

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 15

DATE: January 16, 2007

STAFF: Darin Atteberry

### SUBJECT

First Reading of Ordinance No. 005, 2007, Amending Chapter 2, Article V, Division 3 of the City Code Pertaining to City Service Areas.

### RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

### EXECUTIVE SUMMARY

Following a detailed analysis and review, the City Manager has decided to implement some changes to the City's internal organizational structure. These changes impact some of the existing service areas and result in a new reporting structure, which necessitates updates to related provisions of the City Code.

### BACKGROUND

In August 2006, the firm, Management Partners, was retained by the City to review the organizational structure of the City government. The initial focus of the study centered on potential changes and related efficiencies within Transportation Services (TSA), Utilities and CPES. The consultant team used a combination of techniques to assess the current organizational design; individual interviews, focus groups and an online survey were used to gather employee input, and the structure and best practices of 16 benchmark cities were examined.

Under the current structure, the City Manager has ten direct reports. One key recommendation made by the consultant team is to reduce the number of direct reports to the City Manager. This will be accomplished by assigning the Deputy City Manager responsibility for operations and the Assistant City Manager responsibility for internal services. As a result of this change, the City Manager will be better able to focus on the goals and priorities of the City Council, regional partnerships and strategic leadership of the organization.

Under the new structure, a new Community Services Area directed by Deputy City Manager will include functions currently found in Transportation Services (TSA), Community Planning and Environmental Services (CPES), and Cultural, Library and Recreational Services (CLRS). (One exception to this is library services, which will transition to the new library district in early 2007.) The City Manager is also implementing additional structural changes within the various departments in order to maximize services and efficiencies.

An Internal Services area, which will be under the direction of the Assistant City Manager will include services such as Management Information Services (MIS), Human Resources, Operations Services (Fleet and Facilities) and Communications and Public Involvement (CPI.)

A second recommendation speaks to the need for the City to designate significant attention to the area of financial management. Presently, the Deputy City Manager has responsibility for budget and finance and, as noted above, this role will change. A new Chief Financial Officer (CFO) position will be created and report directly to the City Manager. This individual will be responsible for a Financial Services area that includes Finance, Budget and Economic Development. This change integrates the traditional finance and budgeting functions with the economic future of the community.

The third key recommendation addresses the structure of Utility Services. Currently, the Utilities General Manager has eight direct reports, including the four operating areas of the major utilities. This is a significant number of direct reports, given the complexity and specialty of the operations. Much of the opportunity for efficiency and operational savings in the future will be dependent on regional cooperation, shared facility use and potentially eventual consolidation. These issues will require significant effort to develop. As a result, a new Chief Operating Officer (COO) position will be created to focus on supervision of the four operating departments in Utilities. The General Manager, whose title will be changed to Executive Director, will focus on external relationships, long-term partnerships, and strategic utility issues.

As a result of the above changes, five positions and related functions will report directly to the City Manager:

1. Deputy City Manager – Community Services
2. Assistant City Manager – Internal Services
3. Chief Financial Officer – Financial Services
4. Utilities Executive Director – Utility Services
5. Chief of Police – Police Services

These changes result in the creation of three new service areas – Community Services, Internal Services and Financial Services - and the elimination of TSA, CPES and CLRS as individual service areas. The organizational chart found in Attachment 1 illustrates this new structure.

### **Financial Impact**

The new Utility Services position will be funded by the four utility enterprise funds (Water Fund, Wastewater Fund, Light & Power Fund and Stormwater Fund). A detailed position analysis has not yet been completed, however, it is anticipated that the impact on the four enterprise funds will be minimal.

The impact of the new CFO position on the General Fund will be nominal. This change is essentially “revenue neutral” because funding for the CFO will come from the savings realized by having one fewer service area director position.

**Code Revisions**

Under Article II, Section 5 of the City Charter, the City Council has the power to establish, change, consolidate or abolish administrative offices, service areas or agencies of the City by ordinance, upon report and recommendation of the City Manager, so long as the administrative functions and public services established by the Charter are not abolished in any such reorganization. The proposed reorganization would not abolish any of those essential functions and services.

The organizational structure of the City is contained in Chapter 2, Article V of the City Code. The service areas are established in Division 3 of Article V. This Ordinance would amend Division 3 to codify the organizational changes described above. It would also allow for those changes to be implemented gradually, through December 31, 2007, in such manner and order as the City Manager deems appropriate.

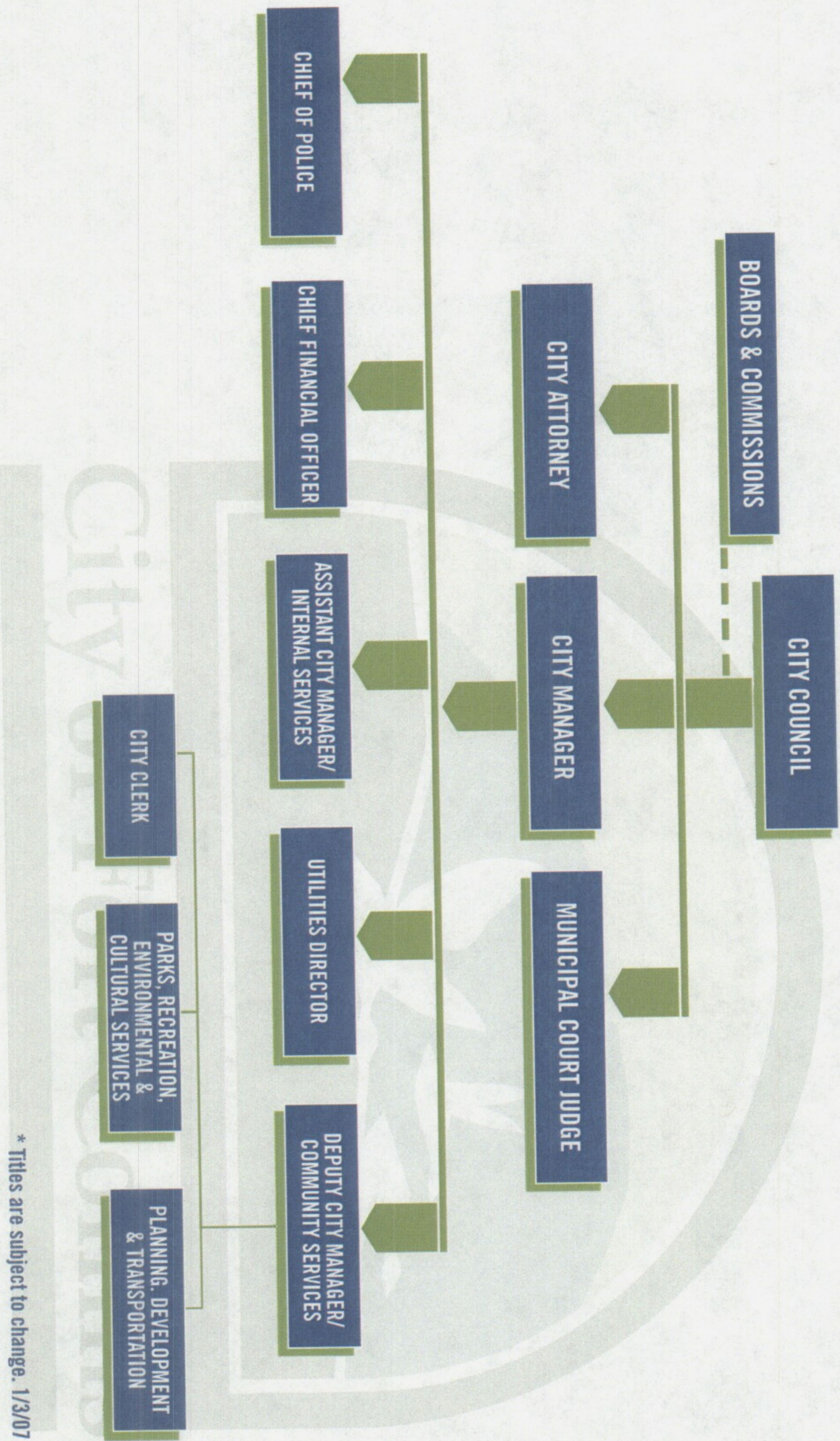
**ATTACHMENTS**

---

1. City of Fort Collins Proposed Organization Chart.



# CITY OF FORT COLLINS PROPOSED ORGANIZATION CHART



\* Titles are subject to change. 1/3/07