



Bisbee, AZ

Office of the City Manager

Monday, August 21, 2017

To: Council
CC: Leadership
Fr: RES
Re: Month 1 Status

Council –

I have reached a month of work with staff, and am providing the attached, which is a list of initiatives that are being launched, as well as a summary of a few additional efforts which will soon follow. These are projects that leadership is working together to deliver, and I feel compelled to report that I am continuously impressed with the level of dedication and professionalism I find each day within this administration.

Most of the work in the attached report is designed to:

1. Improve our plan for (and the management of) our personnel resources
2. Enhance and share administrative support resources and functions
3. Create a path to better customer services
4. Increase our use of volunteer resources
5. Establish software and technology tools to help us do more, and do it better
6. Increase revenues and decrease expenditures
7. Shop local whenever practical
8. Make the budget, financial reporting and projections understandable and accessible
9. Compare our effectiveness/performance to other cities and report on (as well as learn from) that
10. Responsibly care for our historic public buildings
11. Make it easier for the administration, Council and community to understand why the administration is financially challenged

This work is not designed to address longer term issues like capital improvement programming – right now, we are focusing on actions which will have a short term yield to help ease some of the stressors on the administration, as well as begin to turn some of our negative fiscal trending around. I'm hopeful that the effect will be to create some breathing room, where longer term, and more difficult issues, can be addressed.

I am confident that in the coming weeks, enhancements to the items in this report will surface from leadership's efforts and continuing collaboration. We will endeavor to keep Council updated on our progress.



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Executive Summary –

The City is well positioned to launch a few short term, immediate initiatives which would generate compound benefits if accomplished sooner rather than later.

1. **Permanently filling the HR director position** is desperately needed, as immediate work is required on a compensation and classification plan. Without a plan, the City has no benchmarks for market based pay and cannot maintain compensations year over year to remain competitive or set a basis for performance based pay. Further, the plan is needed in order to identify what magnitude of funds will be required to bring existing city positions current in terms of pay and benefits. Once completed this plan would be maintained and enhanced by HR as part of our normal work. This is necessary for the City to be able to attract and retain good talent – we are advertising for that position today.
2. **The City also needs to place a ½ FTE transit-funded position**, and do so in an effective way to bring about the purposes of the position as well as an enhancement in customer services and civic engagement. It's anticipated that cooperative organization and assignment of duties across the Clerk, Finance, Public Works and Community Development offices will help optimize the impact of this additional part time position, while also establishing a reception and customer service function that will be leveraged through a volunteer corps
3. **Software needs to be introduced** to reduce some ministerial tasks, and increase accuracy as well as data management and recordkeeping. Payroll, agenda management and inspections would be initial first actions;
 - a. Payroll software will create accuracy, leave reporting, tracking for the Affordable Care Act and will dramatically reduce clerical hours now spent correcting and checking hand written time sheets. Further, the exercise of deploying the software will re-define the administrative understanding of, and use of, time recordation and pay period structure across all departments. This should help with controlling some overtime and flex or compensatory time, while ensuring that payroll documentation is accurate.
 - b. Agenda management software will enable staff to route agenda items for other departmental input, creating better item reporting to Council, and de-centralizing some of the agenda production process, providing some relief to the Clerk's office, with an improvement in staff reporting on items coming to Council for consideration. This software also helps to automate streaming and storage of meetings on the City's new YouTube channel.
 - c. Code enforcement and inspections software will greatly assist in speeding along the abatement process, as well as facilitating building inspections to make it easier and faster for contractors to progress with their work in the City. As a leveraging tool, it will also eliminate some double work and timely ministerial duties currently required in the inspections reporting and documentation processes. It is anticipated that it will also help with accuracy and postings.
 - d. Public Works/Infrastructure/Crime and Fire Suppression mapping and data management – capturing information about our infrastructures and crime will provide valuable data to incident command and personnel responding to events in the field. From historic crime data to valve and flow rate/pressure information on our fire suppression and water distribution systems, to pavement management planning and cost estimates – information about our systems, and the ability to access that information in the field is desperately needed. Much of this work can be accomplished at little cost, and fielding tablets for emergency response personnel use would help the City get the most utility out of the infrastructures it has.
4. **Fees and Fines -- study and rate adjustments** – periodically, the City should evaluate its fee and fine structures to ensure they are accurate and fair, as well as financially reasonable. While reviewing existing fees and fines, the City should engage in some innovative thinking to examine current services and determine if the costs associated are being recaptured from the appropriate public. If it is determined that this is not the case, suggested edits to the City's fee and fine structures should be brought to Council for consideration.
5. **The City is releasing an RFP for IT services**, which should enable the administration to create a long term IT plan, as well as bring some equipment and software current. Investment in this hardware and software is critical to the existing personnel compliment being able to work more efficiently and accurately. It is worth it to note that the amount and detail of data managed today through administrative processes has ballooned with state and federal complexity in reporting processes, as well as the burdens we gladly bear to ensure accessibility and transparency of our data and activities. We must begin to use software and technology to our advantage, like other municipalities in AZ and the nation, in order to keep up. In some circumstances our care for and custody of certain information, as



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required by state and federal law, requires a better approach than our current practices, and the use of software and technology can help us meet our responsibilities and obligations efficiently.

6. **Exploration to secure funds to rehabilitate City Hall** and other historically significant public buildings. Investment in these buildings is responsible, and is needed soon – many are experiencing accelerating damages from weather, flooding and lack of maintenance, and if appropriately managed will continue to serve the community for generations. Extending from this thought, would be a municipal effort to create historic district plans that would help the City secure funding and resources to preserve and renovate historic structures across the longer term, bringing a planned vision for Bisbee’s communities to reality.
7. **Cooperative procurement with the County**, and analysis/exploration of a ‘shop local’ procurement policy – (1) given the buying power of the County, they may have access to lower unit costs that we do, and (2) the time and expense related to travel to Sierra Vista, should be evaluated and included in the comparative costs related to using vendors there. It may be that if such overhead is included in cost analysis, it makes more sense to use some local vendors, even if local unit costs are higher. Evaluation of these potential changes via departmental input and experience is critical, and minor modifications to procurement policy and practice may be required through Council action.
8. **Other initiatives that are forming**, which should begin forward movement within the next month are, a cash flow and payables model for financial projection, a review of existing personnel costs and payment structures/strategies, the collection of targeted cost information for some municipal programs/activities, review and enhancement of the City’s procurement process and financial transparency reporting, inclusion of some comparative performance reporting in our financial reporting, and preparation to launch on-line-bill-pay from our website.



Details –

1. HR Director – Fill the Permanent Position, launch Compensation and Classification Plan

The City is soliciting an open call for qualified HR professionals, and will hire the best talent possible for the permanent position. Immediate work is needed on a plan to define position descriptions across our personnel compliment and create a compensation plan for those positions that is market competitive. The recession has forced some re-organization and position descriptions and responsibilities are not accurate for our existing organizational footprint.

This effort can begin internally, but will eventually need input from a consultant for market analysis. Additionally, policy for training, certification and educational reimbursement (that is tied to position description language) needs to be brought to Council for consideration, and incorporated into the budget process. This plan should be part of the budget discussion each year, and phased implementation, as well as ongoing maintenance of the comp. & class. plan should be coordinated with Finance.

Strategic discussion is needed with all departments to examine staffing levels, future service demands and needs. Succession planning (and some organizational planning) should begin with HR assisting the departments in developing and then budgeting for their plans. Projections relative to retirement costs and demographics/actuarials for the workforce should be created and maintained, and may influence some departmental thinking in terms of succession/staffing. Further, there is risk management, wellness, Affordable Care Act and other tasks (such as costing of benefits/enhancements) that need constant attention. Lastly, in concert with the Clerk's office, essential records retention and custody of records needs to be addressed.

2. Public Works/Finance/Clerk – filling the ½ FTE Transit position, creation of admin desk and customer service initiatives, a volunteer corps, and centralization of a complaint procedure and complaint service reporting.

Overarching concept, enterprise wide -- Customer Service, Community Development, Police, Fire, Public Works, Finance, Clerk – joint participation in creating a volunteer service corps and incorporation into administrative services where possible.

Starting with a Pilot Program -- Adding the ½ FTE from the transit funding in the right place will help the departments create better customer service, while minimizing some interruptions to staff. Initial discussions with departments has revealed that creation of a customer service/reception counter would provide better service to our customers. Additionally, it will be possible to introduce volunteers into this mission to leverage paid staff. Creating a pool of part time and volunteer headcount, and tasking that pool with customer service and admin support tasks will provide additional support to existing departments while increasing quality of service to our customers and decreasing interruptions in the back office. Anchoring the City's complaint process with this team, and then taking a customer-service based approach to resolving complaints will be a positive, responsive change in how we engage the public. Regular reporting on complaints and resolution time frames should help us improve response and quality. Once this process is smooth, it could be expanded to offer customer support and follow up in other areas, such as building inspections, code enforcement and P&Z items.

Department leadership has been working on the details, and will have specific information soon, relative to a phased implementation.

3. Software and IT Support

- **Finance** – Payroll/timekeeping and ACA Software + Online-Bill-Pay
- **Clerk** – Agenda mgt. & meeting mgt. Software & IT/phones RFP
- **Community Development** – code enforcement and building inspections software
- **Public Works/Fire/Police** – infrastructure mapping, crime mapping, valve and suppression fixture mapping, response planning

These departments need software to efficiently handle daily operations and meet statutory and professional best practices responsibilities.

Payroll software will serve multiple purposes – while reducing man hours necessary to verify and process payroll. Accurate time-keeping, acquisition of electronic data associated with leave requests, and tracking timeframes for the affordable care act are all important benefits that will result from the deployment of payroll software. Further, the employees will have better access to their own tax information, and will be able to review modify their with-holding information with ease. Supervisory verification and authorization of leave requests (prior to leave being taken) and the timely processing of accurate time sheets will mean an improvement in accuracy and a reduction in time spent processing payroll. Lastly, Online-Bill-Pay will offer another option to our customers, making it easier for them to pay bills, and easier for us to administer those transactions.

Agenda management software will enable staff to route Council action items through various departments for better staff reporting and coordination, prior to the item being brought to Council for action. This is important as financial and HR impacts are not always being reported to



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Council as items are considered – and long term impacts can affect the sustainability of some decisions. Ensuring that Council is aware of all projected impacts as decisions are being made should help Council in prioritizing the use of limited resources.

Further, such software will make it easier for the Clerk to assemble items and package them for the agenda – as the requesting party will bear the responsibility to ensure that the item is processed and attachments/reviews are completed in a timely manner. If meeting management software is deployed, automatic streaming to the City's new YouTube channel, as well as some functionality for real-time markup of materials in meetings is a possibility. The result of this work should also make the materials and information more accessible to the public – so they are able to understand more of how decisions are being made and the use of resources are being managed.

If chosen wisely, the initial software applications above will be expanded to cover document management, which should help in document retention, public records requests, and management of our responsibilities under state essential document/record requirements. Establishing virtual storage of documents now should also help with physical retention and storage (space) limitations as well as managing the physical risks that are inherent in the storage of paper documentation.

Code enforcement/building inspections software would greatly help our staff with documentation of conditions, accurate reporting and administration of current codes. Further, software would help staff provide better service to our customers, by providing accurate information, on the spot, in hard copy as well as an electronic format. This would help speed along staff action on matters, increase accuracy, and empower staff to immediately deal with situations found in the field, on location. The public has come to expect responsive and accurate project/building and codes management, and given the regulations involved, as well as the level of documentation and specific legal facts that are required in this service, the use of software to manage the successful administration of the work is necessary. In general, fees and fines associated with this work should include sufficient amounts to support the acquisition and maintenance of software and technology to process the work.

Fire Dept./Police Dept./Public Works mapping software – evaluation, maintenance and periodic exercise and readings on hydrants and suppression system valves are needed, as is data acquisition and management of this information. GIS mapping of emergency response, crime, incidents, fire protection infrastructures (as well as current performance), and availability of same to active, responding personnel can be made available for little cost. Further, response planning, and strategic valving of supply/distribution lines could be pre-programmed to strategically focus resources for Incident Command response, with such information being made available at the scene in real time. Fielding tablets will likely provide very good accuracy in real time while events are unfolding and Incident Command is responding – and it is likely that some software and mapping services could be sourced for free (ie google products) – an evaluation of data and software utility will be needed as the City Departments move forward together.

The City should begin proactive work to exercise equipment/valves and document pressures on its fire suppression systems. Ensuring that fire suppression and distribution valving works, and documenting static and residual pressures and flow rates on hydrants will help the City keep track of problems in the system and ensure that fire suppression infrastructures are operable – prior to a fire. Further, the Fire Department, Police Department, Public Works and Community Development should launch an initiative to lower the City's ISO rating. Objectives and needed improvements to achieve same should be brought to Council for consideration during budget cycles.

4. **Police, Fire, Community Development, Public Works, Finance** -- Fee and Fines study, along with cost recovery analysis. Exploration to develop additional fees to charge for services being rendered inside and outside of the City.

The City has not studied and adjusted fees, fines etc. for an extended period, and escalating costs have eclipsed current fee and fine structures. This means that users of City services are not paying a fair share of the actual cost for the service, and the rest of the community is effectively sharing in that burden. Evaluation of the provision of services, and resetting reasonable fees and fines is needed in order to ensure that appropriate fees and fines are being charged. Accuracy here will ensure that those who are using the services offered by the City are paying their fair share, and are not being subsidized by the rest of the community. In some circumstances a community will want to subsidize some services (the pool, or recreation for example), and this is completely acceptable – however, it is critical that the community and the Council fully understand the levels of subsidization, and what's being subsidized. Since resources for the foreseeable future will be limited, the City will have to prioritize spending across all missions, and so, should be aware of programs that do not break even, so that decisions made relative to municipal budgets are created with a full understanding of their impacts on the City.

From building permits to code enforcement, user fees, fines etc – the City's table of fees and fines should be analyzed, and cost recovery goals set; and this is done with some professional help to ensure that we are setting reasonable fees that have a rational nexus to the cost of provision of the service. It would be wise for the City to also consider the services it provides outside of the municipal boundary, and if possible, to collect fees/fines associated with those activities, so that the residents of the City are not subsidizing the provision of City services to individuals living outside of the City who are currently paying nothing. Once created, this plan should be updated on a regular basis to ensure that it is kept current, and Council and the community are aware of any levels of subsidization.



5. RFP for IT Services – Enterprise Wide planning and support for software and IT

The RFP for IT services is an immediate mechanism to address some of the organization's most glaring/pressing risks, as well as some of the pragmatic operational needs in terms of managing information and producing legally compliant services to the community. This means that the introduction of additional hardware and software are necessary, and imminent to the proper functioning of the administration. This also means that planning for and maintaining that equipment and software inventory, as well as the proper, planned enhancement and expansion of same (where warranted) is also necessary.

Computer hardware and software resources are critical path (and in many cases capital investment) elements, that have a direct impact on the community's management of risk (think data and records management), as well as reporting and transparency. Beyond resolution of some top priority risks and needs, the City should be working within the awarded proposal to create an IT plan that identifies short and long term goals, associated costs and service enhancements.

6. **Grants related projects – short and long term** -- Special initiatives to rehab existing town hall and public facilities, to include functional and structural improvements and renovations, as well as the installation of hvac (where possible) – with an eventual potential for historic preservation initiatives to rehab all municipal/public facilities that meet historic designations.

Exploration of cooperative efforts with Freeport, the State and Fed, foundations and groups, to leverage funds and impact should be ongoing. This multi-generational effort could be part of a larger historic district plan that addresses all of the City -- specific plans for Old Bisbee, Lowell, San Jose and Warren could be produced which would be tailored to the individuality of those areas, and provide a planned basis for seeking resources and executing projects. The ongoing pursuit of preserving Bisbee, Warren, Lowell and San Jose's communities, culture and history should be something that is passed from generation to generation.

7. **Cooperative purchasing with the County, and a 'shop local' program** – if possible, we should take advantage of the County's buying power and ability to negotiate low unit costs. Further, there may be some additional County services that could support City missions. Additionally, the City may find that local procurement of some items is more economical, even if unit costs locally are higher than unit costs in Sierra Vista. Analysis of the costs of procurement will be a special project within the departments, and could have several positive effects – lowering effective costs for some items, while strengthening local businesses.

Conversations with the County about cooperative purchasing have been supportive, and we need to move forward towards discussing specifics and gathering departmental input from our leadership. Once a few pilot initiatives have launched and shown success, expansion of the approach should yield measurable results. Likewise, we need to re-evaluate out of town purchases, to see if local purchasing would generate compound benefits. Travel costs (or shipping) should be incorporated into purchasing that occurs outside of the City. Further, we should explore negotiated purchasing with vendors in the City, where better unit pricing may be accessible if minimum volume limits are met.

Additional discussion with the County, regarding supportive services the City might procure from the County, could yield alternatives to the City hiring additional headcount. Departmental planning for succession, missions and organizational layout would be helpful in identifying areas of opportunity, and provision of such information to the County would likely help them with timing and future planning issues. Follow up discussion with the County is warranted.

Other Initiatives To Follow...

There are ongoing initiatives already underway which need continuing attention and management, and which should be followed through to completion. There are also a few other projects that I believe are timely, but will take a little more preparation to launch:

1. **Cash flow and payables models** should be created to help the City better project future quarters and respond to difficulties if they arise. A clear understanding of seasonality of revenues and expenditures, along with a prioritization of payables/vendors would help the City plan its way through a financial rough spot, should difficulties arise. Further, a more in-depth understanding/model would enable the City to plan future financial cycles more realistically, putting more resources to work in the short term, while beginning to fund longer term, capital improvement plans.
2. **Financial reporting and budget formats that include comparables** from communities our size/complexity in AZ. By comparing our performance to a cohort of communities that are similar to us, we can better understand our efficiency and effectiveness – but more importantly, by looking at this information, we will be driven to ask questions of our cohort communities, which may lead us to different approaches or methods of serving the public that are more effective or efficient. Establishing regular dialogue with communities our size



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will also yield benefits over time, as we begin to face and tackle issues that are similar. I have asked the AZA City/County Manager's Association (ACMA) to establish a smaller communities group within their ranks, and would like to follow up on that with Tom Belshe when he is back in AZ. I'm hopeful that if we begin collecting information on our performance and costs to provide services, and we learn a few things from other communities in AZ, we may be able to change some of our expenditure trending. Further, there is a set of mandated services that the City must, by law, provide, and a much longer list of discretionary programs and services that the City provides because our citizens and Council want those services from their local government. If resources continue to be a challenge, it will be this second group of discretionary services and programs that must be prioritized by the community and Council – as staff may not have enough resources to perform on all fronts. The first step to comprehending where we stand, is financial analysis and the search for optimization of services and minimization of cost – and that journey is one that we will take together.

3. **An enterprise-wide civic engagement initiative** – designed to heighten transparency, increase dialogue and provide greater accountability to the community. Structuring an organized approach to use all available communications channels/mechanisms in reaching the public would help the local government reconnect with the community, and improve customer service and responsiveness. Moving forward with social networking and other communications channels, the City can strive to make information easier to find, while also providing salient information and updates that are of interest to the public. Further, virtual connections and services (such as gathering input / hosting online structured forums) can be effective mechanisms to secure meaningful input to help guide administrative efforts and Council driven goals/objectives. In organizing the administration's thoughts over the above, and examining recent developments in the public administration sector, Bisbee could leap-frog to current best practices that would create significant positive differences for our public. Lastly, access and transparency in financial and performance reporting need to be clear and easily understood – revision of our transparency portal on our website is needed.

4. **An enterprise-wide review of procurement/purchasing, personnel costs and asset controls** – From banking services and purchase cards, to controlling/documenting assets (large and small, including computer resources), the City needs to review how it is spending funds, whether or not banking services exist which might provide easier oversight and reporting of that spending, and what, if any, inventory and management controls should be in place to ensure that City assets are not being lost. We also need to provide on-line-bill-pay to our community and customers – making it easier for them to pay their bills, and easier for us to receive and administer those payments. Further, the City needs to understand how personnel costs are affecting operations, and the alternatives available for future strategy for compensation and staffing. This could affect how the City responds to PSPRS pressures, and is definitely a basis for better understanding as we address programmatic costs and priority of programs.