



COUNTY OF HUMBOLDT

Legislation Text

File #: 24-875, **Version:** 1

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

Vote Requirement: Majority

SUBJECT:
County Reorganization and Process Improvement

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive information around organizational process improvements;
2. Provide staff direction on departmental reorganization strategies; and
3. Direct the County Administrative Office to include costs associated to selected options in the 2024-25 Adopted Budget.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

On Feb. 6, 2024, your Board directed staff to come back to your Board within 90-days with a report to update your office on options of reorganization and costs of outside consulting.

At the Budget Ad-Hoc meetings the Ad-Hoc discussed opportunities for efficiencies through optimization of resources, both from a personnel standpoint and through the use of improved technologies and processes.

Topics included and were not limited to:

- Internal reorganizations
- Consolidations of duties
- Staffing reduction through attrition
- Doing less with less
- Office hours
- Flex scheduling

- Telework

Additionally, two meetings were held with Department Heads to discuss efficiencies and potential reorganization strategies. Meetings were held on March 14, 2024, and April 30, 2024, and followed with a survey to collect data and feedback around Department Head priorities. Those results are contained in detail within the Reorganization Options (attached) and in the Survey Results (attached). Department Heads have been presented the results of the survey and relayed that they felt more information may have been needed to appropriately answer some of the questions or that questions were not fully understood. With that in mind, the survey results are included as a tool to assess next steps, however, are not intended to be a statistically valid analysis or a perfect gauge for support or concern. It is merely yet another data set that may be used to guide decision making.

The county has studied the concept of reorganization in the past. On Sept. 22, 2015, an organizational assessment study for the Department of Health & Human Services (DHHS) was presented to the Board, which contained several recommendations for changes to the DHHS structure that also had impacts to other county departments. The Wendy Brown Creative Partners (WBCP), Transitional Organization Assessment Study (attached), was analyzed in 2015 and provided principal recommendations that specifically addressed organizational changes with impacts to other county departments. While some of the recommendations have been implemented, four remain and have continued to be recommended in subsequent studies. These include consolidating services from multiple departments into new resource management and/or general services departments, consolidation of IT and legislative analyst/public information staff and a County Executive Office model. Given these areas continue to provide opportunities for improvement, they are elevated as key areas to explore when evaluating reorganization options.

In more detail, previous recommendations and reorganization considerations include the following:

Combine Environmental Health, Planning & Building, and some Public Works functions into a new Department.

- At the Feb. 9, 2016, the Board directed staff to discuss with Department Heads involved regarding combining Environmental Health, Planning & Building, and some Public Works functions into a new department (tentatively titled "Development & Resource Management").
- Short of creating a department, this is essentially the creation of a One-Stop Permitting that includes Environmental Health, Planning and Building and Public Works' Land Use division in one location.

Separate Motor Pool and Facilities Management from Public Works and re-form the prior General Services Department; remove Purchasing and Information Technology (IT) from the County Administrative Office and place them in General Services Department.

- At the Feb. 9, 2016, meeting the Board directed staff to discuss proposed changes with affected Department Heads and to bring a recommendation back to your Board.
- On Aug. 23, 2016, staff recommended that your Board not pursue this reorganization effort due to feedback from staff and Department Heads involved in the reorganization.

Place the major public information and legislative functions of DHHS under the County Administrative Office (CAO).

- At the Feb. 9, 2016, meeting the Board voted to place the major public information and legislative functions of Department of Health and Human Services (DHHS) under the County Administrative Office.
- To date this has not been implemented.

Establish CAO as administrative supervisor of Department Head(s).

- The Blue Ribbon Task report (page 21) and the WBCP report (page 45) recommends that the DHHS Director, while appointed by the Board of Supervisors, should be “administratively” supervised by the CAO.
- The Board has not previously taken action on this topic.

Ask voters to combine the elected offices of Auditor-Controller and Treasurer-Tax Collector into a new Finance Department; remove Revenue Recovery from the CAO and place it into Finance.

- At the Feb. 9, 2016 meeting the Board voted to ask voters to combine the elected offices of Auditor-Controller and Treasurer-Tax Collector into a new Finance Department, the director of which would be elected if so approved by voters, remove Revenue Recovery from the CAO and place it into the newly formed Finance Department.
- On May 10, 2016, the Board of Supervisors voted to move forward with the creation of a Department of Finance and to transfer responsibility of the Revenue Recovery Team from the County Administrative Office to the Treasurer-Tax Collector effective July 1, 2016.
- On July 19, 2016, the Board of Supervisors approved the Ordinance to place the department of finance on the Nov. 8, 2016, ballot. Voters did not vote to pass the ballot measure.
- On Dec. 6, 2022, the Board voted to consider placing the Director of Finance on voters’ ballot once again.
- On Nov. 7, 2023, your Board directed staff to return to the Board on Nov. 28, 2023, with a resolution to place the Director of Finance on the March 2024 ballot.
- On Nov. 28, 2023, staff brought before your Board the resolution to place the Office of the Director of Finance on the March 5, 2024, ballot. Your Board opted to not pursue the consolidation of the Auditor-Controller and the Treasurer-Tax Collector by voting to not place this item on the ballot for voters.

Restructure the Aviation Division to enhance the focus on airports as an economic development tool.

- At the Feb 9. 2016, the Board voted to restructure the Aviation Division to enhance the focus on airports as an economic development tool and directed staff to bring back additional details as needed.
- On Nov, 15, 2016, county staff noted that a long-term plan for financial sustainability needed to be developed in order to eliminate the Aviation Division's structural deficit.
- On March 14, 2017, the Board of Supervisors awarded a contract to Volaire Aviation, Inc. to assist with a long-term plan for financial sustainability to eliminate the Aviation Division's structural deficit through an Airport Governance and Sustainability Study.
- On Dec. 19, 2017, the Board of Supervisors received a report from Volaire Aviation, Inc. and voted to create a Department of Aviation separating Aviation from the Department of Public

Works.

Today's report contains several reorganization options for your Board's consideration. Some options may consist of centralizing services. It will be important to keep in mind through centralization there are opportunities for process improvement, improved efficiencies and potential cost savings. The real savings in the short-term is in process improvement and efficiencies through the reduction of duplication of efforts, improved cross-training and knowledge sharing and thereby saving staff time and improving overall agency resiliency. In the longer-term actual cost savings may be realized.

Should your Board choose options that centralize services, the effective implementation of the change will require careful planning, stakeholder engagement, and cost benefit analysis. The use of consultant services will be beneficial in outlining transition plans, ensuring that any classification and compensation matters have been addressed, transfers from departments will not negatively impact the originating departments and that the necessary policies and procedures are in place to make transitions effective. This work will not be a study or evaluation of centralizing opportunities but more an operational change management plan. Below is a summary of reorganization options.

Contained in the attached Reorganization Options is more details on each of these options and the survey results.

Option 1. One-Stop Permitting

Create One-Stop Permitting by co-locating Planning and Building, Public Works Land Use and Environmental Health to one location.

The co-location of Environmental Health with Planning and Building and Public Works Land Use would necessitate a relocation of all programs to form one-stop permitting facility that could house current employees. This co-location would also provide significant opportunities to begin making other strategic moves in accordance with the Facilities Master Plan. (Reorganization Options pages 1 and 2)

Cost Estimate:

\$487,864 plus a 5% escalation annual lease.

\$60,330 space needs study or this could be performed in house through Public Works.

Based on favorable survey results staff recommend this option.

Option 2. Centralized Information Technology (IT)

Separate Information Services (IS) from DHHS, Separate Child Support Services IT, District Attorney IT and Planning and Building IT staff and combine with County Information Technology (IT), making a centralized county IT Department. (Reorganization Options pages 2-5)

Cost Estimates:

\$46,080 for class and comp study.

\$31,200 for a consultant's implementation plan.

Based on favorable survey results and additional feedback staff recommends further discussion and analysis prior to centralization.

Option 3. Centralized Information Technology Security

Separate Information Technology Security from DHHS and combine with County IT's Information Security. The County IT Director reports he could continue supervising the Information Security Team but feels the

Security Officer should report directly to the County Administrative Officer while the County IT Director would maintain day to day indirect supervision. Additionally, the County IT Director recommends that all security staff be co-located. (Reorganization Options pages 6-8)

In approving this option your Board is approving the following:

- County-wide Information Technology Security be consolidated into one unit and be under the supervision of the County IT Director.
- The Information Security Officer shall report to the County Administrative Officer.

Cost Estimate:

\$6,000 for class and comp study of DHHS IS.

\$2,880 for the completion of the IT Security Officer job description.

\$6,960 for a consultant's implementation plan.

Based on favorable survey results and additional feedback staff recommends further discussion and analysis prior to centralization.

Option 4. Combine Facilities with ADA

Separate Facilities Management from Public Works and combine with the County Administrative Office, ADA Compliance Team. This option would move the Facilities Management Division of Public Works under the County Administrative Office. This option would also contain a recommendation to convert the Building Maintenance Budget (1100162) to an Internal Service Fund. This option could be a temporary move for Facilities Management. (Reorganization Options pages 8-11)

Cost Estimate:

\$4,800 for class and comp study.

Survey results were split on this option. Staff recommends this option.

Option 5. General Services Department

Separate Facilities Management Division and Fleet Services from Public Works and combine with a re-formed General Services Department; remove Purchasing, Information Technology (IT), Communication and ADA Compliance from the CAO Department and place into the newly formed General Services Department. (Reorganization Options pages 11- 14)

Cost Estimate:

\$32,400 for class and comp study may be needed to separate DHHS Facilities, Procurement, and Fleet Services staff and combine with County Facilities, Purchasing, and Fleet Services.

\$2,880 for the creations of a General Services Department Head job description.

\$25,200 for a consultant's implementation plan for the creation of a General Services Department.

Additional costs may include the relocation of staff should that be required at an undetermined cost.

Based on unfavorable survey results, staff does not recommend this option.

Option 6. Combine DHHS Procurement with County Purchasing

Separate DHHS Procurement from DHHS and combine with County Purchasing. (Reorganization Options pages 14 and 15)

Cost Estimates:

\$9,600 for class and comp study.

\$5,760 for a consultant's implementation plan.

Based on favorable survey results and additional feedback, staff recommends further discussion and analysis prior to centralization.

Option 7. Combine DHHS Fleet Services with Public Works Fleet Services

Separate DHHS Fleet Services from DHHS and combine with Public Works Fleet Services. (Reorganization Options pages 15 and 16)

Cost Estimates:

\$21,120 for class and comp study.

\$13,440 for a consultant's implementation plan.

Although survey results were favorable, after hearing additional feedback, staff does not recommend this option.

Option 8. Combine DHHS Employee Service with the Department of Human Resources

Separate DHHS Employee Services (ES)/Payroll staff functions from DHHS and combine with the Department of Human Resources (HR) creating a centralized Human Resource Department.

The payroll functions performed through DHHS are not the same functions that County Payroll performs, rather more of a time keeping function. (Reorganization Options pages 16 and 17)

Costs Estimates:

\$23,280 for a class and comp study.

\$14,640 for a consultant's implementation plan.

Based on favorable survey results and additional feedback, staff recommends further discussion and analysis prior to centralization.

Option 9. Consolidate PIO and Legislative Functions

Separate, after review and analysis of positions, staff that perform major public information (PIO) and legislative functions and combine those positions with the CAO .

At the Feb. 9, 2016, meeting the Board of Supervisors voted to place the major public information and legislative functions of DHHS under the County Administrative Office. To date this reorganization has not been initiated. (Reorganization Options pages 18-20)

Cost Estimate:

\$12,000 for class and comp study may be needed to separate DHHS PIO and Legislative major functions from other staff to consolidate with the CAO.

\$5,520 for class and comp study to department major PIO and Legislative functions in other departments to consolidate with the CAO.

Additional costs may include the relocation of some staff should that be required at an undetermined cost and costs for Legislative software.

Based on favorable survey results and additional feedback, staff recommends further discussion and analysis prior to centralization.

Option 10. CEO Model

Change the Board and CAO reporting structure for appointed Department Heads by changing the county's reporting structure to that of a CEO model.

The primary difference is in the CEO model, the CEO oversees the county's appointed Department Heads and their respective departments. (Reorganization Options pages 20-22)

In selecting this option your Board may choose to select a hybrid CEO model:

- Hybrid Authority - that defines the authority of the CEO.
- Hybrid Reporting Structure - this would select the departments heads who will report to the CEO, and in addition could proceed with phasing in remaining departments as leadership changes.

Costs Estimates:

\$10,080 for a class and comp study of the CEO position and key staff

Based on favorable survey results, staff recommends this option.

Option 11. Department of Emergency Services

Separate the Office of Emergency Services from the Sheriff's Office and create an OES Department.

(Reorganization Options pages 22 - 24)

Costs Estimates:

Staffing costs for a Department of Emergency Service is estimated to require additional annual General Fund contributions ranging from \$105,000 to as much as \$711,000 depending on staffing levels and other associated funding. Currently the General Fund for the Office of Emergency Services is \$259,854. Office of Emergency Services currently have 4.0 FTE.

Eventually there may be costs associated with relocating the program from the courthouse basement to a more accessible location for partner agencies and the public.

Based on unfavorable survey results, staff does not recommend this option.

Option 12. Grant Coordinator

Create a Grant Coordinator position in the County Administrative Office. (Reorganization Options pages 24 and 25)

Cost Estimates:

\$141,000 is estimated for salary and benefits for the Grant Coordinator position.

Additional cost may include grant management software that range between \$45,000 and \$110,000 annually. Cost for contracted services to assist department in the actual writing of grants and lobbying for funding may enhance opportunities for more departments to apply for grants. Annual costs for such a service range from \$50,000 to more than \$250,000, depending on the number of projects and level of service desired. Any professional service would be managed by a Grant Coordinator to ensure services align with county-wide strategic plans and priorities.

Survey results were split on this option. Staff seeks Board direction on this option.

SOURCE OF FUNDING:

General Fund

FINANCIAL IMPACT:

Narrative Explanation of Financial Impact:

The financial impact of this option is dependent on options your Board choose to implement and/or explore further. For options your Board choose to implement, staff recommend the Board directs the County Administrative Office to include costs associated to options selected in the 2024-25 adopted budget as a General Fund allocated expenditure. In future years, General Fund allocations may be reallocated to departments to offset increased ISF charges for departments involved in the reorganization or centralization who have experienced a negative financial impact.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

Staffing impacts are dependent on options selected.

OTHER AGENCY INVOLVEMENT:

All County Departments

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

CPS HR Consulting Humboldt County IT HR Payroll and Accounts Payable Operations Review
WBCP Transition Organizational Assessment Study
Blue Ribbon Task Force Recommendations
CCRP - County Grant Coordinator
Reorganization Options
Survey Results

PREVIOUS ACTION/REFERRAL:

Meeting of: 9/22/15, 2/9/16, 5/10/16, 7/19/16, 8/23/16, 3/14/17, 12/19/17, 8/22/18, 2/4/2020, 12/6/22, 11/7/23, 11/28/23

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