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W. G. C.

Memorandum Date: August 16, 2005
Order Date: August 24, 2005

TO: Board of County Commissioners
DEPARTMENT: County Administration
PRESENTED BY: Jennifer Inman, Management Analyst II
AGENDA ITEM TITLE: DISCUSSION OF THE CREATION OF THE POSITION OF ASSISTANT COUNTY ADMINISTRATOR

I. **MOTION**

As directed by Board.

II. **AGENDA ITEM SUMMARY**

Is it timely for Lane County to create the position of Assistant County Administrator? What might this organizational structure look like? What are some of the benefits and drawbacks? What is the estimated fiscal impact?

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

On May 4, 2005, having been notified of the pending retirement of the director of Management Services, the Board discussed the possible reassignment of the functions of the Management Services department. The impact of the reassignment on the County Administrator's duties led to interest in exploring succession planning for the County Administrator, including the creation of the position of Assistant County Administrator (ACA).

In the late 1980's, Lane County explored the Assistant County Administrator model. A senior manager operated in the capacity, though the model was not permanently implemented at that time.

B. **Board Goals**

Creation of an Assistant County Administrator position promotes two important objectives:

- 1) succession planning for the County Administrative Officer (CAO) position, and
- 2) the ability of County Administration to implement Lane County Goals, Priority Strategic Objectives, and manage high-level projects.

The Lane County Strategic Plan addresses the need for succession planning in section A4d under Promoting Continuous Quality Improvement. Succession planning is also identified in the County's Human Resources Plan under Performance Development and Diversity. The need for Strengthening Analytical Capabilities is covered in section C3 of the Strategic Plan.

Achievement of the County Goals requires the dedicated attention of upper management. The current structure limits the role our County Administrator can take in managing these efforts.

C. Analysis

While perhaps not imminent, the retirement of the County Administrator is approaching. Lane County's current organizational structure provides no career path position leading to County Administrator.

Analytical support in County Administration is limited. There is little available senior level back up to the County Administrator on special project management and interagency projects. When called upon to lead high-level efforts, the CAO must divert attention from general County administration and when internal affairs again demand his immediate involvement, the special project or interagency initiative is delayed or loses momentum. In this structure, progress on County Goals and Strategic Objectives moves by fits and starts.

Because there are so many possible variables and the success of any changes to our organizational structure depends so heavily on the characteristics of the person/s in each position, it is almost impossible to provide a pure fact-base for the analysis below. The Board should recognize the majority of this memo is based on my opinions following my research of other counties, review of Lane County's prior organizational structures and recent discussions on the matter, the Strategic Plan, County Goals, Priority Strategic Objectives, and Human Resources Plan. I also received input from the County Administrator, Management Services Director, Human Resources Manager, Budget and Planning Manager, and other Management Services managers, and shared findings with the Management Team.

While there are no guarantees, the addition of an Assistant County Administrator could provide many benefits, including:

- immediate support for leadership on County Goal-related projects such as the City-County Public Safety Task Force
- an opportunity to get to know and work with a potential CAO successor

- a smooth transition of County Administrators
- more time for the CAO to devote to work with counterparts in other agencies, potentially improving the success of interagency strategies
- increased opportunity for the County Administrator to join Commissioners in meeting with and communicating directly with public, enhancing public engagement and awareness of County services
- sustained progress on long term goals and continuity of direction through transitions in leadership
- the addition of a new set of strengths, experiences, and established relationships to senior County leadership

With the pending retirement of the Management Service Director and the current Management Analyst II vacancy in County Administration, there is an opportunity to make an organizational structure change using some existing resources. Existing resources, however, are tied to existing responsibilities and will directly impact the availability of an ACA to manage special projects and provide senior management back up to the CAO. Three alternatives are discussed in detail in Section E Alternatives/Options. The following provides an overview of a few of possible variations on the three alternatives.

Title II/III: Title II/III responsibilities are currently assigned to the vacant Management Analyst II position in the Budget & Planning program of County Administration. The position was not filled when open earlier this year. Should the Board be inclined to develop the ACA position, Budget & Planning staff suggest dividing the Title II/III duties between the new ACA and a new Administrative Analyst position – eliminating the Management Analyst II position. The Admin Analyst would handle the Title II/III record keeping, reporting, and related detail while the ACA would oversee the review of new solicitations, and handle the external responsibilities including working with the Resource Advisory Committees. The new Administrative Analyst position would become a stepping stone to the Management Analyst positions in Budget & Planning, providing another succession planning opportunity.

This reassignment of responsibilities and resources was used as a base of partial funding for both alternatives featuring the addition of an Assistant County Administrator.

Merging of Management Services (MS) and County Administration (CA): Like many counties, Lane County's history includes a variety of ways in which the central functions of budget, finance, human resources, and facilities have been organized and aligned. I found no evidence that a single alignment of functions was inherently more successful than another. I did, however, note that when a single administrator oversees multiple functions, his/her availability is dramatically impacted by vacancies in management of those functions (whether short or long term). Please note that the alternatives that include the merging of

functions of the MS and CA, no lines of reporting have yet been established. These would be determined as part of a transition plan, or following the selection of an Assistant County Administrator.

Capital Improvements Program Planning & Coordination: The future retirement of the current Management Services Director will leave the County with two major roles to fill – the direction of Management Services and the planning and coordination of capital improvements to County facilities. The need for focused attention on the improvement of County facilities capital arose in every part of research, particularly when considering:

- The security of County facilities and ability to respond to facility related emergencies,
- The fiscal benefit of long term planning for maintenance and replacement of capital resources, and
- One of the three Lane County Goals is a major capital project and will require dedicated management staff.

The Management Services Director suggested that, following his retirement, a portion of the Capital Improvement Fund be used to fund a Capital Improvements Program Manager. The future need for dedicated capital improvements management could be covered by committing approximately 2-4% of the fund as budgeted for FY 05/06.

This variation is an option in all three of the alternatives discussed below. It can be a component of a plan to add an Assistant County Administrator, or it can stand alone. Should the Board decline to make any change to capital Improvements management at this time, the issue will need addressed in the search for a successor for the MS Director.

Human Resources: Human resources related issues are prominent in the Strategic Plan, Priority Strategic Objectives, and County Goals. Approximately 80% of the County's operational cost is in personnel. As discussed in the Board meeting on May 4, 2005, the Board may want to take this opportunity to provide greater organizational focus and oversight to this critical County function by creating a Human Resources Department.

While reducing the span of responsibility for the Director of Management Services, promoting the division to department status would add another direct report to the CAO. This additional responsibility could be mitigated should it be part of a plan to add an Assistant County Administrator. This variation is an option in all three of the alternatives discussed below. It can be a component of a plan to add an ACA, or it can stand alone.

Rough projections show no significant fiscal impact as the current Human Resources Manager salary is the same as a department director in a smaller

department.

D. Financial and/or Resource Considerations

It is not possible to do a solid cost analysis before taking the next step of determining which alternative to develop a transition plan and the necessary classification descriptions and point factor analysis. Very rough estimates are provided for the purposes of comparison.

With the pending retirement of the Management Service Director and the current Management Analyst II vacancy in County Administration, there is an opportunity to make an organizational structure change using some existing resources. The options detailed below range from a potential savings of \$50,000-\$100,000 to an additional cost of \$50,000-\$100,000. Unless otherwise stated¹, additional funds would need to come from Operational Reserves.

E. Alternatives/Options

The purpose of this analysis was to consider the creation of the position of Assistant County Administrator, in order to accomplish the following objectives:

- A. promote succession planning
- B. promote the ability of County Administration to implement Lane County Goals, Priority Strategic Objectives, and supervise special projects
- C. provide increased analytical capacity for the County Administration Office and the Board of County Commissioners.

The reassignment of existing responsibilities led to the following additional objectives:

- D. meet all obligations of Title II/III resource management and promote renewal of Secure Rural Schools Act
- E. promote efficiency, safety and security, and strategic use of County's facilities capital
- F. promote implementation of the Human Resources Plan and position Human Resources most effectively manage the County's human resource and human capital issues

While there are dozens of variations and combinations possible, the following options capture the significant approaches discussed and researched during my analysis.

Option 1a: Add an Assistant County Administrator and eliminate the Management Services Department, folding divisions into County Administration.

¹ For example, the use of Capital Improvement Funds for a Capital Improvements Program Manager.

This option promotes succession planning, but provides limited senior support for project management as County Administration would gain oversight of the functions of the Management Services Department.

This option can be done using existing resources, by eliminating the MS Director and the Title II/III Management Analyst II position and creating the Assistant County Administrator and Title II/III Administrative Analyst positions. Rough fiscal projections indicate Option 1 would potentially save the County \$50,000 - \$100,000 in personnel expenses in FY 05/06. A transition plan would need to be developed to identify specific expenses related to the department merger, including the possible reclassification of support staff positions.

This option would meet all obligations of Title II/III resource management and would promote the renewal of the Secure Rural Schools Act, but may be limited. The ACA will need to balance administrative direction of Management Services functions with Title II/III responsibilities and senior support of the CAO. This workload issue would be mitigated by the addition of a Capital Improvements Manager and further by the creation of a Human Resources Department.

Option 1b: in addition to Option 1a, create the position of Capital Improvements Manager

Option 1c: in addition, create the Department of Human Resources

Option 1d: in addition, add a Capital Improvements Manager and create the Department of Human Resources

Option 2a: Add an Assistant County Administrator and maintain the Management Services Department.

This option promotes succession planning and provides senior support for project management as County Administration, improving our ability to implement County Goals and Strategic Objectives.

This option would require roughly an additional \$50,000-\$100,000 be allocated from Operational Reserves. It creates less upheaval as the Management Services Department would not be merged into County Administration. The possibility this investment will create a reasonable return depends on several factors, including the degree to which:

This option includes the elimination of the Title II/III Management Analyst and the addition of a Title II/III Administrative Analyst to work directly with the ACA to meet all obligations of Title II/III resource management and would

promote the renewal of the Secure Rural Schools Act. Management Services would retain the current level of administrative direction.

The divisions of MS would receive enhanced support and direction with the addition of a Capital Improvements Manager, further still by the creation of a Human Resources Department.

Option 2b: in addition to Option 2a, create the position of Capital Improvements Manager

Option 2c: in addition, create the Department of Human Resources

Option 2d: in addition, add a Capital Improvements Manager and create the Department of Human Resources

Option 3: Do not add an Assistant County Administrator, maintain Management Services Department structure. Maintain the current Title II/III Management Analyst II.

By choosing Option 3, the Board maintains the County's current structure and capacity to implement County Goals, manage special projects and interagency efforts, and meet Title II/III obligations. No additional costs will be incurred nor savings realized.

Even without adding an ACA or changing the MS Department, the Board may still consider addressing objectives D&F by creating the position of Capital Improvements Manager and creating the Department of Human Resources.

Option 2b: Create the position of Capital Improvements Manager and take no action on the creation of an ACA.

Option 2c: Create the Department of Human Resources and take no action on the creation of an ACA.

Option 2d: Create both the position of Capital Improvements Manager and the Department of Human Resources and take no action on the creation of an ACA.

IV. RECOMMENDATION

Option 2d – Add an Assistant County Administrator and maintain the Management Services Department. Add a Capital Improvements Manager. Create the Department of Human Resources.

- best meets all of the objectives developed in the analysis
- addresses multiple strategies laid out in the County Goals, Strategic Plan, Strategic Objectives, and Human Resources Plan
- is timely

- will improve the likelihood of success on revenue enhancement strategies by providing senior level project support to the County Administrator
- addresses current organizational structure weaknesses while building future strengths (succession planning)

V. FOLLOW-UP

Should the Board direct the creation of new positions and/or changes in organizational structure; 1) Human Resources will develop the appropriate classification descriptions and provide the necessary compensation analysis, and 2) Further work will be needed to develop a transition plan. Any transition plan may impact positions in the organization. Care will be taken to fairly address the effect on current employees.

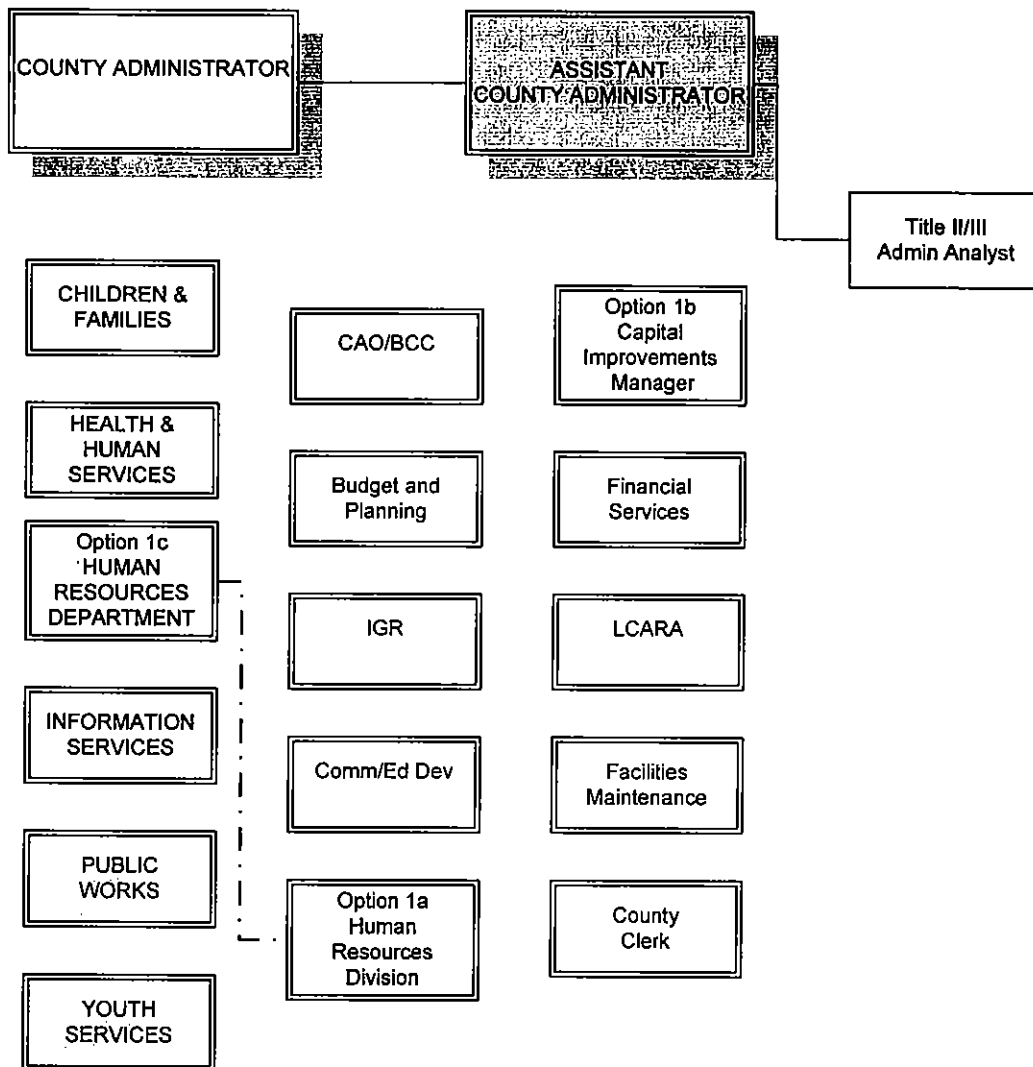
VI. ATTACHMENTS

Alternative Organizational Charts

Option 1

Add ACA

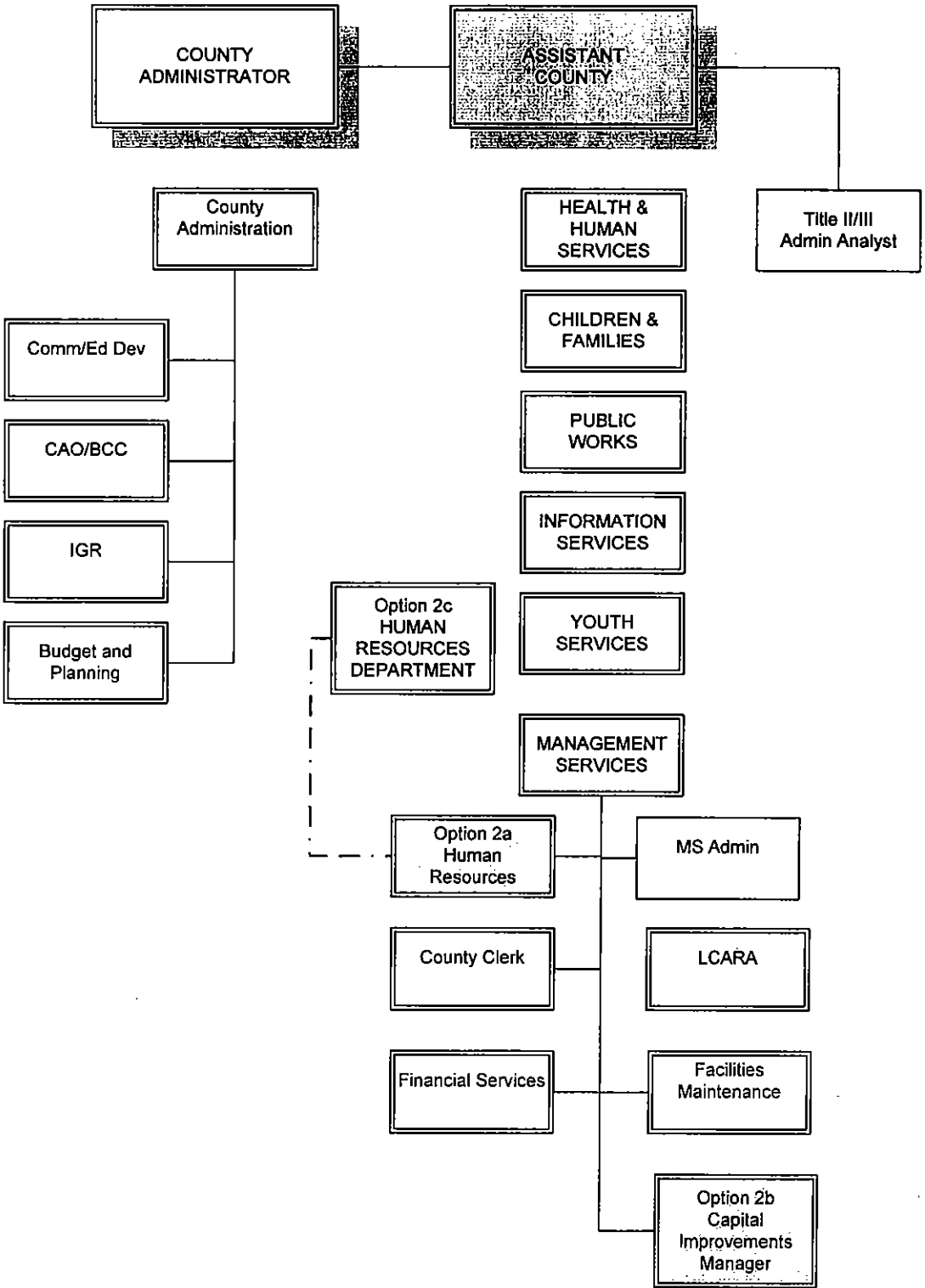
No Management Services Dept



Option 2

Add ACA

Keep Management Services Department



Option 3

Current Organizational Chart

