

**CITY OF LAREDO
WORKSHOP
M2007-W-07
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
SEPTEMBER 13, 2007
5:30 P.M.**

I. CALL TO ORDER

With a quorum present, Mayor Pro Tempore Belmares called the meeting to order.

II. ROLL CALL

In attendance:

I	Mike Garza,	Council Member, District
District II	Hector Garcia,	Council Member,
District III	Michael Landeck,	Council Member,
District IV	Johnny Amaya,	Council Member,
District V	Johnny Rendon,	Council Member,
VI	Gene Belmares,	Mayor Pro Tem, District
District VII	Juan Chavez	Council Member,
District VIII	Juan Ramirez,	Council Member,
	Gustavo Guevara, Jr.,	City Secretary
	Carlos Villarreal,	City Manager
	Cynthia Collazo,	Deputy City Manager
	Horacio De Leon,	Assistant City Manager
	Jesus Olivares,	Assistant City Manager
	Raul Casso,	City Attorney

Motion to excuse Mayor Salinas.

Moved: Cm. Amaya

Second: Cm. Garza

For: 7

Against: 0

Abstain:

0

III. PLEDGE OF ALLEGIANCE

Mayor Pro Tempore Belmares led in the Pledge of Allegiance.

IV. Discussion with possible action regarding the proposed reorganization plan prepared by the Waters Consulting Group.

Carlos Villarreal, City Manager, reported that the Waters Consulting Group will be presenting a long report. He added that this is just a beginning and there will be further analysis of individual departments that will be done immediately after the initiation of the new fiscal year.

Ted Benavides, Senior Vice President of the Waters Consulting Group, stated that there are recommendations for cost reductions in the presentation which will be done by: eliminating vacant positions; doing reimbursements or through attrition. He emphasized that there are no lay-offs in the proposal. He gave the following letter to the Mayor and Council Members.

THE WATERS CONSULTING GROUP, INC.

September 13, 2007

To: The Honorable Mayor and City Council Members from the City of Laredo, Texas

This memo is in response to a request for information from Council member Mike Garza, at the August 13, 2007 Council Meeting, to provide a departmental comparison of all benchmark cities.

Attached you will find three spreadsheets with staffing comparisons by department for the benchmark cities used in the Organizational Study. All of the spreadsheets are sorted by the greatest "difference" in the number of FTE's per department between the City of Laredo and the average of the benchmark cities. Numbers in "red" represent the departments in which Laredo is staffed greater than the average of the benchmark cities. The number in parentheses represents how many more staff Laredo in a department than the average of the benchmark cities.

The first spreadsheet (City of Laredo FTE's By Department Compared to All Benchmark Cities) is a comparison of Laredo to all of the benchmark cities. The second spreadsheet (City of Laredo FTE's By Department Compared to non-Rio Grande River Cities) compares Laredo to the non-Rio Grande River cities. The third spreadsheet (City of Laredo FTE's By Department Compared to Rio Grande River Cities) compares Laredo to the only Rio Grande River cities.

While this information does indicate a number of differences it is important to realize that further and more detailed analysis would be needed to clarify the numbers reported. In obtaining the benchmark cities staffing levels by department there appears to be discrepancies between cities on which function fall under which department headings. Therefore, these spreadsheets can only be used a guidance to those departments which require additional detailed information to be obtained.

In addition, the total number of employees reflected for each city is based on the number reported in the Organizational Study's survey not the total of the number of employees listed for the departments on the spreadsheet. Each city classified the total number of employees differently and reported "budget" categories and employee counts differently. For example, not all of the cities fully detail their part time and seasonal employees.

The data would indicate that the following (see page 2) Laredo departments need to be evaluated to determine their appropriate staffing levels base on benchmarking data. This analysis could be conducted by the Laredo Budget Office staff.

Sincerely,

Ted Benavides
Senior Vice President

Page 2
List of Departments

Health Department
Bridge System
Parks & Recreation
Utilities
Fire
Traffic
City Manager
Community Development
Solid Waste
Human Resources
Tax Office
City Secretary
Convention /Visitor Bureau
Building Services
Finances

Update of the Organizational Analysis Findings
September 13, 2007
The Waters Consulting Group, Inc.

Key Objectives

The City of Laredo Contracted with WCG to:

- § Evaluate the effectiveness and efficiency of the City's Departments and Divisions;
- § Identify opportunities to reduce operating cost and improve services to external and internal customers;
- § Conduct a third party performance review of the operations and organizational structure of these departments; and

§ Create a leaner departmental structure, more customer focused and more nimble organization.

Project Methodology

- § Interviews with Council, The City Manager's Office and Department Directors;
- § In-depth review of budgets, organizational charts, staffing allocation and salary data;
- § Survey of peer organizations of similar size, scope of services provided and economic base;
- § Review of best practices.

Phases of Project

- § Phase I – Initial Strategy Meeting
- § Phase II – Interviews
- § Phase III-Comparison of Benchmark Cities and Analysis
- § Phase IV-Comparison of Laredo executive salaries to those of other Texas cities.
- § Phase V-Development and presentation of Draft and Final Report

Staffing Comparisons

A review of the overall distribution of staff with years of service is positive. Amongst the City of Laredo's approximately 2,249 employees allocated between 29 Departments:

- § 37.8% employed for Five Years or Less
- § 27.5% have worked for Five-to-Ten Years
- § 13.5% have worked Ten-to Fifteen Years
- § 10.8 % with more than 20 Years
- § 10.4% employed Fifteen-to Twenty Years

Benchmark Comparisons

Comparison of 10 communities – 5 with populations larger than Laredo and 5 with smaller populations:

- § Laredo Population: 203,212; Number of Full-Time Staff: 2,249
- § Large Cities Population Range: 207,852-362,972 (Average=269,205)
- § Large Cities Staff Range: 1,762-3,213 (Average=2,280)
- § Small Cities Population Range: 131,600-196,119 (Average=163,067)

Benchmark Comparisons

Comparison of 10 communities – 5 with populations larger than Laredo and 5 with smaller populations.

- § Laredo Employee to Population Ratio = 1:90

- § Lowest Benchmark City's (Amarillo) Employee to Population Ratio = 1:104
- § Highest Benchmark City's (Corpus Christi) Employee to Population Ratio = 1:93
- § Average of Benchmark Cities Employee to Population Ratio = 1:117

Benchmark City Comparisons

City	Population	Employees	Ratio
Mesquite	131,600	940	1:140
Grand Prairie	145,600	1,091	1:133
Brownsville	161,225	1,336	1:120
Amarillo	180,791	1,731	1:104
Irving	196,119	1,824	1:108
Laredo	203,212	2,249	1:90
Lubbock	207,852	1,762	1:118
Garland	222,651	2,015	1:110
Plano	252,950	2,032	1:124
Corpus Christi	299,602	3,213	1:93
Arlington	362,972	2,380	1:152

Rio Grande City Comparisons

City	Population	Employees	Ratio
Brownsville	161,225	1,336	1:120
El Paso	592,099	5,565	1:106
Harlingen	61,589	693	1:88
Laredo	203,212	2,249	1:90
McAllen	120,743	1,376	1:88
Mission	57,812	493	1:117
Pharr	56,839	322	1:176

Staffing Recommendations

- § Financial Services Department should conduct a more detailed review of the departmental comparisons survey of benchmark cities to refine the staffing levels on a department by department basis.
- § Financial Services Department should evaluate and report to the City Manager on factors such as the City's unique services (e.g., bridge Operations; Health Services) and their possible negative impact on the City's staffing ratio.

Departmental Restructuring

- § Departments are being recommended for elimination, modification or enhancement
- § Fewer departments are being recommended from 29 to 20
- § Positions are being eliminated
- § The organization is being streamlined for efficiency and effectiveness

§ Portfolios are being created for the DCM and the two ACMs

Span of Control Assessment

§ Need to develop organizational charts for all departments down to the lowest level and to match all the positions with the positions on the City's master personnel listing

§ Need to set a target for supervisors to subordinates such as: one supervisor to every six subordinates when reviewing department organizational charts

§ Eliminate as many of the one-to-one reporting structures as possible

Organizational Realignment Details

§ **Airport** – Airport Manager (Report to Transportation Director)

-Airport Director will be reclassified to Airport Manager

-Eliminate Marketing Manager position (\$87,471)

§ **Bridge** – Bridge Manager (Report to Transportation Director)

-Reclassify the Bridge Director Position – re-title to Bridge Manager

-Assistant Bridge Director to be reclassified to Assistant Bridge Manager

§ **Budget** – Budget Manager (Report to Financial Services Director)

-Move Budget Department as a division under Financial Services Department

-Re-classify the Budget Director to Budget Manager

-Delete Administrative Assistant I position in Budget (\$45,390)

§ **Building Services** (Re-title as BUILDING DEVELOPMENT SERVICES)

-The Building Official will manage the Building Inspection Division

-Add One Stop Shop into Building Development Services

§ **City Attorney** – City Attorney (report to Carlos Villarreal, City Manager)

§ **City Manager's Office** (Report to Carlos Villarreal, City Manager)

-Move Customer Service Coordinator and Clerk III to New Information Services & Telecommunications Department

Transfer out Real Estate Office (5 employees) to Community Development Department

-Transfer in the Legislative Liaison Officer from PIO

-Retain Internal Audit (3 employees)

-Delete One (1) Land Acquisition Manager position (\$105,827)

-Transfer Two (2) Real Estate positions to FAA Noise Program (\$107,862)

-Transfer One (1) Real Estate position to Bond (\$56,544)

-Eliminate PIO Manager position (\$73,978)

§ **Communications & Administrative Support Services**

-Eliminate the Department as a separate entity

-Transfer employees from the State Emergency Administration Division (9-1-1) of the

Information

Services & Telecommunications Department)

-Transfer employees from Fleet Maintenance Shop to become a division of the Public

Works Department)

- § **Community Development** – Director (Report to Cynthia Collazo, Deputy City Manager)
 - Transfer in the Real Estate Office from City Manager’s Office
- § **Convention & Visitors Bureau** – Manager (Report to Economic Development Director)
 - Eliminate Convention & Visitors Bureau Director position (\$109,612)
 - Re-title Assistant Director to Manager
 - Move the Convention & Visitors Bureau to the Economic Development Department
- § **Economic Development** (New Department) – Director (Report to Cynthia Collazo, Deputy City Manager)
 - Create Department to include the:
 - § Convention & Visitors Bureau
 - § Business and Retention (New)
 - § The Laredo Development Foundation
- § **Engineering** – Engineering Manager (Report to the Director of Public Works)
 - To manage the Engineering Division in the new Public Works Department
 - Transfer Two (2) Engineering FTE’s dedicated to bond projects
- § **Environmental Services** – Manager
 - Move department to Public Works Department
- § **Financial Services** – Director (Report to Assistant City Manager)
 - Move Tax department under Financial Services
 - Move Budget Department under Financial Services
 - Re-classify Budget Director Position to Budget Manager
- § **Fire** – Fire Chief (report to Carlos Villarreal, City Manager)
- § **Health** – Director (Report to Cynthia Collazo, Deputy City Manager)
- § **Human Resources** – Director (Report to Horacio DeLeon, Assistant City Manager)
 - Transfer in the Employee Health & Wellness Division (5 employees) from ITSS
 - Transfer in Risk Management Office, entailing Manager and six staff members, from ITSS
- § **Information Services & Telecommunications Department** (New Department) – Director (Report to Horacio DeLeon, Assistant City Manager)
 - Transfer Nine (9) Crime Scene Investigation Officers to Patrol
 - Transfer in the employees from State Emergency Administration Division (9-1-1) (currently part of CASS) into this Department
 - Transfer in the Customer Service Division from City Manager’s Office to 3-1-1
 - Transfer out the Employee Health & Wellness (5 employees) and establish as a separate division of Human Resources
 - Transfer out Risk Management, entailing Manager and six staff members, from ITSS to Human Resources
- § **Library** – Manager (Report to Parks & Leisure Services Director)
 - Move the Library Department under Parks and Leisure Department
 - Eliminate position through attrition (\$115,110)
- § **Parks & Leisure** (New Department) – Director (report to Jesus Olivares, Assistant City Manager)
 - Transfer in Library Department and convert to a separate division

- § **Planning & Zoning** – Director (Report to Cynthia Collazo, Deputy City Manager)
- § **Police Department** – Police Chief (Report to Carlos Villarreal, City Manager)
 - Eliminate one Assistant Police Chief Position through attrition (\$145,860)
 - Return Evidence/Property Officer One (1) to Patrol
 - Addition of One (1) Civilian Evidence/Property Technicians
 - Return One (1) Liaison Sergeant to Patrol
 - Transition Two (2) Ordinance Officers to Patrol (Hourly officers in Municipal Court)
 - Return Captain over Criminal Investigation Division (CID) to Patrol
 - Increased utilization of volunteers
 - Re-assignment of uniform personnel from administrative positions back to patrol and other direct police service delivery functions
 - Re-structure department into “Functional Alignment” with three bureaus, Operation, Criminal Investigations and Administrative Support
 - Place all investigative units under common supervision to increase effectiveness of information flow and standardization of procedures
 - Prioritize activation of case management software and hold investigative supervisors
 - Consider Off-Site housing of Internal Affairs Department in a highly visible and accessible location within the City.
- § **Public Works** – Director (Report to Jesus Olivares, Assistant City Manager)
 - Pending further review
- § **Solid Waste** – Manager (Report to Public Works Director)
 - Move department to establish it as a division of the Public Works Department
 - Re-classify Solid Waste Director Position to Manager
- § **Tax & Collections** – Manager (Report to Financial Services Director)
 - Move Tax Office, entailing 16 employees, as a division under Financial Services Department
 - Eliminate the Assistant Tax Collector (\$76,854)
 - Re-classify the Tax Assessor/Collector to Manager
- § **Traffic** – Traffic Engineer (Report to Transportation Director)
 - Re-classify Traffic director Position to Traffic Engineer
 - Move department to establish it as a new division of the Transportation Department
- § **Transportation Department** (New Department) – Director (Report to Jesus Olivares, Assistant City Manager)
 - New Department, combining Airport, Bridge, Traffic, and Transit Services
- § **Utilities** – Director (Report to Jesus Olivares, Assistant City Manager)

Mr. Benavides summarized the report by saying that the short term savings would be \$750,000 and the long term savings would be and additional \$310,000. He anticipated that over a period of time \$1.1 million would be saved due to the recommendations.

Cm. Garza, stated that Corpus Christi mentioned in the Benchmark Comparisons is not similar to Laredo. He added that in the Rio Grande City Comparisons slide, all the other cities mentioned besides McAllen are so different.

Carlos Villarreal pointed out that a more thorough analysis of each department will be done.

Cm. Garcia stated that Council took the step to hire an Assistant City Manager to relieve the duties of the City Manager so he would be able to overlook all the departments and be able to serve the Council Members. He added that assigning several departments to the Assistant City Managers defeats the purpose of the Council's decision. He commented that he did not understand how one Assistant City Manager would oversee 600 employees while another Assistant City Manager would only oversee 50-60 employees. He emphasized that it is not wise for the City to do this. Finally, he stated that this is a weak report and the numbers mentioned do not "jive". He stated that he is opposed to several changes.

Cm. Landeck inquired why the Police Department became the focus of the analysis. He asked how long the department was reviewed. He said that he does not see the reasoning behind eliminating one assistant chief. He mentioned that the Laredo Development Foundation is not a physical entity of City of Laredo and he does not believe it should be in the report. He added that we must abide by the City Charter. He pointed out that Assistant City Managers are not mentioned in the Charter.

Ted Benavides replied that the department was physically analyzed in one day.

Cm. Rendon mentioned that he would feel more comfortable if there was a complete report in order to understand the changes being recommended.

Cm. Chavez mentioned that he does not see anything wrong with the organization. He agrees that cutting back is good and supports the City Manager on this organization. He commented that more studies need to be done in the Police Department.

Carlos Villarreal reported that over \$750,000 would be saved and that it could increase to \$1,000,000.

Cm. Garza stated that we have a possible \$1,000,000 in savings and we have to do what is right for the citizens. He added that the City Manager would be held responsible for what goes wrong or right.

Carlos Villarreal stated that this is just a tool and changes can be made as Council deems necessary. He clarified that salaries will not be reduced and no one will be eliminated. He mentioned that changes will take place in the future through attrition. He commented that by the end of next year there will be a reduction of \$1,000,000 in expenses in the General Fund.

Cm. Ramirez recommended that the City Secretary's Office should stay where it was before.

Mayor Pro Tempore Belmares inquired about the time it will take to acquire the savings.

Carlos Villarreal replied that it would take about a year to accomplish.

Mayor Pro Tempore Belmares stated that there are some issues with the recommendations made with in the structure of the Police Department. He commented that whoever did the study did not do a good job of reviewing the collective bargaining agreement and they made no mention of the replacement costs of all the individuals returning to patrol. He added that when all the changes have been made, a million dollars will not have been saved and we will be back at the beginning where we started. He also inquired if the City Manager is recommending that the City use civilians as crime scene technicians versus the patrol officers in uniform.

Mr. Benavides agreed.

Mr. Villarreal pointed out that no Crime Scene Investigators are to be taken out of the budget. He added that no civilians will be added and no officers will be deducted. This will happen through transition.

Cm. Garcia stated that the report is weak.

Mr. Villarreal, stated that the figures given are of direct savings. He stated that all officers are in the budget and there are no civilian positions. He added that the budget would not be impacted.

Cm. Garza stated that they are additional savings for the future.

Motion to accept the recommendation as presented and remove the realignment of the Police Department and do another study.

Moved: Cm. Garza
Second: Cm. Chavez

Motion withdrawn by Cm. Garza.

Motion to table.

Moved: Cm. Garza
Second: Cm. Amaya
For:

8

Against: 0

Abstain: 0

V. EXECUTIVE SESSION

The City Council hereby reserves the right to go into executive session at any time during this public meeting, if such is requested by the City Attorney and other legal counsel for the City, pursuant to his or her duty under Section 551.071 (2) of the

Government Code, to consult privately with his or her client on an item on the agenda, or on a matter arising out of such item.

VI. ADJOURNMENT

Motion to
adjourn.

Time: 7:00

Moved: Cm. Garza
Second: Cm. Amaya
For: 8

Against: 0

Abstain:

0