



Report
of the
Gardiner Organizational Analysis Task Force

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**to the
Gardiner City Council**

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Preface

The Gardiner Organizational Analysis Task Force began with the intent simply to look at City Government operations and suggest a few ways to tighten and improve services. As the Task Force continued to meet and discuss ways to modernize city government, a broader vision began to emerge. Task Force members saw that improving technology, improving personnel practices, and working more closely with other governmental bodies, were not simply good ideas in themselves, but in fact were mutually supportive. Improved technology will make jobs in city government more interesting and productive; cooperation with other organizations will expand resources to purchase technology; better personnel management and training will make the whole system work. Thus, what began with answering specific questions posed by the Gardiner City Council, ended with a broader vision. This report traces that development, and ends with an exciting vision of a “reinvented Gardiner”.

Background

On December 9, 2004 the Gardiner City Council approved the appointment of a citizen task force to work with the City Manager to undertake an organizational analysis of Gardiner city operations and to answer the following questions:

1. Are city operations now organized in the best possible manner? Is there a better model?
2. Is there a need for additional staff - not just today, but in the coming "one to five" years?
3. Are there opportunities to re-position current staff and/or structures to gain greater results and efficiencies?

The Council sought members for the Task Force who were Gardiner residents and who had experience with organizational change and restructuring in other contexts. Members include:

- Kate Carnes, Director of Staff Training and Education at the Department of Health and Human Services
- Harvey DeVane, former Commissioner of Administration for state government, former city manager in Ellsworth, among other work experiences
- Nelson Gosline, co-owner of the Gosline-Murchie Insurance Agency
- William McLean, Director of Finance, Maine Drilling & Blasting Company
- Peter Prescott, co-owner of Team E.J. Prescott, Inc; and
- Richard Rambo, Gardiner City Councilor, and advertising director for The Old House Web.

The Task Force met 5 times. It heard presentations from Anne Davis, Chuck Applebee, and Deirdre Berglund, of the City’s in-house technology group; Dave Barrett, Manager of Personnel Services and Labor Relations from the Maine Municipal Association (MMA);

David Clark, the Director of Production at Bath Iron Works; Task Force member Rich Rambo; and Jeff Kobrock, the Gardiner City Manager.

In the report that follows the three questions are addressed one by one.

Question 1: Are city operations now organized in the best possible manner? Is there a better model?

The City of Gardiner is not organized in the best possible way. There are three issues with the current organization:

- First, a lack of up-to-date and networked computer technology means that staff are spending more time than necessary on such tasks as data input, data research and data reporting, proof-reading, and related rote tasks;
- Second, the ability to flexibly deploy the City work force, and the ability to help City staff broaden their skills through cross-training, are constrained by the fact that the City has several separate work agreements for a staff of only 71 full-time employees; and
- Third, the current fragmented governmental organization of the City, School District, Water District, and neighboring towns, means that taxpayers do not gain the benefit of economies of scale that are possible – particularly in such areas as finances, communications, and equipment and infrastructure maintenance.

There is a better model, as will be discussed in the recommendations.

Question 2: Is there a need for additional staff - not just today, but in the coming "one to five" years?

Probably not. The Task Force believes that improvements in technology, more cross-training and flexible utilization of staff, plus cooperation with neighboring governmental entities could enable the City to accomplish more things with its current number of staff. The skill competencies of staff in the future will need to be different than today, particularly in the area of technology, but this need can be satisfied by training as well as careful selection of new staff to fill vacancies created by normal attrition.

Question 3: Are there opportunities to re-position current staff and/or structures to gain greater results and efficiencies?

Yes. The Task Force believes that changes in the following 5 areas could make a real difference.

1. The application of **new and emerging technologies** and the **promotion of “e-government”** (the offering of services online);

2. The inauguration of a **monthly billing system** for taxes, sewer fees, and similar charges.
3. **Improved personnel practices** designed to foster more and better communication between management and line workers;
4. **The consolidation of offices** with the School District and Water District, and through similar **cooperation** and **regionalization** of services.
5. The offering of **new or expanded services in the area of wireless communications.**

These recommendations are described in detail below.

RECOMMENDATION 1: UPDATE TECHNOLOGY

Anne Davis, Chuck Applebee, and Deirdre Berglund pointed out to the Task Force that the City:

- uses four separate software packages that cannot talk with each other
- employs primary integrated software which uses obsolete 1970's 8-bit logic
- has made ad hoc technology decisions in the past, by not having or hiring technological expertise, or developing a comprehensive plan for implementation
- has not upgraded its servers, due to the lack of a technology plan

All Task Force members have had experience with technology upgrading projects. Their experience prompts this warning – expensive mistakes will likely be made unless the City hires in-house expertise or engages consultants to develop a plan and to monitor products and services offered by vendors. In either case, both new written policies and extensive training will be needed.

The City needs a plan and a whole new system. When these are acquired, payments should be elongated, not front ended, and must be based upon satisfactory performance.

The Task Force recommends the following steps:

- *In the coming year: engage the necessary expertise, develop and implement a comprehensive technology plan;*
- *Year two: complete the purchase, installation, and conversion to a new integrated software package including hardware/network upgrade, including data conversion and staff training.*
- *Year three: complete the data conversion, and continue training; redefine staff job descriptions as routine functions become automated.*
- *Year four: move past automation of in house functions to begin to provide services via E-government software applications, and continue to build capacity through aggressive use of software capabilities.*

The benefits of these steps will be:

- the building of organizational capacity by automating routine functions and allowing redeployment of staff
- the decentralization of several financial functions, including payroll/purchasing and financial reporting, yielding significant savings and stronger management oversight
- the dramatic strengthening of controls over purchasing and budgetary functions
- the redeployment of existing staff to higher level activities such as technology management and supporting human resource activities (currently these are not often addressed as routine operations though they consume scarce resources).

The Task Force endorses a strategy of a constant migration to automating routine tasks; refocusing staff resources upon higher level activities as employees are relieved of the routine; and positioning the City to provide more of its services via E-government.

RECOMMENDATION 2: MOVE TO A MONTHLY BILLING SYSTEM

The current practice of annual, semi-annual, and quarterly billing for property taxes, sewer fees, water fees, and similar charges is a burden to homeowners with moderate incomes, and a cash flow problem for government.

The moving of these bills to a monthly system would enable people to more easily keep up with their payments, and will advance the cash flow of city government. If the experience of other utility districts, local governments, and businesses are indicative, this practice will enable Gardiner to keep tax rates lower than they might otherwise have to be. This is due to the gains from enhanced cash flow.

The Task Force recommends that:

- *The City, sewer district, and water district combine billing and payment software and collection practices, and move to a monthly billing system*

RECOMMENDATION 3: IMPROVE PERSONNEL PRACTICES

Dave Barrett of the Maine Municipal Association (MMA) and David Clark of Bath Iron Works presented the Task Force with ways to create a more supportive, productive and adaptable work environment. Mr. Barrett pointed out that Gardiner has several different sets of work rules and procedures for a comparatively small workforce. This segmentation of the workforce inefficient and produces hurdles to creative new approaches. Mr. Clark described the process that BIW uses to improve employee productivity. It involves looking at a service area, defining the goal or output needed, asking those involved to map out all of the steps in the process, redesigning the process to have fewer steps, and immediately implementing the reform. The purpose is to achieve goals more efficiently, to maximize the value of everyone's activity. Success in redesigning work processes makes the job experience more rewarding, interesting, and challenging. He emphasized the importance of moving quickly to implementation, and of doing what is achievable as soon as possible, in order to build momentum.

Members of the Task Force feel that the City would be in a position to operate more efficiently if there was a more comprehensive approach to work rules and procedures for its 71 permanent full-time employees. Were there a more flexible union environment, it would be possible to arrange more flexible work assignments. The City could accomplish more with the same number of employees. Employees would gain through cross-training, and through new responsibilities gain higher pay and more job security.

The Task Force recommends that:

- *The City explore creating a more flexible union environment for representing its workers. The first step towards achieving this goal is to talk with staff and their representatives to see whether such an environment is possible, in order to create a larger and more flexible central work force. The second step would be to collectively develop a plan for how to move towards a more integrated, flexible, and skilled work force. The City should be prepared to offer financial and job security incentives to its workers to enter into the new arrangement.*
- *Together with the technology improvements suggested in the first recommendation, the City should redefine existing jobs and streamline key processes; it should start from the “lean process improvement” model used by BIW and state government.*

RECOMMENDATION 4: CONSOLIDATE CITY, SCHOOL, AND WATER DISTRICT OFFICES

All Task Force members agree that the way to enhance services in the future, while keeping tax rates down, is to try and achieve economies of scale.

There are two ways to achieve economies of scale. One way is identify organizational resources and assets and apply these as broadly as possible, lower the costs “per application”. This is discussed in the next recommendation. The second is to combine or consolidate efforts with neighboring governmental entities.

Jeff Kobrock presented to the Task Force with background on consolidation. He described a grant that was recently received for a common garage and office facility to consolidate City Public Works, Sewer District, and Water District operations. It was awarded jointly to the City and Water District. Mr. Kobrock also described the new regional radio dispatch system which may soon be operational. Both efforts to cooperate have taken many years to even approach the point of implementation. He said that there is also a potential for doing more jointly with the school district, the Kennebec Valley Council of Governments, and neighboring communities.

The Task Force recommends that this agenda can best be moved forward by thinking big. In particular, the Task Force would like to see the City, Water District, and School District explore the idea of joint offices. This would be a great convenience to citizens, who could get all of their information at one place; would offer the possibility of better public meeting facilities; and would create a proximity that would encourage the sharing of backroom operations such as financial accounting and billing and purchasing, and the sharing of communication and front office management expenses. Because the existing offices of the three entities sit on valuable real estate, their sale would provide a

substantial amount of funds to make the move possible and development opportunities potentially yielding jobs and tax revenue.

The Task Force recommends:

- *That the City, the School District, and the Water District set up a joint committee to explore the feasibility of each selling their existing offices, and consolidating in a new central location – one possibility being the TW Dick property;*
- *That all three entities continue to pursue the standardizing of software and backroom financial operations with the water district, school district, and neighboring communities.*

RECOMMENDATION 5: MOVE AGGRESSIVELY TO CONSIDER PROVIDING WIRELESS AND OTHER TELECOMMUNICATIONS SERVICES

Consolidation is one strategy for providing economies of scale. The second is to provide new services. Richard Rambo presented the group with information on municipal wireless networks. Such networks support internet, telephone (voice over internet protocol “VOIP”), and email applications. Already nearly 100 counties, cities, and towns across the nation have launched, or are planning to launch, wireless networks. These networks require neither telephone poles nor wires into homes and businesses, yet they provide the same or even faster high-speed internet access. Such a system could also provide communications for internal use by City staff in the field, as well as enabling E-government applications.

Jeff Kobrock presented information on municipal cable TV systems around the country. In every case studied, the public system offered comparable or better service for at least a third less cost than private cable systems. A major issue in Gardiner is that Adelphia owns the local cable wires. That might make it more expensive to build a local municipal cable TV system. Gardiner’s current cable TV franchise agreement will expire in May of 2006.

In either case, the creation of a local wireless network or of a cable TV system, the potential savings to Gardiner taxpayers would be great. A well-planned and well-run municipal system of either kind could be expected to generate income in excess of operating costs. Capital costs are generally quickly recovered and debt soon retired. Such systems are major economic development attractions in addition to helping city governments operate efficiently.

In addition, the City of Gardiner has the skills and infrastructure in place to quickly set up telecommunications systems. City government is primarily a service organization and understands service provision; it has existing customer service functions and systems; and it has a billing infrastructure in operation. By applying these organizational assets in

a new context, the unit cost of all City operations falls, while residents gain valuable new services.

The Task Force recommends that:

A new committee should be appointed to study the possibility of Gardiner becoming a provider of wireless services. That committee must include members knowledgeable about telecommunications. It could follow the planning steps outlined in the book Wireless Broadband: The Foundation for Digital Cities - A Cookbook for Communities, by Matt Stone, available as a free download (pdf) with registration from <http://www.muniwireless.com>. The committee should focus first on the provision of citywide wireless for its own municipal government operations, and next on whether such a system should be opened up to all local residents and businesses.

- *Once the wireless analysis is complete, the same committee should consider how a municipal cable television franchise might fit into the structure.*

CONCLUSION

The vision for Gardiner City Government that this Task Force proposes for your consideration and adoption is full of hope and challenge. It focuses not on tax rate alone, but on value received as well. What is the value returned for each taxpayer dollar now being collected? Can it be increased by cooperation, by consolidation, by adding new services?

The vision contemplates the future, not the past – not to a return to a simpler government of generations past, but rather a move forward to a city government equipped with technology and staffed with the talent to meet the needs of future businesses and residents.

City Government has asked for a fresh look at its operations from the point of view of business and outside organizations. The last page of this report presents our overall vision.

Vision of what Gardiner City Government could be

The City of Gardiner could offer paramount value for the taxpayer dollar by employing the latest “e-government technology,” by cross-training its workers to do multiple tasks, by expanding the array of services it offers, and by combining administrative functions with neighboring governmental entities.

Gardiner City Government could adopt wireless technology to communicate internally, to read meters, to put its tax and building and infrastructure records on line, and to allow for internet payment of bills.

New technology would free workers from doing repetitive and mundane tasks, and allow them to concentrate on more productive activities. Workers would be trained and cross-trained to do multiple tasks – there would be less rigid lines between departments. As a result of this flexibility, workers would have greater job security, earn more income, and be able to have several careers within the same organization.

A freed-up workforce can take on new tasks. Gardiner can move into the telecommunications business to provide lower cable and internet rates, and to provide universal wireless access. This, in turn, would make Gardiner a more desirable place to locate one’s business, and a more desirable place to live, thus improving the tax base.

Gardiner could be co-located with the School Department and Water District. A citizen could come in the door and get answers to any question, get any permits, pay any bill. All three organizations would share common financial, administrative, billing, and payment systems. All would share a common front office. All would communicate through common web sites, cable television shows, and newsletters.

This is the promise of organizational change in Gardiner. This kind of transformation has happened in businesses throughout the country, but it has yet to change the way local governments in Maine operate. Government in Maine cities and towns, including Gardiner, is organized and operates in essentially the same way as a quarter of a century ago. That statement cannot be made about any thriving business in America today. The City of Gardiner could lead the way in transforming the way citizens understand and use their local governments.