

## List of Appendices

- Appendix 1 Avery Proposal to City of Salinas
- Appendix 2 Biographical Briefs of Management Team for Salinas Project
- Appendix 3 List of reports
- Appendix 4 Surveys
  - Survey of Comparable Cities
  - Salary Benefits as a percentage of total expenditures
- Appendix 5 PowerPoint presentation, Salinas Management Workshop, July 21, 2010 by Dr. Frank Benest
- Appendix 6 Nineteen cities survey of position reductions
- Appendix 7 City of Salinas –Input from Managers and Other Employees
  - Ideas from Employee workshops
  - Summary of meetings with managers
  - Employee suggestions
  - Meetings with Mayor, Council & City Manager
  - Dr. Benest Salinas workshop
- Appendix 8 Reports
  - Harvard Business Review article *Leadership in (Permanent) Crisis* by Ronald Heifetz, Alexander Grashow, and Marty Linsky, July-August 2009
  - *Introduction to Traits of Successful Managers* by Les White, January 2010
  - Public Management article *Creating a New Future for a Downsizing Organization* by Dr. Frank Benest, October 2005
  - Ten New Rules for Elected Officials in Times of Economic Meltdown by Dr. Frank Benest
- Appendix 9 Council Work Plans
- Appendix 10 Council Referral Process
- Appendix 11 Recommended Changes to Committees
- Appendix 12 Performance Measurement and Citizen Survey
  - Performance Measurement
  - Citizen Survey
- Appendix 13 Reduction Summary: Permanent Positions
- Appendix 14 Enabling Conditions for Effective Reorganization
- Appendix 15 TOT Ballot Measures



June 3, 2010

Artie Fields, City Manager  
City of Salinas  
200 Lincoln Ave.  
Salinas, California 93901

Dear Mr. Fields:

Avery Associates is pleased to submit this proposal for an organizational analysis, development of governing policies, and refining and structuring economic, organizational and public safety initiatives to help position the City of Salinas to meet the challenges it face today as well as its future challenges and opportunities. We are cognizant of the fact that it is even more imperative in these challenging economic times to ensure that the city has an adaptive, disciplined and focused organization to maximize the use of its resources.

We believe our Management Team can bring considerable experience to bear on your areas of interest and help you face those challenges. We have a seasoned group of professionals who have an understanding of organizational structures and the types of issues which are set forth in your three initiative areas. We are confident we can assist the City in addressing current issues and your current and future organizational and economic goals.

#### **Background**

The proposed Project Manager, Les White, has had an opportunity to read significant portions of the current budget document and other studies and committee reports. Mr. White served as a resource person to the Blue Ribbon Committee (BRC) as it formulated a number of its recommendations. He is familiar with the significant economic impacts and the resulting budget reductions, which your city has experienced, particularly, in fiscal year 2008-09 and the current 2009-10 fiscal year. He has discussed background information for this proposal with the Mayor, the City Manager and the Chair of the Blue Ribbon Committee. A considerable amount of this proposal is premised on the Council approved Blue Ribbon report and the accompanying memo submitted by the City Manager to the Council.

Our team of professionals believes that while your challenges are significant your opportunities are limitless.

William Avery & Associates, Inc.  
Labor Relations/Executive Search

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**BIOGRAPHICAL BRIEFS OF MANAGEMENT TEAM FOR  
SALINAS PROJECT**

**Les White:**

**Les White has over forty years of management experience in primarily local governments. He was the City Manager of Fullerton and San Jose and Assistant City Manager of Fresno. He also served as an interim city manager and department head of five California cities. He has held high level management positions for a community college, several non-profits and in the private sector. He has done a variety of consulting assignments for non-profits, local governments and special districts with a particular emphasis on organizational assessments, team building, and executive evaluations and coaching.**

**Les is on the board of the Institute for Local Government (ILG) and is a member of ICMA and the World Futurist Society. He is a graduate of Fresno State and the University of Pennsylvania with degrees in Government Administration.**

**Darrell Dearborn:**

**Darrell has held executive positions in several cities with responsibilities central to policy development and execution. He was Deputy City Manager in Fresno overseeing the city's budget where he developed the city's first 5-year capital improvement plan; he served as Personnel and Labor Relations Director in Salem, Oregon where he managed collective bargaining including interest arbitration for public safety employees, and implementation of self insured employee benefits; and he was the Senior Deputy City Manager in San Jose where he negotiated agreements with professional sports teams and most major public-private agreements for major land development and significant public and public-private project financings. Since 2003 when he left career employment, Darrell has served in interim executive positions in local government functions including redevelopment, community development, economic development and risk management.**

**He holds a B.A in Economics and a Masters of Public Administration.**

**Dan McFadden:**

**Dan began his career in public service in Napa as Assistant to the City Manager. He left to pursue a Ph.D. in public policy and spent the next three years as Asst. Vice Chancellor for Public Affairs at the University of Pittsburgh. Dan returned to California as Asst. Chancellor at U.C. Santa Cruz, where he served for almost a**



## List of Reports and Documents used for this report:

### City of Salinas reports and documents:

- *Adopted Operating Budget*, City of Salinas,
  - FY 2010-2011
  - FY 2009-2010
  - FY 2008-2009
  - FY 2007-2008
  - FY 2006-2007
- *City Council 2009-2010 Strategic Plan* (May 12, 2009)
- *Salinas Blue Ribbon Budget Review Report and Presentation to City Council* (May 2010)
- *Salinas Independent Budget Advisory Committee Report* (February 23, 2010)
- Mayor's Permit Center Advisory Committee, June, 2010, *Recommendations for the Reorganization of the City of Salinas Permit Center*
- *Salinas Valley Business Development Task Force Workshop Report* (February 24, 2005)
- Gary Petersen, (February 24, 2010) *City of Salinas Permit Center Organizational Analysis And Recommendations for Improvement*
- *Salinas Valley Economic Development Strategic Vision And Recommended Action Plan, Fiscal Year 2009-2010* (May 11, 2009)
- *The Future of Salinas: Report on Community Dialogues*, (June 16, 2009)
- Jorge J. Rifa, (May 8, 2007), *Proposed Neighborhood Services Work Plan for balance of Fiscal Year 2006-2008 and Fiscal Year 2007-2008*
- Dennis Richardson, Permit Center report (September 28, 2010)
- Buxton, *Retail Site Determination*, 2008
- Buxton, *Retail Leakage and Surplus Analysis: South Main*
- Buxton, *Retail Leakage and Surplus Analysis: East Salinas*
- Buxton, *Retail Leakage and Surplus Analysis: Northridge*
- Buxton, *Retail Match List, 2008*
- Rocky Mountain Institute, *Fresh Opportunities in the New Economy Sustainability Initiatives in the Salinas Valley, 2009*

### City FY 2010-2011 budget documents available on city websites:

- City of Fairfield, <http://www.ci.fairfield.ca.us/gov/depts/finance/budget/default.asp>
- City of Hayward, <http://user.govoutreach.com/hayward/faq.php?cid=10851>
- City of Modesto, <http://www.ci.modesto.ca.us/fin/budget/>
- City of Roseville, <http://www.roseville.ca.us/>
- City of Santa Clarita, <http://www.santa-clarita.com/Index.aspx?page=220>
- City of Santa Maria, <http://www.ci.santa-maria.ca.us/Budgets.shtml>
- City of Santa Rosa, <http://ci.santa-rosa.ca.us/departments/finance/BudgetandFinancialPlanning/Pages/default.aspx>

## City Employee Salary & Benefits as a Percent of Total Expenditures

Source: Computations by CaliforniaCityFinance.com from State Controller and Dept of Finance data.

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Count	470	470	469	471	469	469	468	469
Mean	0.44	0.44	0.45	0.46	0.47	0.47	0.47	0.47
Standard Deviation	0.17	0.16	0.16	0.16	0.17	0.17	0.17	0.17
Median	0.45	0.45	0.46	0.48	0.48	0.49	0.48	0.49
Wtd Mean (statewide sum/sum)	0.36	0.38	0.39	0.39	0.38	0.36	0.37	0.36
Minimum	0.01	0.00	0.03	0.03	0.03	0.04	0.03	0.04
Maximum	0.96	0.81	0.88	0.85	0.93	0.90	1.00	0.99

City	County	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Salinas	Monterey	0.75	0.73	0.76	0.78	0.79	0.74	0.75	0.78
Fairfield	Solano	0.45	0.46	0.46	0.47	0.60	0.49	0.48	0.49
Hayward	Alameda	0.69	0.59	0.69	0.70	0.70	0.70	0.73	0.76
Modesto	Stanislaus	0.47	0.48	0.48	0.51	0.53	0.55	0.53	0.54
Roseville	Placer	0.36	0.34	0.38	0.43	0.42	0.45	0.42	0.41
Santa Clarita	Los Angeles	0.28	0.23	0.22	0.27	0.26	0.26	0.22	0.25
Santa Maria	Santa Barbara	0.61	0.61	0.61	0.60	0.45	0.48	0.36	0.41
Santa Rosa	Sonoma	0.62	0.62	0.63	0.66	0.67	0.65	0.64	0.54
Sunnyvale	Santa Clara	0.47	0.47	0.49	0.51	0.53	0.54	0.54	0.53
Tracy	San Joaquin	0.45	0.45	0.45	0.47	0.47	0.48	0.55	0.55
Visalia	Tulare	0.52	0.54	0.88	0.85	0.55	0.51	0.51	0.52

**COMPARISON OF SELECTED CITIES TO CITY OF SALINAS  
DEMOGRAPHICS - BUDGET**

	Salinas	Fairfield	Hayward	McClister	Pescadero	Santa Clara	Santa Clara	Santa Clara	Sunnyvale	Tulare	Visalia
						Los Angeles	Los Angeles	Los Angeles	San Jose	San Joaquin	Tulare
County	Monterey	Solano	Alameda	Stanislaus	Placer	Los Angeles	Los Angeles	Los Angeles	Santa Clara	San Joaquin	Tulare
Population	153,948	105,955	153,104	211,536	115,781	177,641	90,255	163,648	140,450	82,107	125,971
Population Rank	31	62	32	17	52	26	78	30	41	96	46
Average Median Income	\$65,100	\$79,200	\$80,300	\$59,100	\$73,100	\$86,000	\$71,400	\$80,400	\$103,500	\$63,100	\$56,300
Percent Hispanic	72.00%	26.20%	34.20%	34.40%	19.80%	28.80%	66.80%	26.60%	17.20%	36.00%	40.60%
General Fund Budget	\$77M	\$67.5M	\$119M	\$105.8M	\$105M	\$77.4M	\$53M	\$109M	\$129M	\$47.3M	\$55M
GF Budget per Capita	\$500	\$637	\$782	\$500	\$507	\$436	\$569	\$665	\$638	\$576	\$497
GF Revenue	\$68.2M	\$62.1M	\$117.5M	\$102.8M	\$108.3M	\$77.9M	\$53.0M	\$108.6M	\$114.0M	\$42.4M	\$53.2M
GF Expenditures	\$68.2M	\$67.5M	\$119.7M	\$102.5M	\$105.0M	\$77.4M	\$53.0M	\$108.9M	\$117.1M	\$47.3M	\$55.8M
GF Deficit	\$0.8M	\$8.3M	\$0.8M	\$11.6M	\$1.6M	\$2.0M	\$8.0M	\$7.5M	\$5.4M	\$4.9M	\$3.8M
GF Reserves (June 2010)	\$269K	\$7.5M	\$28M	\$7.7M	\$0.9M	\$11M	\$13.2M	\$7.9M	\$40M	\$17.9M	\$18.1M
FTEs in GF	489.75	405.9	632.65	626.17	n/a	297.2	369	706	578	n/a	355
Non-Public Safety FTEs in GF	191.25	158.98	200.45	180.17	n/a	297.2	157	317.25	284	n/a	119
# of GF employees per 1,000 residents	3.18	3.84	4.26	2.96	n/a	1.67	3.96	4.31	4.12	n/a	2.02
# of GF non-public safety employees per 1,000 residents	1.24	1.45	1.31	0.89	n/a	1.67	1.68	1.94	2.02	n/a	0.94

## Promoting Adaptive Change in a Disruptive World

City of Salinas  
July 21, 2010

Dr. Frank Benest  
(650) 444-6261  
frank@frankbenest.com



Artie Fields

### Overview

1. Exercise--Key challenges and competencies
2. A disruptive world
3. Technical vs. adaptive challenges
4. Indispensable competencies
5. New ways of interacting inside and outside the organization

### Overview (con't)

6. Challenges and opportunities posed by BRC Recommendations
7. Strategies to recreate organizational capacity to shape change
8. Promoting a learning culture
9. Resources, key learnings, and questions

**Comparison of Staff Levels & Percentage of Management/Supervisory Personnel**

City	Total 10/11 Budgeted FTE	Total 09/10 Budgeted FTE	Total 08/09 Budgeted FTE	Total 07/08 Budgeted FTE	Percent of Mgmt Positions FY 10/11	Percent of Supervisor Positions FY 10/11	Percent Staff Reduction from 08/09 to 10/11	Percent Staff Reduction from 07/08 to 10/11
Salinas	535.5	629.5	659.5	651.5	7%	16%	18.8%	17.8%
Antioch	395.75	395.75	395.75	394.75	9%	6%	0.0%	-0.3%
Chico	268.51	283.23	291.23	296.29	12%	15%	7.8%	9.4%
Concord	388	410	494	500	5%	5%	21.5%	22.4%
Daly City	525	547	549		8%	14%	4.4%	
Davis	406	429	448		11%	17%	9.4%	
Madera	317.28				10%	7%		
Modesto	1130.82	1179.85			6%	11%		
Monterey	477.75	498	521	505.25	12%	12%	8.3%	5.4%
Oxnard	1206	1206	1205	1200	7%	9%	-0.1%	-0.5%
Santa Maria	460	466	475		9%	13%	3.2%	
Stockton	1486	1577	1879		6%	13%	20.9%	
Vallejo	473.8	480.47	495.47	548.37	8%	12%	4.4%	13.6%
Visalia	550	596	596		7%	8%	7.7%	
Fairfield	561.975	576.9	609.75	654.367	10%	11%	7.8%	14.1%
Roseville	1262.89	1290.69			6%	9%		
Santa Clarita	364.25	373.25			11%	15%		
Santa Rosa	1228.55	1295.3	1376.9	1382.8			10.8%	11.2%
Tracy	473.64	524.77	554	558.26	7%	12%	14.5%	15.2%

Dr. Frank Benest

## **Ten New Rules for Elected Officials in Times of Economic Meltdown**

This is a frightening new era for elected officials charged with governing local governments in the midst of economic meltdown and high anxiety by all.

Typically governing board candidates have ran on platforms to make community improvements or start new programs or initiatives. Once elected, governing board members have traditionally enjoyed access to some “slack resources” in local government budgets to respond to ever-increasing community demands or at least to individual constituent complaints or requests.

With the economic meltdown, there are no slack resources for new projects. Instead, elected officials are consumed with program eliminations, employee benefit take-aways, and lay-offs. In fact, ongoing budget cutbacks, reduced workforces, and demoralized employees all seriously threaten the ability of local government to perform traditional service functions.

### **The Disruptive World**

Elected officials as well as appointed managers face a brave new world. This disruptive environment is characterized by the following phenomena:

**Non-linear change.** Local governments face accelerating and discontinuous change, such as the economic meltdown. The severe recession was not anticipated and quickly overwhelmed public agencies.

**Value conflicts and divisiveness.** The big challenges, such as economic development, immigration reform or climate protection, often involve value conflicts and divisiveness with no willingness by any interest group to consider other perspectives or compromise. (Remember the town hall meetings on health care reform?)

**Mistrust.** People have lost confidence in all institutions, not just local government. We now mistrust Wall Street, oil companies, organized

## Creating a New Future for a Downsizing Organization

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by Frank Benest

Many local governments across the United States have been forced to downsize in response to the ongoing recession, reduced revenues, and skyrocketing health care and other employee-benefit costs. To aggravate matters, some states have shifted money away from local governments to solve their own budgetary problems. Whatever the reasons, local government executives face more than a financial challenge in cutting budgets. An even bigger dilemma for executives is the leadership challenge of crafting a new and vital future for the downsizing organization.

### The Leadership Challenge

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An organization faces a structural budget problem when ongoing projected expenditures outpace ongoing anticipated revenues over the middle to long term. Simply reducing non-personnel-related costs will not be enough. Usually, local governments cannot wait for new economic development efforts to produce additional revenues. Such efforts may also be insufficient. Hoping for the general economy to improve or for the federal or state government to bail us out tends to be "magical thinking." Often, the only immediate structural solution, unfortunately, is cutting services and staffing.

Organizations being downsized are confronted with two problems. Objectively, the organization has fewer resources (fewer people and less money for technology, training, and contract help) to deal with existing community expectations, as well as new demands placed on the local government. Subjectively, the situation is even worse. The "surviving" employees—those who are not laid off—are often grieving and feel victimized, overwhelmed, unappreciated, and pessimistic about the future.

If the leader asks employees to do one new thing or try out another approach, they will scream. Consequently, the impact of diminished organizational capacity to deal with existing problems and new issues is greater than the impact simply of reduced resources. This is the classic "productivity paradox." At precisely the point when a downsizing organization needs great boosts in employee productivity to overcome fewer resources, productivity takes a dramatic nose dive.

The organization needs more than expert financial management. Cutting budgets and laying off employees, while painful, are relatively easy when compared with the larger and more time-consuming leadership challenge. What the organization sorely needs is large doses of thoughtful, visible, and strategic

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*When the economy recovers, things won't return to normal—and a different mode of leadership will be required.*

## Leadership in a (Permanent) Crisis

by Ronald Heifetz, Alexander Grashow,  
and Marty Linsky

Included with this full-text *Harvard Business Review* article:

- 1 [Article Summary](#)  
The Idea in Brief—the core idea
- 2 [Leadership in a \(Permanent\) Crisis](#)

Reprint [R0907E](#)

**City of Salinas**  
**Summary of Individual Meetings with Managers**  
**2010**

**These key points are a result of talking to approximately 20 mid-managers in one-half hour sessions where the focus was on improvements needed in the organization, how to address budget reductions and simply listen to the ideas and comments those mid-managers wanted to express.**

Themes	Ideas and Comments
<b>Administration</b>	City should place a stronger emphasis on performance, use of teams, and budget more training funds
	City Council should adopt a work plan that includes goals and priorities and, more importantly, adhere to the plan and a process.
	City Council should adopt a Council referral policy. The general plan provides a vision and goals and should be used to help define
	Eliminate silos by increasing interdisciplinary teams in the organization through matrix management
	Establish department performance goals and performance measures.
	Establish an effective mid-managers group within the organization to increase sharing of ideas and approaches among departments and
	Utilize more volunteers and seek expansion of collaborative arrangements such as the current program with the California Endowment of
<b>Communication</b>	Future planning should further explore the benefits of economic development, planning, and redevelopment
	Improve City/County relationship.
	Compare and contrast benefits and disadvantages of contracting out services
	City leadership must communicate clearly the limitations of City services due to budget cuts, the future direction of the organization, and address the anxiety city workers experience due to rapid changes.
	The organization's mission, vision, goals, and values should be available on line, readily accessible and understood by employees throughout the organization.
	There needs to be dialogue about the future budget condition with input/creative solutions sought from employees. Consider establishing a cafeteria plan in reverse where there is more choice about what benefits and salaries get reduced based on individual needs
	City needs a communications officer to inform the public about the city's predicament and projects.
<b>Department Consolidations</b>	Combine planning, engineering, development and transportation(exclude maintenance) in to one department.
	Combine housing, CDBG, Economic Development and Redevelopment in to one department.
	Consider the use of credit cards more and explore more grant funding opportunities. Move management of grant programs to different department and train staff on efficient grants management.
	Combine community services with park and recreation department
<b>Employee Relations</b>	Empower employees. They need to grow and change even in difficult times.
	Establish employee recognition program and let employees shape recognition program.
<b>Economic Development</b>	Job creation needs to be a priority for the use of discretionary funds.
<b>Fiscal Impacts</b>	City Council and the broader community need to understand the impact of furloughs and cuts in service levels
	Consider reducing specialty pay, health costs, COLAs, health club dues, and freeze step increases
	The burden of additional cuts and salary adjustments need to be shared equally throughout the organization (staff, services, programs)
	Reduce costs by reducing salaries, eliminating positions with the least impact on direct services to the public. Use more volunteers, assessment districts, rent facilities, and increase fees to use services such as parks. Partner with non-profits where services are
	Sales tax should be higher than current 7.5% sales tax to help with the socio/economic problems the city is experiencing.

**Summary of Mayor, City Council and Top Management  
One-on-One Interviews**

*The following statements under each question summarize findings from interviews with the Mayor and Council and top management staff—it also includes a couple of former employees but not community members—the comments mentioned most frequently are, generally, the first ones listed. Comments about individual performance are not included. Some comments were moved to a question more consistent with the answer. There are a couple of questions that may have been for Council or managers only and those will be noted.*

Question	Answers/Comments
<b>1. Challenges</b>	<p>Lean staff and inadequate resources over the years and significant downsizing has impeded the ability of the city to provide basic services however demands from the community and council have not diminished. There need to be realistic expectations of a staff that has been downsized and these needs to be explained to the community.</p> <p>No funding for economic development. The City has lacked a proactive program, little progress on forming a non-profit economic development program, minimal financial support from the County and neighboring cities for a regional effort</p> <p>The end of Measure V will pose a challenge to providing reasonable service levels if it is not renewed.</p> <p>The city needs to update its vision and embrace its diversity.</p> <p>There are fewer resources, a culture of paternalism exists towards employees, and the City lacks priorities.</p>
<b>2. What is your opinion of the Council approved BRC Report? In what areas do you agree with the recommendations? In what areas do you disagree with the recommendations?</b>	<p>Support the concepts, the need to review the organization, and the ideas of the initiative.</p> <p>The report lacked an understanding of the amount of downsizing that has occurred, its impact on services, the breadth and depth of cuts already made, the leanness of management ranks, and did not understand the progressive programs that have been initiated, such as CASP and community center contracting.</p> <p>The City leadership needs to be more transparent and proactive in communicating changes that have occurred.</p> <p>The City should have considered need to increase revenues - difficult to balance the budget with cuts only.</p> <p>Some initiatives, governing policies and reorganization concepts were okay. Would have liked to have seen more creativity</p> <p>The BRC report lacks research and has little value. For example, interviews with department heads would have been helpful.</p> <p>The report lacks an understanding of the complexities of local government - further reductions are not realistic if service levels are to be maintained at a minimal level. Many members of the BRCC have an agricultural background, not a background in the operation of a government entity. The most important point out of the report is the need to set priorities.</p>
<b>3. Since budget cut backs seems to require additional budget savings, in what areas do you think the City can realize those savings?</b>	<p>Unclear as to whether additional cuts are all that feasible.</p> <p>Additional savings may be realized in engineering, transportation, permit center, and in some departments. Also, eliminate HR</p> <p>Cannot cut additional positions.</p> <p>Saving could be achieved through a reduction in salaries and benefits and contracting out services.</p> <p>Consider a two-tiered retirement particularly in public safety.</p> <p>Hire additional outside design staff and change discipline process - this, without Council involvement.</p>

**City of Salinas  
Input from Managers and Other Employees**

**Management Workshop, Sept 3, 2010  
Two employee meetings, Sept 9,**

**Dr. Frank Benest**

THEMES	SUMMARY
<b>Prioritization</b>	Given the diminished resources and continued downsizing experienced by the City of Salinas, it is essential that the City Council identify a few priorities, resist temptations or community requests to add new priorities or projects, and avoid continued referrals for new work to the departments. The Council and City Management must then focus the departments on those few priorities and help the organization "stay the course." The city departments must also prioritize its work and eliminate non-value-added work.
<b>Vision, goals and metrics</b>	Reorganization and restructuring are not "magic bullets." The Council and City Management must identify the vision and goals for the reorganization. Is the goal cost-savings, better collaboration, or improved customer service? Based on the vision and goals, metrics can be established and then used to evaluate the effort over time.
<b>Communication efforts</b>	Management needs to focus on communicating internally in order to effectively roll-out the implementation plan and support implementation over time. Management must also communicate with interest groups and the community in general so residents and businesspeople understand the rationale for the BRC recommendations and the implementation of the recommendations. Over time, the Council and City Management need to communicate the reduced capacity of the organization and help re-shape expectations of the community.
<b>Talent development</b>	The only way to expand organizational capacity is through employee development. Some monies must be put aside for staff training, especially in the area of "soft skills" such as leadership development. Leadership development programs can be established in a cost-effective manner on a regional basis. For instance, local governments in the county can collaborate in creating a Leadership Academy and other leadership development programs, such as employee exchanges. In addition, cross-training, job rotations, interim assignments, and special projects can all contribute to growing and stretching staff. To address the "retirement wave" of baby-boomer managers and professionals, the City needs to develop a succession planning program to prepare the next generation of leaders.
<b>Leadership skills and organizational support</b>	Restructuring in and of itself will not achieve the goals specified for the restructuring. To make any reorganization successful, leadership must be in place to promote cohesion, team-work and collaboration. In addition to leadership, organizational support for the reorganization must include employee development, continued internal communication efforts, reasonable performance measures, employee recognition, and opportunities to grow and advance.
<b>Lack of scrutiny and examination of public safety functions</b>	A number of employees felt that the lack of scrutiny of police and fire undercut the BRC recommendations. Because public safety now consumes a significant portion of the City's General Fund and that cost is likely to grow over time, many felt that public safety (especially discretionary police and fire services) should be examined for cost-savings and considered as part of any restructuring.
<b>Collaboration, team-building and learning</b>	Many employees considered that the greatest opportunity posed by the reorganization related to enhanced collaboration across functions, team-building, and employee learning as well as opportunities to advance.

**City of Salinas  
Employee Suggestions  
2010**

Themes	Ideas
<b>Administration</b>	Hire more part-time employees as support personnel, particularly in service areas that operate long hours and longer work weeks, such as the Library Department. This would provide opportunities for young people to join the City family.
	Conduct an organizational review for redundancy in job responsibilities.
	Consider implications of outsourcing and consider whether quality of services will be compromised.
	Consider using existing staff rather than outside consultants for certain tasks.
	Consider seniority in classification, if more layoffs are considered.
	Investigate forming a pool of laid-off staff based on their qualifications, job classifications, experience, resumes, loaded rate, and whatever else is needed for municipalities to pick and choose an individual based on availability. Call it a loaner program or Re-exam definition/need for bilingual pay.
	Increase transparency and disclose information related to home loans to executive staff, etc.
	Revamp worker's compensation system; if staff cannot perform at current level, reclassify to a lower position.
	City needs to ask the right questions to address issue of rising costs of public safety costs - public safety absorbs 65% of the Technology needs to be a priority. The City needs to bring in experts to create websites and/or create a more functioning network for City employees.
	Reduce the number of departments and thereby the number of managers. Library department's ratio of managers to service level is too high.
<b>Department Reorganization/ Efficiency</b>	Utilize more self check-out at library services. This would encourage more efficiency and focus staff on other assignments.
	Review staffing levels particularly in teams where procedures (purchasing) have become more efficient thereby requiring less
	Re-train staff in customer service, grant writing, and program development.
	Connect Library programs with Steinbeck Cultural Arts Programs more often and create a P.R. campaign linking both.
	Eliminate extra layers of supervision in separate units within departments. i.e. library.
	Produce one master calendar at Library or eliminate sub-calendars.
	Consider more opportunities for internships. It provides another avenue of opportunities for young people.
Cross train personnel to increase efficiency and effectiveness.	
<b>Economic Development Leadership</b>	Administration and City Council need to better understand the role and limitations of the Redevelopment Agency in Economic Development - what is possible, what is not.
	Top level personnel must lead by example. Some high level personnel have been provided additional (10%) pay for additional duties of vacant or eliminated positions only to delegate those same responsibilities to lower level staff.
	Manager's must use expertise of staff more effectively.
	Managers must be held to same level and standard of accountability as other members of the City organization.

## City of Salinas--Input from Managers and Other Employees

Dr. Frank Benest  
September 2010

Management Workshop, Sept 3, 2010  
Two employee meetings, Sept 9, 2010

### 1. What are the big challenges facing the City of Salinas organization now and in the next five years?

- Need to reinvest in infrastructure (internal and external)
- Lagging economy/need for economic development
- Diminished city revenue/need to increase revenue
- Increasing service demands (do more with less)
- Need to prioritize given fewer resources
- Lack of public confidence in local government
- Crime/youth violence'
- "Retirement wave" of baby-boomer employees/loss of institutional knowledge
- Unfunded state mandates
- Need to better communicate with public (regarding services and regulations, city's financial situation, realistic expectations)
- Cutbacks have not involved public safety yet public safety eats up most of general fund
- Fair allocation of city resources
- Developing employees in technical and non-technical areas
- Improving relationship with labor groups
- Overcoming demoralization of employees/overwhelmed and stressed-out staff

### 2. What are the key competencies and skills need by employees at all levels to address the big challenges?

- Strategic thinking and planning skills
- Listening and communication skills (internal and external)
- Sense of humor
- Motivational skills
- Openness to change and learning
- Steadiness/calmness/patience
- Compassion, understanding, empathy
- Flexibility
- Customer service skills (internal, external)

# **INTRODUCTION TO TRAITS OF SUCCESSFUL MANAGERS**

*...IT'S ALL ABOUT VALUES...IT'S ALL ABOUT PEOPLE*

## **1. Why these traits?**

I have always pondered what it takes to be an effective manager/supervisor. Partly as a way for me to personally practice the traits (we need to judge our own management skills before we can help others) and partly to help recruit, promote coach and evaluate managers. In many respects these traits are simple, forthright precepts of how we deal with individuals and teams in an organization. They set expectations of values and skill sets necessary to be successful managers. These traits are a collection of various principles and values that need to be done well. These traits represent a broad perspective of leadership approaches and styles. They encompass technical skills, organizational abilities, behavioral precepts, transformational/change agent concepts and shared/team management skill sets. Finally, the application of these traits can be situational, i.e., leadership can be shaped by different contexts requiring leaders to act in different ways in different situations.

## **2. Where do these traits come from?**

These traits come from a variety of mentors---peers, bosses, subordinates, Council and Board members, parents. They also come from noted people like Andy Groves and Tom Peters. Finally, they come from my own observations and experiences from working in a private company, nine cities, six non-profits, a community college and various consulting assignments, as well as from my various organizational pet peeves!

Some times they come from what I have seen in the way of poor performance by managers---let me share some examples of managers and supervisors gone awry:

- Finance Directors who kept important accounting and budget figures in their heads
- Failure to read ordinances that prescribed the right way to levy water and sewer rates
- Treasury staff that speculated with city funds
- A public works director who never met with his field crews
- A city manager illegally blending various funds in one pot of money that could be tapped for various pet projects

# WORKPLANS

## CITYWIDE WORKPLAN

As part of an effort to improve organizational effectiveness and manage workload, a Citywide workplan should be developed. A workplan identifies some of the major administrative type projects that are based on the mission and goals of an organization. It is used to set deadlines and staff assignments.

The development of a Citywide workplan includes the following steps:

### Step 1: Identify the Annual Goals of the City

A joint session of Council Members and the Administration should be held annually to discuss the goals and priorities for the City in the coming year.

### Step 2: Identify Special Projects

These special projects (studies, plans, surveys, process improvements, audits, etc.) are designed to achieve some of the City's annual goals established by the City Council (It is presumed that capital projects are monitored separately but a work plan report could include those as well). These projects should be reported to the Council at least semi-annually and should include the following:

- Project #: This serves as an index and for ease of reference.
- Responsible Party: to hold the project leader accountable for completing the project.
- Project Title: A headline that captures what the project represents.
- Description of Project and Its Purpose: Description of what project is about and what it is designed to accomplish and the departments/agencies involved in it.
- Start Date: When the project is scheduled to begin.
- Completion Date: When the project is schedule to be completed.
- Council Date (if applicable): The meeting when the project is discussed with Council.
- Status: Is the project on scheduled, delay, dropped, or completed.
- Comments: Relevant project information that the report readers need to know.

## **Council Referral Policy**

### **Background and Purpose**

In virtually all cities, council members wish to have individual requests for studies done, programs reviewed, problems answered, policies assessed as well as more routine constituent requests for service promptly addressed. In all cities, written codes, policies and principles of good governance say that the City Manager (and staff through the City Manager, except other Council appointees) takes direction from the City Council as a whole. This ensures that the Council as a whole directs the adoption, modification and implementation of city policies, programs and priorities. It further ensures that the wishes of individual council members do not preempt the actions of the whole Council and divert the time and energy of staff from that which the council directed together to individual council member agendas.

However, as an accommodation to individual council requests, most cities have established policies for how to handle these types of referrals for staff work. This might involve doing a very limited amount of staff work without council approval for requests that do not change policies, procedures or priorities. Otherwise such requests are referred to the council as a whole to consider in the context of existing approved workload.

In a review of nine cities ranging in size from 30,000 to 900,000 with most cities being in the 50,000 to 100,000 range, there were common themes that emerged from the various cities about how to manage council referrals:

1. A benchmark amount of time is agreed upon by the council and city manager for staff research on an information item before it is required to go to council for its consideration. This benchmark time ranged from 40 hours of one person's time to all requests going to council immediately. The most common amount of time allowed for staff to respond to an individual council members request without taking to the full council for approval ranged from one hour to one day of one person's time to research and report back on an item. If, however, a matter involves changing city policies, practices, or an approved council priority or creates a budget change, then irrespective of the amount of time involved in the council member referral, the item will go to the full council for consideration.

## **Recommended Changes to Committees, Boards and Commissions**

### **Permanent Council Committees**

Applicant Review Committee: Retain as is or fold into one Council Committee chaired by the Mayor that recommends committee members, commissioners and board members to the full Council when vacancies occur. Meet as needed. Staffed by City Clerk

CDBG Committee and Housing Committee: Combine these two committees because they deal with interrelated subjects. Meet monthly. Staffed by member of the Office of Economic Development/Redevelopment

Economic Development Committee: Expand and combine with redevelopment related activities (rename Economic Development and Redevelopment ) to keep Council members informed of major projects, new initiatives, and interagency and private sector activities. Meet monthly. Staffed by Director, Office of Economic Development and Redevelopment

Finance Committee: Continue this committee and ensure that it reviews revenues and expenditures on a regular basis, as well as preliminary budget information, audits, fiscal issues, and investments. Meet monthly. Staffed by Administrative Services Director

Additional Considerations: In addition, we recommend the Council broaden the Finance Committee and rename it the Administrative Services Committee and assigning it other areas of review such as information systems and human resources. It is recommended that it create two other Council committees to correspond to recommended department reorganizations: (1) A Community Services Committee to review park, recreation, arts, library and neighborhood services programs; and, (2) a Community Development Committee to review planning, permit center, engineering and related development matters. These committees could absorb a number of special tasks done by over twenty ad hoc Council committees.

A final committee, sometimes found in larger cities, is a Rules Committee, which is generally chaired by the Mayor or Vice Mayor and is responsible for ensuring sunshine provisions for open government, reviewing the work plans of Boards and Commissions, dealing with procedural and ethics matters and reviewing new Council referrals to staff. The Mayor and Council may wish to consider this committee as well.

## **CITIZEN SURVEY**

The City should consider conducting a citizen survey to assess the residents' satisfaction with City services. As noted above, in virtually every category of city service, cities found customer satisfaction to be the most consistently used measure. It is an important way of measuring performance because what is any more reliable than the opinions of the people using the service? The citizen survey sends a clear message to the community that the City is customer-focused and the voice of residents is important in establishing local policies and priorities.

Citizen survey is typically defined as an opinion poll asking residents their perspective on local issues, such as quality of life in the community, their level of satisfaction with local government, or their service priorities. Citizen survey also could be used to assist local government officials in allocating resources for maximum community benefits and forming overall goals for community programs and policies. Generally the topics and types of questions should be applicable to local issues and also try to mirror topics and questions from similar cities for benchmarking purpose.

The survey can be conducted by mail, telephone, internet, or in person. Usually, an assistance of a polling firm is needed to conduct such survey. The cost of a survey for a city similar in size to Salinas ranges from \$10,000 to \$40,000 depending on sample size and length of survey.

### **Survey Topics**

The citizen survey typically focuses on the following areas:

#### **A. General Perception of the City**

- ◆ Quality of life (a place to live, a place to raise children, a place to retire)
- ◆ Perception of the City as a safe place to live
- ◆ How well the City is handling major issues such as land-use, growth, and economic development.

#### **B. Satisfaction with Major City Services**

- ◆ Quality of public safety services
- ◆ Quality of parks, recreation programs, facilities, and activities
- ◆ Quality of library services and facilities
- ◆ Overall maintenance of City's infrastructure (streets, sidewalks, landscape)
- ◆ Quality of transportation services (if applicable such as airport, traffic management, etc.)
- ◆ Quality of utility services

## PERFORMANCE MEASUREMENT

After reviewing the City of Salinas Adopted Budget and interviewing staff, it became apparent that developing effective performance measures are useful in assessing the effectiveness and efficiency of delivering services.

Performance measurement assists the Council and managers at all levels of government in making sound and fact based decisions. When an organization embarks on an effort to improve services, performance measures help to identify the current state of services and how they could be improved. Performance measures also serve as an early warning to alert managers of potential problems with service delivery.

A comprehensive set of performance measures allow the Council, City Manager, department directors, and line managers to monitor and measure progress.

### Proposed Performance Measures

The proposed measures focus on three areas: Efficiency (how timely and how cost-effectively services are provided, Effectiveness (how well, or outcome measures), and customer satisfaction. The measures were developed based on the following:

- ◆ Review of the missions and/or purposes of major departments and their divisions
- ◆ Review of the measures of other cities in California, such as City of Mountain View, Palo Alto, Monterey, Seaside, Fairfield, Tracy, Roseville, Santa Clarita, and San José, to determine the best practices and feasibility of implementing these measures. Several cities reported that they did not have performance measures.
- ◆ Review of the ICMA Center for Performance Measurement guidelines to determine the best practices and benchmarking of performance measurement nation-wide.

Below are the proposed performance measures for four current large departments (Engineering & Transportation; Engineering & Maintenance; Development Permit Services, and Economic Development). For building plan check and permit services, the Deputy of Permit Services has established excellent measures for measuring the timeliness and quality of services. They are included here.

The measures should be periodically updated.

The measures are listed by department and by divisions:

## City of Salinas

### General Fund/Measure V Budget

#### Reduction Summary: Permanent Employees

			FY 2009-10		FY 2010-11		
	Total		Percent		Percent		Percent
	in		Reduction		Reduction		Reduction
	Group	FY	of total	FY	of total		of total
	FY	2009-10	in	2010-11	in		in
	2008-09	Approved	Group	Proposed	Group	Total	Group
<b>Bargaining Group</b>							
Fire Supervisors	6.0	1.0	16.7%	1.0	16.6%	2.0	33.3%
SEIU	89.0	6.0	6.7%	18.0	20.2%	24.0	26.9%
SMEA	197.0	12.5	6.4%	35.0	17.8%	47.5	24.1%
AMPS	55.0	3.0	5.5%	10.0	18.2%	13.0	23.6%
Department Directors	10.0	1.0	10.0%	1.0	10.0%	2.0	20.0%
Confidential Management	10.0		0.0%	2.0	20.0%	2.0	20.0%
Confidential Misc.	9.0		0.0%	1.5	16.7%	1.5	16.7%
SPOA	148.0	15.0	10.1%	18.0	12.2%	33.0	22.3%
IAFF	83.0	3.0	3.6%	6.0	7.2%	9.0	10.8%
SEIU Crew Supervisors	10.0		0.0%	2.0	20.0%	2.0	20.0%
Police Management	34.0		0.0%	1.0	2.9%	1.0	2.9%
<b>Total</b>	<b>651.0</b>	<b>41.5</b>		<b>95.5</b>		<b>137.0</b>	
<b>Employment Status (January 28, 2010)</b>							
Vacant		41.5		53.5		95.0	
Filled				42.0		42.0	
<b>Total</b>		<b>41.5</b>		<b>95.5</b>		<b>137.0</b>	
<b>Categories</b>							
Directors	10.0	1.0		1.0		2.0	20.0%
Managers	65.0	3.0		12.0		15.0	23.1%
Clerical	206.0	12.5		36.5		49.0	23.8%
Blue Collar	99.0	6.0		20.0		26.0	26.3%
Police Officers	182.0	15.0		19.0		34.0	18.7%
Firefighters	89.0	4.0		7.0		11.0	12.4%
<b>Total</b>	<b>651.0</b>	<b>41.5</b>		<b>95.5</b>		<b>137.0</b>	<b>21.0%</b>

## **Enabling Conditions for Effective Reorganizations**

For reorganizations to be successful there must be some "enabling conditions." These include the following:

### **1. Clear Goals and Priorities**

The plan must include some clear goals on why the reorganization is taking place. Is the local government trying to achieve cost-savings, enhance collaboration among like functions, better serve customers or all three? Once the goal or goals are stated, metrics can be included in the plan. This plan would be set forth in an annual work plan that identifies key projects, timelines and responsibilities and assigns priorities. In a down-sized organization, it is critical to establish priorities. This entails regular review of goals, constantly refining priorities and carefully considering new work such as new Council referrals and assignments by top management. The challenge is to subtract cumbersome procedures and policies and allocate time to the top priorities of the community.

### **2. Leadership in Place**

Leadership is the key ingredient. Does the organization have managers who can step into key leadership roles especially as the new department directors of the consolidated departments? In addition to traditional administrative and managerial responsibilities, the focus of the new department directors is to promote cohesion, team work, and collaboration across functions in the newly merged department. It is to enable and recognize effective performance of employees and be sensitive to the morale of all employees. Effective leaders adapt to positive changes necessary to allow an organization to move forward in serving its customers, particularly, in a fiscally constrained environment.

### **3. Reasonable Spans of Controls**

The supervisors and managers in the consolidated departments may have larger or smaller spans of controls as some reorganizations occur. Some larger spans of control are mitigated if managers switch from over-the-shoulder supervision to a more goal-oriented style of supervision using team building, matrix management and other techniques that empower employees that help them be proactive and not reactive.

[http://ballotpedia.org/wiki/index.php/Hotel\\_taxes\\_in\\_California](http://ballotpedia.org/wiki/index.php/Hotel_taxes_in_California)

## Hotel taxes in California

### From Ballotpedia

**Hotel taxes** in [California](#) are locally-imposed taxes that are paid by guests who stay at hotels or similar establishments within the geographical borders of the municipality that is levying the tax.

About 400 California cities impose a hotel tax on visitors to their city, or roughly 85% of the approximately 480 cities in California. Sixty California cities levy a hotel tax that exceeds 10%.<sup>[1]</sup>

### Election results

#### November 2, 2010

*See also: [November 2, 2010 election in California](#)*

Measure	County	Details	Outcome
<a href="#">Campbell, Measure N</a>	<a href="#">Santa Clara</a>	Increase from 10% to 12%	<i>Pending</i>
<a href="#">Costa Mesa, Measure L</a>	<a href="#">Orange</a>	Increase from 6% to 8%	<i>Pending</i>
<a href="#">Lake Elsinore, Measure T</a>	<a href="#">Riverside</a>	Tax of 12%	<i>Pending</i>
<a href="#">Marina, Measure N</a>	<a href="#">Monterey</a>	Increase from 10% to 12%	<i>Pending</i>
<a href="#">Moreno Valley, Measure P</a>	<a href="#">Riverside</a>		<i>Pending</i>
<a href="#">Ontario, Measure V</a>	<a href="#">San Bernardino</a>	Increase from 11¾% to 12¾%	<i>Pending</i>
<a href="#">Pacifica, Measure R</a>	<a href="#">San Mateo</a>	Increase from 10% to 12%	<i>Pending</i>
<a href="#">Reedley, Measure H</a>	<a href="#">Fresno</a>		<i>Pending</i>
<a href="#">Riverbank, Measure G</a>	<a href="#">Stanislaus</a>		<i>Pending</i>
<a href="#">Riverside, Measure V</a>	<a href="#">Riverside</a>	Increase from 11% to 13%	<i>Pending</i>
<a href="#">San Francisco, Measure J</a>	<a href="#">San Francisco</a>	Increase from 14% to 16%	<i>Pending</i>
<a href="#">San Francisco, Measure K</a>	<a href="#">San Francisco</a>	Online bookings	<i>Pending</i>
<a href="#">Siskiyou, Measure D</a>	<a href="#">Siskiyou</a>	Increase from 8% to 10%	<i>Pending</i>
<a href="#">Williams, Measure A</a>	<a href="#">Colusa</a>	Increase from 10% to 12%	<i>Pending</i>