



	Approved	Denied
Action taken: 2/2/06 postponed to 3/20/06		
Other: 3/20/06 postponed to 4/10/06		
Verified by: Adopted 4/10/06	Committee	

WASILLA CITY COUNCIL ACTION MEMORANDUM

AM No. 06-12

TITLE: REORGANIZING THE PLANNING DIVISION OF PUBLIC WORKS AND THE ECONOMIC DEVELOPMENT DEPARTMENT INTO THE COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT UNDER THE SUPERVISION OF A DEPUTY ADMINISTRATOR.

Agenda of: February 27, 2006
 Originator: Administration

Date: February 17, 2006

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
X	Public Works Planning	<i>[Signature]</i>
X	Finance *signature required	<i>[Signature]</i>
X	Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER:

[Signature: Dianne M. Keller]

FISCAL IMPACT: yes or no Funds Available yes for FY 06
 Move \$12,760 from current Economic Development Department personnel line items to Planning Division personnel line items. Line item detail from draft budget ordinance is attached to provide more specific budget information.

Attachments:

- Current Organizational Chart
- Proposed Organizational Chart
- Graph Governmental Cost Trends FY 95 – FY 05
- Graph Governmental Cost Trends – Per Capita FY 95 – FY 05
- Graph Full-time Equivalent Employees by Department FY 98 – FY 05
- Line item detail from draft Ordinance 06-09

SUMMARY STATEMENT:

A community's planning and economic development efforts should be interrelated. Both planning and economic development activities create important information, projects,

and programs that will enhance the City's current and future business climate. Both activities utilize data on the City's demographics, land uses, zoning, and traffic counts on which to base their recommendations to private developers and to City Commissions, Administration, and Council.

Currently:

- Planning is a two employee division in the Public Works Department, supervised by the Public Works director.
- Economic Development is a one person department, supervised by the Mayor.

Proposed:

- Rename the Economic Development Department to the Community and Economic Development Department.
- Fill the position of Deputy Administrator, and assign a broad range of job duties including supervision and administration of planning and economic development programs.
- Fund the position of Economic Development Planner (comparable to City Planner rather than a department director) and fill the position.
- Move the Planning division's employees from Public Works to Community and Economic Development Department.

Background:

The City of Wasilla has job descriptions for both a deputy administrator and an economic developer/planner and has employed individuals in these positions in the past. When the deputy administrator position was cut in 2002, management of human resources duties was reassigned to the Finance Director, supervision of the museum was moved to the Recreation and Cultural Services Manager, planning was moved under the Public Works Director, and the economic development planner's position was eventually split off into its own department.

The 2002 reassignment of responsibilities was effective in the short term. However, growth in City services and increasingly complex personnel issues are impacting the ability of one person to manage both finance and human services. Reinstating the deputy administrator's position and combining planning and economic development will allow the finance director to concentrate more on finances and information technology services, provide a more efficient point of contact for businesses looking to move to Wasilla, and focus the City's commitment to planning, as well as economic development, by reuniting these two functions into one department.

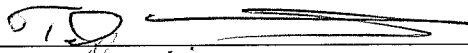
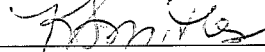


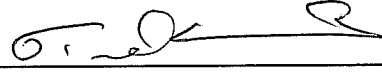
**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: Request for additional information regarding AM No. 06-12, Reorganization of Public Works and Economic Development Department into the Community and Economic Development Department.

Agenda of: April 10, 2006
Originator: Kristie Smithers, City Clerk

Date: March 31, 2006

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
X	Finance *signature required	
X	Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER:  For Mayor Keller

FISCAL IMPACT: yes\$ or no Funds Available yes no

Account name/number:

Attachments:

SUMMARY STATEMENT:

During the March 20, 2006 regular Council meeting, additional information regarding AM No. 06-12 was requested by Council.

Attached please find a memo from Ted Leonard, Director of Finance and Administrative Services, regarding the information requested.

Memo

To: City Council
From: Ted Leonard, Director of Finance & Admin. Services (TL)
Through: Mayor Keller
Date: March 30, 2006
Re: Council request for information.

Enclosed is the information that the council has requested for the proposed restructuring of the City's organization. Included is the FY 07 and FY 08 core service increment request form that breaks down the cost and gives a justification for the restructuring, an organization chart for the proposed Community and Economic Development Department, the job descriptions of each of the positions proposed for the Department and pages from the City of Wasilla's Community survey regarding growth. Also included in this memo are responses to concerns and questions that were raised at the March 20th meeting.

As was stated at the March 20th meeting, administration is requesting that Council approve the restructuring of the City's organization to create a Community and Economic Development Department under the direction of a Deputy Administrator. The administration believes that this restructuring will provide the resources needed to provide the Citizens and businesses with more effective and efficient planning and economic development services and meet the Citizens concerns regarding issues with population growth (79% of respondents surveyed concerned with issues related to population growth) and job growth (64% of respondents surveyed were concerned with the rate of job growth). In order to create this department and provide the resources to ensure that the department will be successful, the following changes would be proposed:

- Rename the Economic Development Department to the Community and Economic Development Department.
- Restructure the job duties of the Economic Development Director in order to create Deputy Administrator, which would be assigned a broad range of job duties including supervision and administration of planning and economic development functions for the City. The position would also be assigned to take over some general administration duties from other director's such as management of the City's human resource functions. See Job Description for breakdown of job duties.
- Add 1 FTE of a professional economic development planner to the Department. See Job Description for breakdown of job duties.
- Move the Planning division's employees from Public Works Department to the Community and Economic Development Department.

As was stated at the March 20th meeting, with this restructuring, the City is not adding any new management positions (only restructuring current director's position) and will be adding one professional economic development planning position that will provide direct services to the Citizens and businesses. The investment in the restructuring will be approximately \$68,151 for FY 07 (see FY 07 Core Service Increment Request form for

serve our Citizens and businesses with the increasing complexities of the growth that the City is facing. The City believes that this restructuring will be critical for successful completion of the following FY 07-08 budget initiatives while at the same time providing effective and efficient day to day services to our Citizens:

1. Revise the 1996 Comprehensive Plan to ensure that polices and information are up to date, and create an Economic Development Plan for the City that supports future development.
2. Develop a written strategic plan for annexation to ensure adequate space for expansion of residential, commercial and industrial development.
3. Research information and report on how the City might implement a tourism bureau.
4. Complete the economic development toolbox in order to actively market Wasilla as an attractive business location and to attract business that will provide the jobs that the Citizens desire.
5. Seek partnerships, funding and other assistance from private businesses and foundations for infrastructure projects and community activities.
6. Establish Citizen focus groups and continue to conduct community surveys to assist in the development of long-term plans and policies to accommodate future growth.

The secondary advantage of the restructuring would be to take some general administration duties off the Public Works Director and the Finance Director in order to allow them to concentrate more of the core services of their department, which are increasing due to demand on the departmental services due to the growth of the City's population and the operating and capital budget. Approximately 25% of the Deputy Administrator's job duties would be assigned to general administration support. The rest of Deputy Administrator's position would be directly related to managing and coordinating the planning and economic development functions of the City of Wasilla.

This restructuring is in alignment with City's mission to provide optimum service levels to the public as cost effectively as possible to ensure a stable and thriving economy, promote a healthy community, provide a safe environment and quality life style and promote maximum Citizen participation in government. This restructuring will provide the investment of resources to a department directly serving the Citizens and businesses in order to provide the Citizens and businesses with more effective and efficient services while at the same time keeping the increase in general government expenses to minimum.

If any Council Member has any questions regarding this memo or backup documentation, please feel free to contact me at 373-9084.

Council Concerns & Questions

1. The City seems top heavy in management.

Response: Administration does not believe that the facts support the contention that the City is becoming top heavy in management. The City has not added a new director in over 8 years. The only change at the director level was to reclass the Deputy Administrator position into an Economic Development Director. The proposed restructuring will not increase the number of top management positions. The recommend restructuring of planning and economic development functions of the City will reorganize the duties of an existing director and will add a professional economic development planning position that will provide direct service to the Citizens and businesses of the City of Wasilla.

The City has created only three management positions since Fiscal Year 2001. These three management positions include: 1. Records & Communication Manager, 2. Cultural & Recreation Manager and 3. Deputy Police Chief. Based on the philosophy of the City to strive to keep general government accountable and efficient to the Citizens of Wasilla, these three management positions were added to departments that provide direct service to the public and were needed to continue the level of service that the Citizens deserve. The justification of each position is as follows:

- 1) **Records & Communication Manager:** This position was added when the City of Wasilla setup its own dispatch center. The center has over 20 employees providing dispatch service for the City of Wasilla, the City of Houston and the State of Alaska. This position is needed to coordinate all the activities of the Dispatch Center. Over 80% of this position's salary is funded by outside agencies.
- 2) **Cultural & Recreation Services Manager:** This position was added to the Cultural and Recreation division when the City built the Wasilla Multi-Use Sports Complex (over 100,000 square foot facility). A management position was needed with expertise to run a facility of this size to ensure it would be operated efficiently in order to make sure the Facility will become self-sufficient and to provide quality recreational opportunities for both residents of the City of Wasilla and non-residents. This manager has also been assigned responsibilities for coordinating all cultural and recreation services provided by the City (recreation, museum, and library) in order to ensure that the cultural and recreation divisions provide the highest quality of services possible. Over 60% percent of this position's salary is funded by revenue generated from operation the Wasilla Multi-Use Sports Complex.
- 3) **Deputy Police Chief:** This position was added based on the growth of the police department 's staff (a 235% increase in staff since 1998) due to the City's aggressive goal of increasing the number of officers on the street and due to the opening of the dispatch center. This position was created to support the City's long-range goal of continuing to provide the Citizens with the highest quality of law enforcement services possible in the most efficient manner available. The creation of this position was in response to the Council's FY 06 initiative of continuing to utilize highly visible neighborhood patrolling to enhance the safety of City residents and businesses. By creating this position, the police department was able to add a third full-time field supervisor to patrol. The addition of a third full-time patrol field supervisor is critical to police department's ability to provide quality law enforcement services. Administration believes that the staffing study will provide the justification for the need of the third field supervisor. This position is also needed to ensure that the City has an established line of succession for the Police Chief position. This position will provide the current police employees the ability to develop the qualities, traits, skills and community values needed for an employee to be hired in-house for Police Chief position.

Each of these positions is critical to the efficient operation of the departments and was justified when the positions were created based on the City's mission of providing optimum service levels to the public as cost effectively as possible.

2. Why have an economic development position or concentrate resources on Economic Development when businesses want to locate in the City.

Response: If the City of Wasilla does not take a proactive stance in managing its economic growth, administration believes that the City would be taking a very shortsighted view of economic development. Administration believes that simply waiting for businesses to come to Wasilla will in the long run have a disastrous affect on the City's future ability to fund services as the City's population grows. Waiting for businesses to come to us will not provide the type of economic development that the Citizens desire. Retail and commercial enterprises provide good entry-level jobs and provide sales tax for City, but families need jobs here in Wasilla that will provide wages that allow those families to buy homes and prosper. One of the main economic strategies of the City is to remain the commercial hub of the Matanuska Susitna Borough, but we also need to go out and recruit companies that will provide professional and industrial jobs for our residents. A proactive stance in promoting and managing economic development is critical for the City to maintain its status as the business hub of the valley.

Over 72% percent of the City's operating budget is funded by sales tax revenue. Since the City does not plan to finance the City's future operations by increasing property taxes, the only way the City can increase its revenues to fund the increased demand for services caused by population growth or to diversify its revenue stream is through increasing and diversifying it's economic base. New businesses that are looking to locate and invest in the City of Wasilla expect that the City will have an efficient point of contact for providing information and assistance for the business wanting to locate inside City limits.

In the 2005 Citizen survey, over 64% of the respondents were concerned with the rate of job growth in the City of Wasilla. The Citizens want economic development in the City that will provide jobs that will provide households in the City with livable wages and allow them the choice to stop commuting to Anchorage. The types of businesses that provide professional and industrial jobs are not breaking down the City's door to locate and invest in Wasilla. It will take a well thought out economic strategy and the right economic tools to attract these types of business to locate and invest in the City of Wasilla. The administration believes that restructuring of the planning and economic development divisions will generate the economic tools to start attracting this type of economic development.

3. Is the City going to fill the positions in-house?

Response: The City has a philosophy of promoting from within where current employees have the skill sets to fill the positions that need to be filled. Three of the present directors at the City of been promoted into their positions. Based on the job descriptions, the administration plans to look at whether or not current employees can fill the positions before looking outside to fill the positions.

4. Will an outside firm be used to recruit for the positions that cannot be filled in-house?

Response: The City is not planning to use a private sector firm to recruit for the unfilled positions unless the City cannot fill the positions within a reasonable amount of time. The parties that continue to bring up the fact that the City used a outside recruitment firm to provide qualified candidates for the previous Economic Development Director's position have left out several critical facts that lead to the City's decision to use a private sector firm. The City of Wasilla went out twice to advertise for the position and spent over 6 months searching for qualified candidates before it decided to use a private sector firm that specialized in recruitment. After spending many weeks of staff time and a considerable amount in advertisement expenditures and not getting a decent sized applicant pool, the City approached several economic development consultants such as Northern Economics and asked them what would be the best approach to find a good Economic Development director. These firms recommended that the City use a private recruitment firm and two of the consultants recommended using the firm the City eventually used due to the fact that the firm was successful in finding a qualified Economic Development Director

for the Kenai area. The City plans to use the tools that the firm gave the City to generate and screen the applicants for the positions in the restructure that are not filled in-house.

5. What are the Pros and Cons of eliminating a position when a position is created?

Response: The advantage of eliminating a position when a position is created is the cost savings of eliminating that position. The critical assumption that has to be made under the above circumstance is that the newly created position has the capacity to do the job duties required of the new position and the job duties of the position eliminated. The cons of reducing a position at the same time that you create a new position is that if new position does not have the capacity to do the job duties of both positions, you have the potential of costing the organization much more money than will be saved by the elimination of the position. Also, an organization would be setting up the person who accepts the job position to fail due to the fact that the organization knows that one person could not fulfill all the job duties of both positions efficiently and effectively.

The second case is what the Finance Director and the Public Works Director believes would happen if the City reorganized the Planning Division and the Economic Development Department into the Community and Economic Development Department by just restructuring the job duties of the Economic Development Director and not hiring an economic development planner. To successfully restructure the planning and economic development functions of the City to provide better services to the Citizens and businesses and to provide better general administration to support to the departments and employees, the Economic Development Director's job duties needs to be restructured and one FTE of an Economic Development Planner should be added.

6. Why cannot the City wait until the budget process to recommend the restructuring the planning division and Economic Development Department into the Community and Economic Development Department?

Response: There are three reasons of why administration brought forward the restructuring before the FY 07-08 budget process. The first reason is that based on City's experience of filling an economic development position. It took the City approximately a year to fill the economic development position once the position was created. If administration waits until the budget process is completed, the City may have the economic development position open for over a year. The second reason is that without knowing whether council will support the restructure, the administration can not move forward on several of the economic development initiatives set by the City Council because it does not have the manpower to complete the initiatives. The third reason is that it takes a lot of finance time to reorganize the budget document to setup a new department section and revise the other sections based on setting up a new department. If the council will not support the restructuring, it would be a waste of the finance department's time to revise the document to setup a new department and then change the document back after the budget process.