the chart below:

<b>Staffing Recommendation</b>	<b>Cost</b>
Eliminated Positions	\$ (510,840)
Reclassifications	\$ 44,908
New Positions	\$ 574,127
<b>Estimated 2011-12 Cost</b>	<b>\$ 108,195</b>
Less Revenue from Costa Mesa Conference and Visitors Board (CMCVB)	\$ (50,000)
<b>Total estimated 2011-12 cost resulting from reorganization</b>	<b>\$ 58,195</b>

Funding for the current fiscal year will likely be offset by compensation savings from vacant positions but it is proposed at this point to be funded by the existing contingency budget for FY 2011-2012.

**LEGAL REVIEW:**

There is no legal review associated with this report. If approved, the City Attorney's office would need to review and modify a few sections of the Municipal Code as it relates to implementing these changes. Any required amendments to the code would require City Council approval.

**CONCLUSION:**

There is a need to restructure the departments to take advantage of existing vacant positions and provide for the most effective and efficient organization that will meet the needs of the community and City Council. The estimated annual cost of the proposed reorganization is approximately \$103,000 with a 2011-12 fiscal year impact of approximately \$58,000.

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THOMAS R. HATCH  
Chief Executive Officer

Attachment A: [Proposed CEO Department Organization Chart](#)  
Attachment B: [Proposed Finance Department Organization Chart](#)  
Attachment C: [Proposed Communications and Marketing Division](#)  
Attachment D: [Fiscal Analysis for Reorganization](#)