



## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

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**Matter Type:** General Agenda Item

- a. Consider a report reviewing the Monterey County Resource Management Agency prepared by Citygate Associates, LLC;
- b. Provide direction to the County Administrative Officer to implement the Citygate report; and
- c. Direct the CAO to report back to the Board in sixty (60) days on actions taken relative to implementing organizational changes recommended by Citygate.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Accept the report reviewing the Monterey County Resource Management Agency (RMA) prepared by Citygate Associates, LLC (Citygate);
- b. Authorize the County Administrative Officer (CAO) to take actions to reorganize the RMA by creating two (2) separate departments as recommended by Citygate: 1) Housing and Community Development Department (HCD); and 2) Community Services Department (CSD), including but not limited to creating and filling three (3) new positions: Economic Development Manager in the County Administrative Office, HCD Director, and CSD Director;
- c. Transfer the Housing Program from the CAO department to the newly created HCD; and
- d. Direct the CAO to report back in 60 days on actions taken relative to implementing organizational changes recommended by Citygate.

### SUMMARY/DISCUSSION:

In 2005, three (3) County departments (Planning, Building Inspection and Public Works) were brought together and the Resource Management Agency (RMA) was created. Since that time, other functions like General Services, Parks, and Floodplain Management have been added into the RMA. Some functions like Housing, Economic Development, and Fleet were removed - ultimately placed in the County Administrative Office. The result is a very diverse and, in some cases, unrelated range of functions under one department.

Initially, the RMA was organized with three (3) department heads/directors reporting to an agency director. This created challenges that were intensified with significant staffing reductions starting in 2007. In 2016, the RMA organization was changed to reflect one (1) department/director with three (3) divisions. This structure has realized various efficiencies that have helped to manage resource constraints over time.

Citygate was hired in January 2020 to conduct a comprehensive review of the RMA with particular emphasis on the land use permitting and building services processes and to also analyze the size, scope and organizational structure of the Agency. Citygate was also asked to review the advisability of relocating the Housing Program to the RMA. Citygate began its work in February 2020. During the next several months, the Citygate team performed an intensive and extensive on-site review of RMA processes, procedures and organizational structure. Citygate also interviewed a very broad range of stakeholders as well as current and former RMA employees. Citygate also conducted interviews of each member of the Board of Supervisors, an ad hoc committee of the Planning Commission, as well as members of the County executive staff.

The Citygate report describes the intent and issues that led to creation of the RMA. It is noted that the current management of the RMA is different from the management structure that existed prior to, or in the early days, of the RMA. Citygate identified that some of the issues associated with the RMA appear to have existed long before the current management was in place.

The Citygate report describes challenges which the current Agency faces, including funding reductions leading to staff reductions, difficulty in recruiting and retaining adequate staff and expansion of RMA responsibilities without adequate, commensurate resources. Citygate makes a total of seventy-six (76) recommendations for improvement in four (4) broadly identified areas as follows:

1. Establishing trust related to applicant and stakeholder satisfaction;
2. Calibrating workforce with workload;
3. Managing performance; and
4. Realigning the organization.

Citygate groups its recommendations into three (3) categories: mandatory/critical, strongly recommended and recommended.

There are a variety of different organizational structures which experts could recommend for different types of agencies/organizations. In its analysis, Citygate believes that the current organizational structure of the RMA is “overly broad” in that the RMA includes a wide variety of unrelated functions, added to the Agency over time, which dilutes the mission and makes overall effective management difficult. Citygate also concludes that the current RMA organizational structure to be “overly tall” in that there are multiple layers of management and supervision which makes decision-making cumbersome and accountability difficult.

The most significant recommendation in the Citygate report is that the RMA should be reorganized and split into two (2) new stand-alone departments: a Community Development and Housing Department and a Community Services Department. The Community Development and Housing Department would include Planning, Building Inspection and Housing. The Community Services Department would include Public Works, Parks and Facilities. The current Administrative Services division of the RMA would be split between the two (2) new departments. Each department would be headed by a department head reporting to the CAO. Implementation of this recommendation would lead to the dissolution of the RMA as an organizational entity. The report also contains recommendations for changes, should the Board opt to not pursue the full-scale reorganization. Mr. Evert Palmer, Citygate Project Manager, will present the report and the Citygate recommendations in a PowerPoint presentation at the July 28, 2020 Board of Supervisors meeting.

The CAO established an internal staff team consisting of an Assistant CAO, RMA Director, County Counsel, and HR Director to consider Citygate’s organizational recommendations. Based on all of the information and considering the perspective of the current RMA Director, the review team unanimously supports, and the CAO recommends, that the Board direct the organizational changes recommended by Citygate. To better distinguish between the two (2) departments, the staff review team recommends changing the name of the new land use department from Community Development and Housing, to Housing and Community Development (HCD) to better distinguish from the new Community Services Department (CSD). The CAO also recommends keeping the two (2) departments in the same physical location (Schilling Place) to retain operational efficiencies.

Implementing the Citygate recommendations will require a number of personnel-related actions that will require staff time, including:

- Creation of job descriptions and salaries for new positions;
- Selection of candidates for the new positions;
- Creation of new organizational charts to reflect changes;

- Creation of budgets to reflect changes;
- Meet and confer with labor regarding identified impacts to employees; and
- Amendment of County Code to reflect organizational and reporting structure changes.

More specifically, the following actions would be involved:

1. Move Housing Program to RMA.
2. HR to create job descriptions and salaries for: 1) Director of Housing and Community Development; and 2) Director of Community Services Department. Both positions would be direct reports to the CAO.
3. HR to meet and confer with labor regarding identified impacts to employees.
4. CAO to fill the two (2) new director positions. The current RMA Director would be appointed as the Director of Housing and Community Development Department (y-rated). An internal recruitment would be conducted by HR for the Director of Community Services Department.
5. HR to create a job description and salary for a new position of Economic Development Manager and to reclassify the vacant Management Analyst III position in Economic Development to this new position. Economic Development function to remain in the CAO department.
6. HR to conduct a recruitment for Economic Development Manager.
7. County Counsel to identify and bring forward recommendation to the County Code which will be necessary to fully implement the Citygate recommendations.
8. Department(s) to create new organizational charts to reflect changes, subject to approval of the CAO. This will require allocating existing administrative services staff between the two new departments in a manner which is equitable and operationally sound.
9. Department(s) to create budgets that reflect changes, subject to approval of the CAO. Staff intends to work within the parameters of the existing positions/budgets as much as possible without impacting any individual and ensuring the departments are adequately set up for success. However, the RMA adopted budget reflects permit revenue projections pre-Covid that will need to be considered.
10. Budget adjustments may be required to implement specific Citygate recommendations such as development/implementation of a more robust project management database.
11. Department(s) to work with the CAO and Citygate to implement the Citygate recommendations in a phased manner.

A thorough review of any company, government, department or division will reveal strengths and weaknesses. It is important to read organizational studies unbiasedly as best we can, which can be challenging. Organizational structural reviews, such as the one provided by Citygate, provide a unique opportunity to get a view of our operations from the both the outside and the inside. To be accepted, such reports must amplify critiques and build off successes. For implementation to be effective, we must balance inciteful concerns while supporting the hardworking, high-performers found throughout RMA. In other words, we must recognize where we can be better without judgement and be proudly aware of what we do well. We look forward to a robust discussion with the Board, RMA staff and the public so that we can continue to improve.

#### OTHER AGENCY INVOLVEMENT

The Citygate report was prepared with a wide range of input from internal and external stakeholders as well as existing and former RMA staff. In addition, the CAO assembled an internal staff review team composed of the CAO, Assistant CAO, County Counsel, RMA Director and HR Director.

#### FINANCING

There is no impact on the General Fund from acceptance of the Citygate report. It is anticipated that budget adjustments may be required to accommodate salary adjustments and development of a more robust project tracking database.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of these actions are consistent with the following Board Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Charles J. McKee, County Administrative Officer

Attachment: Citygate Report