

MANAGEMENT PARTNERS

INCORPORATED

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City of San Bernardino

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Subject: City Charter, Council/Manager Form of Government and Effective and
Efficient Service Delivery

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Following a retreat held in March 2010 by the Mayor and Common Council of San Bernardino, Management Partners was asked to prepare a memorandum report in response to the following question:

"What elements of the City Charter or Municipal Code contribute to preventing the effective implementation of the council/manager form of government and improving the efficiency and effectiveness of the organization?"

Management Partners reviewed the City Charter as well as elements of the Municipal Code. This memo provides an inventory (Attachment A) of those Charter or Municipal Code provisions that we believe operationally impact the ability of the City's chief administrative officer (City Manager) to carry out duties typical of such a position. Broadly speaking the chief executive of a modern local government needs to be vested with enough authority to be able to bring about the following objectives.

- Implement community-wide goals and objectives established by the Mayor and Common Council.
- Establish consistent standards of accountability for performance across the entire organization.
- Improve the effectiveness of internal services within the organization and service delivery to the community.

While the Charter provides for the position of City Manager, the City organization actually operates under a type of strong mayor-city manager (not council/manager), which is a hybrid not typically found in other cities, especially the size of San Bernardino. In San Bernardino some municipal functions report to the Mayor and/or Common Council, others to advisory bodies (Component Boards), while still others report to the City Manager. In some cities with a directly elected mayor with specified authority as well as a city manager (such as the City of San Jose), there are clear delineations regarding who has the force and authority of the chief administrative officer of the city (as does the City Manager in San Jose).

A number of operational impacts result from the confused lines of authority as provided in the current San Bernardino City Charter, including the following.

- Internal service functions struggle to modernize, streamline and provide valued, cost effective service to the community and the organization.
- Significant and unnecessary allocation of staff time and severely constrained resources trying to bring various municipal functions into a unified, goal-oriented team with a common vision and strong commitment to public service.
- Compromised problem solving and strategic planning due to fragmented and conflicting lines of authority.

The inventory of Charter and or Municipal Code provisions described in Attachment A are categorized into three areas. Management Partners believes these have significant operational impacts.

1. Organizational Structure
2. Efficiency and Effectiveness
3. Fiscal Management and Responsibility

For the city manager of San Bernardino to be able to manage and lead the operations of the City government, mandate and implement efficient and effective services to the community, and be held accountable for such operations by the Mayor and Common Council, s/he needs to have authority to:

- Hire, discipline and terminate all department heads (effectively) and employees (following collective bargaining agreements, state and federal laws, and a merit-based personnel system).
- Direct changes for efficiency and improvement in all City departments.
- Recommend to the Mayor and Common Council policy changes and improvements and regarding all City operations and implement them with consistency and professionalism across all municipal functions.

By having a position called City Manager (which has been the job title used since the 1930s to define the chief administrative officer for professionally managed cities), the residents of San Bernardino should expect professional management. The 2004 charter change was an important and significant step in recognizing this objective and the City hired a city manager with this goal in mind. However, the current City Charter does not, provide the authority typically assigned a city manager position in council/manager cities or, as the Argument in Favor of Measure "G" stated in 2004, fully achieve the goal of vesting a professional with "the responsibility to manage our City."

Background

The City recognized the need to begin to create a professional city management structure and in November 2004, the voters of San Bernardino approved a ballot measure (Measure G) which repealed the City Charter in effect at the time and replaced it with a new City Charter. According to the Impartial Analysis by the City Attorney, the major difference between the old Charter and the new, "revolve around the creation of the position of city manager, and to make it easier to file initiatives and recall City-wide elected officials." The new Charter became effective in March 2006. Among other provisions, those relative to overall management of the City in the proposed new City Charter included:



- Designating the Mayor as the chief executive officer of the City of San Bernardino.
- Creating the 'position of city manager and the eligibility, requirements to be appointed to that position.'
- Designating the City Manager as the chief administrative officer of the City to be responsible for the administration of all City departments, *except* the offices of the Mayor, City Attorney, City Clerk, City Treasure, the Water Department, the Free Public Library and the Civil Service System. (The San Bernardino Municipal Code also provides for oversight of the community development function by the Mayor and Common Council and the new Charter did not amend that structure).
- Setting forth the authority and duties of the City Manager relative to supervision, appointment and removal of certain full-time, temporary, and part-time City employees
- Designating the Mayor as the person who appoints and removes the City Manager, Acting City Manager, Police Chief and Fire Chief, subject to Council approval.
- Maintaining the Mayor's present general supervision of the Police Chief and Fire Chief.

The argument in Favor of Measure "G" stated that:

"It is time for our City to adopt a professional, City Manager form of government like the majority of cities in California. Although a City Administrator has long been assigned many of the duties of a City Manager, no professional administrator/manager position is authorized by our City Charter. Consequently, San Bernardino City Administrators have not had the responsibility to manage our city.... This proposed Charter keeps most of the provisions of the current Charter, including a strong Mayor. However, Measure "G" creates the position of City Manager who will, under the general supervision of the Mayor, direct the day to day operations of the City..." "The Mayor will continue to ... have general supervision over all departments and institutions of the City...."

No argument against Measure "G" was filed.

Ballot arguments are not required to be factually correct; they represent the views and perspectives of the individuals who submit them. While the new Charter created the position of City Manager, an important step toward a council/manager form of government, the new City Charter contains provisions that impede the City Manager from exercising responsibility and authority for effective and efficient service delivery. Specifically, the City Charter:

- Did not formally establish the council/manager form of government for the City of San Bernardino. Unlike many City Charters, no form of government was specifically stated in the new City Charter (See Attachment B).
- Designated the Mayor as the Chief Executive Officer of the City (strong Mayor), with responsibility for general supervision of the Police Chief and Fire Chief. While the City Manager was designated to have day-to-day supervision of these functions, this does not achieve the objective of having full responsibility for managing the City.
- Maintained three separate departments under the administrative and operational direction of three advisory bodies (Component Boards) appointed by the Mayor and Common Council, not the City Manager. The Charter change also was silent with respect to the Economic Development Agency, which was and still is under the supervision of the Mayor and Common Council (by provision of the Municipal Code).
- Retained the authority of the Mayor and Common Council to appoint and remove all full- and part-time City employees. Some, but not all, may be removed upon the recommendation of the City Manager.



Attachment A provides an analysis of City Charter and Municipal Code sections that elaborate further on these issues as well as others we believe impede the City Manager from effectively planning, managing and delivering community services.

In March 2007, Management Partners prepared an Organization Review of the City of San Bernardino and in March 2010 provided a Status Update on the 2007 Organization Review. The 2007 report concluded that the current state of operations within the government was not the result of wastefulness but, "rather the natural result of the historical development of a government that has outmoded information systems, inadequate management support and a multitude of convoluted low value processes." "Compounded by a serious (and now urgent) fiscal situation, the primary recommendation of the report was that the government must modernize... and the political and management superstructure needs to be streamlined."

The report went on to state that if the City is committed to becoming an efficient and aligned organization, then it must make major changes to the overarching way it is organized. The March 2010 Status Update reported little change in this area. The report stated that the consequence of making little or no change in the governance structure will sidestep the most important issue that needs to be addressed to allow the City of San Bernardino to become a cost-effective, progressive and sustainable government delivering valued services to the community. Each report cited many, many examples of the operational and service delivery impacts resulting directly from the current organizational structure.

Council/Manager Form of Government

There are 480 incorporated cities in California. Among these, 117 have their own charters. Most of the cities with a charter (like San Bernardino) were incorporated during the first half of the 20th century, or earlier. About 75% of California cities operate under the general laws of the State of California rather than their own charter. The council/manager form of government is the predominant form of government in California, although some cities operate under a strong mayor system. All five of the charter cities surveyed as part of this analysis formally designate their organizations as operating under the council/manager (council/administrator in one city) form of government (see Attachment B).

The council/manager form of government was a product of the reform era of local government in the 1930s that sought to remove patronage and instill professionalism in local government. As stated by International City/County Management Association (ICMA), under the council/manager system, a professional city manager is hired by the governing body to provide the following:

- **Administration of personnel:** Provide direction and leadership to department heads and those that provide direct services to the community.
- **Management of public funds:** Ensure the cost-effectiveness of programs, balance budgets, and secure the financial health of the city.
- **Implementation of programs and policies:** Work with elected officials and community leaders to achieve common goals and objectives for the community.
- **Coordination of service delivery:** Anticipate future needs, organize work operations, and establish timetables to meet community needs.



Under the council-manager form of government, the council is the governing body of the city, elected by the public, and the city manager is hired by the council to carry out the policies it establishes. The council generally provides legislative and policy direction while the city manager is responsible for all administration and day-to-day operations based on council policy. The mayor and council set city policy, community goals and objectives, make land use decisions, and authorize the budget. The city manager is responsible for managing the affairs of the city, preparing the budget, directing day-to-day operations, hiring and firing personnel, and serving as the council's chief advisor. City managers serve at the pleasure of the council.

In most council/manager cities, the council appoints the city manager and city attorney. Sometimes, the council also appoints the city clerk. In some cities, the city treasurer, city clerk and city attorney are elected, although that is in a minority among general law cities in California. Charter cities who have adopted the council-manager form of government vary in regard to final appointing authority for unclassified employees. In general law cities, appointing authority for all employees typically resides with the city manager.

Management Partners has not reviewed every city charter from 117 cities; however, among the peer charter cities (see Attachment B), appointing authority for classified employees resides with the city manager, while final authority for unclassified employees varies, in some cases requiring the review, approval or confirmation of the city council.

Duties of the City Manager

Again, as stated by ICMA, the typical powers and duties of a city manager are to:

1. *Assist the council in developing long term goals and strategies to implement these goals.*
2. *Appoint and suspend or remove all city employees and appointive administrative officers.*
3. *Direct and supervise the administration of all departments, offices and agencies of the city, except as otherwise provided by charter or by law.*
4. *See that all laws, provisions of the City Charter or Municipal Code, and acts of the city council, subject to enforcement by the city manager or by officers subject to the manager's direction and supervision, are faithfully executed.*
5. *Prepare, submit and implement the annual budget and capital program, as approved by the city council to achieve the goals of the city.*
6. *Make other reports as the city council may require concerning operations, the financial condition and future needs of the city.*
7. *Provide staff support services for the mayor and council members.*
8. *Encourage and provide staff support for regional and intergovernmental cooperation.*
9. *Promote partnerships among council, staff, and citizens in developing public policy and building a sense of community.*

Management Partners has excerpted city charter or municipal code sections from among the peer charter cities regarding the duties and responsibilities assigned the city manager (see Attachment C). While stated in varying terms, they set forth the duties in some way comparable to the typical duties as cited above, assigning management of the affairs of all the departments of the city to the city manager.



Conclusion

In addition to the current fiscal environment facing California local government generally and San Bernardino specifically, the organizational structure of the City of San Bernardino remains one of the foremost obstacles to developing the organization into a unified, well functioning operational team. Streamlined, innovative, cost-effective services that are responsive to the interests of the community under the policy guidance of the Mayor and Common Council cannot only be a goal. It must be achieved for the City to be able to serve the public through proper stewardship of limited resources.



Attachment A

City Charter/Municipal Code Issues that Impede Service Delivery and the Efficiency and Effectiveness of the City Organization

The following issues are excerpted from the San Bernardino City Charter, unless reference to the Municipal Code is made specifically. Each issue identified is one which impedes implementation of the council/manager form of government and the efficient and effective delivery of services to the community.

Note: Throughout the City of San Bernardino City Charter are numerous citations of City Attorney Opinions (17 alone in one section) which presumably are intended to clarify or interpret various provisions of the City Charter. Management Partners did not review these opinions as it was beyond the scope of this engagement. In reviewing the peer city charters we did not find such citations or references. In some charters, there were editor notations or references to case law; however, it was not incumbent upon the reader to refer to a different set of documents in order to review the charter. The number of City Attorney opinions "interpreting" the City of San Bernardino Charter suggests the need for revisions in support of streamlining and clarifying the "constitution" of the City, to reduce the need for the City Attorney's Office to produce such opinions, and to minimize the need for a reader to spend considerable time researching what it means.

Organizational Structure

1. **Issue:** The Mayor is designated as the chief executive officer (Section 50), giving general policy direction, but not day-to-day directives (Charter Section 221). The city manager is designated as the chief administrative officer of the City (Charter Section 100).

Operational Impact: *Having the Mayor serve as the chief executive officer leads to confusion regarding authorities and responsibilities and priorities among department heads as well as who is actually in charge of operations. With the San Bernardino Charter designating the City Manager as the chief administrative officer of the City for some departments and not others, s/he is not actually functioning as the administrative or executive head of the entire organization. These must be inextricably linked together to assure seamless delivery of municipal services. These distinctions impact the ability of the city manager to lead all the departments as an effective operational and unified team, mandate participation by all municipal functions in problem solving and improving service delivery, and exact performance and accountability.*

Under a council/manager form of government, the city manager functions as the chief executive officer. A chief executive officer is the person responsible for the operations of the organization, including the appointment of other managers and employees. Under a council/manager form of government, "the elected officials are the community leaders and policy makers who establish a vision for their community and who hire a manager to carry out policy and ensure that all residents are being equitably served. The city manager coordinates the work of department heads and other employees, who help ensure the smooth and efficient delivery of services." (International City/County Management Association)



2. **Issue:** Common Council appoints and removes the Chief of Police and Chief of the Fire Department, subject to nomination and recommendation of the Mayor (Charter Section 40 (s)). The City Manager is designated to supervise and possess the power and authority over the funds, moneys and appropriations for the use of the Police and Fire Department (Charter Section 184).

Operational Impact: *The City Manager is held accountable and responsible for the efficient and effective delivery of all City services. The current Charter does not provide the city manager the authority to determine who leads the police and fire departments, yet s/he is responsible for their fiscal and service delivery performance. In most council/manager forms of government, the city manager has authority to appoint qualified department heads, ensure they are carrying out their duties appropriately, and discipline and/or remove them as needed. While a number of the peer city charters require appointment and removal of department heads to be reviewed and in some cases approved by the council, it is also clear that the city manager ultimately makes the appointment and all department heads report to the city manager.*

3. **Issue:** The Police and Fire Departments are under the *general supervision* of the Mayor. The City Manager is the immediate supervisor of the Chief of Police and the Chief of the Fire Department (Charter Section 180).

Operational Impact: *The difference between general supervision and immediate supervision is not defined in the Charter, leading to confusing reporting relationships and responsibilities. Accountability with respect to performance, fiscal responsibility, goals and priorities is fragmented. Effectively the city manager does not have full authority over the organization and operation of two of the most costly municipal functions today. In an effective municipal organization, there should only be one "chief executive officer," designated to lead the organizational team and held responsible for delivering the vision, goals and objectives of the policy and legislative body (Mayor and City Council).*

4. **Issue:** Council has the power to appoint, confirm, and remove such appointed officers and appointed full-time permanent employees...upon the recommendation of the City Manager, except that the appointment and removal of ...the Chief of Police and Chief of the Fire Department shall only be acted upon in response to the Mayor's nomination in instances of appointment and the Mayor's recommendation in instances of removal(s). The Council may not remove employees of a city manager-directed department except the Council may give consent to such removal as provided in Section 102 (b). ...removal of such employees in the unclassified service (in manager-directed departments) is subject to the consent of the Mayor and Common Council (Charter Sections 40(s) and 102 (b)).

Operational Impact: *Under the current City Charter, the City Manager is responsible and held accountable for the City Manager-directed departments, but ultimately does not have full control over the appointments of those who leads them. This appointment and removal provision of the Charter is contradictory to the charter provision which says that the Mayor and City Council will not, "in any manner interfere with or prevent the City Manager, from exercising judgment in the appointment of officers and employees in the administrative services." Again, a council/manager form of government places accountability and authority for appointment and removal of employees with the city manager, subject to local bargaining agreements, civil service provisions, state and federal laws.*



5. **Issue:** City Manager directs and exercises immediate supervision over all City departments (manager-directed departments) *except* the Water Department, Free Public Library and the Civil Service Administration (Charter Section 100). Further, community development activities of the City, as well as the redevelopment function are supervised by the Mayor and Common Council (Municipal Code Chapter 2.40).

Operational Impact: *Three major departments are exempt from the direction of the designated administrative officer of the City, as well as the Police and Fire Departments effectively (general supervision remains with the Mayor). Additionally, community development is under the supervision of the Mayor and City Council. The two primary functions of any municipality – public safety and land use – are not under the leadership, management or direction of the chief administrator officer (city manager).*

Effective service delivery, responsiveness and innovation within any municipality cannot be achieved when departments are able to operate independently, almost as standalone functions. It requires accountability for good management, fiscal responsibility, public stewardship and consistency in the application of policies and procedures. These objectives currently reside with appointed boards, a major step removed from the people elected to ensure, through their chief administrative officer, that the organization is professionally managed using best practices. Also, there is little incentive to strategically plan goals and objectives for the good of the organization or the community because there is no mandate for these four departments or functions to embrace a broader perspective.

6. **Issue:** Three departments of the City (Water, Free Public Library and Civil Service Administration) report to three Component Boards established under the authority of the Mayor and Common Council. Each Board has the formal authority to hire, terminate, promote, or demote, any person applying for or occupying a salaried position under City government (unclear whether this refers to Component Boards or Mayor and Common Council) (Charter Sections 163, 211, 246).

Operational Impact: *Component Boards are not charged with viewing the community's needs as whole or those of the City-wide organization and therefore decisions can be made without respect to the impact on the municipal organization or the priorities of the community. Despite a Civil Service system designed to prevent abuse, hiring and setting compensation outside of the main City organization is inconsistent with ensuring a professional workforce all operating from the same merit and compensation principles and practices.*

7. **Issue:** Neither the Mayor nor any member of the Common Council shall dictate or attempt to dictate, either directly or indirectly, the appointment of any person to office or employment by the City Manager or in any manner interfere with or prevent the City Manager from exercising judgment in the appointment of officers and employees in the administrative services.... Neither the Mayor, Common Council Member, employees of the Common Council, nor employees of the Office of the Mayor, shall give orders to any of the subordinates of the City Manager, either public or privately. (Charter Section 104).

Operational Impact: *This Charter language is a good provision and similar to municipal code or charter provisions in cities operating under a council/manager form of government. However, this Charter language is inconsistent with another Charter requirement that appointment of all permanent City employees is made by the Mayor and Common Council (Charter Section 40(s)). Aside from the operational inefficiency of having all full-time*



permanent employee appointments require approval by the City Council (see below), Section 40(s) suggests to the community and the workforce that in practice, the Mayor and City Council have significant opportunity to interfere with the City Manager's administration and leadership of the City Manager-directed departments. Again, this apparent conflict creates perceptions of influence and impacts the professional management of the City. Also, this Charter provision suggests the Mayor and Common Council can give orders to subordinates of other departments (non-Manager directed). If so, this can and will result in conflicting direction regarding operations, priorities and resource allocation, all of which impact service delivery. Attachment D provides a listing of other, similar charter or municipal code provisions in the peer cities that address this topic.

8. **Issue:** Mayor and Common Council, upon the recommendation of City Manager, have power to fix and prescribe the organization, government and discipline of the Police and Fire Departments (Charter Section 180).

Operational Impact: *The Police and Fire Departments are effectively under the operational direction of the Mayor and Common Council. Organization, management and discipline of employees are appropriately matters that should be under the direction of the City Manager or Chief Administrative Officer. The current organizational structure can and does lead to conflicts between policymakers and professional management regarding, among other things, priorities, goals and objectives and how best to achieve them.*

9. **Issue:** The Civil Service Board, subject to the approval of the Mayor and Common Council, adopts, amends and enforces a code of rules and regulations providing for appointment and employment in all positions in the classified services...which shall have the force and effect of law. The Civil Service Administration reports to the Civil Service Board, which is a Component Board under the Mayor and Common Council (Charter Section 250).

Operational Impact: *The administration of public sector labor and employee relations, hiring and promotion, and compensation must be strongly linked together to address the complex employment environment of today. In the City of San Bernardino, the personnel function is completely separate from the administration of the civil service system; in fact a separate department. (As Attachment B shows, among the five peer cities, San Bernardino is the only one with a separate civil service department.) As a result, hiring, promotion and discipline processes are lengthy and bureaucratic and negatively impact employee retention and recruitment of a quality workforce.*

The Civil Service Administration and department head (Chief Examiner) report to a separate Component Board appointed by the Mayor and Common Council. As a result, neither the chief administrator officer of the City (City Manager) nor other City department heads have any real control and little influence over a system that significantly impacts the ongoing operations of their functions and the recruitment and retention of a quality work force responsible for delivering good service to the community.



10. **Issue:** Free Public Library Board of Trustees define the powers and prescribe the duties of all officers, to determine the number of, and elect all necessary subordinate officers and assistants, and at their pleasure remove such officer or assistant, subject to the civil service provisions of the Charter (Charter Section 211).

Operational Impact: *The City Library is funded primarily from the City's General Fund, yet a Component Board is empowered far beyond the typical role of an advisory body. While the City Manager is officially responsible for the budget of the library, the operations, staffing and service levels are not officially within the City Manager's purview, meaning that s/he cannot be held accountable for any of the Library's fiscal or operational matters.*

Efficiency and Effectiveness

1. **Issue:** The Common Council appoints, confirms and removes appointed officers and appointed full-time permanent employees upon the recommendation of the City Manager (Section 40 (s)). Subject to this charter provision, City Manager exercises immediate supervision over, suspends, and removes all City employees of all manager-directed departments of the City in both the classified and unclassified services; except for the classified services, such powers are pursuant to Civil Service provisions of the Charter. The Council may not remove employees of a City Manager-directed department except the Council may give consent to such removal as provided in Section 102 (b). ...removal of such employees in the unclassified service (in manager-directed departments) is subject to the consent of the Mayor and Common Council (Charter Sections 40(s) and 102 (b)).

Operational Impact: *In addition to the question of who is really the chief administrative officer of the City, this process is extremely inefficient with respect to hiring of employees. Having to go to the Mayor and City Council to appoint all City employees, including part-time or temporary employees in non-City Manager directed departments is not typical of any other local government in California (see Attachment B for other peer Charter Cities) and significantly adds to the time and inefficiency of an already bureaucratic process.*

2. **Issue:** Purchasing Agent has charge of purchasing supplies, materials, etc. required of any office, department or agency of the City, except the Municipal Water Department and Free Public library (Municipal Code Section 2.06.020).

Operational Impact: *The two exempt departments have created their own, redundant purchasing systems. Such systems are unnecessary internal operations which result in increased costs for purchasing as well as increased personnel and operating costs. Additionally, having separate purchasing operations can lead to inappropriate and/or inconsistent purchasing policies and practices. The Finance Department and Purchasing Agent should be held accountable for delivering a purchasing service sufficient to meet the needs of all City departments, including Municipal Water and the Free Public Library.*



3. **Issue:** Human Resources Director is in charge of the personnel program of the City, except functions related to the Municipal Water Department and the Free Public Library (Municipal Code Section 2.04.030).

Operational Impact: *The Municipal Water and Free Public Library departments have created redundant personnel functions within their departments, which increases the costs of operation for those departments and the City organization. Despite a Civil Service system designed to prevent abuse, it can still result in inappropriate personnel practices as there is no centralized system of oversight by a human resources professional with responsibility on a Citywide basis.*

4. **Issue:** Divisions of the Finance Department are prescribed by the Municipal Code and the division heads are designated in the unclassified Civil Service by Code (Municipal Code Section 2.10.040).

Operational Impact: *Designating the organizational structure of a department in a Municipal Code is inefficient and costly. Requiring a change to a Municipal Code to change a department's structure does not encourage innovation or recognize changing demands for service. Designating specific division heads also does not allow for changing capacities and responsibilities within functions, changing fiscal conditions or ongoing changes in professional governmental accounting. Municipal codes should prescribe functions, not specific organizational structures.*

5. **Issue:** Preference for appointments to positions in the classified service shall be given to bona fide residents of the City of San Bernardino who have been residents for at least one year ...and who are...qualified electors of said City (Charter Section 251).

Operational Impact: *While a preference, it does not necessarily encourage the best and most qualified applicants to apply. Additionally, it is contrary to the State of California Constitution to require residency. Article XI, Section 10(b) of the Constitution states: "cities may not require their employees to reside within the city's corporate limits."*

6. **Issue:** The Civil Service Board appoints the Chief Examiner (department head) and such subordinates as the City Council, by ordinance, may prescribe (Charter Section 248).

Operational Impact: *The Civil Service department head accountability is currently to the Civil Service Board and not the City Manager and does not provide for a focus on the internal and external customers the department serves. A streamlined hiring and promotion process is critical to the successful delivery of essential City services by a professional workforce. The head of the personnel operation, including civil service, should be an appointment by and under the full administrative direction of the City Manager. Efficiencies and streamlined recruitment and retention processes cannot and will not occur until these functions are integrated operationally.*



Fiscal Management and Responsibility

1. **Issue:** The City Manager shall coordinate with other departments that are not manager-directed (Municipal Code Section 2.02.050).

Operational Impact: The City Manager is responsible for the fiscal health of the City and the delivery of services to the community. This Municipal Code provision suggests that for non-City Manager directed departments, this must be accomplished through coordination. If the City Manager is to be responsible and accountable for these objectives, s/he must be give full authority for performance, operations and fiscal accountability.

2. **Issue:** Classification of positions in the Police and Fire Departments are created and fixed in the City Charter. Monthly salaries of local safety members of the Police and Fire Departments are set by arithmetic formula in the City Charter (Charter Section 186).

Operational Impact: The Mayor and Common Council are elected and ultimately held accountable for the overall fiscal health of the City and community services. A major element of that fiscal responsibility and its impact on the remainder of the organization has been removed from their control and influence. As the needs of the City change, employee classifications must also change. Having classifications in the Charter does not enable efficient and effective delivery of service when changes are needed. Additionally, having an arithmetic formula for salaries of police and fire employees removes the judgment and authority of the City Council in determining wages, which should be made on the basis of numerous factors, including the City's financial ability to pay, and the ability to recruit and retain competent employees.

3. **Issue:** City Manager may request any officer, or head of any non-City Manager directed department and agency(s) to provide information and assist in carrying out the policies and orders of the Mayor and Common Council and the administrative duties of the City Manager (Municipal Code Section 2.02.060 F).

Operational Impact: The City Manager has been assigned the responsibility to ensure that all laws, ordinances, orders, resolutions, contracts and franchises are enforced and executed; however, s/he has no real authority to do so among the non-City Manager directed departments. The Mayor and Common Council have developed goals and objectives for the organization and the community, yet the City Manager may not have good or sufficient information upon which to allocate resources and operational support to implementation of those goals.

4. **Issue:** City Manager shall supervise and possess power and authority over the funds, moneys and appropriations for the use of the Police and Fire Department, also the organization, government and discipline, subject to restrictions cited in Organizational Structure Item 8 above (Charter Section 184).

Operational Impact: The City Manager is held accountable for the budget and fiscal health of the entire City, but has no actual authority to prescribe or make changes to the organization and governance of the Police and Fire Departments.



5. **Issue:** Fire and Police Commission Boards may investigate and examine or inquire into the affairs or operation of any division or section of the respective departments and make recommendations to the Chief or Council (Municipal Code Sections 2.32.030 B and 2.34.020 B).

Operational Impact: *The City Manager is ultimately responsible for the budget and financial condition of these departments, not appointed advisory boards. These boards should recommend areas that the City Manager reviews to ensure a community-wide and full organization perspective on any such recommendations.*

6. **Issue:** Director of Finance shall have charge of the administration of the financial affairs of the City, but not the Municipal Water Department (Municipal Code Section 2.10.030).

Operational Impact: *This results in a completely redundant and unnecessary set of financial policies and procedures as well as responsibilities within a municipal department. Additionally, the chief financial officer of the City has no influence or control over a major municipal enterprise, accountable for all intents and purposes to a Component Board of appointed officials (Board of Water Commissioners), rather than to the elected officials of the municipality.*

7. **Issue:** Contracts in excess of \$25,000 must be awarded by the Mayor and Common Council (Municipal Code Section 3.04.085).

Operational Impact: *This provision results in delays in contract awards for routine matters, leading to cost increases and unnecessary review. A modern municipal purchasing system (clearly set forth in the Municipal Code and administrative policies and procedures) should be capable of including safeguards, policies and procedures which ensure fiscal responsibility and appropriate contracting. Contracting procedures should also be in the Municipal Code so they can be updated and respond to changing policy interests and fiscal conditions.*

8. **Issue:** The Board of Water Commissioners is authorized to incur indebtedness or liability not exceeding in any year the income and revenue provided for such year, subject to the debt limitation provisions of the Constitution of the State of California (Charter Section 163 (4)).

Operational Impact: *Due to the fiduciary responsibility of the Mayor and Common Council, the final authority over incurring indebtedness or liability, on advice and recommendation of the City Manager or the Chief Financial Officer, should rest with the Mayor and Common Council, not with appointed board members. Placing authority with the elected officials, City Manager and Chief Financial Officer of the City would ensure that proper and consistent governmental accounting standards are applied and considered. Such a major responsibility should not be the purview of an appointed board.*



9. **Issue:** The Board of Water Commissioners is authorized to employ such persons as the necessities of the water service may require, to fix and pay out of the Water Fund the compensation of any and all employees... (Charter Section 163 (2)).

Operational Impact: The Board of Water Commissioners determines staffing levels, pay and compensation for employees, obligating the rate payers to support the levels determined by a non-elected body. While the Board reports to the Mayor and Common Council, pay and compensation of all municipal water employees should be consistent with the compensation policies of the rest of the City employees. While the Civil Service System should ensure that this occurs, there is no organization-wide oversight from the leadership of the City organization to surface issues and set priorities. This can lead to morale and employee retention issues. Accountability for the budget is ultimately with the City Manager, Mayor and Common Council, and an appointed board should not have the authority to allocate resources which independently pays and compensates employees.

10. **Issue:** The Free Public Library Board of Trustees fixes the salaries of the librarian and assistants, and other employees, rents and equips such building or buildings, room or rooms as may be necessary for such Library... (Charter Section 211).

Operational Impact: The Board of Trustees determines staffing levels, pay and compensation for employees, obligating the General Fund to support the levels determined by a non-elected body. While the Board reports to the Mayor and Common Council, pay and compensation of all library employees should be consistent with the compensation policies of other City employees. While the Civil Service System should ensure that this occurs, there is no organization-wide oversight from the leadership of the City organization to surface issues and set priorities. This can lead to morale and employee retention issues. Accountability for the budget is ultimately with the City Manager, Mayor and Common Council, and an appointed board should not have the authority to allocate resources which independently pays and compensates employees.



Attachment B – Peer Charter Comparison Chart

San Bernardino Peer Charter Comparison							
City	Population	Form of Government	Elected Officials other than Mayor or City Council	City Manager Appointing Authority for City Employees	Department Head Appointment/ Removal Subject to City Council Approval	Separate Civil Service and Personnel Functions	Municipal Functions not Reporting to City Manager
Huntington Beach	202,480	Council/ Administrator ¹	City Clerk, City Treasurer City Attorney	Yes ²	Yes (see note 2)	No	
San Bernardino	204,483	Not Specified ³	City Clerk City Treasurer City Attorney	No ⁴	Yes (see note 4)	Yes	Municipal Water, City Free Library, Economic/ Community Dev., Civil Service Admin., Police, Fire
Glendale	207,303	Council/Manager ⁵	City Clerk City Treasurer	Yes ⁶	Yes (see note 6)	No	
Modesto	210,088	Council/Manager ⁷	None	Yes ⁸	Yes (see note 8)	No	
Irvine	212,793	Council/Manager ⁸	None	Yes ¹⁰	Yes (see note 10)	No	
Chula Vista	233,108	Council/Manager ¹¹	City Attorney	Yes ¹²	Yes (see note 12)	No	

- ¹ Charter: Section 200
- ² Charter: Section 401. Appoint, promote, demote, suspend or remove department heads, officers and employees of the City except elective officers. However, no department head shall be appointed or removed until the City Administrator shall first have reviewed such appointment or removal with the City Council and have received approval for such appointment or removal by a majority vote of the full City Council.
- ³ Charter: Article IV, Section 50. The Mayor shall be the Chief Executive Officer, and chief spokesperson, of the City of San Bernardino... And Charter: Article V, Section 100. The Mayor shall appoint, subject to confirmation by the Common Council, a City Manager who shall be the chief administrative officer of the City.
- ⁴ Charter: Article II, Section 40 (s) and Article V, Section 100
- ⁵ Not Specified In Charter; stated on website
- ⁶ Charter: Article IV, Section 4. The city manager shall appoint and remove, subject to the civil service provisions of this Charter, all department heads of the city, except as otherwise provided by this Charter, such appointments and removals to be subject to the approval of the council. Department heads shall appoint and remove, subject to the civil service provisions of this Charter, all of their subordinate officers, assistants, deputies, clerks, and employees, except as otherwise provided by this Charter, such appointments and removals to be subject to the approval of the city manager.
- ⁷ Charter: Section 400
- ⁸ Charter: Section 801. Appoint and, when necessary for the good of the service, discipline and remove all officers and employees of the City except as otherwise provided by this Charter, and except as the City Manager may authorize the head of any department or office to appoint or remove subordinates in such department or office. The City Manager may also authorize the head of any department, including deputy directors, police captains and fire battalion chiefs, or other city employees as designated by ordinance, to recommend and impose discipline in accordance with this Charter.
- ⁹ Charter: Section 300
- ¹⁰ Municipal Code: Division 3, Chapter 2. It shall be the duty of the City Manager to, and he or she shall appoint, remove, promote and demote any and all officers or employees of the City other than those officers required by law to be appointed by the City Council subject to all applicable personnel ordinances, rules and regulations and provided that all such appointments, removals, promotions and demotions of City officers and department heads shall be subject to prior approval of the City Council.
- ¹¹ Charter: Section 400
- ¹² Charter: Section 401. Subject to the provisions of Section 500 of Article V of the Charter, the City Manager shall appoint all department heads and officers of the City except elective officers and those department heads and officers whose power of appointment is vested in the City Council, and pass upon and approve all proposed appointments and removals by department heads and other appointive officers.



Attachment C – Duties and Responsibilities of the City Manager in Peer Cities

San Bernardino

CHARTER: Article 5, Section 102

The City Manager shall have the following authority and duties:

- (a) To direct and exercise immediate supervision over the administration of all Manager-directed departments of the City;
- (b) To appoint, subject to section 40(s) of this charter; exercise immediate supervision over, suspend, and remove, all City employees of all Manager-directed departments of the City in both the classified and unclassified service; except that for the classified service, such powers shall be pursuant to the Civil Service provisions of this Charter, Civil Service rules, regulations and ordinances, and except that the removal of such employees in the unclassified service is subject to the consent of the Mayor and Common Council; and to appoint any temporary, part-time employees of all Manager-directed departments of the City;
- (c) To ensure, in cooperation with the Attorney General, District Attorney, City Attorney, Police Chief and Fire Chief, that all laws, ordinances, orders, resolutions, contracts and franchises are enforced and executed;
- (d) To attend all meetings of the Mayor and Common Council or council committee meetings, and to have the right to participate in the discussion without vote;
- (e) To prepare and submit the annual budget and to keep the Mayor and/or the Mayor and Common Council fully advised as to the financial condition and needs of the City, including the filing of annual and interim financial reports;
- (f) To submit such reports as the Mayor and/or the Mayor and Common Council may require concerning the operations of Manager-directed departments, and to recommend to the Mayor and Common Council the adoption of measures deemed advisable;
- (g) To perform such other duties as are specified in the Charter, by law or required by the Mayor and/or the Mayor and Common Council;
- (h) To confer regularly with the Mayor, to implement the policies of the Mayor and Common Council as directed by the Mayor and to keep the Mayor informed of any issues, events and controversies that may arise; to be responsible for the implementation of the Mayor's policy directives and to insure that those C – 18 directives are acted upon by all supervisors and employees in the Manager directed departments of the City;
- (i) To confer regularly with the City Attorney on legal issues; to immediately notify the City Attorney of any important legal issues or difficulties that arise; to obtain the legal advice of the City Attorney, and to carefully consider such advice, understanding that recommendations of the City Attorney are advisory only. Neither the City Attorney, nor employees of the Office of the City Attorney, has authority to issue orders to the City Manager or any of his/her subordinates; it is the responsibility of the City Manager to insure that all Manager-directed departments and the employees of those departments perform all of their duties legally and that those departments

and their employees are faithful in the observance, adherence, and enforcement of all pertinent laws, ordinances, and legal requirements in the performance of their duties and in their official conduct;

(j) To confer regularly with the City Treasurer on financial issues, to obtain the financial advice of the City Treasurer and to carefully consider that advice, and to keep the Treasurer informed of all financial matters and to immediately notify the City Treasurer of any important financial issues or difficulties that arise.

MUNICIPAL CODE: Chapter 2.02, Section 060

Under the general supervision of the Mayor, the City Manager shall be responsible for the performance of such duties as may be placed in his or her charge as specified in the City Charter, by law, by the Mayor, and/or by the Mayor and Common Council. In connection therewith, the City Manager shall report to the Mayor and Common Council from time to time the status and enforcement of the Mayor and Common Council's policies, rules and regulations and accordingly, shall coordinate and monitor the activities of financing, purchasing and personnel. In addition to the authority and duties outlined in Article V, Section 102 of the City Charter, the City Manager shall:

A. Direct and exercise immediate supervision over the administration of all Manager-directed departments of the City. As defined in Article XIII, Section 221 of the City Charter, Manager-directed departments of the City shall be all City departments except the Offices of the Mayor, City Attorney, City Clerk, and City Treasurer and except for the Water Department, Free Public Library and the Civil Service Administration.

B. Appoint, subject to Section 40(s) of the City Charter, exercise immediate supervision over, suspend, and remove, all City employees of all Manager-directed departments of the City in both the classified and unclassified service; except that for the classified service, such powers shall be pursuant to the Civil Service provisions of the City Charter, Civil Service rules, regulations and ordinances, and except that the removal of such employees in the unclassified service is subject to the consent of the Mayor and Common Council; and to appoint any temporary, part-time employees of all Manager-directed departments of the City;

C. Ensure, in cooperation with the Attorney General, District Attorney, City Attorney, Police Chief and Fire Chief, that all laws, ordinances, orders, resolutions, contracts and franchises are enforced and executed;

D. Attend all meetings of the Mayor and Common Council or council committee meetings, and have the right to participate in the discussion without vote;

E. Coordinate with all other departments that are not Manager-directed.

F. Review the departmental and agency(s) budget requests and the various items in the proposed budget, including revenues, expenditures and reserves; he or she shall submit his or her recommendation on the proposed annual budget and annual capital improvement program to the Mayor and Common Council;

G. Keep the Mayor and/or the Mayor and Common Council fully advised as to the financial condition and needs of the City, including the filing of annual and interim financial reports, and make such recommendations as may seem desirable by the City Manager;



H. Make such other reviews, evaluations, studies and surveys and perform such other administrative duties as he or she may recommend to the Mayor and Common Council and/or as are ordered by the Mayor and Common Council;

I. Submit such reports as the Mayor and/or the Mayor and Common Council may require concerning the operations of Manager-directed departments, and recommend to the Mayor and Common Council the adoption of measures deemed advisable;

J. Recommend to the Mayor and Common Council the adoption of new and revised orders and resolutions when in his or her judgment such action will promote improved City services and operations and are in the public interest;

K. Confer regularly with the Mayor, implement the policies of the Mayor and Common Council as directed by the Mayor, and keep the Mayor informed of any issues, events and controversies that may arise; be responsible for the implementation of the Mayor's policy directives and insure that those directives are acted upon by all supervisors and employees in the Manager directed departments of the City;

L. Confer regularly with the City Attorney on legal issues; immediately notify the City Attorney of any important legal issues or difficulties that arise; obtain the legal advice of the City Attorney, and carefully consider such advice, understanding that recommendations of the City Attorney are advisory only. Neither the City Attorney, nor employees of the Office of the City Attorney, has the authority to issue orders to the City Manager or any of his/her subordinates; it is the responsibility of the City Manager to insure that all Manager-directed departments and the employees of those departments perform all of their duties legally and that those departments and their employees are faithful in the observance, adherence, and enforcement of all pertinent laws, ordinances, and legal requirements in the performance of their duties and in their official conduct;

M. Confer regularly with the City Treasurer on financial issues, obtain the financial advice of the City Treasurer and carefully consider that advice, and keep the Treasurer informed of all financial matters and immediately notify the City Treasurer of any important financial issues or difficulties that arise;

N. Sign all contracts, deeds, and other documents on behalf of the City when authorized to do so by the Mayor and Common Council; and

O. Make such administrative rules and regulations as the City Manager deems necessary for the orderly administration of the various departments of the City



Huntington Beach [City Administrator]

CHARTER: Section 401

Except as otherwise provided in this Charter, the City Administrator shall be responsible to the City Council for the proper administration of all affairs of the City. Without limiting this general grant of powers and responsibilities, the City Administrator shall have the power and be required to:

- (a) Appoint, promote, demote, suspend or remove department heads, officers and employees of the City except elective officers. However, no department head shall be appointed or removed until the City Administrator shall first have reviewed such appointment or removal with the City Council and have received approval for such appointment or removal by a majority vote of the full City Council.
- (b) Prepare the budget annually, submit it to the City Council, and be responsible for its administration upon adoption.
- (c) Prepare and submit to the City Council as of the end of each fiscal year, a complete report on the finances of the City, and annually or more frequently, a current report of the principal administrative activities of the City.
- (d) Keep the City Council advised of the financial condition and future needs of the City and make such recommendations as may seem desirable.
- (e) Maintain a centralized purchasing system for all City offices, departments and agencies.
- (f) Prepare, administer and enforce rules and regulations recommended to and adopted by the City Council governing the contracting for, purchase, inspection, storage, inventory, distribution and disposal of all supplies, materials and equipment required by any office, department or agency of the City government.
- (g) Be responsible for the compliance by the City with the laws of the State pertaining to the City, the provisions of this Charter and the ordinances, franchises and rights of the City.
- (h) Subject to policy established by the City Council, exercise control of all administrative offices and departments of the City and of all appointive officers and employees except those directly appointed by the City Council and prescribe such general rules and regulations as he may deem necessary or proper for the general conduct of the administrative offices and departments of the City under his jurisdiction.
- (i) Perform such other duties consistent with this Charter as may be required by the City Council.

MUNICIPAL CODE: Chapter 2.08, Section 2.08.010

In addition to the powers and duties of the City Administrator enumerated in the Huntington Beach City Charter, Article VI, the following shall also apply:

- (a) Route Administration. To execute on behalf of the Council, its administrative supervision and control of such affairs of the City, as may be placed in his/her charge; (3718-8/05)



(b) Meeting. To attend meetings of the Council, with the duty of reporting on or discussing any matter concerning the affairs of the departments, services or activities under his/her supervision upon which in his/her judgment the Council should be informed unless excused therefrom by the City Council, except when his/her removal is under consideration by the City Council; (3718-8/05)

(c) Mail. To receive and open all mail addressed to the Council and give immediate attention thereto to the end that all administrative business referred to in said communications and not necessarily requiring councilmanic action, may be disposed of between Council meetings. Provided that all actions taken pursuant to such communications shall be reported to the Council at its next regular meeting thereafter;

(d) Coordination of Departments. To assist the Council in coordinating the administrative functions and operations of the various departments, divisions and services of the city government; and, on its behalf to carry out the policies, rules and regulations and ordinances adopted by it, relating to the administration of the affairs of such departments, divisions or services;

(e) Analysis and Recommendations. To analyze the functions, duties and activities of the various departments, divisions and services of the city government and of all employees thereof; and to make such recommendations to the Council with reference thereto as in his/her judgment will result in the highest degree of efficiency in the overall operation of the city government; (3718-8/05)

(f) Director of Civilian Defense. To act as local director of civilian defense;

(g) Budget Estimates. To cause to be prepared and submitted to him by each department, division or service of the city government, itemized annual estimates of expenditures required by any of them for capital outlay, salaries, wages and miscellaneous operating costs; to tabulate the same into a preliminary consolidated municipal budget and submit the same to Huntington Beach Municipal Code Chapter 2.08 Page 2 of 3 the Council before the fifteenth day of June of each year with recommendations as to such changes which he/she deems advisable; (3718-8/05)

(h) Administration of Budget. To be responsible for the administration of the budget after its final adoption, and to keep the Council informed with respect thereto;

(i) Supervision over Expenditures. As agent for the Council, to supervise the expenditures of all departments, divisions or services of the city government;

(j) Equipment Inventory and Purchase. To make, and keep up to date, an inventory of all property, real and personal, owned by the City, and to recommend to the Council the purchase of new machinery, equipment and supplies whenever in his/her judgment the same can be obtained at the best advantage, taking into consideration trade-in value of machinery, equipment, etc., in use; (3718-8/05)

(k) Public Improvements. To develop and organize necessary public improvement projects and programs; and to aid and assist the Council and various departments in carrying the same through to successful conclusion;

(l) Cooperation with Community Organizations. To cooperate within lawful limits, with all



community organizations whose aim and purpose it is to advance the spiritual and material interests of the City and its people; and to provide the, within lawful limits, with assistance through the city government;

(m) Additional Duties. To perform such other duties pertaining to this position as the Council may from time to time reasonably require;

(n) Agency for Council--Limitations. The City Administrator shall act as the agent for the City Council in the discharge of its administrative functions but shall not exercise any policymaking or legislative functions whatsoever, nor attempt to commit or bind the Council or any member thereof to any action, plan or program requiring official councilmanic action; (3718-8/05)

(o) Duties Vested Elsewhere. It is not intended by this section to grant any authority to, or impose any duty upon the City Administrator which is vested in or imposed by general law or valid city ordinances in any other city commission, board, department, officer or employee. (524-2/48, 1935-11/74, 3718-8/05)



Glendale

CHARTER: Article IV, Section 4

Appointment and removal of department heads, subordinate officers, etc., generally.
The city manager shall appoint and remove, subject to the civil service provisions of this Charter, all department heads of the city, except as otherwise provided by this Charter, such appointments and removals to be subject to the approval of the council. Department heads shall appoint and remove, subject to the civil service provisions of this Charter, all of their subordinate officers, assistants, deputies, clerks, and employees, except as otherwise provided by this Charter, such appointments and removals to be subject to the approval of the city manager. (1953.)

CHARTER: Article IX, Section 1

City manager selection, compensation and qualifications.

The council shall appoint a city manager who:

- (a) Shall serve at the pleasure of the council;
- (b) Shall be the chief administrative officer of the city;
- (c) Shall be chosen on the basis of administrative qualifications;
- (d) Shall be compensated as directed by the council commensurate with the responsibilities of the office;
- (e) Shall not have served on the council within a period of two (2) years immediately preceding the date of appointment;
- (f) Shall establish, within ninety (90) days of the effective date of appointment, and maintain a residence within the city;
- (g) Shall engage in no other business or occupation, except as may be permitted by the council;
- (h) Appoint and remove at his pleasure, a secretary.

The appointment of the city manager requires the affirmative vote of three (3) members of the council. An action to remove, suspend, or request the resignation of the city manager, requires the affirmative votes of three (3) members of the council, provided, however, that during a period of one hundred thirty-five (135) days after a councilmanic election the council shall take no action to remove, suspend or request the resignation of the city manager, except by a unanimous vote of the entire council. (1921; 1947; 1953; 1982.)

CHARTER: Article X, Section 6

City manager as executive head of certain departments, etc.

Except as otherwise provided in this Charter, or by authority thereof, the city manager shall be executive head of the department of management services and of the various departments of the city.

CHARTER: Article XXIII, Section 1

Authority of city manager to assign clerks, etc., to work in any department, etc.

Notwithstanding anything in this Charter contained, the city manager may from time to time, in order to facilitate the prompt, economical and efficient dispatch of city business, assign assistants, deputies, clerks or employees from any office or department of the city government to perform work or service in connection with any other office or department of the city



government, or may assign any assistant, deputy, clerk, or employee of the city to work in more than one (1) of said offices or departments.

MUNICIPAL CODE: Section 2.08.020

General administration division- City manager generally.*

The city manager, for the purposes of this chapter, shall be the head of the general administration division. (Prior code § 2-20)



Modesto

CHARTER: Section 801

The City Manager shall be the chief administrative officer and head of the administrative branch of the City government. The City Manager shall be responsible to the Council for the proper administration of all affairs of the City and to that end, subject to the personnel provisions of this Charter, the City Manager shall have power and shall be required to:

- (a) Appoint and, when necessary for the good of the service, discipline and remove all officers and employees of the City except as otherwise provided by this Charter, and except as the City Manager may authorize the head of any department or office to appoint or remove subordinates in such department or office. The City Manager may also authorize the head of any department, including deputy directors, police captains and fire battalion chiefs, or other city employees as designated by ordinance, to recommend and impose discipline in accordance with this Charter.
- (b) Prepare the draft budget annually and submit it to the Mayor and Council, prepare the proposed budget annually and submit it to the Mayor and Council and be responsible for its administration after its adoption by the Council, prepare all other necessary budget documents, and prepare and submit to the Mayor and Council the Capital and Operating Mid-Year Budget Report.
- (c) Prepare and submit to the Council within ninety (90) days of the end of the fiscal year, a complete report on the finances and administrative activities of the City for the preceding year.
- (d) Review procedures relating to the assessment, levy and collection of ad valorem property taxes and make recommendations regarding the same to the Council if deemed appropriate.
- (e) Establish a centralized purchasing system for all City offices, departments and agencies.
- (f) Establish and enforce specifications for supplies, materials and equipment required by the City.
- (g) Cause all supplies purchased by the City to be inspected and a determination made that the same comply with specifications.
- (h) Prepare rules and regulations governing the contracting for, purchasing, storing, inventory, distribution or disposal of all supplies, materials and equipment required by any office, department or agency of the City government and recommend them to the Council for its adoption by ordinance. Preference shall be given to the purchase of supplies, materials and equipment from local merchants, quality and price being equal.
- (i) Enforce the laws of the State pertaining to the City, the provisions of this Charter and the ordinances, franchises and rights of the City.
- (j) Keep the Council advised of the financial conditions and future needs of the City and make such recommendations on any matter as the City Manager may deem desirable.



- (k) Make and execute contracts on behalf of the City involving budgeted or appropriated expenditures which do not exceed the amount specified by ordinance of the City Council.
- (l) Appoint advisory boards, without compensation, to assist the City Manager in the performance of the City Manager's duty, if the City Manager deems it necessary.
- (m) Interchange employees between or among departments if the City Manager deems it proper so to do.
- (n) Immediately upon taking office, and annually thereafter, inventory and place a value on all real estate, buildings, furniture and fixtures, supplies and movable property of every kind and nature belonging to the City; and to require each officer or department head to inventory the same or any portion thereof. One (1) copy of such inventory shall be filed with the Council and one (1) with the auditor.
- (o) Be responsible for the custody and control of all City property, the custody and control of which has not otherwise been provided for by this Charter.
- (p) Perform such other duties as may be prescribed by this Charter or required of the City Manager by the Council not inconsistent with this Charter.
- (q) Sign all contracts, deeds and other documents on behalf of the City when authorized to do so by the Council or by this Charter.
- (r) The City Manager shall have the authority to transfer equipment and supplies between departments, and with the approval of the Council, sell obsolete, and unused or surplus personal property of the City.
- (s) The City Manager shall be accorded a seat at the Council table and shall be entitled to participate in the deliberations of the Council, but shall not have a vote.
- (t) The Council shall have the right to instruct the City Manager in matters of policy and the City Manager shall be responsible for implementing such Council policy. Any action, determination or omission of the City Manager shall be subject to review by the Council, but no such action, determination or omission shall be overruled or modified by a vote of less than four-sevenths of the members of such Council.
- (u) The City Manager, pursuant to Section 725 of the Charter, shall direct creation of draft written statements of Policy for each City department which is under the administration of the City Manager.
- (v) The City Manager annually shall conduct an independent, written performance evaluation of each head of a city department which is under the administration of the City Manager. Such performance evaluation shall include, without limitation, an evaluation of the department head's performance in implementing the Council's Statement of Policy for that department. The City Manager shall provide such performance evaluations to the Council for their review pursuant to Section 725 of the Charter. After such Council review, the Mayor may comment on the performance evaluation pursuant to Section 601(m) of the Charter.



MUNICIPAL CODE: Title 2, Chapter 3, Article 1, Sections 2-3-101 – 2-3-103

Creation and Functions

The office of the City Manager is established by the Charter of the City of Modesto. The City Manager shall have the duties, responsibilities, authority and jurisdiction provided by the Charter, and the ordinances and resolutions adopted by the Council in accordance therewith.

Organization and Direction

The City Manager is empowered to make such rules and regulations as the City Manager deems necessary for the conduct of the various administrative departments of the City which are under the City Manager's jurisdiction. The City Manager is authorized to delegate the authority to make such rules and regulations to the heads of the various administrative departments.

Acting City Manager

There shall be two (2) Deputy City Managers. In the case of absence or disability of the City Manager, either Deputy City Manager, or such other officer of the City as shall be appointed City Manager pro tempore by the Council, shall perform the duties and exercise the powers of the City Manager.



Irvine

CHARTER: Section 501

The appointment, removal, powers and duties of the City Manager shall be as established by ordinance of the City Council.

MUNICIPAL CODE: Division 3, Chapter 2, Sections 1-3-201 – 1-3-215

General: The City Manager shall be the administrative head of the government of the City under the direction and control of the City Council except as otherwise provided in this division. He or she shall be responsible for the efficient administration of all the affairs of the City which are under his or her control. In addition to his or her general powers as administrative head, and not as a limitation thereon, it shall be his or her duty and he or she shall have the powers set forth in this chapter.

Law Enforcement: It shall be the duty of the City Manager to enforce all laws and ordinances of the City and to see that all franchises, contracts, permits and privileges granted by the City Council are faithfully observed.

Authority over Employees: It shall be the duty of the City Manager, and he or she shall have the authority to control, order and give directions to the City Attorney, the City Clerk, the City Treasurer, all heads of departments and to subordinate officers and employees of the City under his or her jurisdiction through their department heads.

Power of Appointment and Removal: It shall be the duty of the City Manager to, and he or she shall appoint, remove, promote and demote any and all officers or employees of the City other than those officers required by law to be appointed by the City Council subject to all applicable personnel ordinances, rules and regulations and provided that all such appointments, removals, promotions and demotions of City officers and department heads shall be subject to prior approval of the City Council.

Administrative Reorganization of Offices: It shall be the duty and responsibility of the City Manager to conduct studies and effect such administrative reorganization of offices, positions or units under his or her direction as may be indicated in the interest of efficient, effective and economical conduct of the City's business.

Ordinances: It shall be the duty of the City Manager and he or she shall recommend to the City Council for adoption such measures and ordinances as he or she deems necessary.

Attendance at Council Meetings: It shall be the duty of the City Manager to attend all meetings of the City Council unless at his or her request he or she is excused therefrom by the chair individually or the City Council, except when his or her removal is under consideration.

Financial Reports: It shall be the duty of the City Manager to keep the City Council at all times fully advised as to the financial condition and needs of the City.

Budget: It shall be the duty of the City Manager to prepare and submit the proposed annual budget and the proposed annual salary plan to the City Council for its approval.



Expenditure Control and Purchasing: It shall be the duty of the City Manager to see that no expenditures shall be submitted or recommended to the City Council except on approval of the City Manager or his or her authorized representative. The City Manager, or his or her authorized representative, shall be responsible for the purchase of all supplies for all the departments or divisions of the City.

Investigations and Complaints: It shall be the duty of the City Manager to make investigations into the affairs of the City and any department or division thereof, and any contract or the proper performance of any obligations of the City. Further, it shall be the duty of the City Manager to investigate all complaints in relation to matters concerning the administration of the City government and in regard to the service maintained by public utilities in the City.

Public Buildings: It shall be the duty of the City Manager and he or she shall exercise general supervision over all public buildings, public parks, and all other public property which are under the control and jurisdiction of the City Council.

Additional Duties: It shall be the duty of the City Manager to perform such other duties and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution or other official action of the City Council.



Chula Vista

CHARTER: Section 401

Generally. The City Manager shall be the head of the administrative branch of the City government, and be responsible to the City Council for the proper administration of all affairs of the City. Without limiting the foregoing general grant of powers, responsibilities and duties, the City Manager shall have power and be required to:

- (a) Appointment and Removal of Employees and officers.
Subject to the provisions of Section 500 of Article V of the Charter, the City Manager shall appoint all department heads and officers of the City except elective officers and those department heads and officers whose power of appointment is vested in the City Council, and pass upon and approve all proposed appointments and removals by department heads and other appointive officers.
 - (b) Prepare the budget annually, submit such budget to the City Council, and be responsible for its administration after adoption;
 - (c) Prepare and submit to the City Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year;
 - (d) Keep the City Council advised of the financial condition and future needs of the City and make such recommendations as may seem desirable;
 - (e) Establish a centralized purchasing system for all City offices, departments and agencies;
- Section 401 (continued)
- (f) Prepare rules and regulations governing the contracting for, purchasing, storing, distribution or disposal of all supplies, materials and equipment required by any office, department or agency of the City government and recommend them to the City Council for adoption by it by ordinance;
 - (g) Enforce the laws of the State pertaining to the City, the provisions of this Charter and the ordinances of the City; and
 - (h) Perform such other duties consistent with this Charter as may be required by the City Council.

MUNICIPAL CODE

Not specified.



Attachment D – Interference Provisions/Prohibitions in Peer Cities

Huntington Beach [City Administrator]

CHARTER Section 307. Non-Interference with Administration

Except as otherwise provided in this Charter, no member of the City Council shall order, directly or indirectly, the appointment by the City Administrator, or by any of the department heads in administrative service of the City, of any person to any office or employment, or removal therefrom. Except for the purpose of investigation and inquiry, the members of the City Council shall deal with the administrative service under the jurisdiction of the City Administrator solely through the City Administrator, and no member of the City Council shall give orders to any subordinate of the City Administrator, either publicly or privately.

Glendale

Not specified.

Modesto

MUNICIPAL CODE: Section 2-1.22. Council not to Interfere in Administrative Service

Neither the Council nor any of its committees or members shall direct, request or attempt to influence, either directly or indirectly, the appointment of any person to office or employment by the City Manager or in any manner interfere with the City Manager or prevent him from exercising his own judgment in the appointment of officers and employees in the administrative service. Except for the purpose of inquiry, the Council and its members shall deal with the administrative service solely through the City Manager; and neither the Council nor any member thereof shall give orders to any of the subordinates of the City Manager, either publicly or privately.

Irvine

Not specified.

Chula Vista

CHARTER Section 305. Prohibited Acts

No member of the Council shall directly or indirectly, by suggestion or otherwise, attempt to unduly influence the City Manager or other officer appointed or confirmed by the Council in their performance of duties. The Mayor and the Councilmen are hereby individually and collectively prohibited from performing any administrative or executive functions except as same may be authorized by this Charter or by ordinance of the City of Chula Vista. Except for the purpose of inquiry, the Council and its members shall deal with that part of the administrative service for which the City Manager is responsible solely through the City Manager. A violation of the provisions of this section by any member of the Council shall constitute misconduct for which the offending member may be removed from office by the Council.



Implementation Plan - All Recommendations

Rec #	Cat	Group	Recommendation	Timeframe to Complete	Responsible Dept	Comments
1	E	Charter change	Develop a plan to modernize the current government organization by clarifying lines of authority and encouraging efficiency		Mayor and Council	
1A	E	Charter change	Amend the Charter to transfer the hiring/firing responsibility of appointed department heads to the City Manager		Mayor and Council	
3	E	Charter change	Raise the real property transfer tax to the average level for charter cities in California		Mayor and Council	
40	E	Organizational changes	Transfer responsibility for business registration and inspection, and the associated staff, to the Finance Department	Defer	City Clerk, Finance	Productivity enhancement. See Charter Section 60. Higher priority is consolidation of EDAC/city finance functions; pursuit of this item should be timed following completion of that action item.
43	E	Charter change	Amend the Charter to allow the municipal election cycle to consolidate with state and other elections		Mayor and Council	Significant savings. See Charter Section 10
45	E	Charter change	Amend the Charter to consolidate municipal primary and run-off elections into one election for all City officers		Mayor and Council	Last runoff election cost \$243,000, but results are not altered by having the runoff. Consolidation could save from \$26,000 - \$171,000 per election, depending on the number of races.
112	E	Delete	Identify the impact of Charter or other institutional provisions that limit the ability of the Mayor and Council to manage and prioritize spending			No action needed at this time.
170	E	Charter change	Amend the Charter to authorize design-build contracting		Mayor and Council	Based on university study that found design-build is 6% less costly than traditional bid.
171	E	Charter change	Enact a Charter amendment to place the Library Department under supervision of the City Manager		Mayor and Council	Significant improvement in accountability for library performance. Mayor and Council would have direct authority.
175	E	Management improvement	Explore facility-sharing opportunities with the School District		Mayor, City Manager, Library	Best practice, and creates opportunity for grant funding
176	E	Management improvement	Reduce the number of stand-alone library branches once the number of shared facilities has increased to serve the population		Mayor, City Manager, Library	It is assumed that closing 2 branches will save \$150,000 each. This money to be reinvested in library services to achieve a more satisfactory level of service. Ties to and follows #174

March 2007

ORGANIZATIONAL STRUCTURE AND INTERDEPARTMENTAL ISSUES

In this section we will examine the corporate functions of the City, including overall finances and internal service provision. These services are the foundation upon which all operating departments work.

Organizational Structure

A review of San Bernardino's organizational structure is informative as it visually illustrates the lack of clarity in authority and accountability across the City government. The City's organizational structure is reflective of the City's Charter, interpretation of Charter requirements and existing practices.

Context

There are 463 incorporated cities in California. About 60 have a population of greater than 100,000. San Bernardino ranks as the 21st largest city in the state. The cities that are closest to San Bernardino in population include Chula Vista, Fremont, Modesto, Glendale, Huntington Beach, Oxnard, Irvine and Oceanside.

Among all the cities in California, 108 have their own charters, which add another layer of complexity (and useful powers) to the management of municipal affairs. San Bernardino falls into this class of cities. Of the cities with a charter, only 20, including San Bernardino, elect council members by district, which adds yet another layer of complexity to the management of municipal affairs. This group of cities includes virtually all the larger cities in the state (Los Angeles, San Diego, San Jose, Long Beach, Sacramento, Fresno and Oakland), but also some mid-sized cities like San Bernardino, Pasadena and Riverside, and even some small cities like Dinuba.

Most of the cities with a charter were incorporated in the first half of the 20th century, or earlier. Over three-fourths of California cities operate under the general law of the state, rather than their own charter. This is largely because the general law gives councils some common structure but also flexibility to create local ordinances that govern how they organize themselves, the structure of their financial practices and

personnel systems, and other elements of managing a municipal government.

Most of the cities in the state operate under the council/manager plan, with some cities operating under a strong mayor system. The council/manager form of government was a product of the reform era of local government in the 1930's that sought to remove patronage and instill professionalism in local government. Under the council/manager plan, a professional city manager is hired by city council to manage the day-to-day affairs of the city, ensure efficiency and effectiveness in operations, provide professional advice to the elected body, establish personnel practices that ensure qualified, competent employees are hired and retained, and foster ethical behaviors among employees.

Under a strong mayor system, the mayor serves as the chief executive, with responsibility for hiring department heads and managing the city.

As cities grow in population, they do tend towards more complex structures that typically include more directly elected officials, separate civil service and personnel functions, some sharing of executive duties between the mayor and appointed officials, and other checks and balances systems, such as separately operated utility, harbor and library boards. San Bernardino is unique in that it is a medium-sized city that has virtually all the big-city complexities and structural overlays that typically are found only in the very largest cities in California.

Consider Table 1 below, showing cities that have both a charter and elect council members by district (ward system), as well as those that also have a Mayor with chief executive authority, have an elected city attorney, and have a separate system of civil service and personnel functions. These are the most structurally complex local city governments in California.

TABLE 1: STRUCTURE OF CALIFORNIA CHARTER CITIES – 2001 SURVEY

Charter City with District Elections	Population	Mayor as Chief Executive	Elected City Attorney	Separate Civil Service and Personnel Systems
Los Angeles	3,912,244	Yes	Yes	Yes
San Diego	1,294,032	Yes	Yes	Yes
San Jose	926,241	No	No	No
Long Beach	487,112	No	Yes	No
Fresno	456,143	Yes	No	No
Sacramento	440,976	No	No	No
Oakland	412,164	Yes	Yes	No
Bakersfield	279,672	No	No	No
Riverside	277,030	No	No	No
San Bernardino	196,273	Yes	Yes	Yes
Pomona	158,360	No	No	No
Salinas	156,516	No	No	No
Pasadena	144,004	No	No	No
Inglewood	117,593	No	No	No
Downey	112,817	No	No	No
Berkeley	104,603	No	No	No
Redondo Beach	66,926	No	Yes	No
Watsonville	48,293	No	No	No
Seal Beach	24,964	No	No	No
Dinuba	18,601	No	No	No

Each of these cities is relatively more complex by virtue of having both a charter and election by districts. Additional “yes” responses indicate increased levels of complexity.

Several things can be drawn from this analysis: First San Bernardino has one of the most complex governmental structures in the State... far more like Los Angeles or San Diego than cities of similar population, such as Fremont, or the neighboring City of Riverside. Secondly, San Bernardino appears to be, by a considerable margin, the smallest city in terms of population that must operate with this level of environmental complexity. Thirdly, other cities of San Bernardino’s population – such as Chula Vista, Fremont, Modesto, Glendale, Huntington Beach, Oxnard, Irvine and Oceanside – operate in a much more streamlined fashion than is the case for San Bernardino.

Comparative Structure

In Spring 2006, the City Charter was amended and the voters decided to change the City to a modified City Manager form of government. This is a recent development and the City remains in transition. The former City

Administrator has been converted in title to a City Manager. But the remainder of the City organization has not been converted to a council/manager form of government, with a unified reporting structure under a city manager serving as chief executive appointed by the City Council. This report may be used as a roadmap for more fully implementing the management systems typically associated with a city manager form of government.

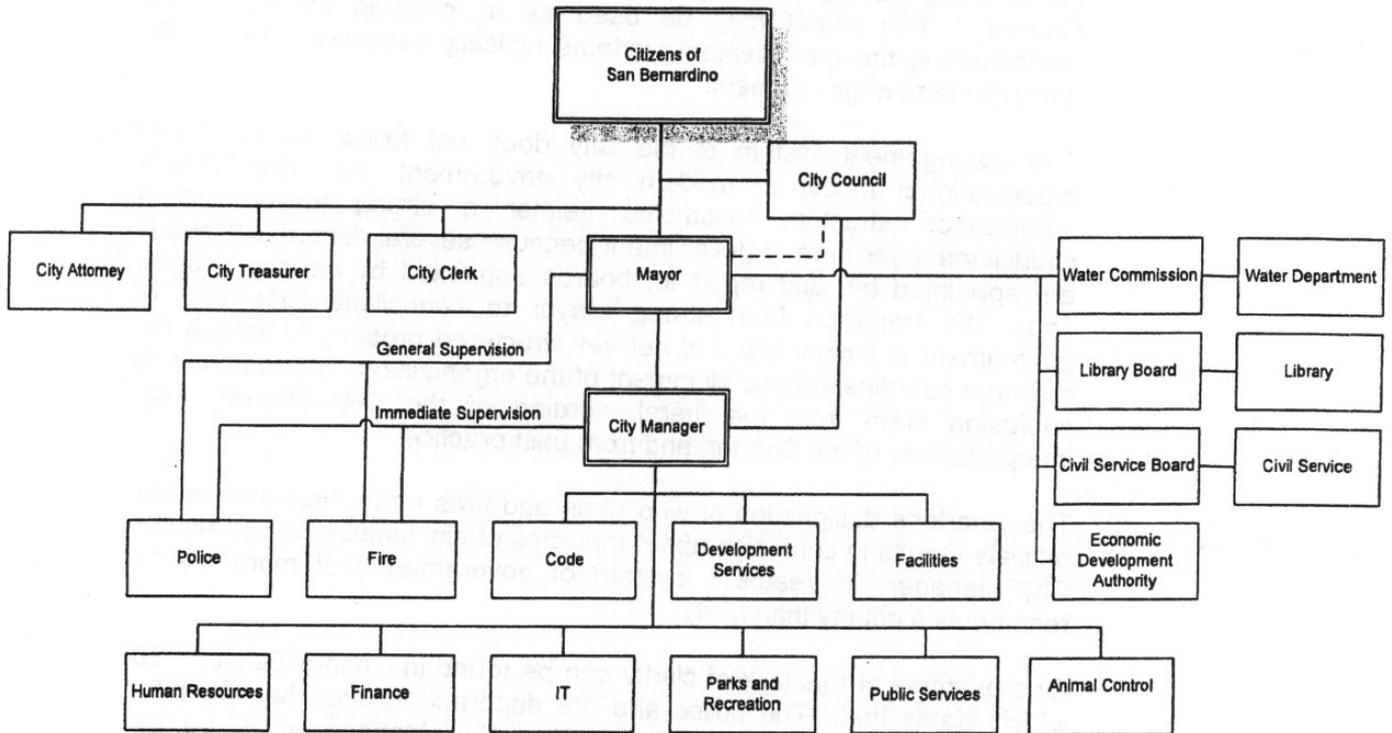
The management system of the City does not follow the traditional organizational model of modern city government. San Bernardino's organization structure resembles neither a strong mayor nor a council/manager form of government because several department heads are appointed by, and report to, boards appointed by the city council. Thus, the transition from strong mayor to council/manager form of government is incomplete and not yet structured properly to ensure the optimum coordination and alignment of the organization. The roots of this confusion stem from the literal wording of the City Charter, from interpretations of the Charter, and from past practice.

The Charter's designation of who hires and fires employees and certain officials results in confusion about the roles of city leaders, especially the City Manager. It creates a system of government that more closely resembles a county than a city.

One example of this lack of clarity can be found in Charter Section 180, which states that, "The police and fire departments shall be under the general supervision of the Mayor. The City Manager shall be the immediate supervisor of the Chief of Police and the Chief of the Fire Department." This is one of several such Charter provisions that confuse roles and blur accountability; it brings to question what might happen if the Mayor and City Manager did not work well together, as they currently do.

The organizational structure depicted below in Figure 9 was created by Management Partners to depict the existing reporting relationships. This organizational charts show the complexity that exists with the government's political and management superstructure. Beyond the above discussion about the ambiguity of supervision of the Police Department (and also Fire Department), it is clear that the City Manager has no direct reporting authority over the Water Department, the Library, the Civil Service Division and the EDA/RDA Department. Furthermore, there are three other elected officials who do not report directly to anyone within the government, including the Mayor and Common Council.

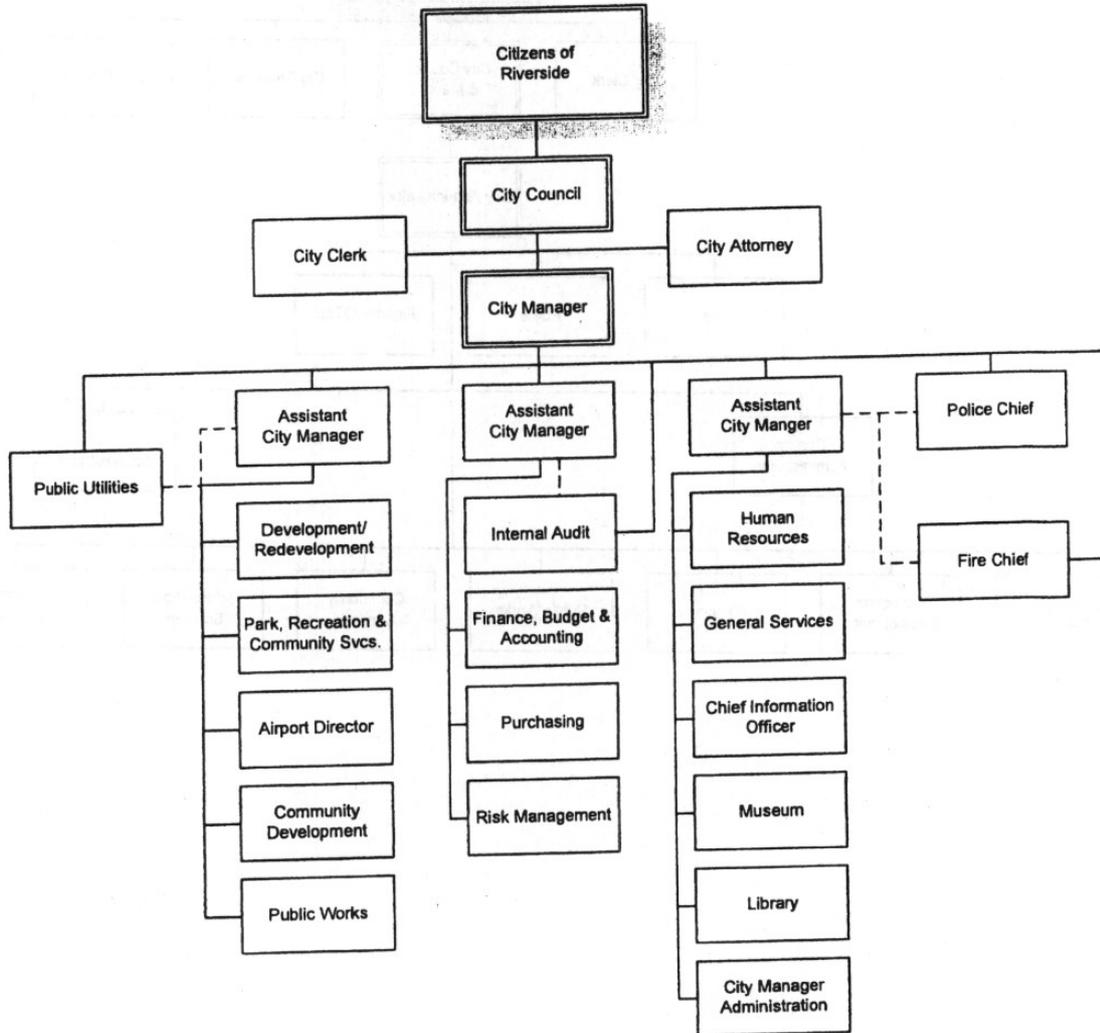
FIGURE 9: SAN BERNARDINO ORGANIZATIONAL STRUCTURE



Note: The Mayor in San Bernardino appoints but cannot remove members of the Library, Water and Civil Service Boards

By way of comparison, it is instructive to review the structure in some of San Bernardino's peer cities and to note how much clearer accountability is depicted. Figure 10 below shows the structure in Riverside, California.

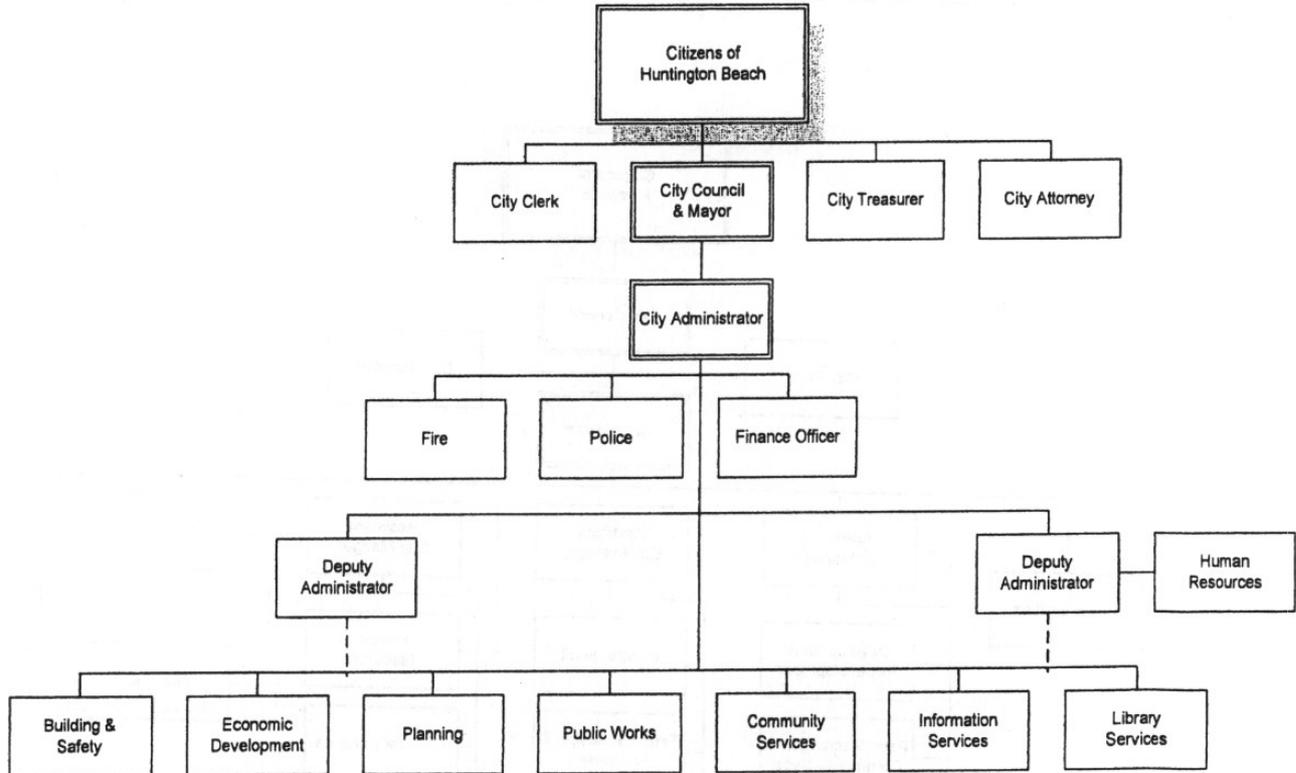
FIGURE 10: RIVERSIDE ORGANIZATIONAL STRUCTURE



Note: The Mayor is a member of the City Council

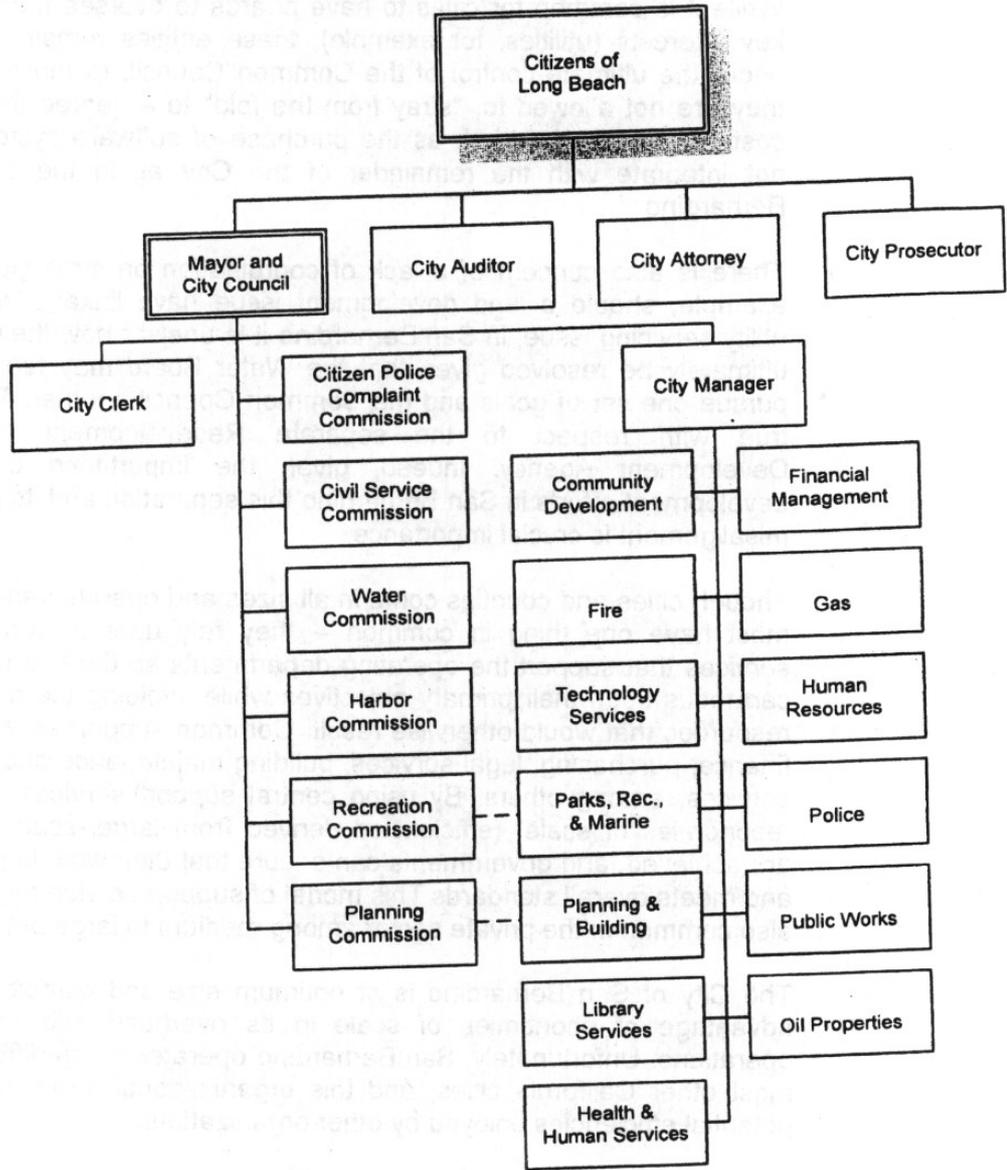
Figure 11 below shows the structure in Huntington Beach, another city with some directly elected department heads:

FIGURE 11: HUNTINGTON BEACH ORGANIZATIONAL STRUCTURE



Even in a much larger city, Long Beach, which has a population of more than 900,000, authority is clearer and the organization is better aligned:

FIGURE 12: LONG BEACH ORGANIZATIONAL STRUCTURE



Several agencies – the Water Department, Library and Redevelopment Agency – operate largely independent from the City. The Water Department and Library boards are created by Charter and appointed by the Mayor, subject to confirmation of the Common Council. By way of example, the Water Board is tasked to “perform the duties and responsibilities prescribed in this Charter and shall perform such other duties and responsibilities as are or may be prescribed or delegated by

the Mayor and Common Council with the concurrence of the Board." Directors of these departments are aligned to their boards rather than to the City, and do not report to the City Manager or the Mayor.

While it is common for cities to have boards to oversee management of key interests (utilities, for example), these entities remain City entities under the ultimate control of the Common Council. In most other cities, they are not allowed to, "stray from the fold" to a degree that results in costly inefficiencies, such as the purchase of software systems that do not integrate with the remainder of the City as in the case of San Bernardino.

There is also concern of a lack of coordination on strategic goals. For example, should a land development issue have linkage with a water utility servicing issue, in San Bernardino it is unclear how the issue would ultimately be resolved given that the Water Board may feel justified to pursue one set of goals and the Common Council another. The same is true with respect to the separate Redevelopment / Economic Development Agency. Indeed, given the importance of economic development efforts in San Bernardino this separation and its potential for misalignment is crucial importance.

Though cities and counties come in all sizes and operate varied services, most have one thing in common -- they rely upon a core of central services that support the operating departments so the line departments can focus upon their primary objectives while avoiding the duplication of resources that would otherwise result. Common support services include finance, purchasing, legal services, building maintenance and technology services, among others. By using central support services in this way, "economies of scale" (efficiencies derived from larger-scale production) are achieved, and governments can ensure that their work is professional and meets overall standards. This model of support service organization is also common in the private sector among medium to large businesses.

The City of San Bernardino is at optimum size and complexity to take advantage of economies of scale in its overhead and management operations. Unfortunately, San Bernardino operates much differently from most other California cities, and this organizational structure frustrates potential efficiencies enjoyed by other organizations.

The most troublesome and by far largest contributor to this reality is the apparent creation of what are, in effect, several agencies with duplicated overhead. This structure works against the economy of scale advantage, and leads to inconsistency and frustration on many levels. Several City departments and agencies take on some of the functions that would otherwise be provided through central city support services. These redundancies are discussed in more detail in later sections of this report.

Taken as a whole, solving this problem may seem insurmountable, especially since changes in some cases will take a vote of the people to

amend the Charter. Nonetheless, if the City is committed to becoming an efficient, aligned organization, then it must make major changes to the overarching manner in which it is organized. The consequence of making little or no change in the structure of governance will be to side-step the most important issue that needs to be addressed to allow the City of San Bernardino to become a cost-effective, progressive and sustainable government.

Recommendation 1: Develop a plan to modernize the current government organization by clarifying lines of authority and encouraging efficiency. This plan will need a high degree of buy-in to be accepted, and the City's elected officials must be committed to make it stick. This plan must strengthen the council-manager government form, eliminate the unnecessary proliferation of boards of directors over city operations, clarify and streamline responsibility management of City departments and operations, encourage standardization of support operations and policies, and eliminate organizational structures and policies that impede efficiency.

It is vitally important to eliminate structures that impede reasonable implementation of the council/manager form of government that, arguably, represents the will of the voters. Viewing the changes from this perspective will give a good perspective on what needs to be changed to develop a more aligned and effective organization. Specifically, it is recommended:

Recommendation 1A: Amend the Charter to transfer the hiring/firing responsibility of appointed department heads to the City Manager. This change alone will produce immediate results in the alignment and accountability of the organization.

Recommendation 1B: Centralize City support services such as finance, human relations and purchasing for all City functions -- including those currently maintaining separate, duplicate functions -- to create new fiscal, efficiency and employee economies of scale.

Financial Functions

The financial functions of the City are significantly fragmented. This is illustrated by the fact that there are three Finance Directors and separate staff in three areas of the City: one for the City, one for the Economic Development Agency (EDA) and one for the Water Department. A certain portion of the separation is formalized in the City Charter. But history,

PEER COMPARISON UPDATES

The 2007 report presented data on cities similar to San Bernardino, based on publicly available information obtained from selected peer cities, as well as additional research. To ensure that the benchmarking work was of maximum utility, early in the project we defined the appropriate criteria for a peer agency, as well as national best practices. At that time Management Partners and San Bernardino staff identified five California cities for comparison. They were:

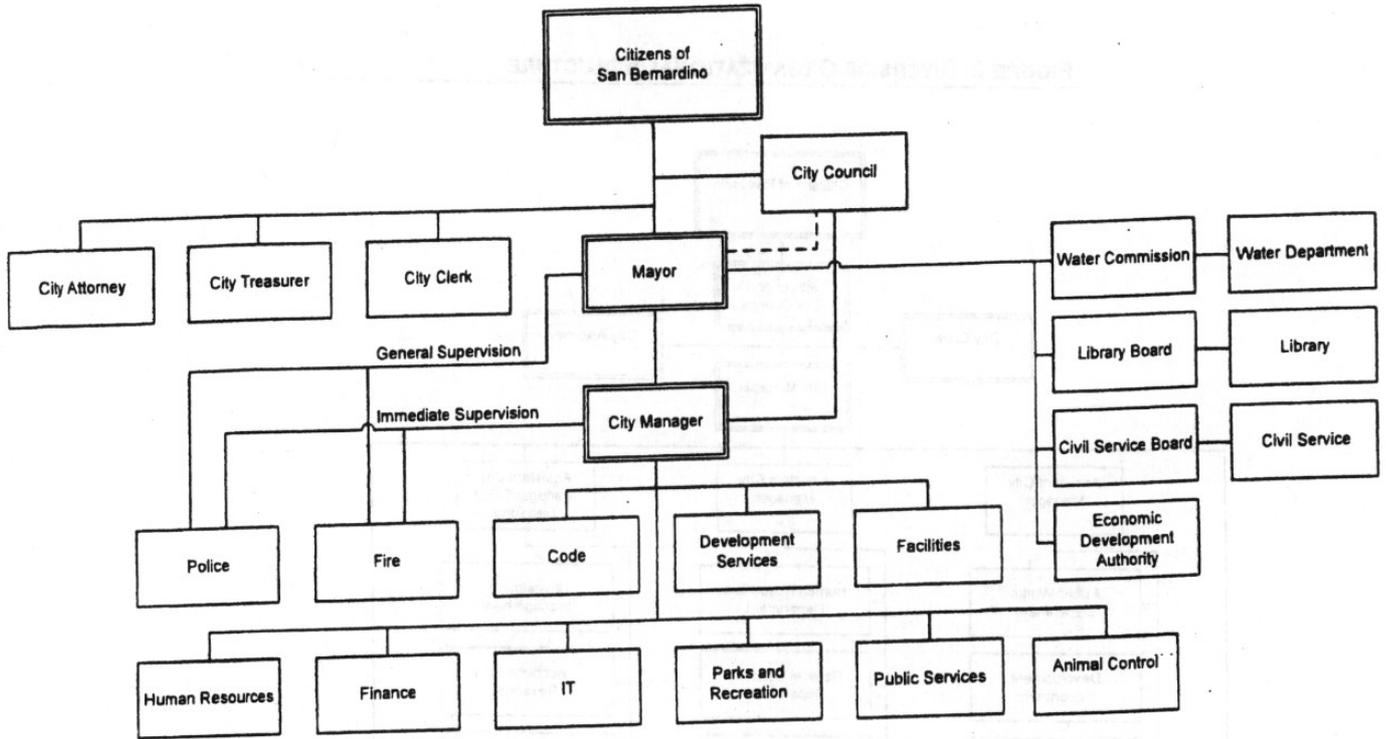
- Ontario
- Glendale
- Fontana
- Riverside
- Huntington Beach

The benchmarking study was initiated to determine how the City of San Bernardino compares in organizational structure, demographics and selected areas of service. The information provided valuable context to policy makers as to the City's situation. Updated information on organizational structure and benchmarking data are shown below.

Organization Charts

The organizational structure depicted below in Figure 1 was created by Management Partners to depict the existing reporting relationships in San Bernardino. This organizational chart shows the complexity that exists with the government's political and management superstructure. Beyond the ambiguity of supervision of the Police Department (and also Fire Department), it is clear that the City Manager has no direct reporting authority over the Water Department, the Library, the Civil Service Division and the EDA/RDA Department. Furthermore, there are three other elected officials who do not report directly to anyone within the government, in addition to the Mayor and Common Council.

FIGURE 1: SAN BERNARDINO ORGANIZATIONAL STRUCTURE



Note: The Mayor in San Bernardino appoints but cannot remove members of the Library, Water and Civil Service Boards.

By way of comparison, it is instructive to review the structure in some of San Bernardino's peer cities and to note how much clearer accountability is depicted. Figure 2 below shows the structure in Riverside, California.

FIGURE 2: RIVERSIDE ORGANIZATIONAL STRUCTURE

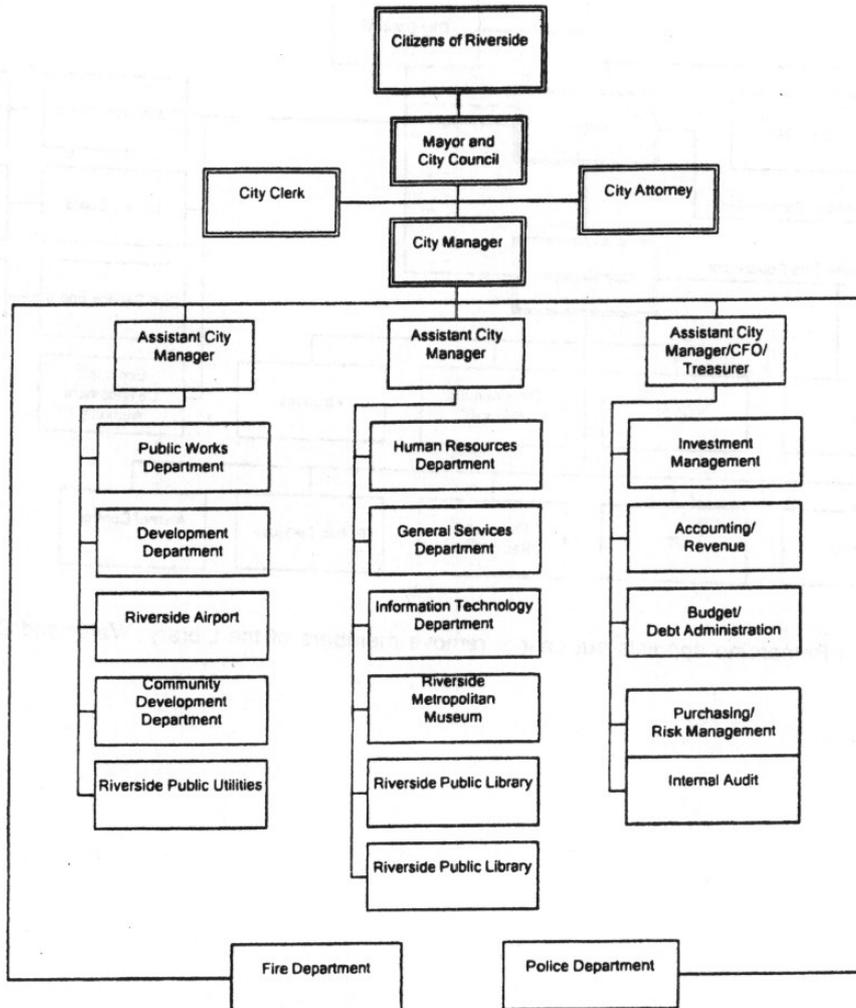
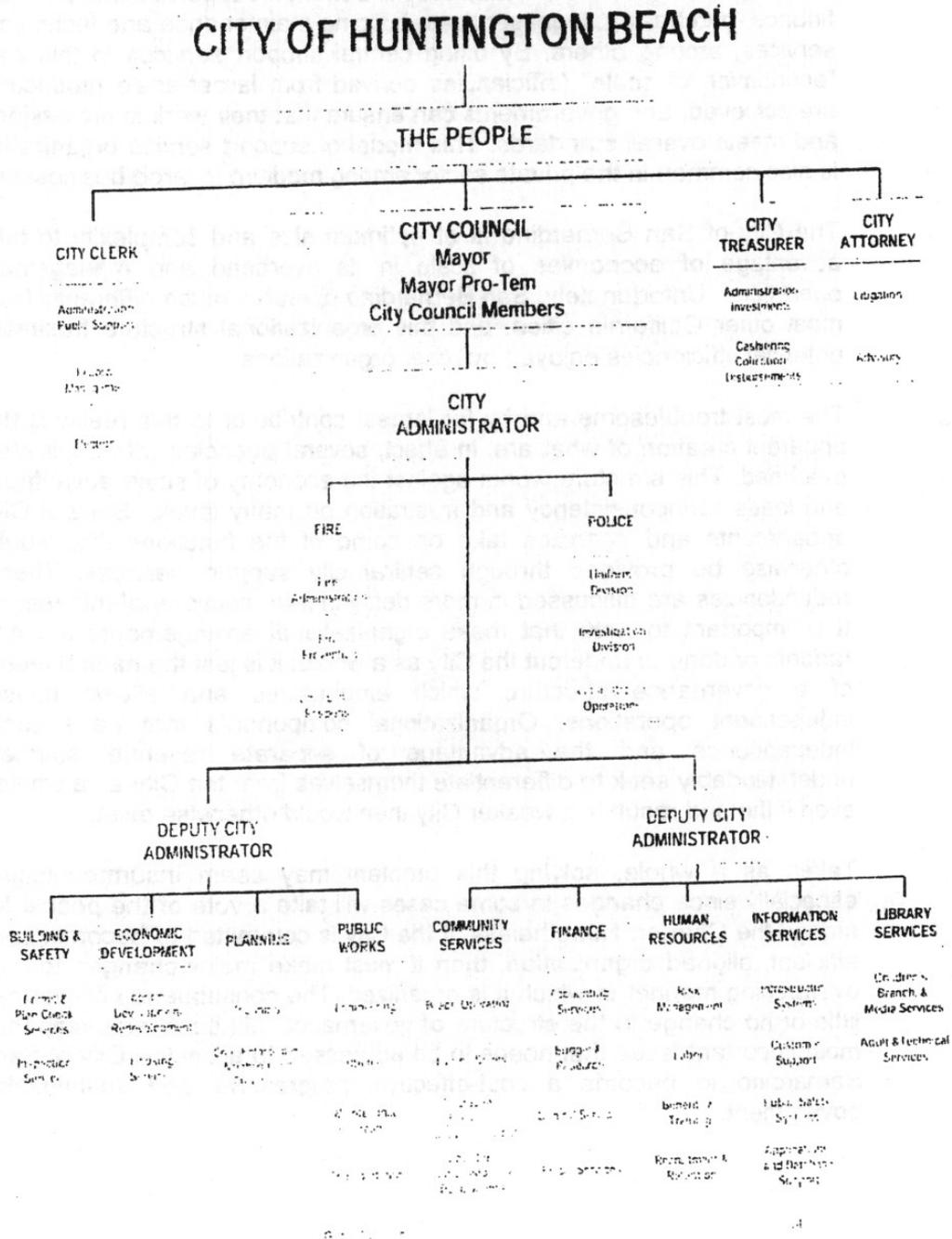


Figure 3 below shows the structure in Huntington Beach, another city with some directly elected department heads.

FIGURE 3: HUNTINGTON BEACH ORGANIZATIONAL STRUCTURE



services that support the operating departments so the line departments can focus upon their primary objectives while avoiding the duplication of resources that would otherwise result. Common support services include finance, purchasing, legal services, building maintenance and technology services, among others. By using central support services in this way, "economies of scale" (efficiencies derived from larger-scale production) are achieved, and governments can ensure that their work is professional and meets overall standards. This model of support service organization is also common in the private sector among medium to large businesses.

The City of San Bernardino is at optimum size and complexity to take advantage of economies of scale in its overhead and management operations. Unfortunately, San Bernardino operates much differently from most other California cities, and this organizational structure frustrates potential efficiencies enjoyed by other organizations.

The most troublesome and by far largest contributor to this reality is the apparent creation of what are, in effect, several agencies with duplicated overhead. This structure works against the economy of scale advantage, and leads to inconsistency and frustration on many levels. Several City departments and agencies take on some of the functions that would otherwise be provided through central city support services. These redundancies are discussed in more detail in later sections of this report. It is important to note that these organizational arrangements are not random or done to undercut the City as a whole; it is just the natural result of a governance structure which emphasizes and allows quasi-independent operations. Organizational components that have such independence and the advantage of separate revenue sources understandably seek to differentiate themselves from the City as a whole, even if the end result is a weaker City than would otherwise exist.

Taken as a whole, solving this problem may seem insurmountable, especially since changes in some cases will take a vote of the people to amend the Charter. Nonetheless, if the City is committed to becoming an efficient, aligned organization, then it must make major changes to the overarching manner in which it is organized. The consequence of making little or no change in the structure of governance will be to side-step the most important issue that needs to be addressed to allow the City of San Bernardino to become a cost-effective, progressive and sustainable government.

Limitations and Use of Benchmarking Data

Benchmarking data in the original and this update report were gathered from the selected cities' websites where budget data was available. Budgets posted online were generally from fiscal year 2004-05 in the original study and are from 2008-09 in the update. The analysis was limited by data that were available from budget reviews and website information. The Comprehensive Annual Financial Reports also were reviewed for general fund information.

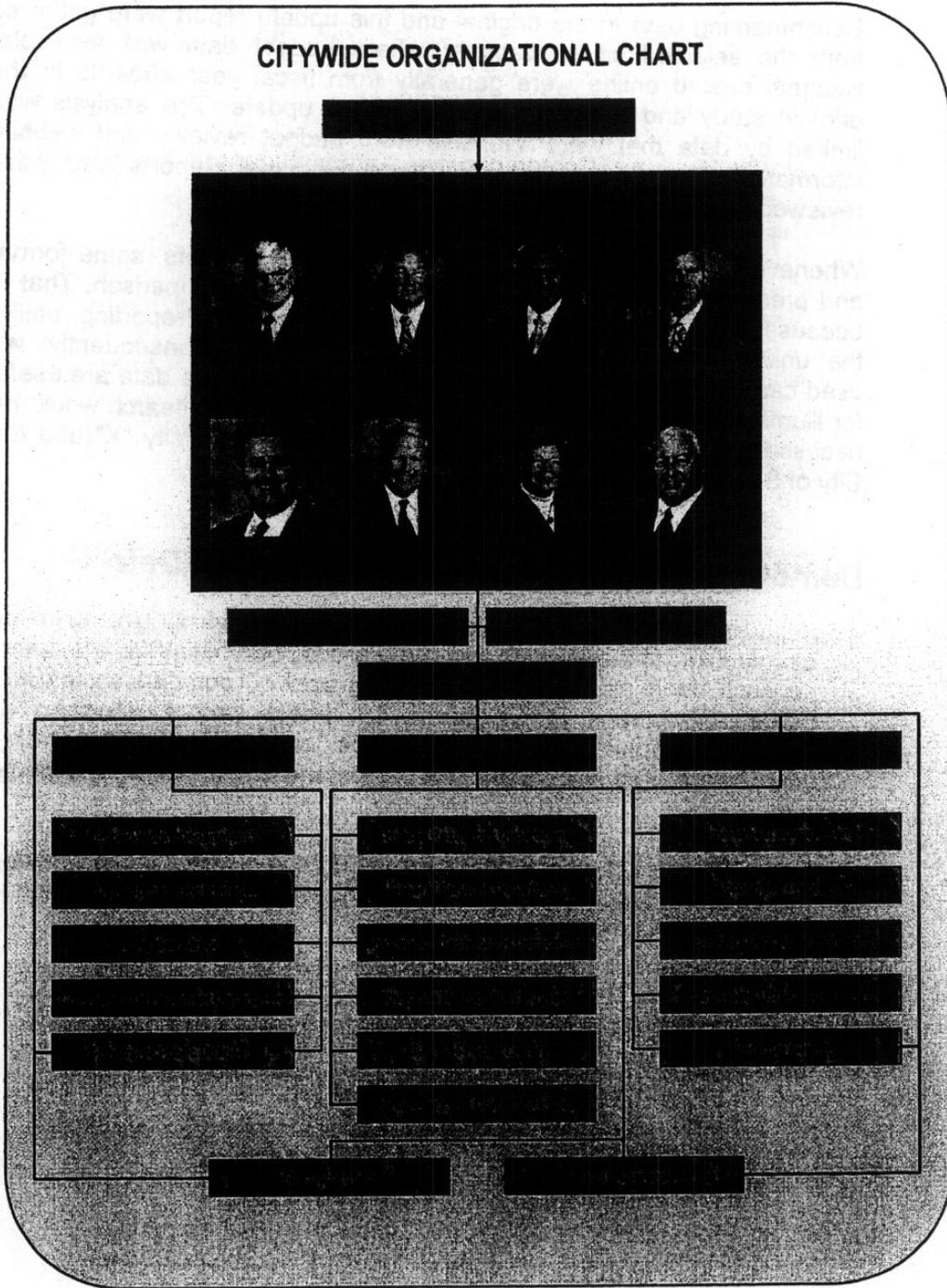
Whenever data are obtained from individual city budgets, some format and presentation differences may hamper an equal comparison. That is because there are no national standards for budgetary reporting, unlike the uniform collection of demographic information. Consequently, we used care in drawing firm conclusions from the data. The data are useful for illuminating major trends and averages, but further research would be necessary to make any definite findings between peer city "X" and the City of San Bernardino.

Demographic and General Fund Financial Data

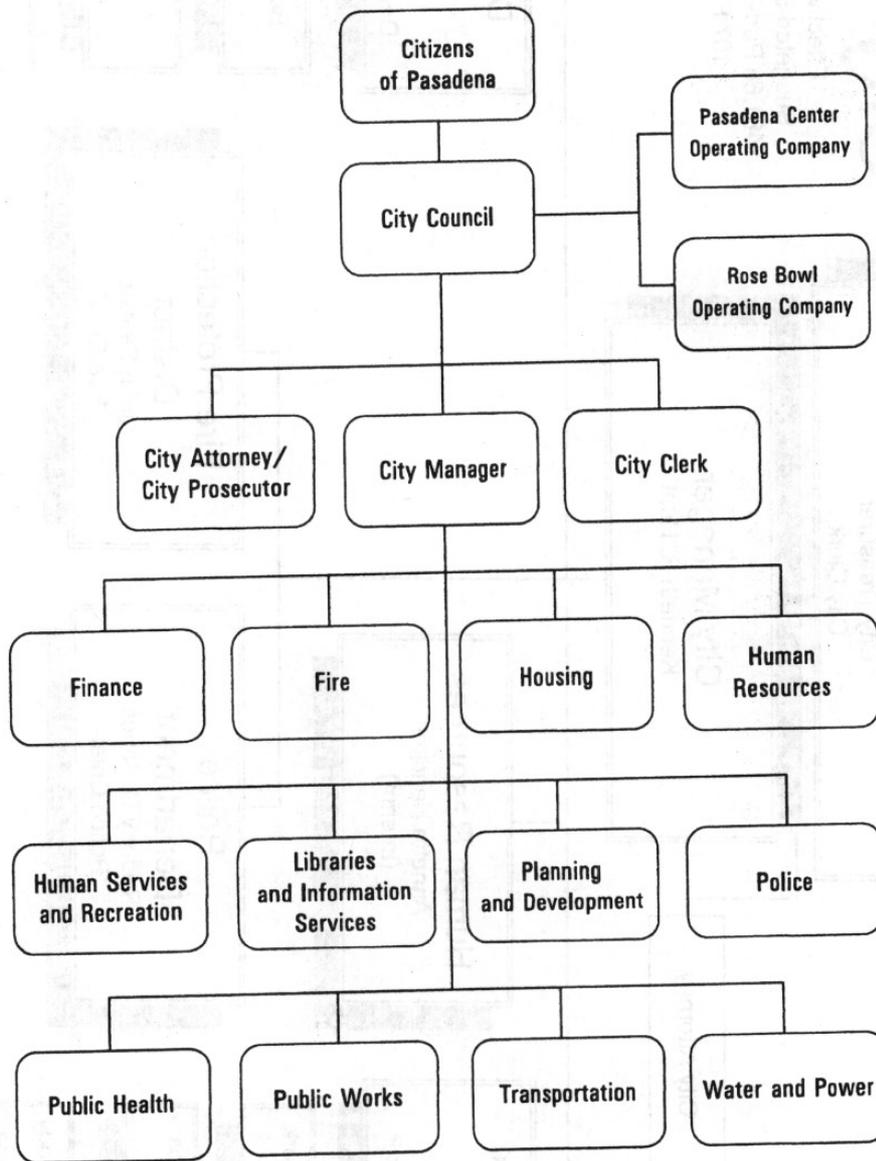
It is important to begin any peer benchmarking review with an examination of the basic makeup of each community. With cities, there is no such thing as a perfect "apples to apples" comparison; each city's demographics and major issues will affect service decisions. It is, therefore, important to examine the foundation upon which city government is provided and to understand the community's particular issues.

In the 2007 report, census data from 2000 showed that income per capita and household income in San Bernardino was the lowest of all peer cities as shown in Figure 5.

CITYWIDE ORGANIZATIONAL CHART



**CITY OF PASADENA
THE MUNICIPAL ORGANIZATION**



2010/2011 Organizational Chart

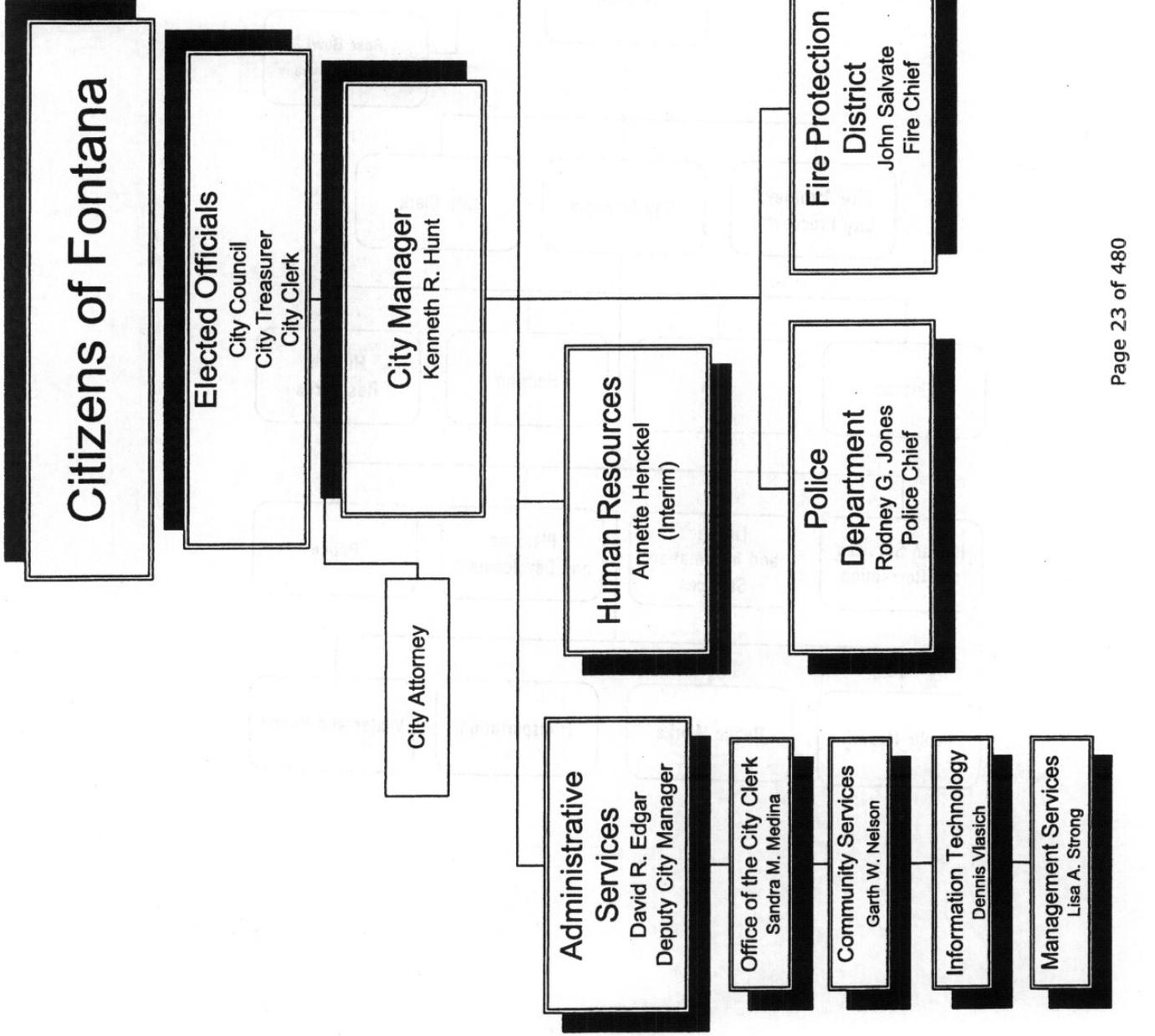
City-wide

Effective 7/1/10

Budgeted 570 FTE City

461.68 Part-Time FTE City

107 FTE Fire



People of Ontario

City Clerk

Mayor & City Council

City Treasurer

City Attorney

Boards & Commissions

City Manager

City Administration

- Risk Management
- Human Resources
- Records Management

Police

- Administrative Services
- Special Operations
- Field Operations
- Investigations

Administrative Services

- Dispatching/Special Districts
- Social Services
- General Services
- Revenue Services
- Information Technology

Community & Public Services

- Recreation/Community Services
- Library
- Museum
- Parks & Maintenance

Development

- Public Facilities
- Planning
- Building
- Engineering

Municipal Utilities

- Equipment & Facilities
- Utilities/Solid Waste
- Utilities Engineering & Operations

ITIS

- Business Management
- Technical Services/IT/MIS
- Operation
- Administration

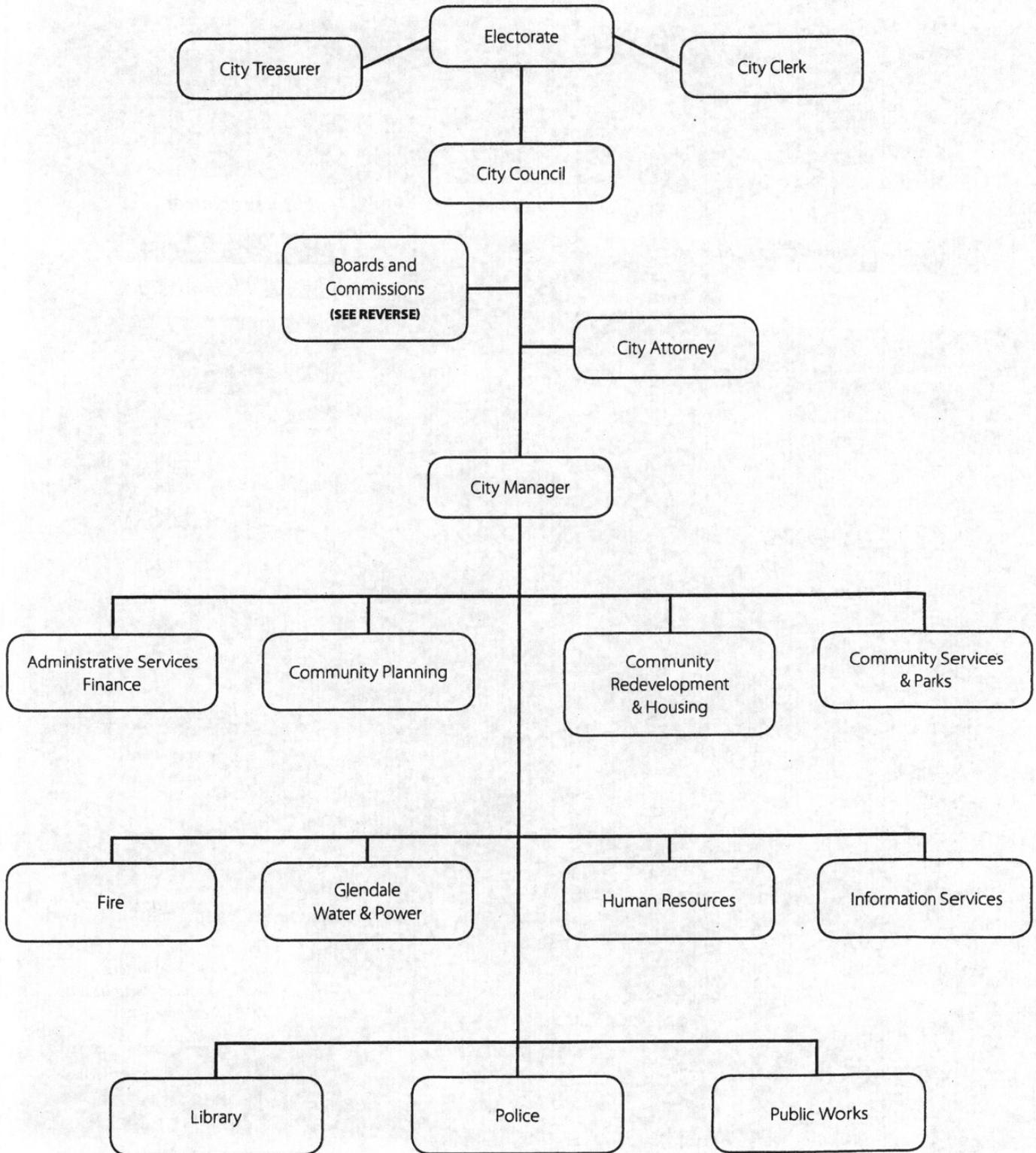
Housing

- Code Enforcement
- Quiet Home
- Housing Development
- Neighborhood Revitalization
- Neighborhood Stabilization

Economic Development

- Economic Development
- Redevelopment

City of Glendale, CA
Organization Chart



Elected Officials City of Long Beach

Mayor
Bob Foster

City Council

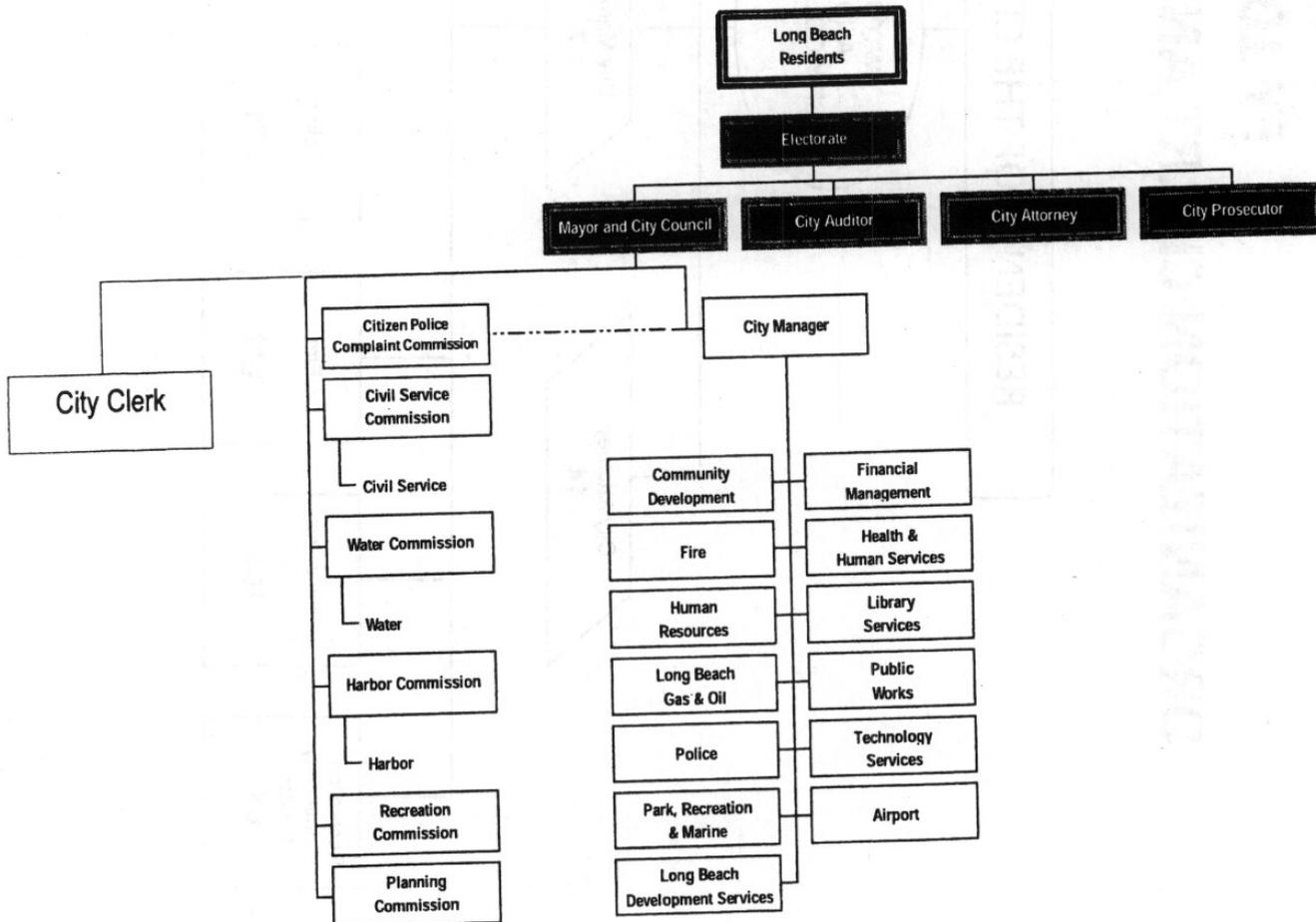
Robert Garcia, District 1
 Suja Lowenthal, District 2
 Gary DeLong, District 3
 Patrick O'Donnell, District 4
 Gerrie Schipske, District 5
 Dee Andrews, District 6
 Tonia Reyes Uranga, District 7
 Rae Gabelich, District 8
 Val Lerch, District 9

City Attorney
Robert E. Shannon

City Auditor
Laura Doud

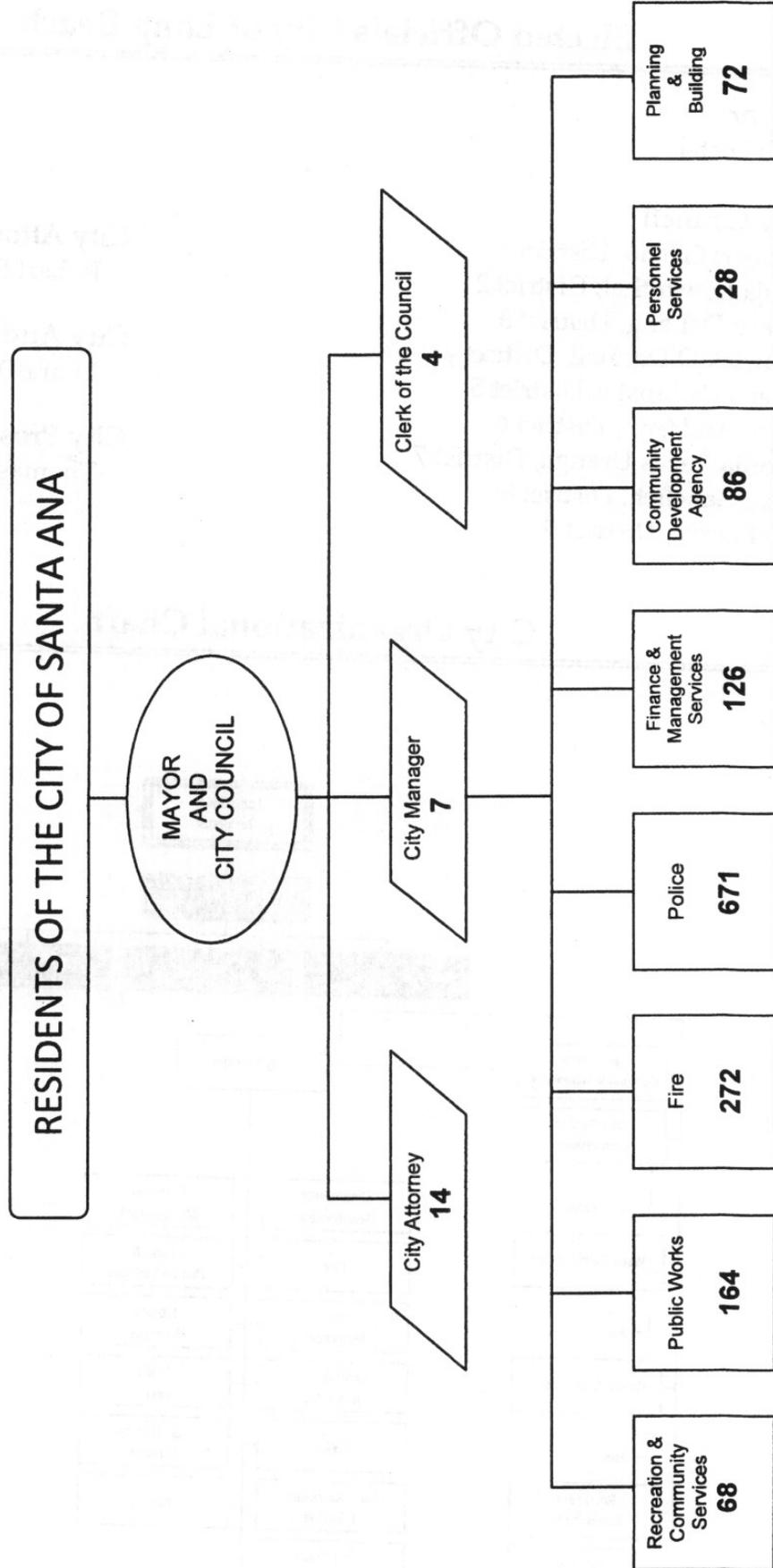
City Prosecutor
Thomas M. Reeves

City Organizational Chart





FY 10-11 ORGANIZATION CHART AND FULL-TIME EMPLOYEES



FY10-11 Total FT Positions: 1512