

City of Union City, California Organizational Management Audit

June 2019





June 13, 2019

Mr. Tony Acosta
City Manager
City of Union City
34009 Alvarado-Niles Road
Union City, CA 94587

Dear Mr. Acosta:

Management Partners is pleased to transmit our report on our organizational assessment of the City of Union City. The City faces significant fiscal challenges in the future, with an annual structural fiscal gap in the General Fund of \$5 million. This created a backdrop to our analysis of the City's organizational structure and service delivery methods and practices.

Our report identifies several areas of opportunities for cost efficiencies, operational improvements and staff development. It also recommends service delivery changes that will allow the City to provide sustainable levels of service to the community.

The highest priority recommendations are: 1) addressing fiscal sustainability through a comprehensive fiscal sustainability plan; 2) implementing effective economic development tools to streamline development and enhance property and sales tax generation; 3) address risks associated with recruiting and retaining a skilled workforce to serve the community; 4) taking advantage of alternative service delivery opportunities to provide services at lower costs; and 5) implementing technology improvements to support modern delivery of government services that are fundamental to realizing efficiencies in workforce utilization. Implementing the recommendations in this report will have lasting positive operational and fiscal impacts on City services, but will have short-term staffing implications that will need to be addressed as the City prepares to implement the recommendations.

We appreciate the opportunity to have served the City of Union City and wish the City success in implementing these recommendations that will enhance the City's delivery of services to the community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gerald E. Newfarmer', written in a cursive style.

Gerald E. Newfarmer
President and CEO

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Executive Summary

The City of Union City engaged Management Partners to conduct a comprehensive management audit of the government organization. The impetus for this study is the City's financial outlook and an interest by elected and appointed officials in ensuring the organization is optimally structured to utilize resources efficiently to deliver valued community services.

The scope of the study was to review the organization structure and staffing; recruitment and retention, professional development and succession planning; best practices, systems and tools; and alternative service delivery options. A key expectation was that Management Partners would identify potential opportunities to reduce costs.

Context for the Study

Union City staff provide a wide variety of services to the community, including public safety. Other than water, wastewater, library, and fire services, the City provides municipal services typically found in an incorporated, full-service general law city in California.

The Great Recession in 2008 impacted all operating departments, requiring service and workforce reductions, challenging departments to "do more with less." As with many other local governments, elected officials and staff have focused on maintaining services as much as possible, although with growing costs and expanding needs, that has been challenging.

The City is facing slowing revenue growth and growing expenditures, a combination that is causing an extended structural deficit scenario that will require long-term solutions. The ten-year General Fund financial forecast indicates an annual structural deficit starting in FY 2019-20 of \$1.7 million that grows to over \$5 million by FY 2028-29. This represents approximately 9% of annual operating expenditures plus transfers.

City leaders developed a Budget Stabilization Plan that identified several options for aligning revenues with expenditures in the long term. These include budget reductions, revenue growth strategies through economic

development, and consideration of a shift to Charter City status from a General Law form of government. Doing so would provide potential tax opportunities, including a parcel transfer tax measure that was the subject of Measure EE submitted to voters in the November 2018 general election. The measure failed by a vote of 46% in favor and 54% opposed.

Key Observations

Council and staff are clearly committed to providing quality services to the community, and to using professional practices in their work. Their effectiveness can be enhanced through changes and investments outlined in this report.

Employees have a high degree of pride in the work they perform. There is an overwhelming consensus by departments that they work well with one another with the goal of providing the best possible service to the community despite the fiscal challenges that the City faces.

As we looked at the current organization, staffing, and approaches to service delivery, we identified 89 recommendations designed to improve cost effectiveness and efficiency. They include changes to the organizational structure and reporting, opportunities to reduce costs through outsourcing and increases to fees, and changes in systems and processes. Attachment A contains a list of all recommendations in this report.

We have identified 12 categories of change and improvement for the City. Each is discussed below.

- 1. Fiscal Sustainability Plan.** *The City's significant long-term structural General Fund gap will need to be addressed through a comprehensive fiscal sustainability plan.*

We have identified several cost reduction alternatives and revenue options as part of this engagement, and each is described in this report. Given a projected \$5 million long-term annual structural fiscal gap in the City's General Fund representing approximately 9% of annual operating expenditures, a comprehensive fiscal sustainability plan will be needed that incorporates four elements: 1) revenue enhancements, 2) expenditure controls, 3) service delivery alternatives, and 4) service level reductions to resolve the ongoing fiscal gap.

Community engagement efforts will play a key role in the successful implementation of such a plan. The options we have described in this report should be considered only part of a comprehensive solution.

2. Staffing. *City staffing levels are lower than comparable agencies.*

Comparative research with seven peer agencies indicates that Union City's staffing level of 42.8 full-time employees per 10,000 residents is 14% lower than the peer average of 49.7 FTEs per 10,000 residents. A contributing factor to this lower staffing level is that Union City's General Fund per capita revenues are nearly 30% lower than the peer agencies, which means there are fewer financial resources to provide services to the community.

3. Strategic Planning. *Executive staff and Council members noted the need to develop a strategic plan to guide the City's efforts to ensure decision making addresses operational, service and policy changes consistent with City goals.*

Strategic planning has now been initiated and it will be important to operationalize it once completed. The result will be a vision for the future and clear goals to guide Council decisions and department work plans. Once the citywide strategic plan is prepared, department plans should be created in alignment with the City's overall goals and initiatives.

4. Streamlining Recruitment. *Filling vacant positions is taking longer than reasonably expected and is impacting operating departments' service delivery.*

In the highly competitive Bay Area employment environment, high quality candidates can be lost to other agencies if there are delays in the hiring process. Recruitment capacity can be increased by filling the third position in human resources and using contracted professional services where necessary to assist with recruitment efforts, especially for positions known to be difficult to fill.

5. Professional Development and Competitive Compensation. *The City is losing knowledgeable staff to other communities and is not providing sufficient professional development opportunities.*

Retaining well trained, competent employees is a priority for any organization, particularly in today's environment of low unemployment and difficulty recruiting quality candidates. Competitive compensation and professional growth opportunities are the highest priorities for the City to retain its skilled workforce.

Management Partners completed a "snapshot" compensation review, which showed that compensation levels for selected positions are 5% to 15% below other peer agencies. An organization-wide compensation study should be completed to understand where the City stands in relation to other agencies with which they are

competing for employees, and the fiscal impacts. A citywide training curriculum needs to be implemented to enhance the skills of the workforce and to provide the skills necessary for employees to compete for promotional opportunities in Union City as they arise in the future. This needs to be funded and addressed as a priority.

6. **Succession Planning.** *The organization lacks sufficient succession planning to proactively address anticipated turnover, and institutional knowledge is lost as people retire.*

Over 30% of the City's workforce is eligible to retire today. Many of those eligible are in key leadership or supervisory positions. A comprehensive citywide succession plan needs to be developed to identify opportunities to grow people from within and/or strategies for quickly filling future vacancies. A succession plan would also include capturing institutional knowledge by documenting processes and procedures. Recommendations are included in this report.

7. **Provision of Non-typical Municipal Services.** *The City is providing some services that are typically provided by counties or other agencies.*

Union City is providing two types of services that are atypical of most other Bay Area cities. These are the environmental hazard and mitigation services provided through the California Certified Unified Program Agencies (CUPA) program and counseling services for school-aged children and their families through the Youth and Family Services (YFS) Division.

For CUPA, the City uses dedicated funding in the form of fees and charges, and for YFS parcel tax revenues from a voter-approved measure in 2016 are used to fund those services. However, the administrative responsibilities and oversight, coupled with rising retirement and health care costs, will continue to increase in future years. For CUPA, the City should evaluate the option to transfer responsibility of these services to the County. If the County were to take on this work, existing City staff would be available for other priority assignments. For YFS, given the budget gap and the need to constrain costs, options to reduce the impact on the General Fund should be explored while maintaining the core of this important service. Options are further discussed in the following pages.

- 8. Alternative Maintenance Service Delivery.** *The use of City employees for street sweeping, street tree and fleet maintenance services may not be cost competitive with alternative service delivery options.*

Managers should evaluate the cost-effectiveness of providing these maintenance functions by contract through a request for proposals process. This will allow an assessment of potential cost savings if those services were provided through a contract rather than with City forces. If implemented, alternative planning should include specific transition plans for existing employees either within the city or with the chosen vendor.

- 9. Recreation Program Cost Recovery.** *The low level of cost recovery for recreation programs and services is placing a financial burden on the City's General Fund, with no policies in place that would change this equation.*

The City can improve cost recovery performance of its recreation programs. While staff are citing a recovery rate of 40%, that does not include administrative, pension or facility costs. Therefore, the actual cost recovery rate is much lower than the percentage cited. A cost recovery analysis should be performed to ascertain the true costs of operating programs and facilities. Only then can reasonable fees be determined.

Additionally, the Mark Green Sports Center, which provides fitness programs and facilities offered by many private sector providers, operates at a cost recovery level of 25%, requiring a General Fund subsidy of over \$800,000 per year, or approximately \$600,000 per year when you exclude the costs of the community recreation services manager and other overhead costs that would remain. This high cost will continue to grow, creating a major burden on the General Fund. As the City faces significant shortfalls for its core services, this growing gap is cause for concern. The City should explore alternatives for reducing this subsidy through fee increases, contracting recreation services with private sector operators, shared services models with other agencies and non-profit organizations, or outsourcing the entire operation.

- 10. Reorganizing for Greater Efficiency.** *Some reassignments are necessary to consolidate functions within one department or area of the organization.*

The City Manager's Office can be reorganized to reduce the span of control of the city manager and better align several services. We recommend reorganizing the City Manager's Office to reduce the number of direct reports to the city manager from 11 to 8. This would be done by creating an Internal Services Unit consisting of Finance,

Information Technology, Human Resources, and the City Clerk's Office under the direction of a deputy city manager/chief financial officer (CFO) to align those internal service functions. This change will enable the city manager to focus on vision and strategy, complicated issues, Council priorities, and ensure accountability for overall performance of the organization. Fewer direct reports would free capacity for these important leadership functions.

The reorganization will also move environmental sustainability efforts from the City Manager's Office to the Public Works and Economic and Community Development departments.

11. Process Improvements. *Improving processes in areas including human resources, community and recreation services, economic and community development, finance and risk management will streamline operations and improve service delivery.*

Attention is needed to streamline processes to optimize staff in delivering services in the most efficient and effective ways possible. Our recommendations include updating policies and procedures in Community and Recreation Services (CRS) and Finance; restructuring the preliminary review process and eliminating and simplifying discretionary permitting requirements for applicants in planning; implementing an exit interview process in human resources; and clarifying responsibilities and improving communication between departments in the handling of risk management claims and administration.

12. Technology Tools. *The City's focus on a strategic approach to technology should be enhanced and expanded.*

Until relatively recently, the City's approach to technology has been largely reactive, dealing with just the most pressing needs. New leadership for the technology function has resulted in a more strategic look at the City's needs. Continued investment in technology, taking into account the entire organization's needs, with a well thought out and integrated approach will be important. The path the City is on matches this and should be supported.

Critical systems that require replacement and/or concentrated support efforts include the finance/enterprise resource planning (ERP) system, the geographic information system (GIS), and the permitting system to better support the business operations of the planning, building, code enforcement and public works engineering functions.

Recommendations

Attachment A contains a list of our 89 recommendations. They have been categorized as detailed below. We have included an initial prioritization of each recommendation.

- Fiscal Sustainability
- Strategic Planning
- Citywide Organizational Structure
- Sustaining the Employee Workforce
- Community and Recreation Services
- Economic and Community Development
- Finance and Information Technology
- Fire/Emergency Services
- Police
- Public Works

The top five recommendations follow.

1. ***Fiscal Sustainability.*** Our report identifies several cost-reduction and revenue enhancement strategies that the City should explore. Beyond those recommendations, however, City leaders must prioritize the development of a comprehensive fiscal sustainability plan to address the long-term General Fund fiscal gap. Such a plan should incorporate a combination of four types of budget strategies:
 - Expenditure controls and cost shifts,
 - Service delivery changes,
 - Revenue enhancements, and
 - Service level reductions.
2. ***Economic Development Initiatives.*** Addressing the City's fiscal gap requires maximizing revenue generation in accordance with the General Plan. Implementing effective economic development tools to streamline development and enhancing property and sales tax generation are critical to that endeavor. Key recommendations include:
 - Streamlining the planning permit processes to ensure efficiency for businesses interested in expanding or moving into Union City,
 - Evaluating the creation of new or expanded business improvement districts, and
 - Focusing economic development efforts on attraction and growth of key business sectors.

3. ***Sustaining the Employee Workforce.*** The City must address risks associated with recruiting and retaining a skilled workforce to serve the community. Key recommendations include:
 - Conducting a citywide compensation survey,
 - Creating a comprehensive professional development program, and
 - Filling vacant leadership positions in Public Works.
4. ***Alternative Service Delivery Opportunities.*** The City is delivering several services that are either outside the norm for similarly situated cities or are draining General Fund resources. Given the fiscal situation, City leaders have an opportunity to find alternatives for obtaining these services at lower costs through other parties. Our report identifies five specific areas to pursue:
 - Reduce the General Fund subsidy of youth and family services through obtaining some of the services from partnerships with non-profit organization and/or other government agencies.
 - Eliminating or substantially reducing the General Fund subsidy of the Mark Green Sports Center by contracting or repurposing its use.
 - Transferring operation of the CUPA program to the County.
 - Conducting a request for proposals (RFP) process for street sweeping services to determine if the City's costs for providing those services is competitive.
 - Conducting an RFP process for fleet services maintenance to determine if the City's shop labor rates are competitive with the private marketplace and if costs for fleet maintenance can be reduced.
5. ***Technology Improvements.*** Technology use is critical to the modern workforce and delivery of government services and is fundamental to realizing efficiencies in workforce utilization. Our report includes recommendations for improved use of technology that include the following systems:
 - Land management,
 - Encroachment permit tracking,
 - Computerized maintenance management,
 - Finance/enterprise resource planning (ERP), and
 - Employment applicant tracking.

Implementing the recommendations in this report will require a commitment of staff time and other resources, prioritized in light of daily operations and other needs. Management Partners fully understands the challenges associated with that, given the fact that Union City is already short-staffed as compared with peer agencies and based on its own workload needs. However, investing staff time in implementing the recommendations will have lasting operational and fiscal impacts for the organization.

Organization of the Report

This report is organized as follows:

- ***Project Approach.*** This section describes our methodology.
- ***Employee Engagement.*** This section describes the results of employee input gathered as part of the assessment process.
- ***Peer Agency Information.*** This section contains comparison information from several other cities.
- ***Cost Reduction Strategies.*** While not in the original scope, the failure of Measure EE resulted in needing to address cost-reduction opportunities as the City develops a fiscal sustainability plan.
- ***Organizational Assessment – Citywide.*** This section discusses issues and major areas of focus that are applicable across the entire city organization.
- ***Organizational Assessment – Departmental.*** This section provides an organizational assessment of each operating department.
- ***Attachment A –List of Recommendations.*** This section provides a listing of all recommendations found in our report.
- ***Attachment B – Employee Survey Results.*** This section provides a summary of the results of our engagement with employees through an online survey.
- ***Attachment C – Comparative Research.*** This section provides a summary of the comparative research results among peer agencies.

Project Approach

The organizational management audit conducted by Management Partners was to address each of the five areas shown in Table 1.

Table 1. Evaluation Components of the Organizational Management Audit

Evaluation Component	Assessments
1. Organization structure and reporting relationships	Determine optimum span of control and structure
2. Staffing	Determine whether the right complement of staffing exists
3. Recruitment and retention, professional development and succession planning	Assess results in hiring, competitiveness, employee turnover, training programs, retirement projections
4. Best practices, systems and tools	Assess application of best management practices, internal systems, technology and tools to support effective service delivery
5. Alternative service delivery options	Assess whether there are opportunities to do things differently at lower cost while retaining quality services

To evaluate these components, Management Partners gathered and analyzed information using a variety of means. While reviewing and analyzing data and documents our project team relied on our experience working with over 250 jurisdictions in California and our knowledge of best practices in local governments around the country to identify the most important areas that require improvement in the organization. We used the following techniques to gather information:

- Conducted interviews and two focus groups with City staff;
- Conducted an employee survey;
- Reviewed and analyzed a variety of relevant data and documents;
- Created and deployed a peer agency survey of seven cities to compare budgeted resources, staffing and service delivery methods; and
- Compared compensation of seven positions with comparable agencies.

Each is described in more detail below.

Interviews

An important component of this study was obtaining council and employee input about the organization. We conducted 31 individual interviews, which included the mayor and all members of the council, department heads and a range of other City staff.

Through the interviews we gained a variety of information and insights regarding:

- Strengths of and opportunities for improving the organization;
- Organizational structure and staffing;
- Tools, resources and training;
- Operational improvements needed; and
- Interdepartmental collaboration and communication.

The section entitled Employee Engagement Results contains more information about the common themes from our interviews.

Focus Groups

We invited 24 employees from various City departments representing a cross-section of staff in divisions and levels within the organization to participate in two focus groups. In the two-hour meetings we asked participants to discuss what was working well in the organization, areas for improvement, service level gaps, and information about professional development, recruiting and retention opportunities. The results from the focus groups are detailed in the section entitled Employee Engagement Results below.

Employee Surveys

Management Partners administered an online survey to solicit ideas from employees on a variety of subjects. A link was sent to all employees in the City. The results from these surveys are detailed in the section on Employee Engagement Results below.

Review and Analysis of Documents

Management Partners' team members reviewed a variety of documents and data to inform our observations and recommendations. We reviewed citywide and department organization charts, budgets, position listings and turnover data to assess reporting relationships, spans of control and information regarding staff capacity. We examined program descriptions, policies, and the range of functions being performed by different staff groups to verify that functional alignment was consistent with best practices.

To better understand department services and potential areas for cost savings, we reviewed the following where such information was available for each department:

- Policies, procedures and operational plans;
- Strategic planning documents;
- Budget information;
- Organization charts;
- Copies of contracts and agreements;
- Department maintenance schedules;
- Performance measures;
- Customer satisfaction surveys;
- Methods of cost recovery;
- Capital improvement and infrastructure management plans; and
- Information technology use.

Peer Agency Research

Peer agency research provides a perspective to help understand how service delivery levels and methods compare with similar jurisdictions. This type of research informs discussions by department leaders about service level alignment and can often surface opportunities for improvement.

Criteria for selecting peers are included in the section entitled Comparative Research Results below. Management Partners drafted and administered a peer survey to all seven identified peer cities.

Compensation Comparisons

The City is concerned with the competitiveness of compensation and benefits paid to employees as a means of recruiting and retaining a skilled workforce. Management Partners conducted a compensation survey of seven positions selected in consultation with City staff that have proven most difficult to fill and/or have the greatest potential of needing to be filled soon. This analysis was performed separately from the peer agency research, using a different set of jurisdictions that Union City uses for compensation comparison. The results of the compensation survey are included in the section on Employee Recruitment and Retention under Organizational Assessment – Citywide Impact below.

Results of Employee Engagement

Management Partners used three different methods to gain an understanding of perspectives about the City organization and service delivery. These included interviews, focus groups, and an employee survey. The results from these activities are summarized below.

Focus Groups and Employee Interviews

Highlights of the major themes and issues that surfaced during the focus groups and employee interviews are provided below.

Working well

The following themes emerged from the question, *“What is working well in the City now?”*

1. **Collaboration/Motivation.** Staff are motivated to provide the best service possible to the community; departments work well with one another to get the job done; directors are approachable.
2. **Service Delivery.** Customer service levels are high; staff take pride in good customer service.
3. **Communication.** Outreach to the community about citywide issues and public safety is strong.
4. **Technology.** There is a new vision and energy for information technology with the hiring of a new director.
5. **Department-specific**
 - **Police.** Crime rates are relatively low; the department’s succession plan is working; training opportunities are provided.
 - **Community/Recreation Services.** Programs for seniors and youth are supported and appreciated by the community; program cuts have been minimal to date; training opportunities are provided (but giving staff time to participate is a challenge due to workload levels).
 - **Economic/Community Development.** Affordable housing initiatives continue to progress without redevelopment funds.

Examples of key accomplishments in recent years

The following examples by employees were offered about accomplishments of the city in recent years.

1. BART station improvements
2. Station District
3. Union Landing continuing to be revitalized
4. Shorty Garcia Park just resurfaced again with synthetic turf
5. Partnership with the school district; subcommittee of Council members, school board members, staff that meet regularly to discuss shared issues of facilities and youth
6. Established a marketing team; facilities exchanges; considering more school resource officers
7. Youth violence prevention program
8. Renovated a community center into a teen center
9. National Night Out
10. Veterans Park
11. Second-best local streets in Alameda County (next to Dublin)
12. Well maintained parks
13. Diversity of residents; good relationships with everyone
14. Seven Sister Cities
15. Past bond measures passed by the community because of good relationship with the community
16. Good job in minimizing gangs

Areas Needing Improvement

Employees were asked what could be improved. Key themes and responses are provided below.

1. **Strategic Planning**
 - Lack of strategic planning from City Council, City Manager's Office or departments (except Police)
 - Reactionary mode to dealing with community complaints rather than proactively anticipating and addressing issues
 - Need for improved communication from the city manager on what is priority or important
2. **Staffing Levels**
 - Short staffed in most all departments (e.g., positions frozen or eliminated, long recruiting times, inability to attract qualified candidates, new programs/higher level of service expectations without additional staff)

- Recruitment takes too long and it is difficult to attract quality employees
 - Employee retention is a problem
 - Lack of competitive compensation/benefits
 - Lack of comprehensive professional development plan
 - Few promotional/job growth opportunities
 - No citywide succession plan to address retirements and allow promotional opportunities
 - Appropriate reward/recognition programs are needed
3. **Fiscal**
- Need to address financial deficit
 - Need to enhance economic development to attract businesses that generate taxes (e.g., property, sales/use, transient occupancy tax, business license taxes)
4. **Morale**
- Low in most departments despite people's motivation to deliver good customer service
5. **Policies and Procedures**
- Outdated policies and procedures (e.g., purchasing, permit applications, performance evaluations)
 - Need to streamline processes to reduce "red tape"
6. **Technology**
- Need to use software applications/systems to help us do our jobs better. Examples cited:
 - Permit tracking (planning, building, public works)
 - Records management
 - Asset management
 - Customer complaint tracking
 - Facilities maintenance tracking
 - Need to increase technology training opportunities, including end-user training on applications
7. **Department-specific Issues**
- **Public Works.** Facility maintenance staffing is not sufficient to timely address issues; fleet may have excess vehicles that are not fully utilized; tools and equipment are outdated and need more frequent replacement
 - **Economic/Community Development.** Focus economic development on bringing in revenue-generating businesses rather than event planning

Key words that describe the Union City community

Employees were asked to describe the community. The most common words used were:

- Diversity (cultural/socio-economic/generational)
- Collaborative
- Under-recognized
- Compact (density)
- Expanding population
- Divided (geographically; east vs. west)
- Unified (community events/celebrations)

Key words that describe the City organization

Employees were asked to describe the organization. The most common themes were:

- Service-focused
- Teamwork
- Hardworking
- Understaffed
- Directionless

Employee Survey Results

Management Partners developed an electronic survey to obtain employee input to help inform the organizational assessment. The survey was designed to give employees an opportunity to contribute ideas and suggestions as Union City reevaluates its service delivery. The survey was open and available to all full-time employees. Of 260 potential responses, 103 responses were received.

Common themes that emerged are provide below.

- **Customer Service.** Staff members take pride in the level of customer service provided to the community and their responsiveness to the community's needs.
- **Teamwork.** Respondents felt there was a high level of teamwork in their department and that employees collaborated and worked with other departments to get the job done.
- **Good Organizational Culture/Low Morale.** Respondents were positive in their responses regarding initiative, teamwork, and clear understanding of their job responsibilities. However, ratings about morale were low within nearly every department (well over half of the respondents). The survey respondents indicated the possible causes for it are not being adequately addressed.

- **Staffing Levels.** Staff have been asked to do more with less and are challenged to deliver services to the levels expected by the community and the Council.
- **Recruitment/Retention.** Authorized positions are not being filled on a timely basis, and employees are leaving for other agencies that pay more or provide better opportunities.
- **Non-Safety Training.** Respondents indicated satisfaction with safety training programs. However, they reported insufficient financial resources, training plans, or time for them to devote to training that would improve their skills, help them use technology more effectively, or provide opportunities for job growth. Respondents indicated these things would allow them to be better prepared to compete for promotional opportunities.
- **Strategic Planning and Leadership.** Similar to interview results, survey respondents indicated a lack of strategic planning and leadership, stemming from a lack of Council priority setting, no strategic plan or direction from the City Manager's Office and in turn, no department plans to achieve strategic goals.

The detailed survey results are included as Attachment B to this report.

Peer Agency Research Results

Seven agencies were selected as peers to learn about their organization structures, operating budgets, staffing levels and turnover rates, and approaches to service delivery and cost recovery. The seven peer agencies were selected from cities in the nine Bay Area counties with similar characteristics including population, median household income, land area, and services provided. The seven peers are shown in Table 2.

(As indicated previously, several positions for compensation comparison were selected separately, and that information is provided under the Employee Recruitment and Retention Section under Organization Assessment – Citywide Impact below.)

Table 2. Peer Agencies Surveyed

Cities	County	Survey Response Received	Population	Median Household Income	Square Miles	Total FTE FY 2018-19	Police	Fire	Parks & Rec.
Folsom	Sacramento		78,447	\$102,692	21.94	466.90	✓	✓	✓
Napa	Napa	✓	80,403	\$71,087	17.84	479	✓	✓	✓
Petaluma	Sonoma	✓	62,708	\$80,907	14.38	316.55	✓	✓	✓
Redwood City	San Mateo		86,380	\$90,461	19.42	557.22	✓	✓	✓
San Rafael	Marin	✓	60,651	\$81,360	16.47	410.48	✓	✓	✓
Tracy	San Joaquin		92,553	\$81,022	22.00	592.45	✓	✓	✓
Walnut Creek	Contra Costa	✓	70,667	\$82,848	19.76	376	✓		✓
Union City	Alameda	N/A	72,991	\$91,629	19.47	232	✓		✓

Sources: 2018 population and median household income estimates are from the American Community Survey; employee count and service delivery data from city websites and FY 2018-19 adopted budgets (total operating budget).

Detailed responses from the peer agencies are included as Attachment C to this report. Key learnings from the research follow.

- **Budget/Resources.** On a per capita basis, Union City's General Fund revenues are **30% lower** than the average of peer agencies, due primarily to a lower sales tax revenue per capita than the peers.

- **Staffing Levels.** Overall city staffing levels for Union City are **14% below** the average of the peer agencies.
- **Staffing Turnover.** The staff turnover rate is higher than three of the four agencies that reported turnover levels.
- **Service Delivery Approaches.** We asked agencies for their service delivery approach, whether they provide services inhouse, contract with private vendors or other agencies, and share services with other agencies, in several areas. The responses indicated the following:
 - **Information Technology.** Union City is generally consistent in approach with other agencies.
 - **Police.** The City's approach is generally consistent with other police departments, except it is the only agency of the peer group that contracts dispatch services and is the only one besides Walnut Creek that provides juvenile programs inhouse.
 - **Public Works, Maintenance, Engineering and Transportation.** Union City's approach is in alignment with San Rafael and Walnut Creek. Napa and Petaluma have a greater reliance on shared or contract services arrangements.
 - **Planning.** The City's approach for planning services is generally consistent with other agencies, except Petaluma, which contracts for planning services.
 - **Building.** Union City is the only agency that handles all building services inhouse, with other agencies using a mix of inhouse and contract plan check and building inspection services.
 - **Economic Development.** Union City's inhouse approach is consistent with other agencies.
 - **Housing.** All but San Rafael conduct housing program administration with inhouse staff.
 - **Environmental Programs.** Petaluma and San Rafael also handle safety and environmental compliance for hazardous waste materials inhouse among the peer agencies.

- ***Recreation, Library and Community Services.*** Union City provides recreation and community services (except library) with inhouse staff. The other agencies use a combination of shared services with other agencies or contract services in areas such as senior programs and aquatics.

Cost Reduction Strategies

In November 2018, voters were asked to approve a measure that would have allowed Union City to become a charter city. Doing so would have allowed it to impose a real estate transfer tax that is higher than the statutory limit as implemented by the Alameda County Assessor's Office (Measure EE). The measure would have helped resolve the City's General Fund annual structural deficit. This deficit is estimated to grow to \$5 million by 2024.

Measure EE was not approved by the voters, which placed additional pressure on the City to identify other ways to address its fiscal gap. As a result, greater emphasis in the management audit was needed to identify cost-saving opportunities to address the structural deficit.

Union City's Fiscal Stabilization Plan from FY 2017-19

As mentioned previously, the City's General Fund will have an ongoing annual structural deficit of nearly \$5 million over the next 10 years based on the most recent forecasts. Union City is not alone. Many cities in the Bay Area and in other California jurisdictions are confronting fiscal distress in their general funds even during a relatively strong economy. Rising retirement costs due to actuarial changes in the discount rate for PERS benefits, increasing medical costs, and increases in construction costs are all impacting cities' abilities to provide services with available resources.

The City prepared a budget stabilization plan as part of its FY 2017-19 biennial budget as a means of addressing this gap. That plan included three primary elements, as discussed below.

1. **Budget reductions.** City leaders identified \$1.8 million in budget reductions that relied primarily on freezing six vacant positions and reductions in services and equipment. The plan also included rolling brown-outs of the fire stations through a contract with the Alameda County Fire Department.
2. **Use of Public Agency Retirement Services (PARS) Trust Funds to pay PERS costs.** The City established an irrevocable trust with PARS that was expanded to include funding for post-employment

benefits such as retiree medical and pension rate stabilization. The trust was funded with \$12 million in excess reserves. The plan included payment of a portion of the City's retirement expenses totaling \$7.1 million over two years.

3. **Economic Development initiatives.** The following initiatives were identified as economic development improvements to develop additional revenues.
 - **Home sharing.** Negotiate an agreement with AirBnB to collect transient occupancy tax for homes rented to AirBnB customers. Additional revenues are expected to reach \$75,000 to \$100,000 per year.
 - **Cannabis.** The plan anticipated approval of a cannabis tax measure that would generate \$500,000 to \$2 million annually for cannabis cultivation, manufacturing and retail dispensaries. Measure DD, approved by voters in November 2018, authorizes a tax on cannabis businesses equal to \$12 per square foot for cultivation and 6% of gross receipts for other cannabis businesses.
 - **Real property transfer tax.** A real property transfer tax would be enacted that would allow Union City to change the tax rate for real property transfers that would generate \$4 to \$8 million of additional revenues annually. This required a change in city governance from a general law city to a charter city. This was the subject of Measure EE that was submitted to voters in November 2018. However, the measure was not approved.
 - **Station Center development.** A transit-oriented development project around the Union City BART station that includes mix-use development of commercial, retail and high-density housing. The development project is in various stages of entitlement, permitting and construction.

The budget stabilization plan was heavily reliant on the voter-approved real property transfer tax measure indicated above.

Developing a Comprehensive Fiscal Sustainability Plan

Management Partners' project team members believe a more comprehensive fiscal sustainability plan is warranted in Union City. The following four key components are important to address fiscal challenges.

1. **Expenditure Controls/Cost Shifts.** Maintaining service levels through reductions in expenditures or shifting the cost burden away from the General Fund.

2. **Service Delivery Changes.** Maintaining service levels by changing the way services are delivered, either through contracting for services or sharing service delivery with another agency. Some cities can insource, or provide services to other cities when there is the capacity and infrastructure to do so. However, we do not believe Union City currently has such capacity.
3. **Revenue Enhancements.** Maintaining service levels by increasing the resources available to pay for those services through new or increased revenues.
4. **Service Level Reductions.** If the above strategy types do not yield sufficient fiscal savings to the General Fund, City leaders would need to explore service level reduction strategies to achieve fiscal sustainability.

Determine Feasibility. After potential strategies are identified and analyzed in terms of fiscal impact, feasibility for each strategy is then determined. Factors to determine feasibility may include:

- The potential for community support,
- Technical/operational ease of implementation,
- Timing necessary for implementation,
- Disruptive impact on service delivery,
- Impact on the organization, and
- The overall fiscal impact.

Evaluating each strategy against such factors helps to identify those with the greatest potential for success in a fiscal sustainability plan.

Budget Strategy Packages. The strategies are then assembled in a series of budget strategy packages that range from revenue-centric to expenditure-centric plans for consideration. These are evaluated using the long-range fiscal model to determine the necessary mix of revenue enhancements and cost reduction measures required to address the fiscal gap.

These packages are then reviewed by executive staff and the City Council. Some jurisdictions engage the community at this point to review the alternatives and obtain public input to inform the decision by the City Council. Ultimately, a package is selected that includes a mix appropriate for the community. After the plan is finalized and adopted by the City Council, staff begin implementation.

Union City needs a comprehensive fiscal sustainability plan generally in accordance with the components described above. Community engagement may be quite helpful in developing the plan to inform the City Council's decision on selected strategies and to educate and prepare

the community for actions the Council may take and the changes that may result.

Recommendation 1. Develop and implement a comprehensive fiscal sustainability plan to address the long-term structural deficit in the General Fund.

Potential Cost Reduction Strategies

As City leaders look toward developing a comprehensive fiscal sustainability plan, Management Partners identified a series of General Fund cost reduction strategies for further consideration and analysis. The options listed in Table 3 below would require further analysis regarding service delivery impacts, fiscal impacts, and feasibility for implementation.

Conducting a detailed analysis of each option was beyond the scope of this project; nonetheless, we estimate that these budget strategies may reduce General Fund subsidies and costs by \$3.5 to \$4 million annually pending further analysis. While this will move the City closer to resolving its structural deficit, further analysis and other considerations will be required to provide full fiscal sustainability to the City's General Fund.

Table 3. Cost Reduction Options for Consideration and Further Analysis

No.	Cost Reduction Strategy	Description	Departments Impacted	Considerations and Potential Cost Savings
1	Reorganize the City Manager's Office	<ul style="list-style-type: none"> • Reclassify the finance director to deputy city manager/CFO, overseeing finance, human resources, IT and city clerk functions • Evaluate the position of marketing and communications manager to recognize the broader functions being performed • Combine the two separate positions of digital marketing specialist and web manager to one communications coordinator • Eliminate the existing deputy city manager position when incumbent retires 	City Manager's Office, Finance, Public Works and Community Development	Long-term annual cost savings of approximately \$400,000 are realized upon retirement of the incumbent deputy city manager and the elimination of one of the communications positions. See Recommendations 3 through 9.

No.	Cost Reduction Strategy	Description	Departments Impacted	Considerations and Potential Cost Savings
		<ul style="list-style-type: none"> Transfer responsibility for environmental services to Economic and Community Development and Public Works departments. 		
2	Develop a shared services model for Youth and Family Services (YFS)	<ul style="list-style-type: none"> Develop shared services models with other providers (e.g., non-profit social services agencies and/or the County of Alameda) who may be able to provide services at lower cost. 	Community and Recreation Services – Youth and Family Services	Current General Fund subsidy is \$272,000 and expected to grow to \$508,000 by FY 2020 -21. Commitments to support YFS services in passage of Measure QQ (parcel tax) will need to be maintained. A manager position is currently vacant. Potential savings would depend on the number of positions eliminated through contracting for services, but goal would be to eliminate General Fund subsidy through expenditure savings short of any additional grants. See Recommendation 18.
3	Contract the operation of or repurpose the Mark Green Sports Center	<ul style="list-style-type: none"> Seek a private fitness operator at a reduced cost to the City. If viable operators are not identified, explore options for repurposing the facility for another use. 	Community and Recreation Services	The annual General Fund subsidy for this facility is over \$800,000 and will grow. Prior attempts to contract services for the facility have not been successful. If viable operators are not identified, the City could identify alternative uses for the site to eliminate the drain on General Fund resources. Net savings would be approximately \$600,000 as the manager position would still need to be retained. See Recommendation 23.
4	Review street sweeping frequency and contract street sweeping services	<ul style="list-style-type: none"> Review frequency of commercial and residential street sweeping with the goal of reducing frequency where appropriate Contract street sweeping services with a private vendor 	Public Works – Streets	Current General Fund cost of this is service is estimated to be \$200,000, excluding equipment replacement costs. Based on our experience with other agencies, outsourcing street sweeping services may yield savings of 10% to 25% depending on pay/benefit structures, which could equate to approximately \$25,000 to \$45,000 annually. Review NPDES permit requirements to determine minimum frequency required to maintain permit. See recommendation 81.

No.	Cost Reduction Strategy	Description	Departments Impacted	Considerations and Potential Cost Savings
5	Conduct fleet utilization study and evaluate options for contracting services	<ul style="list-style-type: none"> • Conduct a fleet utilization study to eliminate underutilized vehicles • Conduct a fleet services study to determine services that may be contracted to improve cost effectiveness. 	Public Works – Fleet	<p>A fleet utilization study will identify vehicles that may be underutilized and therefore eliminated from the City fleet (see Recommendation 86). Obtain quotes from local repair shops to compare shop labor rates with the City's cost of providing services (see Recommendations 87 and 88).</p> <p>Cost savings are difficult to estimate without further detailed analysis beyond the scope of this study. In our experience, fleet utilization studies can generate savings of 5% to 15%. Shop labor rates in excess of 10% of the local market would typically be candidates for contracting. Total operating costs for the City's Garage Internal Service Fund are \$1.17 million. A savings of 10% would equate to \$117,000 annually, but some of those savings would be shared among proprietary and other funds.</p>
6	Reduce employer health benefits contribution	<ul style="list-style-type: none"> • Reduce health benefit premium contributions • Create a flexible spending account that caps medical contributions to a fixed dollar amount 	All; Human Resources	<p>May impact competitiveness in the labor market and may negatively impact recruitment and retention efforts; subject to meet and confer with labor groups. Total annual health insurance costs borne by the City for the General Fund are currently estimated at \$2.9 million. Reducing the employer's contribution by 10% would yield savings to the General Fund of \$290,000 annually.</p>
7	Reduce retiree medical benefits	<ul style="list-style-type: none"> • Negotiate tiered retiree medical benefits to cover only the PEMHCA minimum required by state law. This affects only the Police bargaining units as all other bargaining units have already been reduced to the PEMHCA minimum. 	All; Human Resources	<p>Current plan provides enhanced retiree medical benefits based on bargaining group and years of service (15 years). A tiered level of retiree medical benefits for employees hired after the implementation date would be required to pay the minimum benefit under PEMHCA, subject to meet and confer.</p>

No.	Cost Reduction Strategy	Description	Departments Impacted	Considerations and Potential Cost Savings
8	Eliminate one fire station	<ul style="list-style-type: none"> Phase out the operation of one station 	Fire	Conduct an analysis of fire responses from each station, analyze coverage, and determine whether one station should be closed, or whether other strategies, such as “rolling brown outs” should be used. City staff estimated cost savings from a rolling brown out to be \$400,000 annually. Eliminating one station staffed with three firefighters per shift is estimated to save up to \$2 million annually in staffing and operational costs. Contract implications would need to be discussed with Alameda County Fire.
9	Establish a regional Police SWAT team approach	<ul style="list-style-type: none"> Reduce costs through engaging others in the region or sub-region who can provide this service 	Police	A short-lived contract with Newark identified differing philosophies regarding tactical approaches to SWAT that would need to be addressed in any shared service agreement. Union City could rely on mutual aid, but that would reduce local knowledge and training.
10	Reduce street pavement maintenance efforts	<ul style="list-style-type: none"> Lower the City’s pavement condition index (PCI) standard from the current level of 80 to 75 and reduce street pavement maintenance efforts 	Public Works – Streets	Statewide average standard is a PCI index of 70 to 75. Current street funding from gas tax revenues allows full funding for existing levels. The strategy would only apply if funding becomes insufficient to maintain an 80 PCI without using General Fund revenues. This strategy reduces the need for preventive and recurring maintenance staffing and magnitude of street CIP project funding; risk management implications will need to be assessed. See Recommendation 82.

Organizational Assessment – Citywide Impact

This section addresses several areas of focus that cut across the entire city organization, impacting organization and departmental effectiveness and the ability of the City to position itself to move forward strategically and functionally.

Strategic Planning

Upon commencement of the project, we noted that the City had not developed a strategic plan with citywide goals and priorities to provide strategic direction to operating departments and their staff. A strategic planning process is now underway.

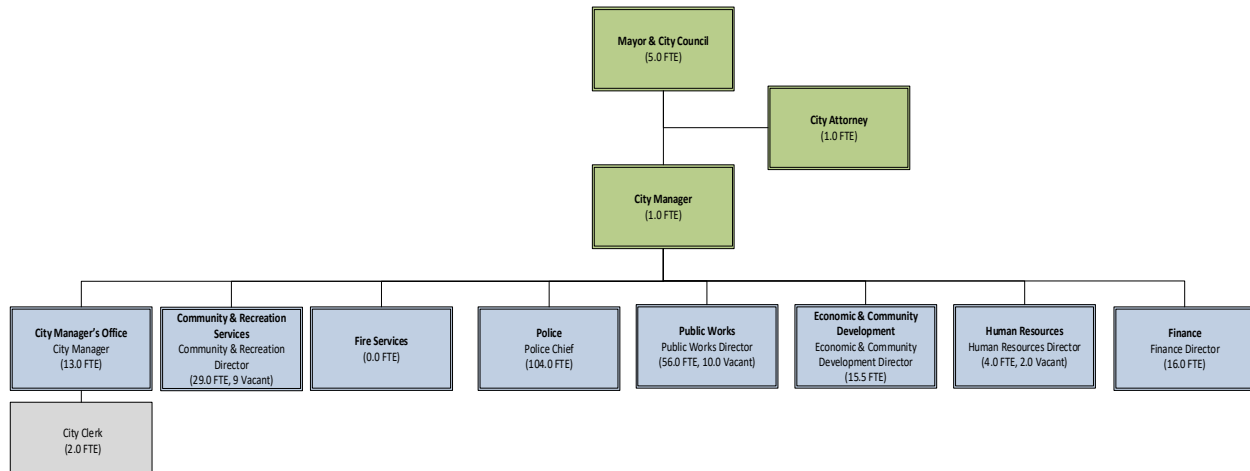
Upon adoption of a strategic plan, each department will need to develop a work plan that aligns their operations with the citywide strategic plan. Departments that have work plans or their own strategic plans may be able to leverage them as they develop departmental workplans. For example, elements of the City's General Plan and Economic Development Strategic Plan will inform the creation of the Economic and Community Development Department's strategic plan. Public Works will benefit from existing master plans developed for parks, traffic, and capital improvements. The Police Department has an existing strategic plan and will need to ensure its alignment with the overall citywide strategic plan when developed. Creating department workplans will help staff understand their roles in achieving the goals established citywide and within the department.

Recommendation 2. Develop department work plans that align with the City's overall goals and initiatives as detailed in the strategic plan being developed.

Organizational Structure

Management Partners reviewed the City's existing organizational structure and functional organization charts that were provided for each operating department. The FY 2018-19 annual budget indicates 307.5 full-time equivalent positions among the operating departments. The current citywide organization chart is shown in Figure 1.

Figure 1. Citywide Organization Chart and Positions for FY 2018-19

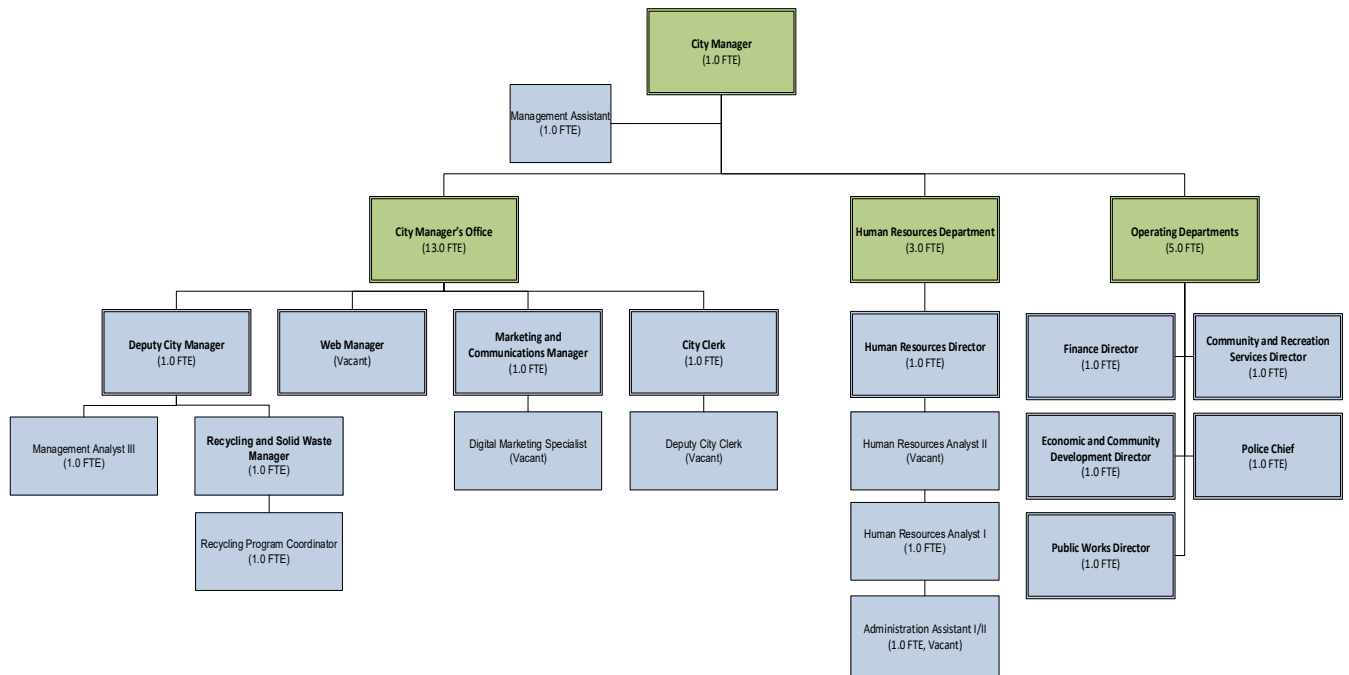


We reviewed and assessed the span of control and reporting relationship within each department. We did not identify any significant concerns relative to the structure within operating departments.

City Manager's Office

As we reviewed the City Manager's Office, we noted that the city manager has a wide span of control. Figure 2 shows the current organizational structure of the City Manager's Office.

Figure 2. City Manager's Office Existing Organizational Structure



Reduce the number of direct reports to the city manager. The city manager has 11 direct reports, which include eight executive managers and three other staff. Having fewer direct reports would provide capacity for important leadership functions related to vision and strategy, Council priorities, and accountability for overall performance of the organization.

Internal services could become a unit. The finance, human resources, city clerk, and public information/communications staff all directly report to the city manager. Those are internal or administrative support functions that could be realigned with a different reporting structure. Specifically, these would work well together as one internal services unit reporting to a deputy city manager/chief financial officer (CFO). Placing these together in one unit would create a structure for collaboration, identifying way to streamline, and enhancing internal services operations as a whole.

Expand and reorganize communications and marketing manager role. The city has developed a robust communications program, staffed with three positions (of which two are vacant). Given the priorities of strategic planning, positioning the City to address challenges related to its fiscal sustainability, and the need to provide policy level analysis and complex project management out of the City Manager's Office, there is an opportunity to expand the role of the communications and marketing manager beyond the originally envisioned tasks. In fact, additional responsibilities have been given to this position, recognizing the need for a broader, generalist role in the City Manager's Office. A recent example

of an assignment to this position is coordination of a citywide strategic planning process that is currently underway.

A typical position in a city manager's office assigned citywide, key responsibilities is assistant to the city manager, reporting directly to the city manager. Such a position typically manages complex, special projects and performs highly complicated and/or policy level analyses on behalf of the city council, city manager and other departments. However, this title does not easily fit an expanded position of communications and marketing manager because there is an existing position in the City Manager's Office with a similar title, but with different types of duties.

Therefore, we recommend that the City conduct a classification study to determine an appropriate title and salary level within the City's classification structure, to recognize a broad range of responsibilities and expectations for the position now called communications and marketing manager.

Additionally, the communications and marketing manager currently reports to the deputy city manager. Under the proposed reorganization, the position would report to the city manager.

Further, as a cost saving move, one of the two vacant communications positions (web manager and digital marketing specialist) would be eliminated, and with the remaining one reclassified to a communications coordinator position.

Environmental initiatives could be reassigned from the City Manager's Office. The environmental programs related to climate action and solid waste/recycling are line functions that rely on staff support and collaboration from operating departments. While they began in the City Manager's Office, now that they are fully launched, they can be reassigned to departments. The Economic and Community Development Department should be responsible for climate action plan initiatives and the Public Works Department can be responsible for solid waste/recycling management.

Focus the deputy city manager position on special projects. The City has significant projects requiring executive level attention. The incumbent currently supervises a management analyst III, the recycling and solid waste manager, and the recycling coordinator. Under the reorganization, that position would be able to address complex issues under the city manager's direction. Upon retirement of the incumbent, we recommend the position be eliminated for cost savings.

Reorganization

The result of these changes would be for the city manager to directly supervise the public-facing or line operating departments (i.e., police, public works, economic and community development, and community and recreation services). The communications and marketing manager would also report to the city manager. This is a common organization structure found in cities of similar size to Union City.

We believe the following recommendations will better align the services within the organization, provide future cost savings, and establish a more reasonable number of direct reports to the city manager.

Recommendation 3. Combine the functions of finance, information technology, human resources, and city clerk into an internal services unit that reports to a new position of deputy city manager within the City Manager’s Office.

Recommendation 4. Reclassify the position of finance director to deputy city manager/CFO overseeing the internal services unit that reports to the city manager.

Recommendation 5. Expand the position of communications and marketing manager to incorporate complex, special projects and policy analysis, and retitle the position appropriately based on a classification and compensation review.

Recommendation 6. Combine the vacant web manager and digital marketing specialist positions into one communications coordinator position.

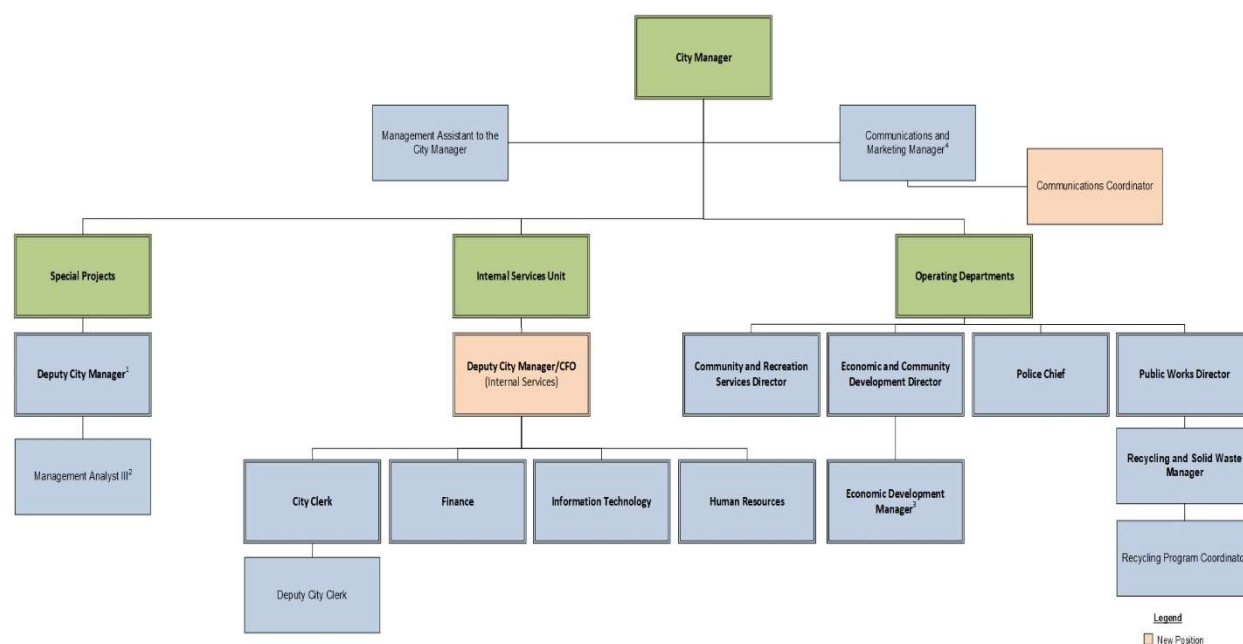
Recommendation 7. Transfer responsibility and staffing for environmental initiatives related to implementation of the climate action plan to the Economic and Community Development Department.

Recommendation 8. Transfer responsibility for oversight of the solid waste franchise agreement and recycling goals to the Public Works Department.

Recommendation 9. Eliminate the existing deputy city manager position overseeing special projects upon retirement of the incumbent.

When these recommendations are implemented, the City Manager’s Office organizational structure would appear as shown in Figure 3.

Figure 3. Proposed Organization Structure for the City Manager's Office



Notes

¹The existing deputy city manager position would be eliminated upon retirement of the incumbent.

²The management analyst III position would report to the communications and marketing manager upon retirement of the deputy city manager.

³The economic development manager would continue to report to the economic and community development director; however, the city manager would play a more significant role in implementation of economic development activities.

⁴The duties of the existing communications and marketing manager position would be expanded to include complex, special projects and policy analysis, requiring a new title.

Sustaining the Employee Workforce

Management Partners' project team reviewed how the City ensures its employees have the skills to serve the community. We reviewed the following three areas:

1. Employee recruitment and retention,
2. Professional development, and
3. Succession planning.

Employee Recruitment and Retention

The City has found it challenging to recruit and retain employees, and this is compounded because the pace of retirements is increasing. Other local governments have similar experiences, and there is greater competition for staff, particularly in urban areas. The significance for Union City is that it is at a critical juncture where it needs to:

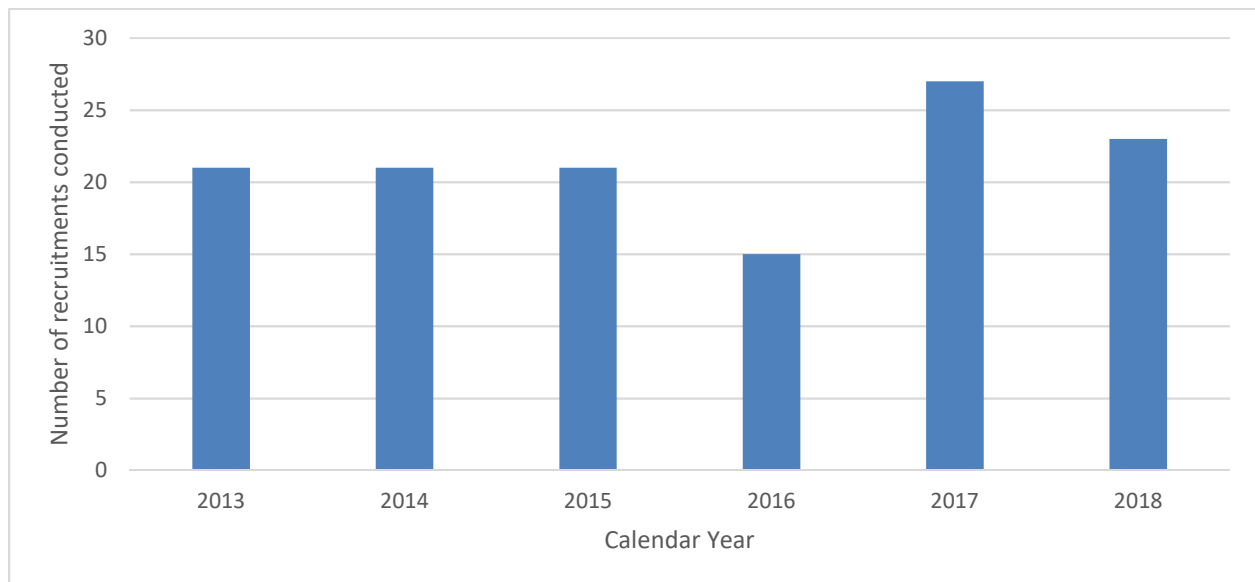
- Improve its results in recruitment and retention,
- Develop employees to serve to their best capacity,
- Enhance the satisfaction of working for the City of Union City, and
- Promote Union City as a great place to work.

The impacts from turnover are high in Union City. With low staffing, when someone leaves, there are fewer people to get the work done. When a vacancy occurs, there is often no one else to take on the duties of the person leaving.

Recruitment Capacity

An average of 21 recruitments per year have been conducted over the last six years as indicated in Figure 4 below.

Figure 4. Annual Active Recruitments from 2013 to 2018



Source: Human Resources Department

Nearly half of the recruitments have been conducted for vacancies in the Police Department, which is consistent with the ratio of total employees in the organization. However, based on our review of recruiting information and interviews with staff, the Police Department has lost potential candidates due to the length of time it takes for candidates to receive an offer.

As of January 2019, a total of 33 positions citywide were vacant. Ten of these positions are on hold until the biennial FY 2019-21 budget process is complete.

Insufficient Human Resources Staffing for Recruitment

Currently, only two positions are providing Human Resources (HR) services for the organization, the HR director and a personnel analyst I. The City is now recruiting for a vacant personnel analyst II position.

Unless City leaders decide to freeze or eliminate the vacant positions throughout the City, greater capacity within HR is needed to efficiently conduct recruitments. Unfortunately, the market for full-time HR professionals in city government is quite tight and it is likely to be difficult to quickly fill these positions.

However, another option would be to engage one or two recruitment firms to supplement the existing HR Department staff. It is likely these types of firms would be required to recruit for director-level positions, given the difficulty filling them. The advantage of using a consulting firm to handle peaks in the workload is that their services are temporary, they can be discontinued quickly, and they do not increase the City's pension costs.

Expanding HR's recruitment capacity will also help to avoid losing good candidates, as was noted by the Police Department. For the reasons discussed above, we believe hiring an external HR firm is the most efficient way to create additional HR capacity.

Recommendation 10. Hire a human resources consulting firm to support staff efforts to fill the vacant positions authorized to be filled.

Applicant Tracking System

The City currently uses CalOpps, a cloud-based applicant tracking system, to support its recruiting activities. CalOpps is a low-cost alternative for applicant tracking, job posting, and has thousands of job seekers that have uploaded their resumes to their web portal at CalOpps.org that the City can draw on to advertise its vacant positions.

However, the back-end applicant tracking and management system capability of this system is limited, does not track applicants through the recruiting process, and does not interface with other payroll or human resource information systems. To improve the recruitment process, a more robust and user-friendly system should be found to track candidates completely through each phase of the application process. Determining the best system for Union City will require an assessment of the various systems available.

Recommendation 11. Prepare a request for proposals to identify the best applicant tracking system to support the City's employee recruitment efforts.

Recommendation 12. Enter into an agreement to purchase and implement the applicant tracking system.

Exit Interviews

The City currently has no formal exit interview process to help understand and evaluate why employees leave the City. Retirements are expected, as is some level of turnover from employees relocating to other areas or finding promotional opportunities.

Anecdotal evidence from our interviews and focus groups with employees suggested reasons why employees left the City. They include a lack of professional growth opportunities, higher salaries/benefits in other cities, and/or frustration with a supervisor.

A best HR practice is to utilize a formal exit interview process through which an HR professional meets with the employee prior to departure to conduct a confidential interview about the reasons for departure, and how the organization could improve.

Recommendation 13. Create a formal exit interview process to learn the reasons employees are leaving and obtain useful feedback for organizational improvement.

Employee Retention

Retaining employees is a complex and ongoing challenge for human resources and operating departments. Employee retention depends on a variety of factors as identified below:

- Supervisors and executives who support individuals and treat people with respect;
- Support (including time and money) for training and professional development;
- Opportunities for promotion;
- Having the tools to do the job (i.e., technology, equipment and facilities);
- Good teamwork and communication;
- Supervisors and executives who support individuals and treat people with respect;
- Opportunities to work across the organization;
- Celebrating successes and recognizing accomplishments;

- Workload commensurate with the time available; and
- Competitive compensation.

Employee turnover is costly and the problem exists throughout the country. For instance, a report prepared by the City of San Jose found that the number of newly hired police officers who left its department in the first two years grew from 16% in 2005 through 2007 to almost 25% in 2012 through 2014¹. Given that San Jose spends about \$200,000 to train each new officer, the report highlighted how “that hike in turnover is costly.”

The problem of employee retention is not new, and its causes are due in part to the tight labor market and a high demand for particular skills, according to a 2016 article in *Fortune*². This results in more people moving from job to job, and more frequently than in the past. The article cites a study indicating that 87% of employers recognized the problem and the improving economy as a sign they will need to “increase compensation, expand benefits, and improve their employee experience.”

The unemployment rate in Alameda County remains below 3%³. Low unemployment is a sign of a good economy, but it is difficult for organizations trying to attract talent.

Retention issues will need to be closely monitored in conjunction with compensation issues highlighted later in this report.

Compensation

One of the common themes in discussions with employees through interviews and focus groups was that Union City has fallen behind other communities in the compensation and benefits packages offered to employees. The City has not conducted a comprehensive compensation study in many years.

¹ Barrett, K. and Richard Greene. “Help Wanted: Is Government Hiring Finally Moving Out of the Stone Age?” *Governing*. February 2016, 32-37.

² Schawbel, Dan. “What Employers Will Worry About in 2017.” *Fortune*. December 28, 2016.

³ According to the California Employment Development Department (from January 2019), the unemployment rate in the Oakland-Hayward-Berkeley Metropolitan Division (MD) was 2.9% in December 2018, up from a revised 2.8% in November 2018, and below the year-ago estimate of 3.1%. Labor market information from Alameda County and Contra Costa County are included in this MD.

Management Partners conducted a compensation survey of seven select positions in the organization for which recruitment has been a challenge in the past. Union City compares compensation to the following:

- Fremont
- Hayward
- Livermore
- Milpitas
- Newark
- Pleasanton
- Redwood City
- San Leandro

The seven positions selected were based on a review of the prior five years of turnover and recruitment data, difficulties in recruitment for the positions, and our professional experience of those that are most troublesome to recruit and fill in today's employment market.

Compensation factors used to arrive at *total compensation* included:

- Base salary (top step/maximum)
- Employer's share of CalPERS pension costs
- Deferred compensation benefits paid by employer
- Health benefits paid by employer (medical, dental and vision)
- Career incentives
- Uniform allowance
- Holiday pay
- Auto allowance
- Professional development allowances
- Special management benefit incentive programs

The positions and results from our comparison are presented in Table 4.

Table 4. Compensation Survey of Select Positions

Position	Union City Total Compensation (Monthly)	Median Total Compensation from Peer Agencies (Monthly)	Percent of Variance
Finance Director	\$19,431	\$19,990	2.8%
Police Officer	\$12,918	\$13,395	3.6%
HR Analyst II	\$11,235	\$12,105	7.2%
Assistant Planner	\$10,543	\$11,909	11.5%
Environmental Programs Inspector	Insufficient comparable positions among survey agencies		
Environmental Analyst II	Insufficient comparable positions among survey agencies		
Transit Planner	Insufficient comparable positions among survey agencies		

As the table shows, three of the positions (environmental programs inspector, environmental analyst II, and transit planner) had insufficient comparisons in the peer cities, so no results were available.

The remaining positions were surveyed, and the results indicated that Union City was 2.8% to 11.5% below median total compensation compared to the peer agencies.

The City should conduct a citywide compensation survey. Not every position needs to be studied. However, benchmark, journey-level positions within job families (e.g., maintenance worker I for maintenance worker series; assistant planner for planner positions, police officer and police sergeant for sworn officer positions) should be included in the survey.

Based on the results, the City may need to update compensation levels for those positions that are historically difficult to fill and have a significant variance to median of the comparison group. The fiscal impacts of any compensation study would need to be determined. Additionally, employee organizations that represent employees impacted by the study would need to be offered an opportunity to meet and confer on proposed changes.

Recommendation 14. Conduct a citywide compensation survey.

Professional Development

Training new and existing staff is essential for efficient operations. The need for ongoing employee training and development was identified by staff as a critical unmet need and a way to increase efficiency and job satisfaction. City management staff members are also well aware of this need and have begun to identify a training program.

As City leaders are well aware, training and professional development are important both for retaining employees and preparing employees for future promotions as part of succession planning. For employees to succeed when transitioning from line staff into supervisory/leadership roles, they need to be familiar with a much broader scope of work than they previously would have been required. They also must be able to assign and supervise work and ensure quality control consistent with expectations. That takes an investment of time, as well as budget resources to provide relevant training programs.

Developing a citywide training curriculum will help employees develop professionally and give them the skills necessary to serve the community. This curriculum should offer a wide array of programs and opportunities to support professional development of employees. The goals of the program are to enhance individual employee development, increase organizational effectiveness and improve community services.

A successful professional development and training program is one with a shared commitment by the city and by employees, with the city providing time and funding, and employees providing an eagerness to learn and grow. It also requires department managers to be engaged in designing the training programs and in supporting their employees' participation as opportunities are presented.

Desired outcomes of a professional development and training program are:

1. Increased skills that enable employees to be outstanding in their work with the City of Union City;
2. Enhanced ability for employees to reach their full potential;
3. Preparation of staff to compete for and secure internal promotions;
4. Understanding of how each person's job relates to the City's strategic plan, once it is adopted;
5. Increased employee retention by investing in an employee's development and in their career;
6. Safer and healthier work environment to prevent injuries and illnesses, reduce absences, and lower costs;
7. Better prepared employees to assume new challenges by learning new skills; and
8. Enhanced morale and a sense of value by employees through the City's commitment to their professional development.

Incentivizing staff to pursue additional education related to their positions can be helpful both in terms of retention and succession planning, particularly at the supervisor/management level.

Staff training and development should be considered a fundamental investment and prioritized within the budget. In addition to resources, a successful training program also ensures there is adequate time for employees to participate, and that training is championed as a value by leaders in the organization.

Developing a comprehensive professional development program would require the involvement of operating departments. Some agencies establish cross-organizational teams to research and recommend a curriculum of courses to be offered to all employees. Input from departments and employees will be important in developing such a program.

The first step would be to form a training and development committee, comprised of managers from each department, to develop recommendations for a citywide training and development program for

review by executive leadership. Specific steps for the committee to follow in creating a comprehensive professional development and training program include:

- Identifying the driving internal and external needs, as well as the as the goals, objectives, outcomes and benefits of a citywide training and development plan;
- Identifying general categories for training and development programs, such as leadership development, professional development, career planning, essential supervision skills, communication, computer training, customer service and HR management;
- Brainstorming possible training and development and program options for each identified category above;
- Designing and administering a training and development needs assessment survey to all employees to get feedback and identify priorities and missed opportunities;
- Collating and analyzing the results of the needs assessment;
- Preparing a Report on a Recommended Citywide Training and Development Plan that identifies the following:
 - Name and description of each program to be offered,
 - Targeted participant group(s), including managers, supervisors and/or line staff,
 - Program purpose and outcomes,
 - Program length,
 - Options for trainers/facilitators,
 - Frequency of each program or activity offered on an annual basis, with a proposed calendar, and
 - Cost and funding of each program;
- Presenting the report on a proposed citywide training and development plan to executive leadership and for feedback and approval.

Examples of the types of training other local governments have identified as important to be provided are displayed in Table 5.

Table 5. *Citywide Training Programs Provided by Other Agencies*

Computer training focused on the Microsoft Office suite	Supervisory and management skills
Handling conflict	Providing constructive feedback
Project management and work plan development	Budgeting
Public speaking and presentations	Report writing
Safety topics (e.g., CPR, personal safety, identity theft, first aid)	Disaster and emergency response responsibilities
Career planning	Change management
Teambuilding	Meeting management
Interpersonal effectiveness	Customer service

Training resources/providers that could be explored by Union City include:

- Alameda County Training and Education Center
<http://trainingcenter.acgov.org>
- San Mateo County Regional Training and Development Consortium for Public Agencies <https://hr.smcgov.org/regional-training-development-consortium-public-agencies>
- Professional associations for the various disciplines represented by City departments
- Area colleges
- Individual instructors in the region
- Other cities in Alameda County that might like to partner on training programs

Developing a comprehensive training plan will require resources, and the City will need to commit dollars to training.

Recommendation 15. Create and implement a comprehensive professional development program involving all departments and all positions.

Succession Planning

What is Succession Planning?

Succession planning is a conscious sustainability strategy. It is a multi-pronged effort that anticipates staffing changes, encourages staff development, documents institutional knowledge, and ensures continuity of service. It engages staff in thinking about the future, documents institutional knowledge before it is lost, grooms junior employees for senior positions and helps ensure a smooth transition for the City.

Need for Succession Planning

The need for succession planning is well documented as both private and public sector organizations experience the baby boomer retirement wave. Compounding the problem, there are not as many workers in subsequent generations to take their place. Government pension systems also contribute to the problem, as there can be disincentives to working years beyond the typical retirement date in a defined benefit plan.

Due to fiscal difficulties with recent economic downturns and rising pension costs, cities and counties have had to reduce personnel to live within their means. One common strategy over the years has been to thin the middle management level so that direct service delivery positions are preserved. The result today for many local government organizations is a lack of “bench strength” – people developed and groomed to transition into the next level of leadership -- at the upper middle management level, particularly at the assistant department director level, where successor department directors would normally be found.

Recent awareness of the higher pace of retirements, and the smaller pool of people to replace retirees, has led cities and counties to explore new ways of ensuring they have the talent and skills necessary to provide service in the future.

There is an immediate need for succession planning in Union City. According to information provided by the City, close to 30% of the city’s workforce is eligible to retire, and in many cases those eligible are in key leadership positions. As noted above, strategizing ways to capture institutional knowledge is critical.

As with most local governments, the City of Union City has not generally engaged in specific succession planning efforts, other than the Police Department. That department has developed a series of training and leadership skill development initiatives that are part of its statewide training program.

Traditional vs. New Approaches to Succession Planning

The traditional approach of filling positions is the “just in time” method of beginning a recruitment process once someone has announced his/her retirement. It worked well in the past because there was a large pool of people interested in working for local government and enough employees in the middle ranks who were interested in moving into leadership positions. But that’s not the case now. An anti-government bias has been evident in the last 20 years that has discouraged young

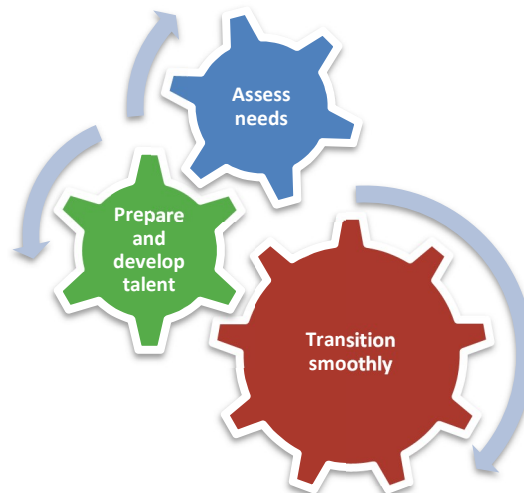
people from selecting public service careers. Many of the “baby boomers” who are now retiring were inspired by leaders who called upon people to serve the public. College students and others are still selecting public service careers, but simply not in the numbers as before.

The new approach to succession planning is to engage employees several years before they expect to retire in the process of planning for the future. That could prevent significant institutional knowledge from disappearing as larger numbers of people leave in a compressed period of time. Organizations are also documenting institutional knowledge where possible, providing for overlap from the incumbent to the new person in a position, and mentoring candidates in advance so they will be ready to take on higher-level responsibilities.

Identifying high potential employees with an interest in moving up in the organization and supporting their professional development can be a retention tool as well. With the rapid pace of retirements, preparing professional staff will be an important undertaking.

As Figure 5 illustrates, succession planning should be an integrated system.

Figure 5. An Integrated System of Succession Planning



Components of an Effective Succession Planning Program

Organizations taking action on succession planning do so with the unique needs of their constituents, programs, and employees in mind. Effective succession planning is a forward-thinking view of the organization that

anticipates what will be required for sustained success. Questions like, “How will the organization evolve?”, “How might community or organizational priorities change?” and “What will be the skills and competencies needed of future leaders in our organization?” are important to ask when developing a plan for succession.

Documenting Core Competencies

Documenting core competencies for success as a leader or manager in the organization provides an important tool for grooming talent and ensuring effective recruitment and selection of future employees. An effective succession plan incorporates this tool into training programs, individual development plans, and documentation about important position requirements. In addition, this documentation enables key knowledge transfer from an incumbent to a successor. As long-time employees retire or leave their positions there needs to be a resource for successors to access history, policy and practices that are important to operations. This documentation not only captures and records information for the successor; it provides a tool for current employees to understand and learn about the roles and responsibilities of the position they may wish to pursue.

Investment in Training and Professional Development

Investment and a commitment to training and development is fundamental to an effective succession plan. Organizations have used a wide variety of training and development programs to prepare employees for transition. Supervisors must see staff development as a key job responsibility and should be evaluated in part on their success at grooming employees and anticipating turnover.

Examples of methods applied by forward-thinking organizations are listed below.

- Evaluating organization structure and alignment to establish career ladders and opportunities for growth.
- Utilizing defined core competencies to develop employees’ skills and cultivate a learning culture.
- Engaging “up-and-comers” in substantive conversations about the arena of leadership, including policy making, conflict resolution, broad constituent issues, political considerations and regional factors.
- Providing aspiring managers a broad range of assignments, including placing them in different departments and putting them in charge of multi-disciplinary projects and/or analytical projects dealing with critical policy issues or departmental questions. Such

a rotational assignment program presents professional development opportunities for those staff members and would offer new perspectives on analytical projects. Assignments range from very short to several months in duration, depending on the project. The program requires good management of assignments, mentoring of participants, and troubleshooting as needed on behalf of the participating staff.

- Assigning aspiring managers the lead authority on special projects.
- Supporting a culture of training and leadership development.
- Encouraging and financially supporting aspiring managers to become involved in relevant professional associations.
- Pooling staff from various departments who work on cross-departmental or organizational issues to learn about the many facets of the organization's work.
- Providing access to a leadership academy (internal or external) or professional credentialing program.
- Appointing personnel to act as interim managers in positions in order to learn.
- Offering courses on career development, resume writing, interviewing for promotions, etc.
- Providing a specific curriculum/course for first-time supervisors. Transitioning from line employee to supervisor is often difficult. Legal requirements have multiplied in the field of human resources. Organizations should provide support for first-time supervisors.

Commitment

An effective succession planning program requires that leaders commit to succession planning and staff development. Managers, supervisors, and staff should utilize resources and tools available to them as well as routinely evaluating strategies and efforts for continuous improvement.

Elements of Effective Succession Planning

The five key elements of effective succession planning, and the steps necessary to implement them, are shown in Table 6 below.

Table 6. *Key Elements to Implement Succession Planning in an Organization*

Key Elements of Succession Planning	Steps
(1) Anticipating staffing changes	<ul style="list-style-type: none">• Perform a workforce analysis<ul style="list-style-type: none">○ Identify positions at-risk for turnover○ Prioritize positions for succession planning• Identify appropriate strategies to groom talent
(2) Communicating position requirements and core competencies	<ul style="list-style-type: none">• Document information that will help individuals prepare for and/or transition into positions<ul style="list-style-type: none">○ Formal/information position requirements○ Core competencies
(3) Documenting institutional knowledge	<ul style="list-style-type: none">• Capture institutional knowledge before it leaves the organization<ul style="list-style-type: none">○ Type of information○ Method of obtaining• Make the information accessible• Share before, during and after transition
(4) Planning for transition	<ul style="list-style-type: none">• Identify sources of talent<ul style="list-style-type: none">○ Internal○ External• Prepare recruitment materials that emphasize critical core competencies
(5) Evaluating succession planning efforts	<ul style="list-style-type: none">• Administer an annual employee survey• Conduct exit interviews• Monitor key metrics<ul style="list-style-type: none">○ Reasons for turnover and percent turnover○ Percent of hires from within○ Training participation rates○ Certification rates○ Average investment in training○ Development hours per employee

Using the information above, the City can implement an effective succession plan that will help the City proactively plan for staffing turnover, providing career growth opportunities, and ultimately help to maintain service levels more effectively.

Recommendation 16. Ensure succession planning is a goal to be accomplished as part of the organization's strategic plan.

Recommendation 17. Conduct succession planning by having a robust training, professional development and mentoring program to promote staff growth, and to identify and develop future department leaders.

Organizational Assessment – Operating Departments

Management Partners reviewed each department's operations and service delivery. The following provides a discussion of analysis conducted for each department, our observations on existing operations and service delivery methods, and recommendations for improvement. Major consideration was given to cost reduction strategies as part of our analysis.

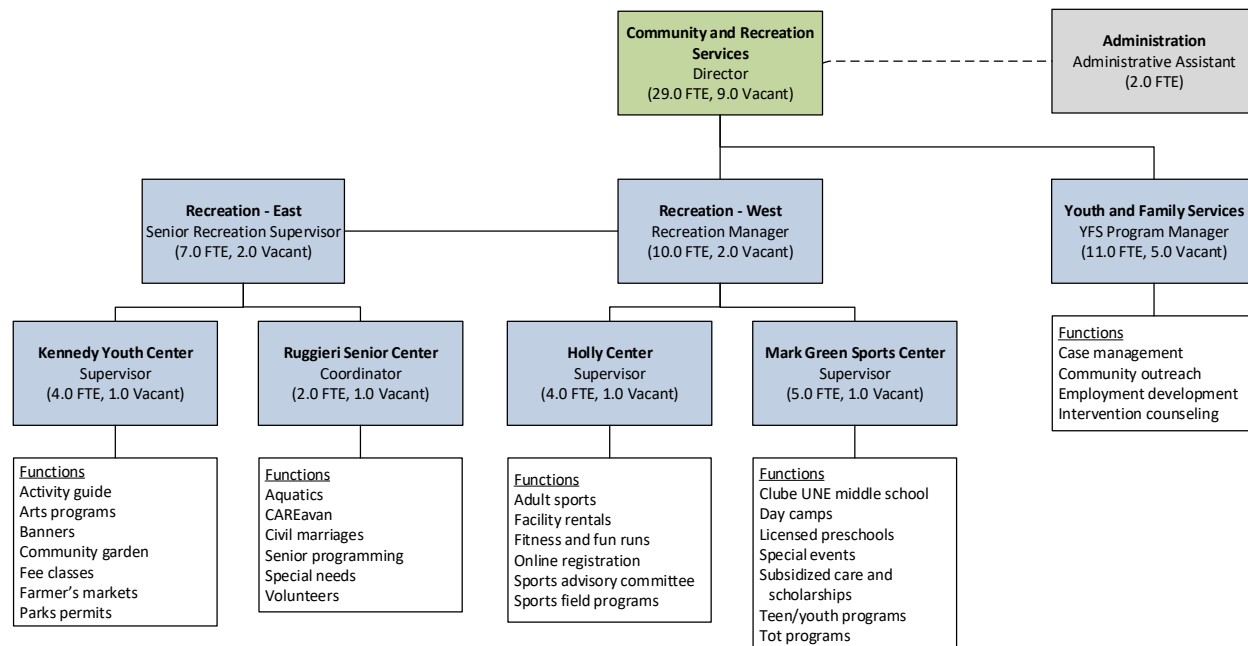
Community and Recreation Services

The Community and Recreation Services Department (CRS) is led by a CRS director and has two divisions: Recreation, and Youth and Family Services (YFS). The programs and activities offered by the department are consistent with recreation, park, and community services departments in California, with the exception of youth and family services (discussed later).

Organizational Structure

The department currently has several vacant positions both within recreation and youth and family services and there is uncertainty as to how and when positions will be filled. Additionally, the program manager position that oversees the Youth and Family Services Division is vacant. A functional organization chart of the department is shown in Figure 6.

Figure 6. Community and Recreation Services Functional Organization Chart



Note: FTE counts include only full-time staff; and additional 50 FTEs representing part-time seasonal employees are not shown.

The department has 29 full-time employees, plus an additional 50 part-time seasonal employees primarily serving in the Recreation Division. The department's budget appropriation for FY 2018-19 was \$6 million. The department also supports the Youth Commission, Senior Commission, Parks and Recreation Commission, Sports Advisory Committee, and the Arts Board.

Department staff plan and coordinate aquatics, camps, classes, seniors, special events and interest classes, adult and youth sports and fitness, teen and youth activities, and youth and family service support and programs. In addition, the department oversees the operation of the Mark Green Sports Center, Ruggieri Senior Center, Kennedy Youth Center, and the Holly Community Center. Department staff handle park reservations at the Kennedy Youth Center and schedule use of the Union City Library Meeting Room during non-library hours.

Facility and Park Maintenance

Union City has placed maintenance of parks and facilities within the Public Works Department, as is the case in many cities. While recreation and community services professionals typically prefer to have maintenance within their departments (because they are the ones planning and operating the parks and facilities), the current arrangement is working well according to the individuals we interviewed.

The key element to this success is good communication between the two departments on setting priorities for maintenance and having adequate support so the customers of the parks and facilities have a good experience when they are on site. Staff were complimentary of one another regarding service delivery and consideration of priorities and impacts between departments. Staff are commended for their ability to effectively work across departments. We encourage the departments to continue their collaborative approach when a new public works director is appointed in the future.

Youth and Family Services

The YFS Division provides youth violence prevention and intervention services to those in need in the community. The division offers the following five primary services to the community, as noted on the City's website.

1. **Counseling.** Short-term counseling services are provided to individuals and families to help improve family relationships, address academic or behavior issues, and provide support around crisis and traumatic events.
2. **Employment Help.** The division works to connect youth and young adults to local jobs and internship opportunities and provides job readiness and life skills training to help clients be prepared for the workforce and life's everyday challenges.
3. **Case Management.** Case managers work one-on-one with families to assess their specific needs and identify resources to improve their quality of life. Typical cases include families with school-age children in need of basics (food, shelter, clothing), youth who need community service hours, youth who will not graduate school on time and need resources to earn a high school diploma or GED, youth or adults (25 years and younger) involved in gangs or violence, and youth or adults (25 years and younger) who need support to complete probation.
4. **Street Outreach.** The Street Outreach Team makes direct interpersonal connections with community members on their turf to connect those on the streets with intervention services and programs to teach young men about important life skills.
5. **Crisis Intervention.** The Crisis Response Team responds immediately to help people restore a sense of stability after a crisis such as domestic violence and trauma, and explores a range of options including temporary housing, family conflict resolution, available social services in the area, family notifications, and other support services.

At the time of our study, the Community and Recreation Services director was supervising the 12-person function. A vacant program manager position exists but has not been filled for several years. The division operates intervention and referral services under a clinical supervisor, and outreach and employment services under a case manager/supervisor.

The City is proud of the work that its YFS Division has done in dealing with issues related to violence, gangs, unemployment and homelessness. In most municipalities, these issues are addressed through partnerships with non-profit social services organizations and/or by county social services. Due to significant community concerns several years ago, this program was initiated and has been maintained at a significant level serving important community needs.

YFS Budget. YFS has a total operating budget of \$1,061,000 that is expected to grow to \$1,270,000 by FY 2020-21. The division is funded through revenues from \$211,000 in grants and \$500,000 in parcel tax revenues from Measure QQ that was extended by voters in 2016. Revenues from this special tax are dedicated to a variety of public safety services focused on “maintaining youth violence prevention/gang intervention programs.” The funds continue for four years, through 2020.

YFS operations rely on a General Fund subsidy of \$272,000 that is expected to grow to \$508,000 by FY 2020-21. Existing reserves in the YFS special revenue fund will be fully depleted by FY 2018-19. YFS will continue to be a burden to the General Fund in the future unless additional grant funds are obtained or if the parcel tax measure sunsets without replacement in 2021.

One option for reducing costs is to identify community partners and organizations that offer similar services and develop a shared services model. There may be opportunities to share services with non-profit agencies such as the Union City Family Center (UCFC), whose mission is to engage and prepare youth and adults to participate in their communities. Their approach focuses on social, health and educational development of children through programs and services that focus on academic achievement, community strengthening, and health and wellness. UCFC’s approach is quite similar to that of YFS, and there may be opportunities to leverage the services provided by UCFC to replace some of the higher-cost services provided by the City.

Recommendation 18. Develop shared services models with non-profit community-based organizations to maintain quality youth and family services at a lower cost.

The types of services provided by YFS are more typically provided by a county or non-profit agency, rather than a local government, although some cities do provide such services. In Union City's case, having youth and family counseling and crisis prevention services in the Community Services structure seems to work. Some cities with similar services have placed them within their police departments. Collaboration between Police and the YFS Division should remain strong to help transition individuals that interface with police into the services provided by YFS.

Performance metrics. Ascertaining the best way to deliver social services can be aided by effective performance metrics that are reviewed regularly (at least quarterly) and used for decision making and improvement. Metrics allow an evaluation of the programs' outcomes and help the staff providing services and the community know whether they have been successful.

The YFS Division does not have performance metrics, goals to accomplish in the coming year, or regular practices for establishing and maintaining them. The lack of performance measures and goals does not allow YFS staff to know specifically what they are trying to achieve and whether they were successful.

Recommendation 19. Establish performance metrics for YFS including reporting the results on a regular basis.

Recreation Services

For a city the size of Union City, the department is well positioned with four community/sports centers. The City has been proactive over time to make sure that services and facilities for the community are provided on both sides of the I-880 corridor that splits the city into east and west sections. As a result, there is an abundance of facilities and programs offered in the community.

This model may work when budgets are not an issue. However, given the budget shortfalls and staff reductions, the City's effort to duplicate programs on both sides of I-880 to be "fair" needs to be reconsidered. City leaders should reevaluate the duplicate programs to determine if it is appropriate to offer them in multiple locations and how the programs can be most cost effective. This program review will also provide an opportunity to consider how other organizations and agencies might partner with the department to deliver programs.

Recommendation 20. Review duplicate programs provided on both sides of I-880 to determine if they can be consolidated or eliminated to reduce costs.

Cost Recovery and Service Delivery Models

Staff did not remember the last time a cost recovery study of recreation programs and related fees and charges was performed. They estimate that recreation programs are currently operating at about 40% cost recovery, but that figure does not include departmental or citywide indirect cost allocations or facility costs.

The national average for cost recovery of recreation programs (fully loaded, including overhead costs) is 28%, according to the National Recreation and Park Association (NRPA). To inform future program and fee discussions, as well as the continuing challenge of providing a significant General Fund subsidy to recreation programs, City leaders need to first understand the true cost of service.

Recommendation 21. Analyze the cost of recreation programs to determine the full cost of providing the programs and facilities.

Recommendation 22. Establish cost recovery goals for recreation programs and facilities that can be implemented over time to achieve City Council approved recovery percentages.

When budgets are plentiful, it is common for a recreation department to provide facilities and programs in as many places as possible for residents. In recent years, as budgets have tightened, most recreation departments consider changes to the long-time model of running facilities and programs to one where they are more of a broker of facilities and programs.

Provide Core Services and Partner for Others

A department determines, based on available financial resources, what their core services are and look to partners for others. Because each community is inherently different, the “brokering” model will be different in each community and department.

Based on available financial resources, department leaders should determine first what core services can be offered. Then they can assess those that may be provided by staff and those that could be provided through contract or other partnerships. Shared services opportunities with organizations such as the Hayward Area Recreation District and other cities in the area may expand recreational opportunities and identify opportunities to reduce operating costs.

The decision to consider alternative ways to provide programs and/or the move toward becoming a “broker” of facilities and programs can result in

policy concerns or community dissatisfaction if there is a belief that only the city/department can provide what the community needs. We did not evaluate whether the community is pleased with City recreation facilities and/or programs; however, there was no indication to the contrary. Regardless, the budget realities facing the City require that the department rethink its core mission and where it is most important to spend limited resources.

Recommendation 23. Identify opportunities to form partnerships with other cities/agencies and non-profit service providers that could operate or provide recreation and community services programs and events more cost effectively.

Mark Green Sport Center

Evaluating the costs and benefits of various recreation programs will be vital given the City's fiscal challenges. This is especially true for operations of the Ruggieri Senior Center and the Mark Green Sports Center. In the case of the Sports Center, the City runs a full fitness center, aerobics room, locker rooms, child care center and 12,000 square foot gymnasium. In FY 2017-18, the Sports Center operated at a \$838,000 deficit on revenues totaling only \$368,000. Those figures do not include equipment or facility replacement costs. This is a significant drain on the City's General Fund and will require a major policy discussion about the extent to which the programs provided at these centers can continue to be subsidized.

Fitness centers and child care programs are often offered in a community by the private/non-profit sector, in some cases through partnerships with a city. It is reasonable to partner with such entities since the City has the facility; it is usually more expensive to operate the programs with city staff than to contract these services.

The City cannot incur over \$800,000 in annual funding for such a program when there are ample service providers available in the community. We recognize that the Sports Center was recently renovated, and that options to have the facility operated by a private or non-profit provider have been explored. Given the City's significant fiscal gap, it cannot afford to continue this type of service without better cost recovery. The City would likely need to retain the community and recreation services manager position, whose costs are included in the \$800,000 annual subsidy. Net savings to the General Fund would be approximately \$600,000 as a result, but the City would need to rebalance

work responsibilities given the additional capacity in the manager position if the Sports Centers' operations went away entirely.

Options for reducing the City's costs at the Center include:

- Contract the operations of the center.
- Contract all classes.
- Provide space for child care at full cost recovery.

Recommendation 24. Conduct a request for proposals process to operate the Mark Green Sports Center to determine whether sufficient cost savings would be realized if specific programs and/or full operation were contracted.

Department Policies and Procedures

It has been several years since the department had a comprehensive update of its policies and procedures. Such policies can range from facility rental use and refund policies to recreation registration procedures. It is important to ensure that department policies and procedures are up to date, effective and efficient to properly guide department operations. This is another area where periodic reevaluations can help departments improve efficiency and streamline internal practices.

Recommendation 25. Update the policies and procedures for the CRS Department to ensure they are current and enhance efficiency.

Advisory Committees

One of the most important functions and responsibilities of a community and recreation services department relates to community engagement, which is in part accomplished through the work of commissions and committees. However, providing staff support for commissions and committees is typically quite labor intensive.

Cities tend to establish or add commissions and committees over time, but they do not periodically reevaluate the role or necessity of these various groups. Such a reevaluation is necessary, particularly during periods where financial challenges require downsizing or impacting services provided to the public. The primary goal during such periods should be to ensure that resources and staffing are prioritized to provide services and programs.

Department staff now support five advisory commissions and committees, which is a large number given the size of the department and

community. This number of commissions and committees requires significant staff support, despite the fact that department staffing is already lean. Reviewing the necessity of and roles and responsibilities for each of the commissions and committees would help to ensure the department's staffing and resources are prioritized appropriately.

Recommendation 26. Review the necessity and roles and responsibilities of commissions and committees to determine if they should be discontinued or consolidated.

Interdepartmental and Interagency Partnerships

It is also a best practice to regularly review agreements with partners such as school districts to ensure agreements are up to date, reflect current practice, are understood by all parties, and are cost effective. The existing joint use agreement with the New Haven Unified School District has not been updated in the past 10 years. We understand that the Parks and Recreation Commission is taking up the latter issue in 2019.

Recommendation 27. Update the current City/School District joint use agreement to ensure current practice and appropriate cost sharing.

One of the most important interactions for a CRS department is with the police department. Taking a proactive and preventive approach is something both CRS and Police do well. Informal communications between the departments seem to be working well and should be continued, given the overlap the departments have working with community members. Earlier in this report we acknowledged the work the City is doing to develop a citywide strategic plan. As CRS develops its workplan to accomplish the goals in the strategic plan it will be important to interface with other departments, particularly the Police Department, as it establishes its workplan.

Recommendation 28. Involve operating departments such as the Police Department in developing the CRS workplan to accomplish the priorities established in the citywide strategic plan.

Economic and Community Development

The Economic and Community Development Department (ECD) provides services related to the community's physical development and economic vitality. Many of these services are focused on short-term processing of development applications and building plans. However, the department also provides long-term planning and economic

development services to chart the City's future and expand economic opportunity. The department's major program areas include:

- Planning,
- Building,
- Environmental Programs,
- Housing, and
- Economic Development.

Though the department once had a separate redevelopment agency and neighborhood improvement division (code enforcement), this changed in 2012 when redevelopment agencies were dissolved. Code enforcement was then merged with the Building Division.

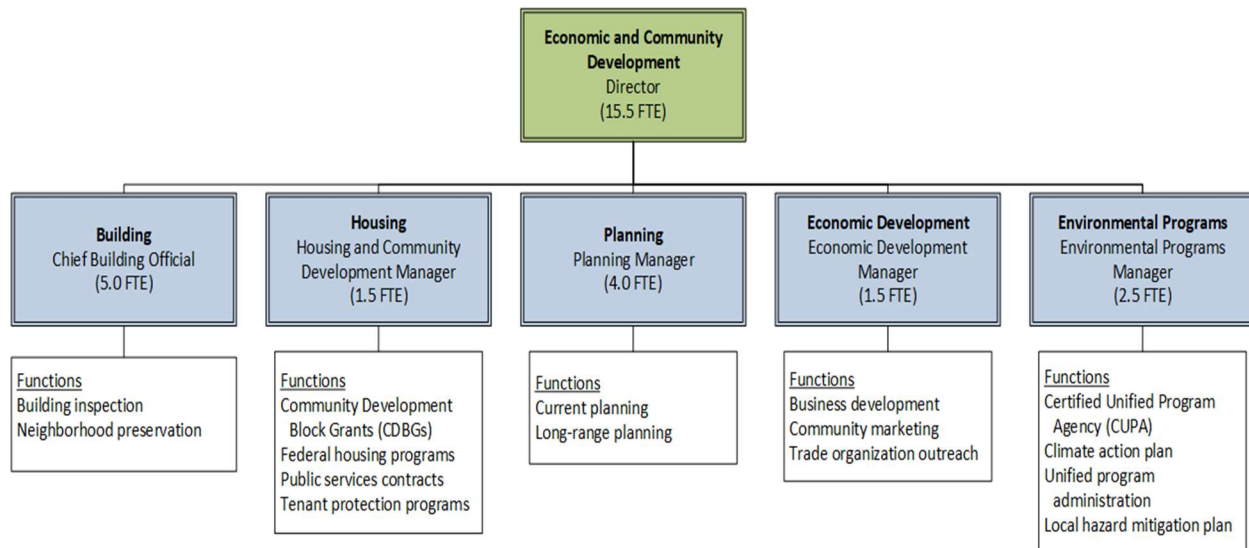
ECD includes a Housing Division whose responsibilities are split between managing the City's rent ordinances, promoting development of affordable housing, overseeing residential rehabilitation, and administering a program aimed at below market rate (BMR) housing ownership. Housing is also responsible for the City's Community Development Block Grant (CDBG) allocation from the U.S. Department of Housing and Urban Development.

ECD's Environmental Programs Division is responsible for the clean water program and serves as the City's Certified Unified Program Agency (CUPA). The purpose of a CUPA is to regulate, inspect and enforce requirements related to hazardous materials and waste.

Organizational Structure

As shown in Figure 7, the Economic and Community Development Department is relatively small (15.5 FTEs) although it is spread into broad program areas.

Figure 7. *Economic and Community Development Functional Organization Chart*



Span of Control

The placement of planning and building programs in separate divisions is relatively common among municipalities the size of Union City. While the planning and building divisions have a small number of staff and, therefore, the span of control for their managers is relatively narrow, these divisions provide services in broad functional areas. For instance, we understand that prior organizational changes added the code enforcement function to the Building Division in addition to its responsibilities for permitting, plan check and inspection.

The Planning Division provides both current and advanced planning, is responsible for the City's climate action plan, serves customers at the public counter, and coordinates the development review committee. Despite the breadth of functional areas some managers oversee, we believe the overall span of control in the department is acceptable.

We also note that the other three divisions are even smaller, and this may present opportunities to improve efficiencies. The Economic Development Division, for example, has a manager and one half-time administrative assistant. The Housing Division is similarly sized but has a broad array of program responsibilities. The Environmental Programs Division presents opportunities for restructuring and potential outplacement to Alameda County. These opportunities will be discussed later in this section.

Planning Division

The Planning Division plays a key role, together with its counterparts in Building and the Public Works Department, in shaping the community's physical development. The staff is comprised of four positions:

- Planning manager
- Senior planner
- Assistant planner, and
- Administrative assistant.

Development Review Processes

The Planning Division provides a preliminary review process for development applicants. The division also contracts environmental studies required by the California Environmental Quality Act (CEQA) and leads a Development Review Committee (DRC) process, which is seen by most departments as a valuable system for coordinating the review of development projects.

We note that these practices are commonly used among cities and are often found in cities with highly effective development review systems. City staff reported, however, that the value of the preliminary review process in Union City is often compromised because it takes too long to get through it. We understand no fee is charged for the preliminary review.

Our experience is that preliminary review should be a quick, one-time process to help applicants with discretionary projects decide whether to pursue a project. It should provide them with enough information to compile and submit a complete application. Some cities offer this as an optional service and charge no fee for it. Preliminary review is in a city's best interest because it prevents ill-conceived projects or incomplete applications from slowing the overall development process, reducing efficiency and requiring inordinate staff time.

While preliminary review is a best practice, it must be quick to be effective since it is intended to help applicants make business decisions about whether to pursue projects and help them file effective applications. As an example, we believe preliminary review processes should be completed in two to four weeks from the date a preliminary review application is filed. After this, applicants should either file an application or withdraw the project.

Though our scope of work did not include a review of the overall development review process, it appears that preliminary review is taking longer in Union City because it involves a more detailed review or more

steps than necessary. The key to an effective preliminary review process is to provide meaningful feedback but not a detailed project review.

Recommendation 29. Restructure the preliminary review process to provide timely feedback for prospective applicants.

Permitting Requirements

While many of the tasks performed by the Planning Division are required under state law (such as CEQA), a significant portion of the workload is created by requirements in the municipal code or internal city procedures.

We reviewed data provided showing the caseload of discretionary cases (those that require City Council or Planning Commission review). On average, these amount to less than two projects a month⁴. We also looked at the division's volume of administrative cases (those that do not require Planning Commission or City Council approval). Most of the administrative cases (85%) are over-the-counter approvals for additions, accessory units and similar small projects. The remaining administrative cases (15%) involve zoning administrator actions and public noticing.

Though our scope of work did not include a review of actual cases, it is clear the number of discretionary projects is small. Lowering this number even further could improve efficiencies and make the development process easier for applicants. Reducing or eliminating permitting requirements can simplify the workload, which lessens burdens for staff.

Our experience is that new permitting requirements tend to accumulate over time while older, unnecessary requirements remain in effect. This concept also applies to administrative cases where greater efficiencies could result from reducing or removing requirements. As one example, some cities have eliminated permitting requirements for minor projects, such as for wireless antenna projects. Wireless antenna projects were a big concern for cities when they first became prevalent in the 1990s. Standardization in the industry, together with federal preemptions on certain regulations make these projects less complicated and easier to process today. However, many cities still have the same regulations from the 1990s.

⁴ Staff reported processing 35 discretionary projects over the last two years.

Recommendation 30. Identify discretionary permitting requirements that can be eliminated or simplified to streamline the process for applicants and reduce staff workload.

Building Division

The Building Division assists property owners, developers and others with plan check, permitting and inspection for development projects. Further, the division assumed responsibility for neighborhood preservation (code enforcement) services when this function was merged with Building. Building staff also maintain various property-based records that are available to the public. The staff are comprised of five full-time equivalent employees:

- Building official,
- Senior building inspector (2),
- Building inspector/trainee, and
- Building clerk.

Plan Check

The turnaround time for plan check is one of the key measures used by most building departments to gauge service levels. Similarly, the number of inspections performed by each inspector per day and the timeliness of inspections are key measures in an inspection program.

Though data were not available, Union City staff report that a consistent turnaround time for plan checks is between one and three weeks, as shown in Table 7.

Table 7. Estimated Plan Check Turnaround Time

Plan Check Phase	Turnaround Time
First submittal	2 to 3 weeks
Second submittal	1 to 2 weeks
Third submittal	1 to 2 weeks

Source: City staff estimates

If the estimates are accurate, the turnaround time is relatively fast considering the small staff size. Further, it is our understanding that the building official performs the plan checks himself. However, any increases in volume, or sickness or vacation for the building official would have an immediate effect on overall turnaround time. Alternatives should be established to assist with the plan check during periods when the workload peaks or there are other contingencies.

Recommendation 31. Compile data and produce monthly reports to monitor development process performance. This recommendation is prompted by the lack of data available regarding plan check turnaround time, but it is written broadly to apply to the entire development process given the importance of measuring performance for the entire process.

Plan Check Training

Providing a cross-training program for inspectors and the building clerk would help address increases in plan check workload, but this will take time, funding, adequate staffing and a commitment to training. Another option is to have contract plan check firms on call to assist during periods of peak workload.

A third option is to contract all plan checks. Our experience is that contracting is often less cost-effective for a City due to the fees charged by most engineering firms that perform contract plan checks. The same work can usually be performed by trained city staff⁵ at a lower cost. However, this assumes there is sufficient plan check volume to warrant each plan checker position. Inhouse plan check also tends to be the preference of customers in most cities because there is a local person they can meet with and discuss project issues.

Recommendation 32. Develop a training plan and identify appropriate building staff to assist with minor plan checks. This will require the department to devote funding for staff and support initial and ongoing training.

Recommendation 33. Establish a contract with at least one on-call consulting firm to assist with plan checks as needed.

Inspections

Building Division staff perform various types of inspections for construction projects, remodels, additions and miscellaneous building trades. Inspectors are also responsible for code enforcement follow up which typically involves inspections as well as other research and

⁵ This assumes a city can attract and retain staff with these competencies.

administrative work. The building and code enforcement inspections and tasks will be discussed separately.

Inspection Service Standards

We were advised that next day inspections are available in most cases. This is considered the gold standard service level among building departments because it allows property owners and contractors to keep their jobs moving forward without delay.

The building official would like to enhance inspection services in the future to provide customers with a two-hour window during which their inspection would be conducted. (The current process only specifies the morning or the afternoon.) He also hopes to offer a new feature where customers can request inspections via mobile phones. This has become common in cities but requires technology enhancements such as an updated land management system (LMS). These are appropriate goals and they should be pursued.

Inspector Workload

Our experience is the optimum number of inspections that should be assigned to each inspector is approximately 13 per day. This volume generally allows an inspector enough time in the morning to plan the day's route, conduct research and get organized, and time in the afternoon to record inspection findings and be available for calls or meetings with customers. It also assumes that each inspection is, on average, about 30 minutes long. An inspector could do more inspections if they are for simple projects like a water heater change-out or less if they are for more complex projects like commercial buildings involving structural work. The average inspection workload in Union City is summarized in Table 8.

Table 8. Building Inspection Workload Per Inspector

Number of Inspections Performed ¹	Effective Hours Per Employee Per Year ²	Inspections Per Day ³	Time Per Inspection
3,465	1,664	16.7	28.8 minutes

¹This is the number of inspections performed by one inspector for one year. The data were provided by City staff.

²A factor of 20% is subtracted from the 2,080 hours annually for each full-time employee to account for non-productive time (i.e., vacation, sick leave, holidays, training, administrative work). The result is the "effective hours" when the employee is available to perform his or her core duties.

³This is the average number of inspections performed by each inspector each work day.

In addition to the regular inspection workload discussed above, Building Division staff are also responsible for neighborhood preservation (code enforcement). We reviewed five years of data (from 2013 to 2017)

showing the number of code enforcement cases processed and citations issued, as shown in Table 9.

Table 9. Building Division Code Enforcement Caseload from 2013 to 2017

Year	Number of Cases	Number of Citations
2013	426	212
2014	406	168
2015	363	141
2016	340	86
2017	317	131
Average	370	148

Source: Economic and Community Development Department

Though other staff members may also assist with some code enforcement tasks, it appears the building inspectors assume most of this workload. Given this, and the optimum inspection workload discussed above, it appears that inspection volumes are above their optimum capacity. Increases in inspection workload beyond a reasonable level can have negative consequences, some of which are listed below.

- Rushing through inspections to keep the pace can result in incomplete or inferior inspections and affect the safety and quality of construction;
- A lack of inspection consistency can result in projects and applicants getting different treatment, including requirements that continually change; and
- The pace can become unsustainable for inspectors, which can lead to job burnout and vacancies.

We believe the inspection program is an area where staffing levels should be reevaluated to ensure they are adequate, given the workload and service levels. One option for adding inspection capacity is to hire contract inspectors. This is an effective way to address periods when the workload peaks.

Unlike hiring contract plan checkers, our experience is that hiring contract inspectors can be more cost effective. However, we are reluctant to recommend using contract inspectors to support the core building inspection program. Contract inspectors tend to be more transient in their employment and this can create problems with consistency, training and turnover. Our experience from working with clients statewide is that well-trained city inspectors provide better overall service.

Recommendation 34. Conduct a detailed workload analysis for building and code enforcement duties and service level demands to determine the ideal number of inspectors required.

Recommendation 35. Establish a contract with at least one on-call consulting firm to provide building inspection services as needed.

Inspector Training

During interviews we learned inspectors do not receive adequate training and that they possess few certifications in the various inspection specialties. Training is an essential part of an effective inspection program, especially when departments are operating at high capacity. Effective training allows an inspection team to focus on the most important aspects of inspections and to learn to be most efficient.

Recommendation 36. Develop a comprehensive training plan for the inspection team and provide adequate funding to support it.

Development Permit Fees

The City conducted a cost recovery study in 2016 for planning and building fees. Action was taken on some fees; however, the study did not encompass all fees charged by the department.

California law authorizes cities to recapture their costs (including overhead) for processing applications, reviewing plans, issuing permits, inspecting projects, and other related work. The concept in the law is that the individuals or entities that benefit from getting the permits or approvals should be responsible for paying for them, rather than having taxpayers cover this cost. Of course, the law also permits cities to shift these costs to the taxpayers.

Some cities use their cost-recovery policies to incentivize certain types of development, such as affordable housing, with the rationale that the development is so essential to the community that lowering or waiving the fees is warranted. It is important to understand, however, that waiving or setting artificially low fees merely shift costs to someone else.

Union City would benefit from a comprehensive fee study to examine planning, building and other related fees. Such a study would enable the direct and indirect costs associated with processing applications and providing various services to be identified. While this study is being prepared the City Council should also be developing cost-recovery

policies addressing what types of projects or services, if any, warrant a subsidy. In our experience, typical cost recovery standards for planning fees are 75% to 85%, while building fees strive for 95% to 100% cost recovery.

Recommendation 37. Establish an appropriate cost recovery policy for development related services.

Recommendation 38. Conduct a comprehensive fee study on all fees charged for development services to determine the cost recovery level of existing services.

Recommendation 39. Update the City's development services fee schedule to achieve the cost recovery levels in accordance with City policy.

Land Management System

The planning and building functions use the Eden permitting system, which is a module provided by Tyler Technologies and is a component of the City's financial management system. Feedback from staff indicates the Eden system is "clunky" for permitting and does not have the robust features necessary to comprehensively track the myriad of details involved in the development process. The system does not provide for electronic routing or have a management dashboard. It also lacks mobile access for customers and inspectors and does not have online permitting capabilities.

Staff told us that not all of the features in Eden were completely implemented. This is a common problem in cities with a legacy land management system (LMS) where the platform is only partially implemented because some departments or divisions chose not to participate. During the project review process Union City staff must email comments back and forth rather than compiling the comments through the LMS. This creates unnecessary work and makes tracking project progress more difficult. It is inefficient because data concerning the same property or project is managed in multiple systems (Eden and email), or the information may not be kept at all. For instance, we heard during some interviews that ECD still relies on paper systems for some of its workflows and archives.

Additionally, we learned that the Environmental Programs Division uses a separate LMS (Accela). We were advised by staff, however, that Accela also does not work well because it was not designed to focus on hazardous waste permitting and inspection. Further, the Eden and Accela

systems are not integrated, though they contain data about the same properties.

Replacing an LMS is an expensive and time-consuming effort and some cities use this as a rationalization for muddling through. However, our experience is that making the investment in such systems is necessary to operate the development process in an effective and efficient manner. One approach to help pay for such systems (along with other technology enhancements) is to establish a technology surcharge on all permits and applications. This can be done as a part of a fee study.

Recommendation 40. Conduct a request for proposals process to replace the land management system.

Recommendation 41. Establish a directive from the City Manager's Office that all departments must participate in the development of the new LMS and use it once implemented.

Recommendation 42. Implement a technology surcharge on all permits and applications.

Environmental Programs Division

The Environmental Programs Division within ECD assists the Public Works Department with the clean water program and provides primary responsibility for inspecting and enforcement regulations regarding hazardous materials and waste (i.e., the CUPA program). This division was created in 2010 when the City's fire department was merged with the Alameda County Fire Department.

Staffing Levels

Staffing for the division is shown in Table 11. The division used to have two inspectors but one of these positions was eliminated during budget cuts in prior years. Current staffing totals 2.5 FTEs that include:

- CUPA manager,
- CUPA inspector, and
- Part-time administrative assistant.

Our understanding is that filling the CUPA inspector position has been a challenge in the past. We also understand that managing staff performance has been difficult and that performance evaluations are irregular or not prepared at all.

CUPA Services Provided by Union City is Atypical

The CUPA function is more commonly provided by regional agencies than cities. As shown in Table 10, Union City is one of seven cities in Alameda County that has its own CUPA⁶, according to the California Environmental Protection Agency (CalEPA).

Table 10. Alameda County Cities with Separate CUPAs

Agency
Union City Environmental Programs
Berkeley Toxics Management Division
Fremont Fire Department
Hayward Fire Department
Livermore-Pleasanton Fire Department
San Leandro

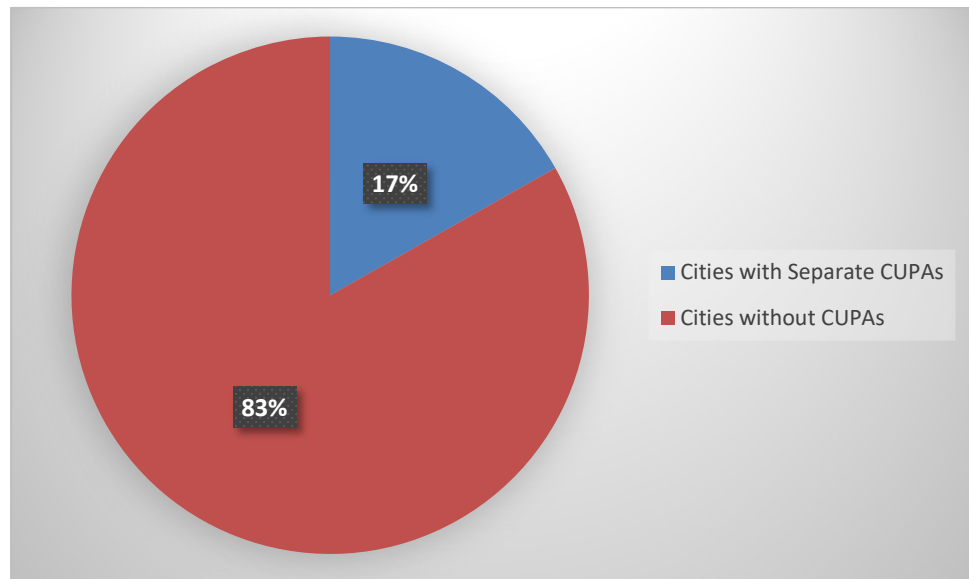
Source: CalEPA

The remaining seven cities and six unincorporated communities in Alameda County rely on Alameda County Environmental Health or another public agency to provide CUPA oversight. We also note that many of the local government CUPAs in Alameda County are placed in fire departments, as the function once was in Union City.

This trend toward regionalizing the CUPA services is even broader statewide, as shown in Figure 8. According to the CalEPA website there are 81 certified local governments (i.e., CUPAs) among California's 482 cities.

⁶ Livermore and Pleasanton share a CUPA given their joint fire department.

Figure 8. California Cities with Separate CUPAs



Source: CalEPA

The placement of a hazardous materials program in a development services department such as ECD is unusual in Management Partners' experience. Further, the Environmental Programs Division is also responsible for aspects of the clean water program. Similarly, our experience is that such water programs are more commonly found in public works departments. The division's work regarding the clean water program is limited to conducting inspections and addressing illicit discharges. The other aspects of the clean water program are handled by the Public Works Department. Consolidating this functional area in a single department would be more efficient in our view.

State law mandates that the county shall be the CUPA agency if no other agency fills the function. The City can relinquish the CUPA function and transfer it to the County. A transition plan would facilitate the transfer to Alameda County that would cover such things as staffing, records, facilities, revenues and costs.

Recommendation 43. Transfer the CUPA function to Alameda County.

Recommendation 44. Consolidate the entire clean water program in the Public Works Department.

Cost Recovery of CUPA Program

The CUPA program is, in theory, self-sustained through fees and charges. This is a common approach among cities that have regulatory or

enforcement programs such as this. However, our experience is that agencies sometimes lack the policies, systems and staffing to implement this approach.

Full cost recovery requires a detailed study of direct and indirect costs to identify how much the fees need to be; comprehensive tracking and reporting systems to ensure properties are being inspected regularly and CUPA requirements are being enforced; accounting systems (including regular auditing) to ensure that fees are properly levied, paid and the services are performed; and City Council authorization to establish a full cost recovery policy and enact fees that cover the full cost.

The CUPA program in Union City appears to lack some of these essential components. For example, we heard mixed information about whether fees are adequately covering the program costs. Staff indicates they have been conducting a CUPA fee study over the past two years which is nearing completion. During interviews we also heard that tracking and reporting systems are ineffective. However, we have refrained from making recommendations to address these issues since we believe the function should be transferred to the County.

Housing Division

The Housing Division provides a broad range of services related to the City's rent ordinances, affordable housing, and housing rehabilitation. Housing is also responsible for administering the CDBG program, which it leverages with monies from the General Fund and HOME funds to undertake projects. This is a small division with one housing and community development coordinator and a part-time administrative assistant.

Having multiple small divisions can be inefficient in terms of how a department is structured. For example, each separate organizational unit typically requires some level of administrative support. The limited staffing in these small work units can also make it more difficult for the work program to have real impact. However, moving or consolidating this functional area with another ECD division would offer few if any benefits in our view. The housing program is well managed, by all accounts, and the specialized and broad services it provides warrants maintaining it as a separate division.

Economic Development Division

The Economic Development Division (EDD) is also a small division, with only 1.5 positions assigned. The focus of EDD is to promote economic growth and jobs in the community. The City has an Economic

Development (ED) Strategic Plan, which was adopted by the Council in 2015. The plan has three goals, each of which has objectives and associated tasks. The 2015 ED Strategic Plan states the following:

Adoption of an Economic Development Strategic Plan (ED Strategic Plan) creates a framework for the City Council, key staff, stakeholders, and the community to establish direction for the City of Union City's short-term and long-term economic development goals. The ED Strategic Plan identifies three primary focus areas: marketing and promotions; business attraction; and business retention.

The vision as stated in this plan is as follows:

By 2022, decrease the City of Union City's revenue gap by increasing revenues from sales and property taxes; increase the number of high-paying jobs for citizens and others who support our economic vitality; support the improved utilization of vacant commercial/industrial and underutilized parcels; and increase the visibility of Union City as a strategic location for innovative businesses and investors.

Management Partners' experience is that economic development functions suffered after the dissolution of redevelopment in California in 2012. In many cities, redevelopment was synonymous with economic development. For instance, some of the most tangible economic development tools came through redevelopment (e.g., separate funding sources and tax-increment financing). When redevelopment was dissolved it left the economic development functions in many cities without a focus or the tools to leverage change. Union City's EDD faces these challenges.

EDD Functions and Initiatives

Given the City's priority for financial stability and sustainability, and given the vision for economic development as stated in the ED Strategic Plan, we suggest that the focus of economic development activities be reassessed so that the limited staff available can focus on those activities with the greatest impact on financial results.

We have studied cities in California with successful economic development programs and their experience provides good examples. Cities have used a myriad of economic development initiatives, each with benefits and costs associated with implementation that would require careful review of staff skills and capacity. A partial list follows.

- **Business Improvement Districts (BIDs).** There are two types of business improvement districts that could be applicable in Union

City: business-based BIDs and property-based BIDs. Traditionally, business improvement districts are formed to enhance city services and specifically meet the needs of the area for which the BID is formed. Beautification, marketing, sanitation and advocacy are among the activities often addressed by BIDs in downtowns and commercial areas. Union City has a BID at Union Landing.

- **Enhanced Infrastructure Financing Districts (EIFD).** These districts are the tools most often used to fill the gap from the loss of redevelopment agencies in California. EIFDs can be used to finance the construction or rehabilitation of public infrastructure or public facilities. They can fund these types of projects with property tax increment financing from consenting agencies. Currently, over 60 EIFDs have been formed in California.
- **Community Revitalization and Investment Authorities (CRIA).** These authorities were enacted by Assembly Bill 2 (2015) to encourage revitalization of disadvantaged communities through the planning and financing of infrastructure improvements and upgrades, and economic development activities and affordable housing through tax increment financing modeled on the former community redevelopment law.
- **Statewide Community Infrastructure Program (SCIP).** This is a financing program that enables developers to pay most impact fees and finance public improvements through an acquisition agreement that qualifies under the 1913/1915 Act. The SCIP program has helped communities and developers throughout California to finance over \$500 million in impact fees since 2003. The program has been used in a variety of communities as an alternative to CRIA or EIFD programs.
- **Business outreach.** Business outreach programs provide two key advantages. First, they provide market intelligence for making decisions, allocating staff and helping to set priorities for business attraction and development. Second, they create an environment that communicates a community's positive business climate and a willingness to nurture local businesses. Union City's ED Strategic Plan has objectives focusing on business outreach.
- **Business attraction.** Business attraction aims to increase sales tax dollars, transient occupancy tax and property tax revenues or other revenues by targeting specific businesses or industry sectors based on a strategy developed by the city. Union City's ED Strategic Plan has objectives focusing on business attraction.

BIDs and Targeted Business Attraction as Further Opportunities

Building on past successes in Union City, two economic development initiatives could be to pursue additional business improvement districts and to enhance its targeted business attraction efforts.

Business Improvement Districts. Union City has a positive experience with BIDs in the creation of the Union Landing BID nearly 15 years ago. The BID has been able to coordinate and organize the 17 property owners in the Union Landing shopping center area. The City is seeing successes in facilitating multiple landowners work together to enhance the appeal and revenue generation of the site. The benefits include coordinated maintenance efforts and trash collection, and enhancing the appeal of the shopping center within the region. The BID funds three police officer positions dedicated to the site, and just recently is funding a marketing consultant to help brand the site and attract shoppers on a regional level.

Our recommendation is for the City to evaluate expansion of the BID concept into other areas of the City including the downtown retail areas along Alvarado-Niles Boulevard as well as the other commercial areas within the City that currently exist or are under development.

The value of a business improvement district is to enhance and encourage the growth of existing business areas through physical improvements and marketing.

Staffing considerations will need to be evaluated and incorporated into the operating costs associated with any proposed BIDs.

Recommendation 45. Evaluate the benefits of developing one or more business improvement districts.

Targeted business attraction. With regards to enhanced targeted business attraction efforts, the City already has this in its ED Strategic Plan. Prioritizing staff time to focus on high value industries that will be beneficial to the City's needed financial results would be a way to structure a set of business attraction efforts.

Recommendation 46. Create a focused strategy on key business sectors the city wishes to attract or grow, prioritizing this based on long term financial sustainability interests.

Recommendation 47. Develop business assistance programs focused on key business sectors.

Consolidation with Planning

We also believe this functional area should be consolidated with the Planning Division because it would provide greater synergies and help to assist businesses with the City's regulatory process.

Recommendation 48. Consolidate the economic development function within the Planning Division.

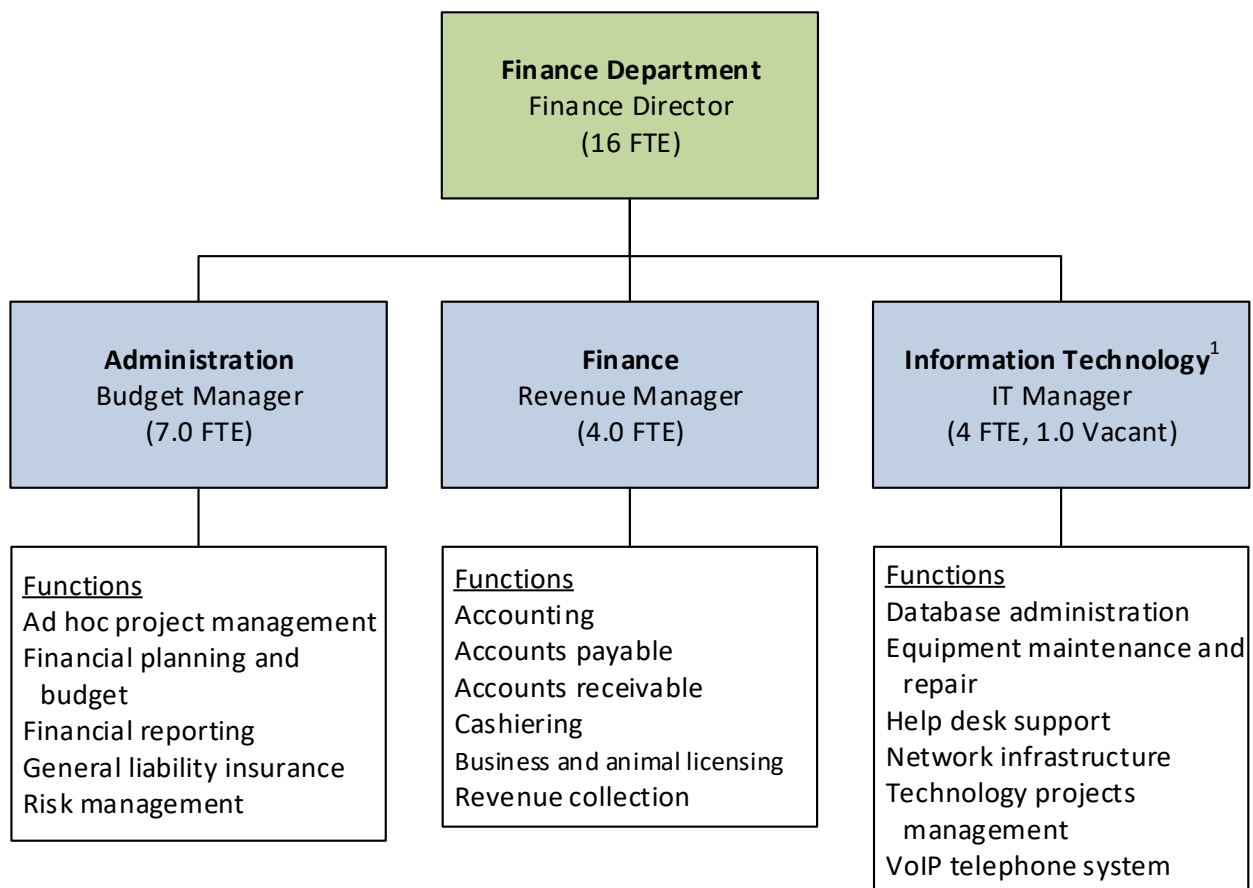
Finance and Information Technology

The Finance Department consists of 16 FTEs and is responsible for the City's budgeting, accounting, financial reporting, risk management and information technology (IT) services.

Organizational Structure

The department is organized into three divisions as indicated in Figure 9.

Figure 9. Finance Department Functional Organization Chart



¹Information technology also has two full-time contract positions to provide help desk support.

Organizational Alignment of Information Technology

Oversight of the information technology function within a financial services department was commonplace in the 1980s and 1990s as finance was the primary user of the city's largest technology system, the general ledger and supporting financial systems. In the late 1990s, the role of IT management became more important in organizations as they began to rely on information technology resources in various operating departments for service delivery and support. IT became a more strategic function within the organization. The IT function has grown beyond being primarily focused on the financial services function.

Best practices today for information technology management in cities is varied. Some cities have IT as its own department with a director that reports to the chief administrative officer (city manager). In other cities it is a division that reports through the city manager's office either in the form of an operating division of the city manager's office or an administrative services department that might include financial services, risk management, and human resources.

IT Prominence within the Union City Organization

A common theme from interviews and focus groups is that IT should have a more prominent role within the organization. Operating departments rely on the IT Division for service delivery and feel that the prioritization of IT services can be lost or take a back seat to the Finance Department's needs.

In our experience, cities the size of Union City typically have a separate IT function reporting to the City Manager's Office. Our earlier recommendation of consolidating IT into the Internal Services Unit will be helpful in addressing the importance of IT's role and would allow the function to have a more strategic focus under the City Manager's Office.

Finance and IT Staffing Levels

The staffing levels within finance and IT are appropriate and we did not identify any gaps in service delivery. Some concerns were expressed by operating departments that IT does not have the resources necessary to meet departments' needs in terms of implementing new systems. From our team's perspective, much of this sentiment came from an IT function that in the past lacked direction and was more reactive to issues rather than anticipating and addressing future needs.

The new leadership in IT and the creation of an IT strategic plan (see below) will give the division the focus it needs to serve operating departments on an ongoing basis. IT projects may require assistance from

consultants or vendors for implementation, but day-to-day operations should be able to be accomplished with existing resources.

Administration Division

The Finance Department's Administration Division includes oversight of financial planning (budgeting) and reporting and risk management. The director is primarily responsible for the functions within this division, leading development of the City's biennial budget and long-range fiscal model and overseeing risk management needs. The biennial budget process appears to be working effectively and reduces the impact on the department and the entire organization for full preparation of an annual budget document that might otherwise be required and impact resources. Where necessary, mid-cycle adjustments are identified and reviewed by the Council to ensure the City has appropriated the necessary fiscal resources to accomplish its goals.

Risk Management

The division also oversees the City's risk management including serving as liaison to the Bay Cities Joint Powers Insurance Authority (BCJPIA) for its general liability, property and casualty, workers' compensation and employment practices liability needs.

The finance director works with operating departments to administer risk management programs, although the responsibility for administering claims is blurred at times given that tasks are performed by various departments. For example:

- The human resources director handles case management of the workers' compensation program;
- The city clerk handles initial receipt of claims from the public and turns them over to BCJPIA for processing; and
- The finance director and the city attorney work closely to review cases.

Risk management activities are funded through an internal service fund that charges operating departments as part of the budget allocation process for self-insured retention and insurance premiums. These practices are typical for a city the size of Union City and they are working well; nonetheless, greater clarity would be helpful in identifying responsibilities and timeliness of handling claims.

Recommendation 49. Clarify responsibilities for administering risk management claims between

operating departments, the city attorney, city clerk, and the CFO.

Recommendation 50. Schedule regular quarterly meetings between Finance, the City Attorney's Office, City Clerk, Human Resources, and other operating departments to review risk management claims and responsibilities between departments.

Finance Division

The Finance Division is responsible for traditional accounting operations. It handles the day-to-day transactional accounting functions such as accounts payable, payroll, licensing and revenue collections/cashiering, as well as treasury and debt management functions. Staffing levels and assignments appear appropriate for the division, which include the following:

- Accounting manager (2), responsible for revenue collection and disbursements (accounts payable, payroll, etc.) respectively;
- Budget manager;
- Accountant; and
- Finance specialists (7).

The City launched online business licensing applications and payment processing in 2017, which includes internal electronic routing of business license applications by the necessary operating departments. This process is reported to be working well and is an innovative solution for the handling of business licensing processing. The division also contracts with a consultant (HdL Companies) to assist with business license and sales tax enforcement, a best practice used by many other city finance departments.

Financial/Enterprise Resources Planning (ERP) System

The biggest challenge for financial operations is the duplicative entry required for most of the revenue collection cycles, either due to a lack of technology used to process transactions by operating departments (e.g., encroachment permitting, planning deposits), or the inability of department information systems to integrate with Eden, the City's financial accounting software (e.g., registration for recreation classes).

The City's accounting software is meeting the accounting and financial reporting needs at the present time; however, the system is approaching the end of its life cycle and will likely require replacement in the next five years. Until the finance system is replaced, integration with other systems

will be a challenge. The department will need to begin planning for a financial system upgrade in the coming years to establish a funding timetable, and properly assess its business needs plan for a system migration.

Recommendation 51. Identify available enterprise resource planning (ERP)/finance system solutions that would better serve the financial accounting and reporting needs.

Recommendation 52. Identify the fiscal and personnel resources necessary to support the conversion to an enterprise resources planning system (ERP).

Parking Program

The division is also responsible for managing the City's parking program, which includes two parking lots that it manages at the Union City BART station. In addition, hourly, daily and quarterly parking permits are issued to customers. The City has implemented meters that have kiosk and mobile data application functionality.

Cadets in the Police Department will handle parking enforcement and collect cash from parking meters on a monthly basis. Public Works staff provide routine parking meter maintenance in the context of their normal duties. Finance staff respond to customer complaints, administer online quarterly parking permit sales sold through a contracted vendor, sell over-the-counter parking permits (totaling approximately 15% of total parking revenues), and prepare monthly parking reports for management review.

Finance took over parking administration in FY 2015-16. Oversight of this function requires a third of the revenue manager's time. The Finance Department added 0.375 FTEs to assist with parking administration. The parking meter and permit revenue from this function is substantial, exceeding \$500,000 a year.

The City has several contracts for components of the parking program:

- **Telephone Inquiries.** Answer Connect provides live phone service for parking questions.
- **Parking Permits and Online Sales.** Weldon, Williams and Lick print parking permits and administer online sales.
- **Parking Meters.** VenTek International provides parking meters and is responsible for major parking meter repairs and service.

- **Parking Enforcement.** LAZ provides parking enforcement, which includes one person 20 hours a week, at a rate of \$50.00 per hour. LAZ has not been able to provide additional staffing. Only one firm responded to RFP; and
- **Processing Citations.** Data Ticket provides services for processing citations.

Prior to Finance taking over the program, the City contracted with Public Parking Associates (PPA) to provide parking administration services from April 2010 to February 2016. PPA was responsible for maintaining meters, collecting cash, preparing parking revenue reports, and responding to customer complaints. The contract totaled \$54,000 per year. The contract was terminated because City staff had to respond to customer complaints and consultant staff were damaging meters when trying to repair them.

In many cities of Union City's size this function is often overseen by the police department or, in limited cases, the community development department. In these agencies, the finance department retains final responsibility for revenue collection.

The parking program seems to be working at the present time. However, given pension and health care increases, City leaders will need to assess future program administration costs to determine if outsourcing in future years is warranted. The time spent by the revenue manager and police cadets overseeing this program would have to be evaluated to determine how the additional capacity would be utilized in each department.

Policies and procedures manual

While the division is operating effectively and staff understand their assignments, documented accounting procedures are lacking. Each specialist has notes or other documents that help support how they perform their function, but there is no procedures manual that would help in the event of a leave of absence or departure of one of the incumbents. Developing a policies and procedures manual that covers major functions of revenue collections, accounts payable and payroll will help for cross-training and will serve as a basis for informing operating departments about the necessary requirements to ensure the City's internal accounting control procedures are followed.

Recommendation 53. Develop a policies and procedures manual that covers each accounting function (i.e., cashiering, accounts receivable, accounts payable, payroll).

Information Technology Division

The IT Division consists of four FTEs that serve the operating departments. IT staff provide help desk and application support to departments. They also manage network infrastructure and data security needs citywide, including security requirements for Department of Justice (DOJ) compliance for law enforcement network infrastructure and applications.

The consensus within the City based on interviews and focus group discussions is that IT's services in the form of help desk and application support are good. However, they have fallen short in the area of IT project implementation and training. The issues are reflective of staffing constraints, vacant positions within IT, and lack of direction from the former IT manager. However, the division is under the leadership of a new IT manager hired in 2018. This manager brings a private sector background in IT management which is being well received by operating departments.

IT Strategic Plan

The IT Division has created a vision document for citywide IT needs. The document is not a full IT strategic plan but is a good start in identifying critical technology needs for the entire organization. The document reviews the IT environment, IT support, current and future infrastructure needs, and an overview of the six primary elements of the City's IT requirements (training, monitoring, identity/authentication, security, connectivity and data management). The document identifies three top areas of focus for IT:

- 1) Protection of city data (backup strategies),
- 2) Stability and resiliency to foundational services, and
- 3) Protection against prevalent cyber and environment threats.

The document also includes a list of projects underway, the IT staff member to whom each project is assigned, due dates, the priority of the assignment (high/medium/low), and department. The document is a good start toward an IT strategic plan, which is the next step in formalizing the division's focus. As discussed earlier, this will need to be in alignment with the citywide strategic plan currently in development.

IT Internal Services Fund

IT fiscal operations are accounted for in the City's General Fund under the Finance Department. A best practice used by other cities is to remove IT from the General Fund and create an IT internal services fund that

accounts for all technology operations of the City, including operating and capital expenditures. Operations are funded through an internal service charge allocation to operating departments. Capital expenditures are typically budgeted through an equipment replacement fund methodology that seeks to advance-fund any technology replacement through the internal service charges.

The City does not have an equipment replacement fund related to IT equipment and systems. This creates an inaccurate picture of the investment in IT resources, which is a core requirement in supporting service delivery by operating departments. Instituting an IT internal service fund and incorporating equipment replacement funding in annual internal service charges will identify the true costs of IT services and ensure funding for replacement of equipment when needed for continuity of service.

Recommendation 54. Create an information technology internal services fund and transfer all IT operating and capital expenditures to the new fund.

Recommendation 55. Develop and implement an internal service charge allocation methodology to allocate IT annual operating and capital expenditure costs to all departments.

Recommendation 56. Implement an IT equipment replacement fund methodology as part of the internal services charges.

IT System Software and Equipment Purchases

Departments have been allowed to purchase IT equipment as needed to support their operations. In some cases, IT has not been consulted in the acquisition and implementation of such equipment but has been tasked with supporting what is purchased. A recent example was the investment in body cameras in the Police Department, which created significant impacts on network storage and support from IT.

Departments wish to move forward with technology to support their operations, but this has an impact on IT for support. In some cases, it causes unanticipated data security issues that must be addressed.

Best practices from other cities include policies and procedures for centralized purchasing of IT equipment. These policies typically require approval from the IT manager before equipment that touches the agency's network or requires IT support can be purchased. This is a

practice that should be used in Union City to ensure that departments can rely on IT support for their technology needs. In many cases, this is resolved by incorporating a process during the annual/biennial budget process between the IT Division, departments, and the budget manager to discuss and properly plan and budget for technology acquisition.

Recommendation 57. Establish a policy that IT equipment, software applications, and systems that require IT support receive advance approval of the IT manager prior to purchase and implementation.

Recommendation 58. Conduct meetings between the IT Division, operating departments, and budget staff as part of the biennial budget process to review technology needs prior to preparation of the budget for city manager and Council approval.

Video Production

One of the distractions that takes away from IT's ability to meet department needs is the responsibility of overseeing the video production of City Council and other meetings in the Council Chambers. IT staff must operate the video production equipment to cablecast and record each meeting for distribution on the City's government access channel and the agenda publication tool (Novus).

In many other cities, this is the responsibility of the City Manager's Office or the city clerk. IT may support the equipment or technology used, but operation of the equipment is handled through contract with a video production company, if not by dedicated video production staff. This responsibility should be contracted with a private vendor and/or other agency staff, which will create capacity for IT to focus on core technology support initiatives.

Recommendation 59. Transfer responsibility of videotaping Council and other public meetings to the city clerk.

Recommendation 60. Contract video production services with a third party such as a private video production company or other agency.

Doors and Locks Management Software

IT is also responsible for administering the City's doors and locks management software application. Public Works' Facilities Maintenance Division will handle physical maintenance of doors and locks, but IT is

responsible for issuing card keys and operating the door/lock management software application. This is a function that should be handled by the facilities maintenance group, which would create capacity for IT to focus on core IT support needs in the organization.

Recommendation 61. Transfer management and operation of the doors/locks card key management software application and distribution of card keys from the IT Division to the Public Works' Facilities Maintenance Division.

Geographic Information System

The City has developed a geographic information system (GIS) that is used by the ECD and Public Works Departments. Development of the GIS system started in the Public Works Department. Certain layers have been developed to support the needs of ECD (e.g., parcel maps, planning zones) and public works (e.g., infrastructure layers, parks).

In talking with departments, it is unclear who owns the GIS and is responsible for its implementation and maintenance. Based on our analysis, we believe that the IT Division should be responsible for GIS implementation. This would require 50% of one FTE for its upkeep and maintenance. GIS will become a critical component of a computerized maintenance management system (CMMS) as discussed in the public works section below and is a productivity tool that supports ECD's planning needs. GIS will also integrate well with the future land management system. The City can contract for GIS development and maintenance from a specialized consulting firm in GIS technology until the City's needs expand and require additional staffing.

Recommendation 62. Assign responsibility for citywide geographic information system development, implementation and maintenance to the IT Division.

Recommendation 63. Hire a GIS consulting firm to provide ongoing assistance in enhancements and updates to the GIS system.

Fire Services

Fire services are provided through a contract with the Alameda County Fire Department (ACFD). Generally, the agreement seems to be meeting the needs of the City. However, there are a few areas of the agreement that provide potential opportunities for improvement. To best ensure high quality of service from a contractor, regular communication and

feedback is key. The agreement provides the City with a seat on the ACFD Advisory Fire Commission. A City representative should actively participate on that commission to maximize communication and relationships and ensure that ACFD is meeting the terms of its agreement with the City.

Community Emergency Response Teams

One of the service elements in the agreement's scope of services (Section 3, sub-section C3) indicates that ACFD will offer Community Emergency Response Training (CERT) to Union City residents. The City's Human Resources director is currently tasked with providing this service. The agreement allocates a portion of a County Emergency Preparedness manager, whose function includes the CERT program.

Fully exercising these provisions can improve community emergency preparedness and provide the Human Resources director with the opportunity to focus workload on more critical tasks related to the department's mission. Oversight of the CERT program should be the responsibility of the City Manager's Office as the ultimate emergency services director for the City and with ultimate responsibility for managing the fire services contract with ACFD.

Recommendation 64. Assign responsibility for the implementation and oversight of the City's CERT program to the City Manager's Office.

Recommendation 65. Exercise the rights within the existing fire services agreement to assign responsibility for oversight and implementation of the CERT program to ACFD's emergency preparedness manager.

Human Resources

Human Resources Functions

The HR Department provides a full scope of services for Union City's six departments with 312 budgeted positions. HR program responsibilities include:

- Recruitment,
- Labor relations,
- Workers' compensation,
- Employee health and safety including leading the communication response team,
- Benefits,

- Employee recognition, and
- Training and professional development.

As mentioned previously, the HR director is also responsible for implementing the City's Community Emergency Response Team (CERT), which is an unusual assignment for such a position. (See the Fire Services section for our recommendation that this responsibility be assigned to the Alameda County Fire Department.)

Staffing Levels

HR consists of three FTEs, of which two positions are currently filled (the human resources director and personnel analyst I). The City was in the process of recruiting for a personnel analyst II when this report was being written.

Prior to 2016, the department was staffed with a human resources manager position in the Finance Department. The city manager recommended, and Council approved, that the position be elevated to a director level and the function become a separate department reporting directly to the city manager.

Due to the significant workload, HR staff are only able to address the most pressing issues. Lack of citywide strategic direction leaves staff to determine overall project importance on their own. The lack of citywide direction and increased workload causes HR staff to be reactive to issues that arise.

HR's Role in the Organization

There is not a clear and well-defined purpose for the HR function. While the director has a list of goals to be accomplished, there is not a departmental strategic plan to guide the programmatic work that needs to be accomplished. In conjunction with our recommendation for a citywide strategic plan, we believe the HR Department should create a strategic plan that is in alignment with the City's overall initiatives and goals and that can guide HR staff in properly serving the organization.

The plan would highlight the department's primary responsibilities while guiding project work each respective fiscal year. This would allow stakeholders to know priorities. Annual reports to highlight the comprehensive work being done will serve to report success measures. The plan should be created after discussions with operating departments to ensure HR understands their needs after the citywide strategic plan is completed.

For other observations that impact HR's delivery of services regarding citywide staffing, recruitment, retention and training and development initiatives, refer to the Citywide Recruitment, Retention, Professional Development and Succession Planning section.

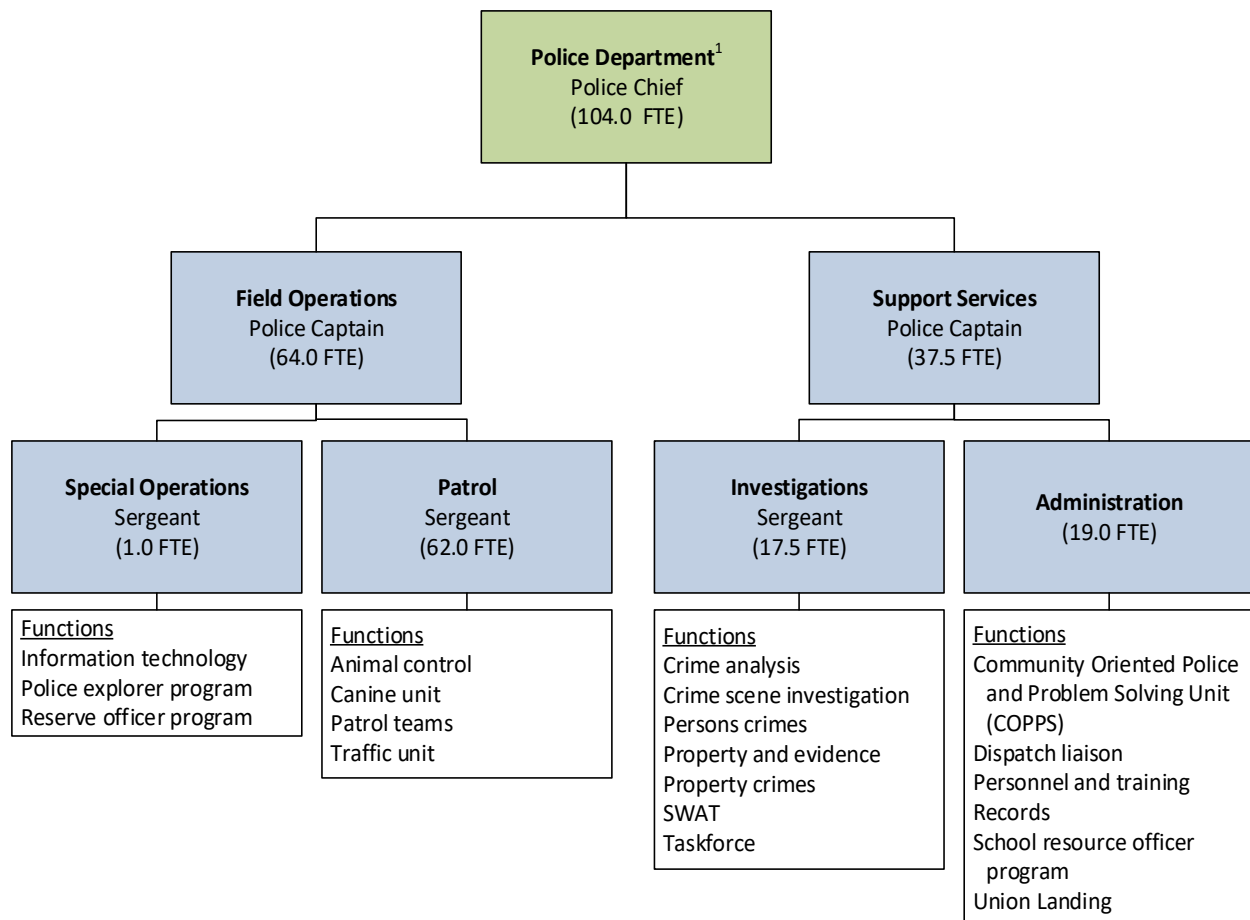
Police

Union City maintains a full-service police department with a contract for dispatch services through the City of Fremont. The budget supports 77 sworn officers and 27 support staff. Three police officer positions are committed to the Union Landing Shopping Center, for which the City receives full compensation through a formal agreement. When this agreement was reached, though, no additional positions were allocated to the Police Department.

Organizational Structure

The functional organization chart of the Police Department is shown in Figure 10.

Figure 10. Police Department Functional Organization Chart



¹ Total department FTE count includes 2 FTEs within the office of the police chief and 0.5 FTE for an undesignated and vacant cadet position.

Staffing Levels

The structure within the Police Department is consistent with others of similar size. Deployment of sworn staff throughout law enforcement has been studied by the International City/County Management Association (ICMA). Their Center for Public Safety Management White Paper, *An Analysis of Police Department Staffing: How Many Officers Do You really Need* includes a “Rule of 60.” The first tenet of the rule is that 60% of total sworn staff should be assigned to the patrol function. Of 77 budgeted sworn officers, Union City has 48 assigned to patrol. This is 62%, which is in line with the ICMA recommendation.

The Police Department has one vacant officer position (based on 77 funded positions) and two police officers in the Police Academy. This appears to bode well for sworn staffing in the department. However, there are six perceived vacancies; all in the sworn ranks.

A perceived vacancy is a position that is filled, but the incumbent is unable to work due to injury, training status or other restriction. Perceived vacancies are important to consider when analyzing staffing levels to avoid a distorted picture of truly available personnel.

Additional consideration should be given to anticipated losses when a separation from city service is likely (e.g., employees indicating when they are in the background check process with another employer, retirement announcement, etc.). Our understanding is that the Police Department expects one sergeant and two officers will be separating from service in the near future. The retirement of the police chief at the end of 2018 and the appointment of a police captain to the role of chief create additional vacancies that must be filled.

There are currently a total of five vacancies in the department (excluding the likely future vacancies noted above), while only two replacement officers have been identified. Within the non-sworn staff, two vacancies exist: the lone crime analyst position and one of the eight part-time cadets.

Recruiting Qualified Police Officers

As with most law enforcement agencies, recruitment of qualified police officers requires constant attention. Recruitment of civilian staff is also important but is generally less difficult.

When recruiting police officers, Union City is competing with other police agencies for qualified candidates. Due to ever-increasing housing costs, police officer applicants are coming from a much larger geographical region than in the past. This increases the number of agencies in the competitive pool.

When a candidate is deciding between employment between two agencies, a variety of factors come into play. Proximity to affordable housing is directly correlated to salary and benefits that can be offered. Therefore, offering a competitive salary is significant. Though post-retirement benefits, such as funding medical costs, are desirable to tenured employees, they are costly, can be unpredictable and may not be a deciding factor for potential employees in the recruitment pool.

When discussing positive aspects of employment with the City, post-retirement medical benefits were not mentioned. Yet when discussing challenges, competitive salary was a significant theme. These will need to be factored in to successor labor agreements with employee groups.

Field Operations Division

The Police Department's Field Operations Division is the most visible division to the community. They operate 24 hours per day, seven days per week, while in uniform and driving marked police vehicles. These personnel serve as critical ambassadors of the City while contacting thousands of residents and visitors every year.

Command Staff

The Field Operations Division is led by a police captain who manages patrol, traffic, animal services, canine, school resource officers, Union Landing, reserve officers, and explorers. Four of the department's six lieutenants are assigned to the Field Operations Division. The lieutenants are scheduled to manage patrol operations seven days per week between 6:00 a.m. and midnight.

Lieutenants serve primarily in an office role, which permits the patrol sergeant to supervise employees in the field, review reports and provide developmental insight to officers. One sergeant is assigned to supervise the Special Services Unit, which consists of the Union Landing and school resource officers, as well as the special services officers. The latter serve as in-field detectives to assist patrol units. One sergeant is assigned to supervise the Traffic Unit. This unit is currently staffed by three motor officers with a fourth motor position pending.

Patrol Schedule

A new schedule was implemented in January 2019 utilizing eight teams. Seven of the teams are supervised by a permanent sergeant. The eighth team is supervised by a rotating acting sergeant (officer). The acting sergeant permits the schedule to include eight teams, while supporting the department's succession planning goal of preparing personnel for rank advancement.

The new patrol schedule has overlapping teams on Wednesdays and Fridays. The Wednesday overlap permits SWAT and patrol team training without impacting minimum patrol staffing or overtime. The Friday overlap provides additional uniformed resources during a traditionally busy day of the week without the need for overtime or use of officers from other units.

The new schedule is accompanied by a philosophy related to minimum staffing. Previously, only patrol team personnel were used to establish minimums, despite having additional uniformed personnel on duty (i.e., traffic, school resource officers, and special services agents). This required unnecessarily ordering officers in to work to meet minimums. The new policy takes into consideration the additional uniformed personnel and allows more flexibility in patrol team staffing. This results in more leave for officers, reduces overtime, yet maintains reasonable staffing in the field.

Police Corporal Classification

The 2010-2012 Union City Police Officers' Association MOU included the rank of police corporal and required a patrol team corporal to fill vacancies created when sergeants took leave. Around 2014, the City engaged the California Commission on Peace Officers' Standards and Training (POST) to perform an audit of the Police Department. At that time, the department had a chief, five commanders, sergeants, corporals, and officers. The POST audit did not recognize corporals as leaders and indicated the agency was understaffed in its leadership ranks (management/supervision).

In response to the POST audit, the department reorganized to have a chief, two captains, six lieutenants and thirteen sergeants. The rank of corporal was eliminated. The corporal had served as supervisor in the absence of the team sergeant and with a few exceptions served as the corps of field training officers (FTO) who were responsible for training new police officers. Although the restructuring provided benefits in the areas of in-field officer development and supervision by having the lieutenant handling station duties, it eliminated an officer development

position. It also made taking leave more difficult for sergeants and costlier for the City.

While the department was later reorganized in 2014, and this resulted in positive changes for the organization, Management Partners' team members believe reconsidering the corporal position is warranted. Corporals could provide the department with a primary training corps for both new officers and in-service professional training. This would further enhance the training opportunities created by the new patrol schedule.

If corporals were used to backfill sergeant vacancies, as was provided in the 2010-2012 Union City Police Officers' Association MOU, it seems that the department could lower overtime costs. Currently, most sergeant leaves require overtime by another sergeant. The job specification for corporals would include training, which would eliminate the need to pay them FTO specialty pay.

A corporal would serve in the rotating supervisor position for the eighth patrol team (as discussed above) and enhance Police Department succession planning by preparing officers to promote to the rank of sergeant. An analysis of sergeant overtime and field training officer pay compared with corporal compensation would need to be undertaken to assess the financial impact of reinstituting the rank of corporal.

Recommendation 66. Determine the operational and fiscal impacts of reinstituting the corporal position in the Police Department.

Support Services Section

The Support Services section includes the Investigations and Administration Divisions.

School Resource Officer Program

One of the services provided in this section is the School Resource Officer Program. In June 2018, then Chief McAllister presented a memorandum to the city manager discussing the history of the School Resource Officer Program and made recommendations for the future. An agreement between the New Haven Unified School District and the City of Union City from FY 1996-97 provided for a School Resource Officer Program including the cost-sharing arrangements and a detailed list of program expectations. The agreement was for a five-year period but has continued to the present day without amendments, changes to funding formulas, reduction of staffing or reevaluation of program expectations.

The chief recommended adding a second school resource officer for the FY 2018-19 school year to the City Council and the school superintendent and reconvening representatives from the New Haven Unified School District and City of Union City to discuss the future of the program if the 2018 ballot measures were unsuccessful.

Management Partners' team member believe the City and school district representatives should meet to discuss the future of this important program and the purposes it serves. Given the City's fiscal climate, funding availability should be the first point of discussion. If available funding is identified, setting achievable expectations based on an agreed upon purpose for the program would be the next step. Staffing levels can be adjusted commensurate with the level of funding available for the program. An updated agreement should be prepared and be revised as needed during each budget cycle.

Recommendation 67. Revise the agreement for the School Resource Officer Program with the New Haven Unified School District.

Police Dispatch Services

The Administration Division oversees the contract with the City of Fremont to provide police dispatch services. The contract was implemented August 1, 2016, netting a fiscal savings of nearly \$350,000 annually at its inception.

Advantages and Limitations of Contracted Police Dispatch Services

The primary reasons for contracting services are to gain efficiencies and, in some cases, improve service levels. However, by using a contractor, rather than a Joint Powers Agreement, Union City lost some level of control for this service to Fremont. As an example, Union City does not have a right to access or review employee personnel records for personnel providing dispatch services. This limits the ability for the contractor to share the resolution of any employee complaint, even when the complaint is generated by a Union City Police Department manager. Despite some loss of control, contracts such as this provide efficiencies and ensure acceptable levels of service.

Cost Effectiveness of Contracted Dispatch Services

Management Partners conducted a high-level analysis of the cost effectiveness of the dispatch services agreement (which is for a 10-year term that expires in 2026). The agreement cannot be terminated without cause during the first five years (ending July 31, 2021). Ending the

agreement between years five and ten would require Union City to pay any remaining prorated start-up costs. Additionally, Union City would need to find a new service provider or encumber the significant costs related to equipping and staffing a stand-alone police communications center.

Based on our review of the March 2014 staff report to recommend consolidated dispatch services with Fremont, the police chief compared both existing dispatch staffing, and staffing and costs “stand alone with supervision”. Any future inhouse dispatch center would require additional staff and restructuring to include supervision and management. This would result in significant increased costs, perhaps as high as \$642,000.

Higher salary and retirement and health benefits costs since that time would only increase those projections today. The increased ongoing costs coupled with the start-up costs are an incentive to maximize efforts to ensure the existing agreement reasonably meets the needs of the Police Department. We believe the existing contract currently provides the most cost-effective solution for dispatch services.

Training on Dispatch Contract Provisions for Police Staff

The dispatch services agreement has been identified as a source of concern related to safety and employee satisfaction. The most common concerns expressed through interviews related to the following:

- “Radio chatter” or “radio traffic” due to dispatched calls for both Fremont and Union City being shared on one radio channel,
- Lack of a special weapons and training (SWAT) dispatcher, and
- Relationship between Union City police managers and the dispatch center staff.

Since many of these issues are addressed in the agreement, we believe that Union City police employees would benefit from periodic training about the agreement, including its communication and dispute resolution provisions.

Recommendation 68. Conduct training on the provisions of the dispatch services agreement with Police Department staff.

Need for Dedicated Radio Channel

The contract does not provide for a full-time dedicated radio channel for Union City. The scope of services (Section I, B, 3) states,

Operate a dedicated Union City radio channel for police operations during certain times of day. When the dedicated channel is not in operation, Union City will communicate on Fremont's main radio channel.

The City either needs to meet with Fremont to amend this provision to afford Union City with a full-time dedicated radio channel or communicate with employees so they understand the existing provision.

Recommendation 69. Confer with the Fremont Police Department to understand the operational, technological and fiscal implications of adding a full-time dedicated radio channel for Union City Police Department's use.

SWAT Dispatch Services

The contract has a provision to handle dispatch responsibilities for Union City SWAT "activations." However, Union City staff say that the Fremont Police Department has not provided a dispatcher for Union City SWAT deployments or training. The contract language is unclear as to whether the dispatch responsibilities can be provided from the dispatch center or if the dispatcher is required to deploy to the in-field command post to fulfill the dispatch responsibilities. Further, there is no mention of a dispatcher being provided for SWAT training sessions.

Representatives from Union City and Fremont should meet to clarify the SWAT dispatching language in the agreement and implement changes, where appropriate, to ensure dedicated SWAT dispatching is available when Union City's SWAT team is activated.

Recommendation 70. Clarify provisions in the Union City/Fremont contract related to SWAT dispatch activation and communicate this information to Union City Police Department staff.

Enforcing Services Level Provisions in Dispatch Contract

The contract has two sections requiring response to emergency and non-emergency radio traffic. Failure to respond to police radio traffic is an officer safety concern. Additionally, police managers identified a lack of responsiveness by dispatchers when they are contacted about data or information requests. This impacts the work of Union City's police employees and lowers the user satisfaction with Fremont's dispatch services. The issues related to response to radio traffic and relationships between dispatchers and police managers are best addressed through regular communication and use of dispute resolution provisions, if necessary.

The agreement identifies the liaisons to the contract as the city manager of each agency and provides for them or their designees to meet quarterly to address contract and service issues. If this is unsuccessful, the agreement includes a dispute resolution provision. However, we believe that regular communication between police managers from Union City and Fremont may be more effective in resolving the concerns, including those related to radio communication responsiveness and the best process for responding to management data and information requests.

Police department patrol personnel should log the date, time, and nature of radio communication that goes unanswered. These data can be confirmed through dispatch recordings to support a discussion with the Fremont Police Department. Quarterly meetings between the two police departments would help to address service levels and discuss contract and budget provisions. Minutes from these meetings should be shared with the city managers and police chiefs. Further, these issues should be communicated to line staff.

Recommendation 71. Create a log of events where dispatch communications are unanswered. The log should include the date, time and the nature of the call.

Recommendation 72. Coordinate quarterly meetings between Union City and Fremont police managers to discuss dispatch services, review any service deficiencies, and establish a plan of action to address those concerns.

Public Works Department

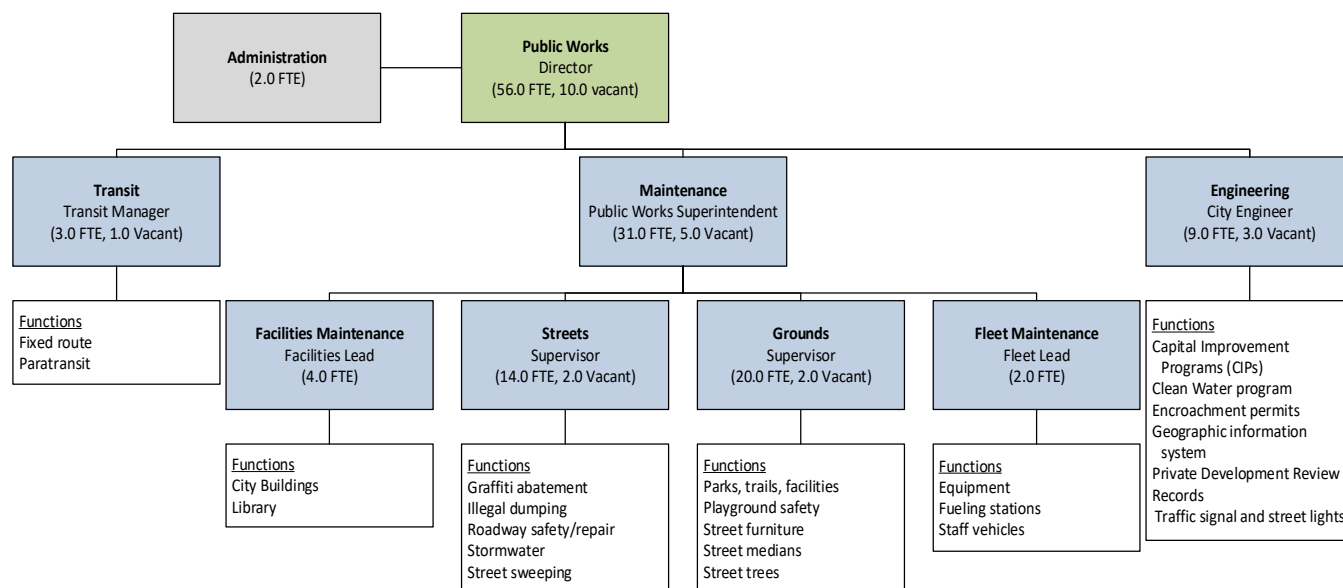
The Public Works Department oversees the design, implementation and maintenance of the City's infrastructure, facilities, and local transit and paratransit needs. The City's five-year Capital Improvement Plan (CIP) includes 98 infrastructure and capital equipment projects.

The department consists of 56 authorized positions that serve the department's three operating divisions: engineering, maintenance, and transit. Its operations are funded through a variety of sources including fees and charges (e.g., encroachment permits, development review fees, traffic impact fees, bus fares/passes), intergovernmental revenues (primarily transportation passthrough funds from the County and Metropolitan Transportation Commission), grant funding (e.g., federal and state grants for roadways and transportation needs), special taxes (primarily gas tax revenues), and General Fund resources.

Organizational Structure

The department is managed by a public works director and is organized around the services it provides in developing and maintaining the City's infrastructure. A manager-level position is assigned to each division to oversee its operations. For instance, a public works superintendent oversees all the maintenance sections and the supervisors and/or lead workers assigned to the sections. A functional organization chart of the department is shown in Figure 11.

Figure 11. Public Works Functional Organization Chart



When fully staffed the span of control for each division ranges from two to six people per supervisor. Best practices in the public works profession range from three to not more than seven positions per supervisor. The City's span of control in the department is appropriate and within best practices when the department is fully staffed.

Staffing Levels and Filling Vacancies

At the time of our analysis, the department's span of control was less than optimal due to the significant number of vacancies. Table 11 shows the positions that were vacant at the time of our review. The cause of the vacancies was due primarily to retirements or staff voluntarily separating employment. (See a more in-depth analysis in the Recruitment and Retention Section of this report.)

Table 11. Public Works Vacancies as of December 31, 2018

Position	Division	Number of Vacant Positions	Comments
Public Works Director	Administration	1	Incumbent retired November 1. Position is being filled with an interim public works director pending recruitment of the position.
City Engineer	Engineering	1	Role was backfilled by part-time engineer and the public works director. After the director's retirement, the interim public works director, principal engineer and contract engineering firms are filling role of city engineer for plan check review and approvals.
Civil Engineer III	Engineering	1	Responsibilities are being backfilled by other civil engineers and contract services for time sensitive projects.
Environmental Analyst I	Engineering	1	Services are being performed by other departments until position is filled.
Public Works Superintendent	Maintenance	1	Part-time interim superintendent is handling oversight of divisions pending filling of the vacancy
Grounds Maintenance Worker I	Grounds	2	Responsibilities being backfilled by other 17 grounds leads/maintenance workers
Streets Supervisor	Streets	1	Incumbent retired in late December 2018
Streets Maintenance Worker I	Streets	1	Responsibilities being backfilled by other nine streets leads/maintenance workers
Transit Planner	Transit	1	Responsibilities filled by an interim traffic planner pending recruitment of the position
Total Vacancies		10	

Filling the vacancies was delayed in some circumstances pending the outcome of the parcel transfer tax measure in November 2018. (As previously mentioned, this measure was not approved by the voters.) The large number of vacancies in the department is impacting the leadership and oversight of its operations and timely service delivery.

The remaining staff members are doing their best to address the most pressing, time-sensitive issues. For example, the Engineering Division is focused on implementing CIP projects that are underway, issuing encroachment permits as they are requested, and reviewing development plans. The Maintenance Division is prioritizing work based on public safety issues, risk mitigation and addressing preventive maintenance as time permits.

The vacancies in the Public Works Department are the highest among all departments and will have visible impacts to the community if not addressed quickly. The Human Resources and Recruitment/Retention Sections of this report identify recommendations to improve recruitment processes citywide. It is important to prioritize recruitments for the most pressing positions for the Public Works Department. Management Partners believes the top priorities should be the director/manager positions. The City is already recruiting for the public works director and public works superintendent positions.

Recommendation 73. Prioritize recruitment and onboarding of the public works director, city engineer, and public works superintendent.

Department Workplan

As with the City overall, the department does not have a strategic plan. Divisions are focused on addressing calls for service from both external and internal customers and understand their priorities in ensuring public safety through the maintenance of infrastructure. The department should develop and implement a workplan consistent with the City's overall strategic plan and goals and ensure these goals are implemented and the department's priorities are well aligned.

Engineering Division

Engineering is responsible for designing and managing capital improvement projects as well as approving private development as it impacts the right-of-way and city property. This division is also responsible for the citywide clean water program.

Capital Improvement Program

The Engineering Division oversees the City's Capital Improvement Program (CIP). Engineering staff serve primarily as project managers for most of the capital improvement projects, using the services of contract engineering firms to assist in design. Of the 98 CIP projects in the five-year CIP plan, all but four are currently underway or planned for completion in FY 2018-19. A total of 37 projects on the list were approved for completion in FY 2016-17, and an additional 10 projects approved for completion in FY 2017-18 remain outstanding. Completion of these projects would be daunting with a full complement of staff.

The vacancies in the positions of city engineer and civil engineer III make timely completion of these projects more difficult. Staff indicated they were identifying opportunities to use the services of contract engineering

firms to assist with project implementation subject to the budget availability for each project. As indicated earlier, filling the city engineer will be helpful in addressing the backlog of work. The department should actively pursue onboarding of engineering or construction project management firms to assist the City in implementing the projects outstanding on the CIP list. Funding will need to be identified to ensure that projects remain within budget.

Recommendation 74. Engage engineering and construction project management firms to clear the backlog of capital improvement projects.

CIP Construction and Operational Costs

The City budgets its capital improvement projects based on planning and design and construction cost estimates and grant funding is sought for most of the eligible projects. The construction costs for the projects primarily consist of contracted services for design and construction contractors. Project budgets also include an allocation of engineering staff time for contract management. This is a best practice among engineering functions. As appropriate, these can offload operating funds such as the General Fund by charging appropriate costs against the project budget, which are funded by other sources such as grants or impact fees.

CIP project estimate worksheets used in the FY 2017-19 biennial budget include a section for operating cost considerations for project implementation. This is a good practice in concept; however, none of the projects in the approved project plan included operating cost analysis, suggesting that operating cost impacts were not applicable. This would be the case for many of the CIP projects where the projects were repair, rehabilitation or replacement of existing infrastructure and capital items. In some cases, however, such as rehabilitated irrigation systems or the addition of new facilities such as the Kennedy Youth Center and the Mark Green Sports Center, the project plans did not include any analysis of net operating costs (or savings in the case of the irrigation systems).

The City has capital improvement financial policies that indicate five-year CIP plans will be developed, projects will be prioritized based on City goals and objectives, consideration of revenue availability, and a preference toward pay-as-you-go project funding. What is missing is a policy statement that investment in new or enhanced infrastructure will only be approved to the extent that demonstrated capital and operating funds are available to construct and operate the infrastructure on a long-term basis (typically over a five- or ten-year framework that is consistent with the term of the City's fiscal forecast). With increased pressures on

general fund revenues, it is important that the City implement such a policy and that each CIP project identify the long-term operating costs and funding sources associated with implementation and long-term operation of the asset.

Recommendation 75. Adopt a fiscal policy that new capital projects will only be approved to the extent resources are available to fund the construction, acquisition, and operation of the asset with an operating period of no less than ten years.

Encroachment Permit Tracking

In discussions with staff, it appears that the Engineering Division is keeping pace with demands for private development review and encroachment permit services. Staff vacancies require the department to dedicate efforts toward those high-priority projects and ensure the rights-of-way are being properly managed.

As indicated in the Economic and Community Development Section of this report, the City has a land management system that is used to track permits but not all departments involved in the development process use this system and this undermines its utility. Encroachment permits are tracked and issued manually through a series of spreadsheets and other forms.

Permit tracking systems typically incorporate public works review of private development projects. They may also be leveraged to issue and track encroachment permits. As the City looks to improve or acquire such systems for planning and building permits, encroachment permits should be included in the system requirements. This will allow public works to proactively monitor encroachment permits that have been issued and allow field crews to identify work being performed in the public right-of-way without permit.

Recommendation 76. Incorporate the requirements for an encroachment permit tracking system in the selection of a land management system.

Engineering GIS

Engineering has self-assigned certain roles in developing and updating the City's GIS but are primarily focused on only those issues that affect their department's use of the system. Documentation of streets and underground infrastructure is included in the system and maintained by Public Works. Depending on staffing, development of the system has

slowed or stopped at various times. There is no dedicated resource to further develop or implement the system. In addition, since there is no asset management system (see the Maintenance Section below), there are no attributes for assets included in the system.

Agencies with effective GIS tools have dedicated resources through either staff or contracted services to develop the necessary layers in GIS to support operating department needs. As indicated in the Finance Department Section of this report, coordinated development and ownership of the system should be the responsibility of the IT Division. However, Public Works will need to continue to play a role in identifying business needs for the department's use and ensuring integration into an asset management system.

Other Engineering Programs

The division's oversight of the Clean Water Program, traffic signals/street lighting, and records management for engineering appears to be operating effectively. Street lighting and traffic signal maintenance is a contracted service, which is a best practice used by many other cities of similar size to Union City. The costs associated with street lights that fall within the landscaping and lighting district are being appropriately charged to the landscape and lighting district (LLD) fund, including appropriate cost allocations of a civil engineer III and construction inspector.

Traffic Planning

Union City has no traffic master plan. The General Plan has a traffic element, however there is no operational plan to guide the department in addressing its traffic planning needs. The City has received a grant for \$750,000 to create adaptive traffic signals that would help improve traffic in the City. Nonetheless, given the continually increasing traffic congestion impacts due to the strong economy in the Bay Area and Silicon Valley, the City should have a comprehensive traffic master plan that identifies how the City will address growing traffic impacts.

The plan should be developed using an interdepartmental approach that includes Economic and Community Development, Police, Fire, and the Transit Division. Developing the plan will also need to involve other cities in the region (especially Hayward, Fremont and Newark), the County, and the Metropolitan Transportation Commission (MTC). Grants may be available through the state or county agencies such as MTC to help fund the creation of the plan. The City will likely want to obtain the services of a traffic planning consulting firm to assist with the plan's development.

Recommendation 77. Develop a comprehensive traffic master plan.

Maintenance Division

One public works superintendent position is assigned to oversee the following major operations:

- Streets,
- Grounds,
- Facilities, and
- Fleet.

Computerized Maintenance Management System (CMMS)

None of the maintenance functions have a means of tracking calls for service, work orders or maintenance efforts on infrastructure assets it is required to maintain. Using a computerized maintenance management system (CMMS) is a best practice and has become an industry standard for public works maintenance operations because it does the following:

- Identifies an agency's assets;
- Helps in setting standards for performance, outcomes and service levels;
- Aids in determining necessary budget levels;
- Helps identify the needs of preventive maintenance and capital improvement programs; and
- Provides reports of results compared with expectations.

A CMMS also provides the tools for staff to enter, assign, report and respond to work assignments and work orders electronically to eliminate hard copies containing information that is difficult to track.

The department needs a CMMS to proactively manage its assets and infrastructure. In some cases, separate tracking systems may be used for facilities and fleet maintenance. However, given the size of Union City's facilities and fleet inventory, a standard CMMS solution that addresses the bulk of the needs for streets and grounds maintenance could work for facility and fleet maintenance needs.

Several vendors provide CMMS tools that can be implemented in a specific department (e.g., park maintenance, public works maintenance, utilities), or can be implemented across departments. They can provide managers with the ability to understand organization-wide resource allocation for maintaining city infrastructure.

Recommendation 78. Identify CMMS applications and required budgetary resources that would properly budget, plan, track, organize and document maintenance of public works assets and facilities.

Recommendation 79. Conduct a request for proposals process to select and implement a CMMS application.

Streets

The streets section employs 14 FTEs responsible for street repairs (including sidewalk repairs), trash pickup/illegal dumping, graffiti abatement, storm drain cleaning, yield-to-pedestrian crosswalks, and street sweeping services. Table 12 shows estimated calls for service.

Table 12. Streets Division Estimated Calls for Service

Service	Calls for Service
Street repairs (including sidewalks)	1 to 2 calls per week
Trash pickup/illegal dumping	6 to 8 calls per week
Graffiti abatement	5 to 8 calls per week (including requests from other departments such as parks and facilities)
Storm drain cleaning	2 calls per month, plus regularly scheduled storm drain cleaning during rainy periods and in advance of anticipated storm systems
Yield-to-pedestrian crosswalks	2 to 3 calls per week to repair/replace damaged paddles, plus additional calls periodically for new signs, replacing of faded/damaged signs, and installation of new paddles
Street sweeping	256 street miles, swept twice a month

Street Sweeping

The City employs two street sweeper operators who are supervised by the streets supervisor. The fleet consists of three street sweepers that were purchased in 2010, 2012 and 2016, respectively. Two of those machines are used eight hours per day, five days per week. The third machine is used as a backup. If any of the street sweeper employees are on leave, streets maintenance workers backfill the employees on leave.

Tracking Street Sweeping Costs. The costs for these services are tracked in the Streets Division in the City's General Fund. They are not separately identified so it is not easily determined what the City is spending for this service. However, what is known is that 80 hours of this work is performed each week by staff, which would equate to approximately \$180,000 annually.

The typical practice for street sweeping is to track the fully loaded costs of this service to understand what it is costing the City for this service. Other cities will either isolate those costs in a separate division within the Public Works Department's General Fund operations, or create a separate Street Sweeping Enterprise Fund, depending on the nature of revenues (e.g., assessments, surcharges on property owners, franchise fees from solid waste haulers) supporting street sweeping services. In either case, it would be important to isolate these costs under a separate division in the City's general ledger.

Recommendation 80. Create a Street Sweeping Division within Public Works in the City's general ledger to track costs associated with the provision of street sweeping services.

Service Levels and National Pollutant Discharge Elimination System (NPDES) Requirements. Staffing levels allow the division to sweep the 256 miles of City streets twice a month, which corresponds with requirements of the City's NPDES permit. The City's permit may allow for revision of the street sweeping frequency based on the required annual evaluation of its effectiveness.

This is a higher level of service than provided by some other jurisdictions. Some larger jurisdictions may only sweep streets six times in a year (once every other month). The City could reduce costs by evaluating options to reduce street sweeping frequency through a modification of its NPDES permit.

Recommendation 81. Evaluate possible revisions to the NPDES permit that may allow for less frequent street sweeping within the context of the other permit requirements.

Contracting Street Sweeping Services. Given limited funds for the replacement of vehicles, along with increasing retirement costs for staff, this is an optimal time to consider outsourcing the sweeping operation, thus allowing the City to avoid the cost of purchasing and maintaining new equipment. The City's sweepers are within two to eight years old and the standard useful life of these vehicles is typically six to seven years. One sweeper would be due for replacement, but its current role is as a backup and, therefore, it would not necessarily need to be replaced at this time. Each sweeper has an estimated replacement cost of \$375,000.

The department should consider contracting its street sweeping services. Before this can be done, it will be important to identify all the costs of a fully funded sweeping operation. Once known, a request for proposals

(RFP) should be prepared to seek competitive costs for providing this service. If it is more cost-effective to contract for the service, the RFP can require that City staff be offered positions either within other City maintenance functions (if available) or with the contractor. This would reduce the effects that outsourcing has on existing employees.

Recommendation 82. Issue a request for proposals for street sweeping services to determine if cost savings would result by contracting with a private operator.

Pavement Condition Standards

As mentioned previously, the City has established a pavement condition standard of 83, which is much higher than the typical 70 to 75 pavement condition index (PCI) standard used by other agencies in California and in the Bay Area. The City's streets currently average a PCI of 81, which was improved from 79 seven years ago. City leaders believe it can maintain the existing PCI of 81 with proactive maintenance efforts and the annual street overlay CIP projects based on projected gas tax revenues and as a result of the defeat of Proposition 6 in the November 2018 election that would have reduced streets funding by half.

Gas tax revenues are currently sufficient to fund street maintenance activities and improvements. However, if such revenue sources become insufficient to maintain the City's PCI target of 83, it will need to reduce that standard to avert a drain on General Fund resources to subsidize those costs.

Recommendation 83. Reduce the PCI standards to 75 if gas tax revenue sources are insufficient to fully fund street maintenance activities and improvements.

Sidewalk Repair

The City has passed a sidewalk ordinance that places the responsibility for sidewalk repair on homeowners. This is a best practice employed by many cities in California that reduces a city's risk associated with slip-and-fall claims and capital improvement costs.

The department will coordinate with homeowners who elect to have the City perform any improvements as part of the annual sidewalk project and will bill the homeowner up to a 12-month period. This is an innovative practice that allows homeowners to reduce costs through the economies of scale in a larger project. City leaders are commended for implementing this program.

Graffiti Abatement and Trash Pickup from Illegal Dumping

Graffiti abatement and trash pickup from illegal dumping are two areas where the volume of service calls has increased in the past few years. As a result, streets maintenance staff are being diverted from their other responsibilities for streets repairs, crosswalks, and storm drain cleaning. The authorized staffing levels are likely appropriate given the level of services required. Filling the streets supervisor position will be important in ensuring that service levels are maintained. If absolutely necessary to cut costs, the vacant streets maintenance worker position could be eliminated, but given the need to maintain service levels that position should be filled.

Grounds Division

The Grounds Division consists of 20 FTEs who maintain 41 parks and trails throughout the City. As indicated earlier in the Community and Recreation Services Section of this report, parks maintenance is typically included within a parks and recreation department. In Union City's case, however, there has been a history of parks maintenance within Public Works and the communication and interaction between the two departments has worked well, for which both departments are commended. This level of interaction should be maintained as a priority for the new public works director.

Park Master Plan

The City's Park Master Plan has not been updated since 1999. The Parks Division needs support from the Community and Recreation Services Department related to management of City trees and moving toward a computerized maintenance management program/use of technology. Even though they are not co-located in the same department, CRS and parks/facility maintenance should work together to create a comprehensive park master plan to include a recreation section and review relevant policies and procedures on a regular basis. As part of this update, it would also be important to review and update the City's park development impact fees to ensure the fees collected are related to the impacts on parks infrastructure that would be addressed in the park master plan.

Recommendation 84. Update the City's Park Master Plan and include a section on recreation programs and facilities.

Tree Inventory

The Grounds Division also maintains the tree inventory throughout the parks systems and located on City streets. It has been several years since a tree inventory was conducted. Such an inventory would typically be incorporated into a CMMS system as indicated earlier, and would include the tree species, date planted, health assessment of the tree on an annual basis, and a preventive maintenance schedule.

Staff are handling tree maintenance without the benefit of a comprehensive inventory. Although significant issues such as property damage due to tree losses have not occurred, it would be important to undertake a thorough evaluation of the tree inventory. Risk management funds might be available to assist in hiring a contractor to conduct this evaluation.

Recommendation 85. Conduct a tree inventory to determine a yearly maintenance plan for city-owned trees.

Facilities Maintenance

The Facilities Maintenance Division consists of four FTEs who maintain 14 City facilities. Three of the four positions were vacant at the time we started this project, but those positions were subsequently filled. No proactive preventive maintenance had been occurring on a regular basis given the staffing shortage, but with those positions filled the division is attempting to catch up on preventive maintenance while addressing the most important maintenance issues.

The division will contract for specialized services such as heating/ventilation/air conditioning (HVAC), electrical, and other complex maintenance tasks. This is a typical practice for facilities maintenance divisions in cities the size of Union City where it does not make financial sense to invest in staff with specialized, and typically more costly skills such as HVAC and electrical system maintenance given the number of facilities and systems to manage.

Fleet Services

The Fleet Services Division consists of three FTEs who oversee maintenance of 213 vehicles plus additional equipment used by the Public Works Department. The division handles typical preventive maintenance functions (e.g., oil changes, tune ups, periodic inspections) for most of the City's fleet. Some vehicles such as vac jets and transit buses are outsourced entirely for maintenance. Any significant repair work such as transmission repairs are sent to local repair shops.

Funding Vehicle Replacement

The financial operations of the division are handled through the Garage Funds in the City's internal services funds group. Operations are funded through internal service charges to departments. Those charges are intended to cover fleet services operations and acquisition of any vehicles in the coming fiscal year. Many of the vehicles used and maintained by the City are being proactively funded through a replacement internal services charge. The City is required to fund the cost of apparatus and facilities for fire operations under the contract with Alameda County Fire Department; however there is currently no funding being set aside for replacement of fire apparatus, which has significant costs associated with their replacement.

Recommendation 86. Establish an internal service charge to proactively fund replacement of fire apparatus.

Vehicle Purchases and Management

In interviews with operating department managers, some made comments about vehicle purchases. For example, when vehicles are purchased, they are not always the same ones identified by the requesting department during the budget preparation process. Interviewees also reported that vehicle maintenance services are not completed in a timely manner. Three recommendations in this report will further assess the division's service delivery efficiency.

Fleet Utilization Study. The first step is to conduct a vehicle utilization review periodically; at least once every three years. A best practice would formulate different minimum criteria for vehicles and equipment classes with similar functions. Minimum standards for miles and hours should be developed for classes of vehicles and equipment that perform similar functions along with supportive policies that address take-home vehicles, standby units, pool and rental car usage, use of personal vehicles, etc. For example, take-home vehicles would have their own set of minimum standards that would be different from emergency response units, administrative sedans or field work utility trucks.

Recommendation 87. Conduct a fleet utilization study using minimum annual mileage and/or hours of use criteria to identify underutilized fleet units for possible elimination.

Compute Shop Labor Rate for Vehicle Maintenance. The second opportunity for improvement is to compute a shop labor rate for the vehicle maintenance function. The purpose of such a study is to understand the cost effectiveness and productivity of the fleet

maintenance staff. The shop labor rate includes a fully burdened cost analysis of the division's operations based on the number of person hours available to perform maintenance activities.

An activity-based wrenching productivity rate analysis considers the time mechanics spend wrenching and on non-wrenching activities such as parts runs, transporting units back and forth to commercial repair shops, and internal team meetings. The division would review time reporting by mechanics for wrenching activities to ensure that the wrenching productivity rate is accurate.

After reviewing the accuracy of wrench time reporting, management can then evaluate the shop labor rates to ensure it accurately reflects the cost of providing services to departments. Given the anticipated increases in public employee retirement costs and health care benefits, the rate should be projected over a minimum three-year period in the context of anticipated future increases.

Recommendation 88. Analyze the wrenching productivity rate and compute the shop labor rate for the Fleet Services Division using fully burdened labor costs.

Compare Cost Competitiveness with Local Market. Finally, understanding the properly calculated shop labor rate, quotes from local repair shops that could service the vehicles that the City maintains should be requested. Those quotes would provide hourly labor rates, plus markups on typical parts. These quotes can then be compared to the shop labor rate to determine the cost effectiveness of the Fleet Service Division. Care should be taken to also consider contract management needs if services were contracted, including service-level expectations and the time and costs required for drop off and pick up of vehicles.

Recommendation 89. Obtain quotes from local repair shops to evaluate the cost effectiveness of fleet maintenance services.

Transit Services

The Transit Services Division provides fixed route (local) bus services and paratransit services to the residential and commercial areas in Union City, including linkages to other transportation alternatives such as AC Transit and BART. The City has operated Union City Transit since 1974. Nine routes allow anyone to ride the service within a half-mile walk. Paratransit services are available on demand. AC Transit does not provide local "last-mile" services in Union City, relying instead on the

City to provide those services. The division is operated with three FTEs. Bus services are provided under contract with a private operator.

The division is financially self-supporting with no impact on the General Fund. The annual cost of operations is approximately \$4.1 million. Fare revenue only provides \$275,000, or less than 7% of the annual operating costs. The remaining funds come from a variety of intergovernmental sources, including countywide transportation sales tax revenues (Measures B and BB), Transportation Development Act funds, and State Transit Assistance funds.

Ridership has declined slightly in the past few years. The largest level of decline is in youth and student ridership. The impact of ride-sharing services such as Uber and Lyft have also impacted ridership even though Transit is a lower cost alternative.

City staff will need to carefully review the fiscal operations of the Transit Services Division in the future to ensure it remains self-supporting and that no subsidy is required from the General Fund. Should the Transit Fund start operating at a deficit, the City will need to take action to either identify more cost-effective ways to manage the program, increase fares, share services with another provider like AC Transit, or curtail and/or eliminate the program.

Conclusion

The City faces a daunting challenge in addressing its General Fund fiscal gap that is expected to grow to over \$5 million per year over the next ten fiscal years. Development of a citywide strategic plan and a comprehensive fiscal sustainability plan, which some refer to as a financial strategic plan, will be critical in addressing fiscal challenges while providing the necessary services to the community.

Implementation of the recommendations in this report will enhance the cost efficiency of services, improve the reporting relationships and organization of the services provided, and increase the level of service delivery to the community while City leaders address fiscal needs in the coming years.

Attachment A – List of Recommendations

- Recommendation 1. Develop and implement a comprehensive fiscal sustainability plan to address the long-term structural deficit in the General Fund.
- Recommendation 2. Develop department work plans that align with the City's overall goals and initiatives as detailed in the strategic plan being developed.
- Recommendation 3. Combine the functions of finance, information technology, human resources, and city clerk into an internal services unit that reports to a new position of deputy city manager within the City Manager's Office.
- Recommendation 4. Reclassify the position of finance director to deputy city manager/CFO overseeing the internal services unit that reports to the city manager.
- Recommendation 5. Expand the position of communications and marketing manager to incorporate complex, special projects and policy analysis, and retitle the position appropriately based on a classification and compensation review.
- Recommendation 6. Combine the vacant web manager and digital marketing specialist positions into one communications coordinator position.
- Recommendation 7. Transfer responsibility and staffing for environmental initiatives related to implementation of the climate action plan to the Economic and Community Development Department.
- Recommendation 8. Transfer responsibility for oversight of the solid waste franchise agreement and recycling goals to the Public Works Department.
- Recommendation 9. Eliminate the existing deputy city manager position overseeing special projects upon retirement of the incumbent.
- Recommendation 10. Hire a human resources consulting firm to support staff efforts to fill the vacant positions authorized to be filled.
- Recommendation 11. Prepare a request for proposals to identify the best applicant tracking system to support the City's employee recruitment efforts.
- Recommendation 12. Enter into an agreement to purchase and implement the applicant tracking system.
- Recommendation 13. Create a formal exit interview process to learn the reasons employees are leaving and obtain useful feedback for organizational improvement.
- Recommendation 14. Conduct a citywide compensation survey.
- Recommendation 15. Create and implement a comprehensive professional development program involving all departments and all positions.
- Recommendation 16. Ensure succession planning is a goal to be accomplished as part of the organization's strategic plan.
- Recommendation 17. Conduct succession planning by having a robust training, professional development and mentoring program to promote staff growth, and to identify and develop future department leaders.

- Recommendation 18. Develop shared services models with non-profit community-based organizations to maintain quality youth and family services at a lower cost.
- Recommendation 19. Establish performance metrics for YFS including reporting the results on a regular basis.
- Recommendation 20. Review duplicate programs provided on both sides of I-880 to determine if they can be consolidated or eliminated to reduce costs.
- Recommendation 21. Analyze the cost of recreation programs to determine the full cost of providing the programs and facilities.
- Recommendation 22. Establish cost recovery goals for recreation programs and facilities that can be implemented over time to achieve City Council approved recovery percentages.
- Recommendation 23. Identify opportunities to form partnerships with other cities/agencies and non-profit service providers that could operate or provide recreation and community services programs and events more cost effectively.
- Recommendation 24. Conduct a request for proposals process to operate the Mark Green Sports Center to determine whether sufficient cost savings would be realized if specific programs and/or full operation were contracted.
- Recommendation 25. Update the policies and procedures for the CRS Department to ensure they are current and enhance efficiency.
- Recommendation 26. Review the necessity and roles and responsibilities of commissions and committees to determine if they should be discontinued or consolidated.
- Recommendation 27. Update the current City/School District joint use agreement to ensure current practice and appropriate cost sharing.
- Recommendation 28. Involve operating departments such as the Police Department in developing the CRS workplan to accomplish the priorities established in the citywide strategic plan.
- Recommendation 29. Restructure the preliminary review process to provide timely feedback for prospective applicants.
- Recommendation 30. Identify discretionary permitting requirements that can be eliminated or simplified to streamline the process for applicants and reduce staff workload.
- Recommendation 31. Compile data and produce monthly reports to monitor development process performance.
- Recommendation 32. Develop a training plan and identify appropriate building staff to assist with minor plan checks.
- Recommendation 33. Establish a contract with at least one on-call consulting firm to assist with plan checks as needed.
- Recommendation 34. Conduct a detailed workload analysis for building and code enforcement duties and service level demands to determine the ideal number of inspectors required.

- Recommendation 35. Establish a contract with at least one on-call consulting firm to provide building inspection services as needed.
- Recommendation 36. Develop a comprehensive training plan for the inspection team and provide adequate funding to support it.
- Recommendation 37. Establish an appropriate cost recovery policy for development related services.
- Recommendation 38. Conduct a comprehensive fee study on all fees charged for development services to determine the cost recovery level of existing services.
- Recommendation 39. Update the City's development services fee schedule to achieve the cost recovery levels in accordance with City policy.
- Recommendation 40. Conduct a request for proposals process to replace the land management system.
- Recommendation 41. Establish a directive from the City Manager's Office that all departments must participate in the development of the new LMS and use it once implemented.
- Recommendation 42. Implement a technology surcharge on all permits and applications.
- Recommendation 43. Transfer the CUPA function to Alameda County.
- Recommendation 44. Consolidate the entire clean water program in the Public Works Department.
- Recommendation 45. Evaluate the benefits of developing one or more business improvement districts.
- Recommendation 46. Create a focused strategy on key business sectors the city wishes to attract or grow, prioritizing this based on long term financial sustainability interests.
- Recommendation 47. Develop business assistance programs focused on key business sectors.
- Recommendation 48. Consolidate the economic development function within the Planning Division.
- Recommendation 49. Clarify responsibilities for administering risk management claims between operating departments, the city attorney, city clerk, and the CFO.
- Recommendation 50. Schedule regular quarterly meetings between Finance, the City Attorney's Office, City Clerk, Human Resources, and other operating departments to review risk management claims and responsibilities between departments.
- Recommendation 51. Identify available enterprise resource planning (ERP)/finance system solutions that would better serve the financial accounting and reporting needs.
- Recommendation 52. Identify the fiscal and personnel resources necessary to support the conversion to an enterprise resources planning system (ERP).
- Recommendation 53. Develop a policies and procedures manual that covers each accounting function (i.e., cashiering, accounts receivable, accounts payable, payroll).
- Recommendation 54. Create an information technology internal services fund and transfer all IT operating and capital expenditures to the new fund.

- Recommendation 55. Develop and implement an internal service charge allocation methodology to allocate IT annual operating and capital expenditure costs to all departments.
- Recommendation 56. Implement an IT equipment replacement fund methodology as part of the internal services charges.
- Recommendation 57. Establish a policy that IT equipment, software applications, and systems that require IT support receive advance approval of the IT manager prior to purchase and implementation.
- Recommendation 58. Conduct meetings between the IT Division, operating departments, and budget staff as part of the biennial budget process to review technology needs prior to preparation of the budget for city manager and Council approval.
- Recommendation 59. Transfer responsibility of videotaping Council and other public meetings to the city clerk.
- Recommendation 60. Contract video production services with a third party such as a private video production company or other agency.
- Recommendation 61. Transfer management and operation of the doors/locks card key management software application and distribution of card keys from the IT Division to the Public Works' Facilities Maintenance Division.
- Recommendation 62. Assign responsibility for citywide geographic information system development, implementation and maintenance to the IT Division.
- Recommendation 63. Hire a GIS consulting firm to provide ongoing assistance in enhancements and updates to the GIS system.
- Recommendation 64. Assign responsibility for the implementation and oversight of the City's CERT program to the City Manager's Office.
- Recommendation 65. Exercise the rights within the existing fire services agreement to assign responsibility for oversight and implementation of the CERT program to ACFD's emergency preparedness manager.
- Recommendation 66. Determine the operational and fiscal impacts of reinstituting the corporal position in the Police Department.
- Recommendation 67. Revise the agreement for the School Resource Officer Program with the New Haven Unified School District.
- Recommendation 68. Conduct training on the provisions of the dispatch services agreement with Police Department staff.
- Recommendation 69. Confer with the Fremont Police Department to understand the operational, technological and fiscal implications of adding a full-time dedicated radio channel for Union City Police Department's use.
- Recommendation 70. Clarify provisions in the Union City/Fremont contract related to SWAT dispatch activation and communicate this information to Union City Police Department staff.
- Recommendation 71. Create a log of events where dispatch communications are unanswered. The log should include the date, time and the nature of the call.

- Recommendation 72. Coordinate quarterly meetings between Union City and Fremont police managers to discuss dispatch services, review any service deficiencies, and establish a plan of action to address those concerns.
- Recommendation 73. Prioritize recruitment and onboarding of the public works director, city engineer, and public works superintendent.
- Recommendation 74. Engage engineering and construction project management firms to clear the backlog of capital improvement projects.
- Recommendation 75. Adopt a fiscal policy that new capital projects will only be approved to the extent resources are available to fund the construction, acquisition, and operation of the asset with an operating period of no less than ten years.
- Recommendation 76. Incorporate the requirements for an encroachment permit tracking system in the selection of a land management system.
- Recommendation 77. Develop a comprehensive traffic master plan.
- Recommendation 78. Identify CMMS applications and required budgetary resources that would properly budget, plan, track, organize and document maintenance of public works assets and facilities.
- Recommendation 79. Conduct a request for proposals process to select and implement a CMMS application.
- Recommendation 80. Create a Street Sweeping Division within Public Works in the City's general ledger to track costs associated with the provision of street sweeping services.
- Recommendation 81. Evaluate possible revisions to the NPDES permit that may allow for less frequent street sweeping within the context of the other permit requirements.
- Recommendation 82. Issue a request for proposals for street sweeping services to determine if cost savings would result by contracting with a private operator.
- Recommendation 83. Reduce the PCI standards to 75 if gas tax revenue sources are insufficient to fully fund street maintenance activities and improvements.
- Recommendation 84. Update the City's Park Master Plan and include a section on recreation programs and facilities.
- Recommendation 85. Conduct a tree inventory to determine a yearly maintenance plan for city-owned trees.
- Recommendation 86. Establish an internal service charge to proactively fund replacement of fire apparatus.
- Recommendation 87. Conduct a fleet utilization study using minimum annual mileage and/or hours of use criteria to identify underutilized fleet units for possible elimination.
- Recommendation 88. Analyze the wrenching productivity rate and compute the shop labor rate for the Fleet Services Division using fully burdened labor costs.
- Recommendation 89. Obtain quotes from local repair shops to evaluate the cost effectiveness of fleet maintenance services.

Attachment B – Employee Survey Results

Executive Summary

Management Partners launched an electronic survey to obtain employee input to help inform the organizational assessment project for Union City. The survey was designed to give employees an opportunity to contribute ideas and suggestions as Union City reevaluates service delivery. The survey was open and available to all city employees from November 1 to 13, 2018. A total of 103 responses were received. This document summarizes the survey results.

Common themes that emerged from the survey responses were:

- **Customer Service.** Staff take pride in the level of customer service provided to the community and their responsiveness to the community's needs.
- **Teamwork.** Respondents felt there was a high level of teamwork among others in their department and efforts to collaborate and work with other departments to get the job done.
- **Organizational Culture.** Respondents were positive in their responses in the area of organizational culture regarding initiative, teamwork, and clear understanding of their job responsibilities. However, morale was cited as being low within nearly every department (well over half of the respondents) and that the possible causes for it are not being adequately addressed.
- **Staffing Levels.** Staff feel that they have been asked to do more with less and that they are having challenges delivering services to the levels expected by the community and the City Council.
- **Recruitment/Retention.** Authorized positions are not being filled on a timely basis, and employees are leaving for other agencies that pay more or provide greater opportunities for improvement.
- **Training.** Respondents indicated satisfaction with safety training programs. However, Employees indicated there are insufficient financial resources, training plans, or time devoted to training that would improve their skills, help them use technology more effectively, or provide opportunities for job growth to compete for promotional opportunities.
- **Strategic Planning/Leadership.** Respondents felt that there is a lack of strategic planning and leadership that emanates from the lack of Council priority setting as well as an articulated strategic plan from the City Manager's Office and departmental plans to achieve those goals.

Highlights of Most Positive and Negative Responses

The questions with positive responses of *80% or greater* were:

- I understand what is expected of me in my day-to-day duties.
- I like the work I do.
- Teamwork between divisions within my department is good.
- Communication within my division is good.

- Communication from my supervisor is good.
- My work is valued by my supervisor.
- I have a good relationship with my supervisor.
- My work is valued by my department head.
- Employees have the technical skills to do their jobs.
- Our safety procedures and practices are satisfactory.
- Employees have the safety equipment they need.
- The condition of our equipment is adequate.
- I am able to use my department's technology effectively.
- City staff respond promptly to complaints from the public.
- My department provides good customer service.
- I have a clear understanding of my job responsibilities and expectations.
- Employees in my department work well as a team.
- I am treated as a valued team member by other employees.
- My work is valued by my colleagues.
- I am encouraged to use my own judgement and initiative when carrying out my job.
- Managers support and value initiative.

The questions with the most negative responses, at **80% or greater** were:

- My department has the right number of line staff to do the work.
- The city does a good job of retaining staff.

The questions with negative responses of **51% up to 79%** were:

- In general, City staff continuously seek ways to improve processes.
- Communication between the City Manager's Office and my department/division is good.
- The Council's priorities are clear.
- The City does a good job in recruiting staff.
- Employee morale in my department is good.
- Quality performance is recognized and rewarded by the City.
- There are promotional opportunities for me in my department.
- Managers do not show favoritism among employees in the department.
- Employee morale in the department is good.

The survey responses are summarized below in the following sections:

- A. Background Information;
- B. Workload, Staffing, Organization and Resources;
- C. Communication and Teamwork;
- D. Recruitment, Retention and Promotional Opportunities;
- E. Training, Systems and Equipment;
- F. Customer Service;
- G. Staff and Organizational Culture; and
- H. Summary Comments

Section A: Background Information

Figure 12 indicates how long respondents have worked for Union City with (46.6%) of respondents having worked for the City for over ten years.

Figure 12. How long have you been employed by Union City?

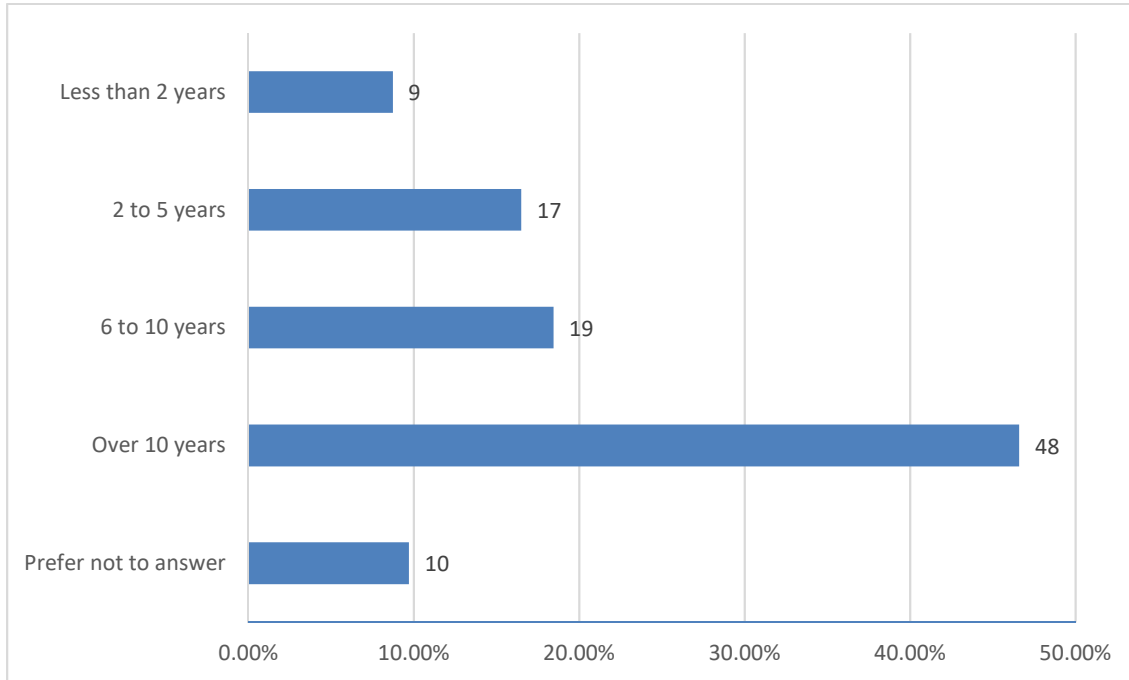


Figure 13 shows how long respondents have been with their current division or department. A significant portion (38.8%) of respondents have been with their current division/department for more than ten years.

Figure 13. How long have you been employed by your current division or department?

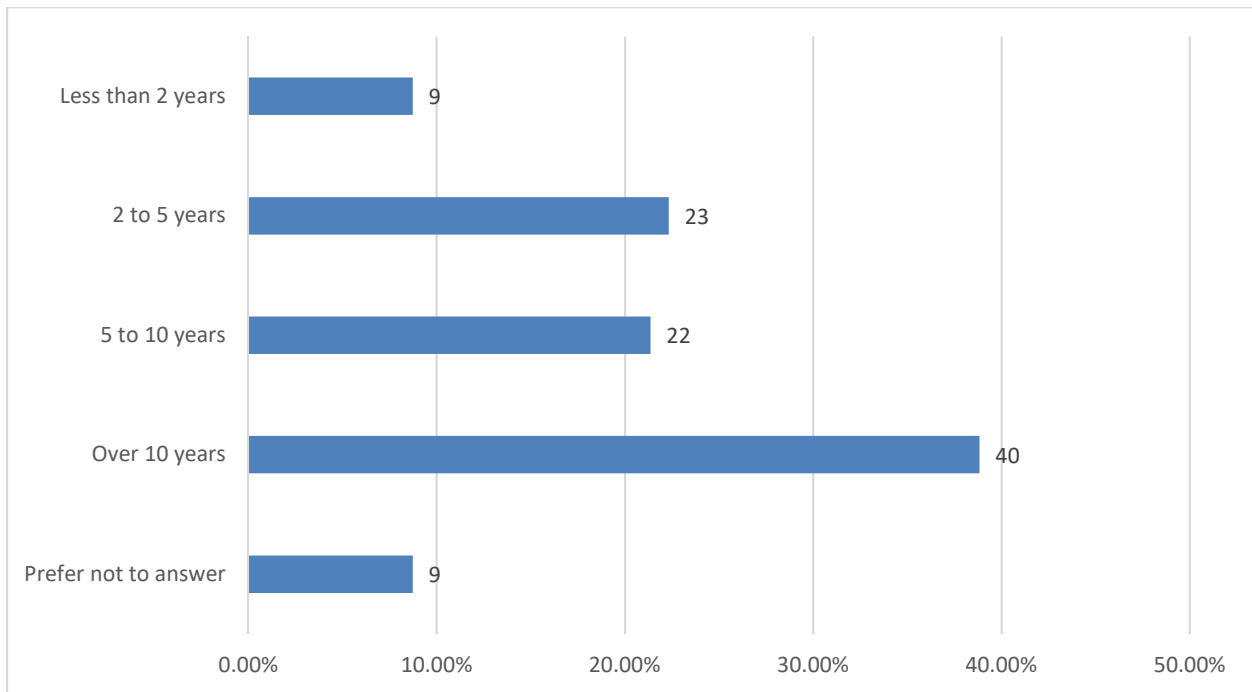


Figure 14 indicates what position respondents hold in their department or division. A majority of respondents (62.14%) were neither managers nor supervisors.

Figure 14. Question 3: What is your level in the organization?

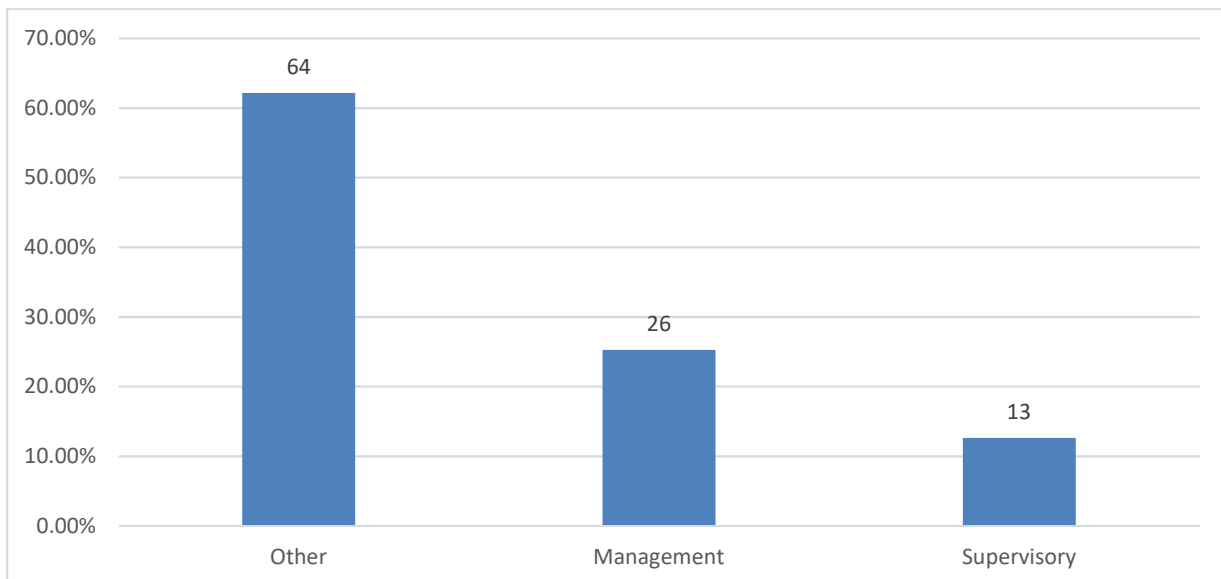


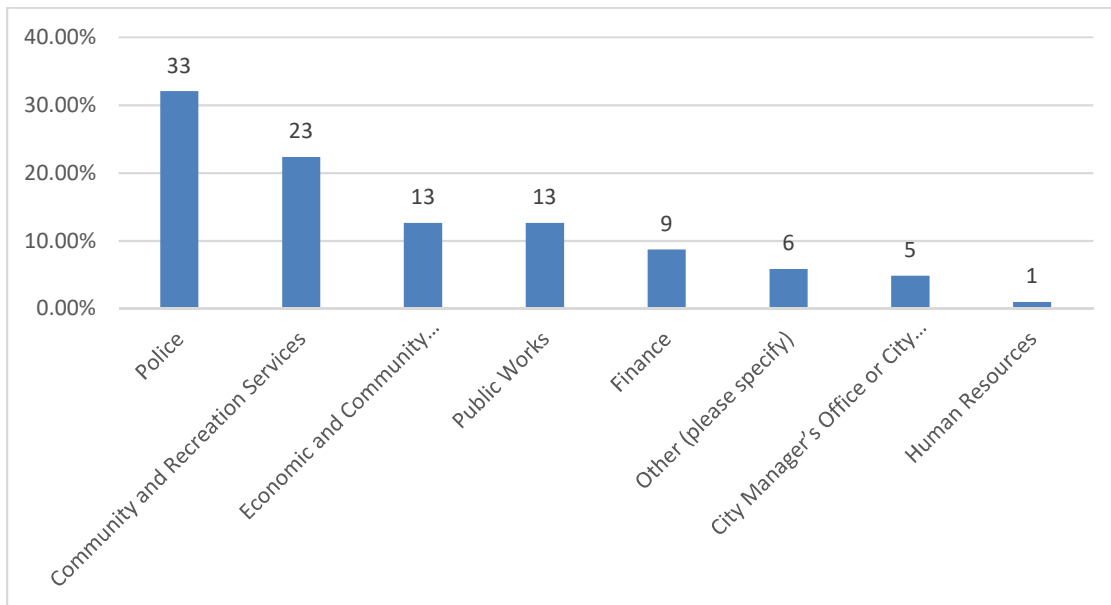
Table 13 shows the breakdown of respondents' employment status with Union City. A majority (88.3%) of respondents are full-time regular employees.

Table 13. Which of the following best describes your employment status?

Employment Status	Number of Employees	Percent
Full-time regular	91	88.3%
Full-time temporary	0	0%
Part-time regular	10	9.7%
Part-time temporary	0	
Seasonal	1	1.0%
Other (contractor)	1	1.0%
Total	103	100.0%

Figure 15 indicates the division or department within the City organization in which respondents work.

Figure 15. In what division or department do you work?



Note: The six respondents who chose "other" in this question did so to conceal the department they work for by writing in, "prefer not to answer"

Section B: Workload, Staffing, Organization, and Resources

Table 14 shows the level of agreement for each respondent regarding workload, staffing, and resources for each department in the city.

- **Orange** highlights indicate a significant majority (>80%), whereas **yellow** highlights indicate a simple majority (>51%).
- Overall, respondents indicated that they understand what is expected of them, like what they do, have the right number of management to subordinate staff, and that departments are interested in improvement opportunities.

- However, a significant number of respondents (80%) did not agree with the statement that there was the right number of line staff to do the work, nor that City staff continually seek ways to improve processes (56%).

Table 14. Workload and Staffing Levels

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
I understand what is expected of me in my day-to-day duties	41 (46%)	44 (49%)	3 (3%)	1 (1%)	0 (0%)
	85 (96%)		4 (4%)		
I am able to complete my day-to-day duties during normal work hours	21 (24%)	37 (43%)	25 (29%)	4 (5%)	2 (2%)
	58 (67%)		29 (33%)		
I like the work I do.	40 (48%)	38 (46%)	3 (4%)	2 (2%)	3 (3%)
	78 (94%)		5 (6%)		
I have the resources I need to complete my duties.	14 (16%)	42 (48%)	22 (25%)	9 (10%)	0 (0%)
	56 (64%)		31 (36%)		
My department has the right number of managers.	17 (22%)	37 (49%)	15 (20%)	7 (9%)	11 (13%)
	54 (71%)		22 (29%)		
My department has the right number of supervisors.	19 (26%)	35 (47%)	12 (16%)	8 (11%)	14 (16%)
	54 (73%)		20 (27%)		
My department has the right number of line staff to do the work.	5 (6%)	12 (14%)	31 (36%)	39 (45%)	2 (2%)
	17 (20%)		70 (80%)		
My department is well organized to deliver the services we provide.	13 (16%)	34 (41%)	24 (29%)	12 (14%)	3 (3%)
	47 (57%)		36 (43%)		
	20 (24%)	45 (53%)	13 (15%)	7 (8%)	4 (4%)

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
The managers and supervisors in my department are open to ideas for improvement from line staff.	65 (76%)		20 (24%)		
In general, City staff continuously seek ways to improve processes.	5 (6%)	30 (38%)	30 (38%)	15 (19%)	7 (8%)
	35 (44%)		45 (56%)		
Managers in my department use feedback from line staff when making decisions about policies and procedures.	15 (19%)	38 (48%)	19 (24%)	7 (9%)	7 (8%)
	53 (67%)		26 (33%)		
Managers in my department continuously seek to improve the management of the department.	13 (17%)	33 (43%)	22 (29%)	9 (12%)	8 (9%)
	46 (60%)		31 (40%)		
Resources to divisions within the City are allocated equitably.	1 (2%)	16 (25%)	28 (44%)	19 (30%)	19 (23%)
	17 (27%)		47 (73%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding workload, staffing, organization, and resources. A total of 47 respondents provided additional comments focused on the limitations they face. A summary of respondent's answers is provided below.

- Limited number of line staff to complete the required tasks for all departments
- Lack of communication through the ranks and between departments
- Significantly low pay compared to other cities in Alameda County
- Ill-defined policies and procedures

- Operations tend to stick with the status quo, rather than develop new strategies

Section C: Communication and Teamwork

Table 15 indicates responses regarding communication and teamwork within their department, as well as between departments.

- Overall, respondents indicated there is positive teamwork within and between divisions, communication from in their department and from their supervisors is good, and they feel that there is clarity of their role and their department/division's goals.
- However, a majority of respondents (63%) did not agree that communication between the City Manager's Office and their department/division is good.
- A majority of respondents (69%) also did not agree that the City Council's priorities are clear.

Table 15. Communication and Teamwork

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
Teamwork within my division is good.	19 (26%)	39 (53%)	9 (12%)	6 (8%)	5 (6%)
	58 (79%)		15 (21%)		
My coworkers treat one another respectfully.	24 (32%)	34 (45%)	11 (15%)	6 (8%)	3 (4%)
	58 (77%)		17 (23%)		
Teamwork between divisions within my department is good.	13 (18%)	46 (65%)	8 (11%)	4 (6%)	6 (8%)
	59 (83%)		12 (17%)		
Communication within my division is good.	17 (23%)	44 (59%)	9 (12%)	4 (5%)	3 (4%)
	61 (82%)		13 (18%)		
Communication within my department is good.	13 (18%)	43 (58%)	12 (16%)	6 (8%)	3 (4%)
	56 (76%)		18 (24%)		
Communication between the City Manager's Office and my department/division is good.	2 (4%)	17 (33%)	22 (43%)	10 (20%)	26 (34%)
	19 (37%)		32 (63%)		
	23 (32%)	36 (49%)	9 (12%)	5 (7%)	3 (4%)

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
Communication from my supervisor is good.	59 (81%)		14 (19%)		
Communication from division managers to staff is good.	9 (14%)	42 (65%)	10 (15%)	4 (6%)	10 (13%)
	51 (78%)		14 (22%)		
Communication from department heads to staff is good.	13 (19%)	38 (56%)	12 (18%)	5 (7%)	8 (11%)
	51 (75%)		17 (25%)		
Department or division policies and procedures are clear.	14 (19%)	36 (50%)	17 (24%)	5 (7%)	4 (5%)
	50 (69%)		22 (31%)		
City policies and procedures are clear.	7 (10%)	36 (51%)	22 (31%)	5 (7%)	7 (9%)
	43 (61%)		27 (39%)		
My division's mission and goals are clear.	15 (21%)	36 (51%)	12 (17%)	7 (10%)	7 (9%)
	51 (73%)		19 (27%)		
My department's mission and goals are clear.	15 (21%)	39 (54%)	13 (18%)	5 (7%)	5 (6%)
	54 (75%)		18 (25%)		
The City Council's priorities are clear.	0 (0%)	19 (31%)	25 (41%)	17 (28%)	16 (21%)
	19 (31%)		42 (69%)		
Employees are empowered to make decisions.	4 (6%)	37 (54%)	23 (33%)	5 (7%)	6 (8%)
	41 (59%)		28 (41%)		
My work is valued by my supervisor.	24 (34%)	42 (59%)	3 (4%)	2 (3%)	6 (8%)
	66 (93%)		5 (7%)		
I have a good relationship with my supervisor.	29 (40%)	36 (49%)	6 (8%)	2 (3%)	4 (5%)
	65 (89%)		8 (11%)		
	20 (30%)	40 (61%)	4 (6%)	2 (3%)	11 (14%)

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
My work is valued by my department head.	60 (91%)		6 (9%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding communication and teamwork. A total of 39 respondents provided additional comments in this area. A summary of respondents' answers is provided below.

- *Lack of Council priorities creates a "tail wagging the dog" problem*
- *Lack of strategic vision at the Council, city manager, and department levels*
- *Division within Parks and Recreation between recreation and youth and family services, as well as East versus West Union City in terms of service delivery levels and expectations*
- *Teamwork among department staff and other departments is strong*
- *Communication between City Manager's Office and departments, down to staff level, is lacking*
- *Policies and processes are clear, but are outdated*

Section D: Recruitment, Retention, and Promotional Opportunities

Table 16 displays responses regarding recruitment, retention and promotional opportunities.

- A majority of respondents agreed that their performance is regularly evaluated (60%) and that feedback is constructive (69%), and that their work environment is satisfactory (76%).
- However, there was a significant number of responses that indicated opportunities for improvement. Most notably, a significant number of respondents did not agree that the City does a good job of retaining staff (83%).
- Respondents also did not agree that the City does a good job of recruiting staff (61%), that morale in their department is good (78%), that quality performance is recognized (64%) or that promotional opportunities exist within their department (63%).

Table 16. Recruitment, Retention, and Promotional Opportunities

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
The City does a good job recruiting staff.	2 (3%)	22 (36%)	20 (33%)	17 (28%)	13 (18%)
	24 (39%)		37 (61%)		
	1 (2%)	10 (15%)	34 (52%)	20 (31%)	8 (11%)

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
The City does a good job retaining staff.	11 (17%)		54 (83%)		
Employee morale in my department is good.	2 (3%)	14 (19%)	36 (50%)	20 (28%)	2 (3%)
	16 (22%)		56 (78%)		
Quality performance is recognized and rewarded by the City.	2 (3%)	23 (33%)	30 (43%)	15 (21%)	5 (7%)
	25 (36%)		45 (64%)		
My performance is evaluated regularly.	12 (16%)	32 (44%)	18 (25%)	11 (15%)	2 (3%)
	44 (60%)		29 (40%)		
My performance evaluations provide constructive feedback for my professional development.	13 (21%)	30 (48%)	13 (21%)	6 (10%)	13 (17%)
	43 (69%)		19 (31%)		
Performance evaluations are conducted in a consistent manner across the entire department.	8 (12%)	25 (38%)	17 (26%)	16 (24%)	9 (12%)
	33 (50%)		33 (50%)		
There are promotional opportunities for me in my department.	4 (6%)	21 (31%)	23 (34%)	19 (28%)	8 (11%)
	25 (37%)		42 (63%)		
Promotions are conducted in an	7 (11%)	25 (40%)	18 (29%)	13 (21%)	11 (15%)
	32 (51%)		31 (49%)		

	Strongly Agree	Agree	Disagree	Strongly Disagree	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
objective manner.					
My work environment is satisfactory.	6 (9%)	47 (67%)	10 (14%)	7 (10%)	5 (7%)
	53 (76%)		17 (24%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding recruitment, retention and promotional opportunities. A total of 47 respondents provided additional comments in this area. A summary of respondent's answers is provided below.

- *Filling positions takes too long and requires existing staff to backfill needs for prolonged periods of time*
- *Onboarding process is broken and disjointed*
- *Morale suffers within departments even though we work together well to get the job done*
- *Non-competitive compensation levels, few opportunities for growth, and bleak financial outlook make it difficult to recruit and retain staff*
- *HR is understaffed to meet department demands to recruit and onboard employees timely*
- *Evaluation process needs to be more consistent*

Section E: Training, Systems, and Equipment

Table 17 shows responses regarding training, systems and equipment.

- Overall, respondents indicated positive responses in this area, with significant agreement indicated regarding technical skills to perform the job (81%), satisfactory safety procedures and practices (93%), availability of safety equipment (82%), adequate condition of equipment (80%), and the ability to use technology effectively (82%).

Table 17. Training, Systems, and Equipment

Answer Choices	Strongly Agree	Agree	Disagree	Strongly	Don't Know
	Strongly Agree / Agree		Strongly Disagree / Disagree		
I receive the training I need to perform my job.	11 (15%)	40 (54%)	17 (23%)	6 (8%)	1 (1%)
	51 (69%)		23 (31%)		
The department provides effective	10 (16%)	40 (63%)	11 (17%)	2 (3%)	12 (16%)
	50 (79%)		13 (21%)		

Answer Choices	Strongly Agree	Agree	Disagree	Strongly	Don't Know
	Strongly Agree / Agree		Strongly Disagree / Disagree		
safety training.					
Employees have the technical skills to do their job.	9 (13%)	49 (68%)	12 (17%)	2 (3%)	3 (4%)
	58 (81%)		14 (19%)		
Employees have the equipment they need to do their job.	7 (10%)	46 (65%)	14 (20%)	4 (6%)	4 (5%)
	53 (75%)		18 (25%)		
Our safety procedures and practices are satisfactory.	9 (15%)	47 (78%)	3 (5%)	1 (2%)	15 (20%)
	56 (93%)		4 (7%)		
Employees have the safety equipment they need.	5 (9%)	42 (74%)	8 (14%)	2 (4%)	18 (24%)
	47 (82%)		10 (18%)		
The condition of our equipment is adequate.	3 (5%)	49 (75%)	11 (17%)	2 (3%)	10 (13%)
	52 (80%)		13 (20%)		
My department uses technology effectively.	6 (8%)	41 (58%)	18 (25%)	6 (8%)	4 (5%)
	47 (66%)		24 (34%)		
I am able to use my department's technology effectively.	7 (10%)	52 (72%)	9 (13%)	4 (6%)	3 (4%)
	59 (82%)		13 (18%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding training, systems and equipment. A total of 26 respondents provided additional comments in this area. A summary of respondents' answers is provided below.

- *City investment in technology applications has been delayed or ignored (e.g., customer relationship management, permit tracking systems, wi-fi, asset management)*
- *Technology training needs to be provided to fully utilize existing tools*
- *No master training plan in place for technical or citywide skills*
- *Funds are not sufficiently available to attend training sessions, conferences or seminars*

Section F: Customer Service

Table 18 indicates responses to statements regarding customer service.

- Overall, responses in this area were positive, with significant levels of agreement that staff respond promptly to complaints from the public (86%) and that their department/division provides good customer service (96%).

Table 18. Customer service

Answer Choices	Strongly Agree	Agree	Disagree	Strongly	Don't Know
	Strongly Agree / Agree		Strongly Disagree / Disagree		
City staff respond promptly to complaints from the public	17 (29%)	34 (58%)	8 (14%)	0 (0%)	16 (21%)
	51 (86%)		8 (14%)		
I receive good customer service from other City departments.	10 (15%)	41 (62%)	13 (20%)	2 (3%)	9 (12%)
	51 (77%)		15 (23%)		
My department/division provides good customer service.	30 (43%)	37 (53%)	3 (4%)	0 (0%)	5 (7%)
	67 (96%)		3 (4%)		
We have an established process to receive feedback from our customers.	13 (22%)	26 (44%)	17 (29%)	3 (5%)	16 (21%)
	39 (66%)		20 (34%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding customer service. A total of 19 respondents provided additional comments in this area. A summary of respondents' answers is provided below.

- *Customer service is one place where city and personnel excel*
- *Maintaining customer service levels with existing staff, or reduced staff if City finances continue to suffer, will be impossible*
- *There are no systems in place to get feedback from the public on customer service levels and improvements*
- *No tracking system is in place in responding to citizen requests for service*

Section G: Staff and Organizational Culture

Table 19 displays responses regarding staff and organizational culture.

- Overall, employees had positive responses in this area, with significant agreement that they have a clear understanding of their job responsibilities and expectations (83%), working together as a team (85%), treated as a valued team members (86%), work is valued by colleagues (88%), managers value initiative (82%), and the ability to exercise judgment and initiative in performing their jobs (93%).
- Two areas of concern are that a majority of respondents did not agree on are that managers do not show favoritism among employees within the department (58%), or that employee morale is good (69%).

Table 19. Staff and Organizational culture

Answer Choices	Strongly Agree	Agree	Disagree	Strongly	Don't Know
	Strongly Agree / Agree		Strongly Disagree / Disagree		
I have a clear understanding of my job responsibilities and expectations.	22 (31%)	37 (52%)	12 (17%)	1 (1%)	1 (1%)
	59 (83%)		12 (17%)		
Employees in my department work well as a team.	17 (25%)	41 (60%)	9 (13%)	4 (6%)	4 (6%)
	58 (85%)		10 (15%)		
I am treated as a valued team member by other employees.	16 (24%)	41 (62%)	6 (9%)	6 (8%)	6 (8%)
	57 (86%)		9 (14%)		
Employees are held accountable for the results of their work.	11 (17%)	32 (48%)	16 (24%)	5 (7%)	5 (7%)
	43 (65%)		23 (35%)		
Employees can raise concerns about work-related issues without fear of retaliation.	12 (18%)	36 (54%)	14 (21%)	5 (7%)	5 (7%)
	48 (72%)		19 (28%)		
Managers do not show favoritism among employees in	7 (11%)	21 (32%)	23 (35%)	6 (8%)	6 (8%)
	28 (42%)		38 (58%)		

	Strongly Agree	Agree	Disagree	Strongly	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
the department.					
Resources are allocated equitably.	6 (10%)	31 (50%)	16 (26%)	9 (13%)	9 (13%)
	37 (60%)		25 (40%)		
Department leaders encourage open and honest communication.	11 (17%)	31 (48%)	17 (27%)	8 (11%)	8 (11%)
	42 (66%)		22 (34%)		
Leaders are open to ideas for improvement from line staff.	9 (14%)	38 (59%)	14 (22%)	8 (11%)	8 (11%)
	47 (73%)		17 (27%)		
When mistakes are made, my manager emphasizes lessons learned rather than placing blame.	13 (20%)	34 (53%)	15 (23%)	8 (11%)	8 (11%)
	47 (73%)		17 (27%)		
I trust the managing team.	11 (17%)	30 (48%)	17 (27%)	8 (11%)	8 (11%)
	41 (65%)		22 (35%)		
Employees in the department trust each other.	12 (19%)	37 (58%)	11 (17%)	8 (11%)	8 (11%)
	49 (77%)		15 (23%)		
Employees at all levels in the organization treat each other with respect.	8 (12%)	37 (57%)	18 (28%)	6 (8%)	6 (8%)
	45 (69%)		20 (31%)		
Quality performance is recognized and rewarded.	6 (9%)	28 (42%)	24 (36%)	5 (7%)	5 (7%)
	34 (52%)		32 (48%)		
My work is valued by my colleagues.	12 (18%)	45 (69%)	5 (8%)	7 (10%)	7 (10%)
	57 (88%)		8 (12%)		
Our department recognizes	7 (10%)	33 (49%)	20 (30%)	4 (6%)	4 (6%)
	40 (60%)		27 (40%)		

	Strongly Agree	Agree	Disagree	Strongly	
Answer Choices	Strongly Agree / Agree		Strongly Disagree / Disagree		Don't Know
employees appropriately.					
Employee morale in the department is good.	1 (1%)	20 (30%)	30 (45%)	4 (6%)	4 (6%)
	21 (31%)		46 (69%)		
The City is a good place to work.	11 (17%)	38 (58%)	11 (17%)	4 (6%)	4 (6%)
	49 (74%)		17 (26%)		
I would recommend the City as a good place to work.	8 (13%)	31 (49%)	17 (27%)	7 (10%)	7 (10%)
	39 (62%)		24 (37%)		
I am encouraged to use my own judgment and initiative when carrying out my job.	20 (29%)	45 (64%)	5 (7%)	2 (3%)	2 (3%)
	65 (93%)		5 (7%)		
Managers support and value initiative.	17 (26%)	37 (56%)	11 (17%)	5 (7%)	5 (7%)
	54 (82%)		12 (18%)		
Creativity and innovation are encouraged by the managers.	13 (20%)	31 (48%)	17 (27%)	7 (10%)	7 (10%)
	44 (69%)		20 (31%)		

Open-ended responses

Respondents were asked to provide any additional comments regarding staff and organizational culture. A total of 34 respondents provided additional comments in this area. A summary of respondents' answers is provided below.

- *Employees enjoy and take pride in working together to serve the community*
- *Consistent treatment of employees does not exist within departments; favoritism was cited several times*
- *Poor performers are not held accountable*
- *Management should be more open for improvement suggestions*

Section H: Summary Comments

What does Union City do well?

Respondents were asked to describe in one word what Union City does especially well. A total of 61 respondents answered this question. The common themes of respondents' one-word description are as follows:

- *Customer service/serve*
- *Teamwork*
- *Recreation*
- *Resourcefulness*
- *Care*
- *Family*

What does Union City need to work on?

Respondents were asked to describe in one word what Union City needs to work on. A total of 64 respondents answered this question. The common themes of respondents' one-word description are as follows:

- *Staffing*
- *Morale*
- *Leadership*
- *Staff retention*
- *Communication*
- *Finances*

Additional Comments

Respondents were asked to provide any additional comments that would improve the City. The common themes of responses to this question were as follows:

- *Need for strategic planning and leadership from the City Manager's Office*
- *Focus on morale/workplace issues to retain employees if compensation cannot be improved*
- *Reevaluate services offered if staffing levels will not be increased/reduced*

Attachment C – Comparative Research

Seven agencies were selected as peers to learn about their organization structure, operating budgets, staffing levels and turnover rates, and approaches to service delivery and cost recovery. The seven peer agencies were selected from California cities in the nine Bay Area counties with similar characteristics including population, median household income, land area, and services provided. We also identified whether the agencies provide police, fire and parks and recreation services to their respective communities, as these three departments are the most likely to be outsourced to other agencies and have the greatest potential impact on organization structures and financing. The seven peers are presented in Table 20.

Table 20. Peer Agencies Surveyed

City	County	Population	Median Household Income	Square Miles	Total FTE FY 2018-19	Police	Fire	Parks & Rec
Folsom	Sacramento	78,447	\$102,692	21.94	466.90	✓	✓	✓
Napa	Napa	80,403	\$71,087	17.84	479	✓	✓	✓
Petaluma	Sonoma	62,708	\$80,907	14.38	316.55	✓	✓	✓
Redwood City	San Mateo	86,380	\$90,461	19.42	557.22	✓	✓	✓
San Rafael	Marin	60,651	\$81,360	16.47	410.48	✓	✓	✓
Tracy	San Joaquin	92,553	\$81,022	22.00	592.45	✓	✓	✓
Walnut Creek	Contra Costa	70,667	\$82,848	19.76	376	✓		✓
Union City	Alameda	72,991	\$91,629	19.47	232	✓		✓

Sources: 2018 population and median household income estimates are from the American Community Survey; employee count and service delivery data from City websites and FY 2018-19 adopted budgets (total operating budget).

Management Partners researched budget and staffing data through publicly available resources such as budget documents, comprehensive annual financial reports, departmental websites, and other documents available on the agencies' respective websites.

Surveys were also sent to the seven agencies requesting information about organizational structure, employee turnover, cost recovery targets, service delivery methods relative to providing those services inhouse versus contracted or shared services, and any innovations or best practices used in providing those services. Surveys were returned from the following agencies:

- Napa
- Petaluma
- San Rafael
- Walnut Creek

The results of our analysis are presented in the following sections.

- Budget, Staffing Levels, and Employee Turnover

- Organizational Structure
- Cost Recovery Approaches
- Service Delivery Methods – Inhouse, Contracted and Shared Services
- Innovations and Best Practices

Citywide organization charts were also obtained for each agency. Those organization charts are included in the Appendix.

Budget, Staffing Levels and Employee Turnover

Management Partners researched citywide budget information for each peer agency including expenditure levels for operating and capital improvement budgets in the respective agencies' General Fund, Enterprise Funds, and other key funds for FY 2018-19. Figures 16, 17 and 18 display select General Fund revenue data per capita. Union City's total General Fund revenue per capita of \$780 is below the average for the peer cities of \$1,110 (Figure 16). While property taxes per capita are just below the average (Figure 17), sales tax revenues are nearly 33% below the peer average and are the lowest of all peer agencies (Figure 18)

Figure 16. Peer Cities' Projected Total General Fund Revenues per Capita for FY 2018-19

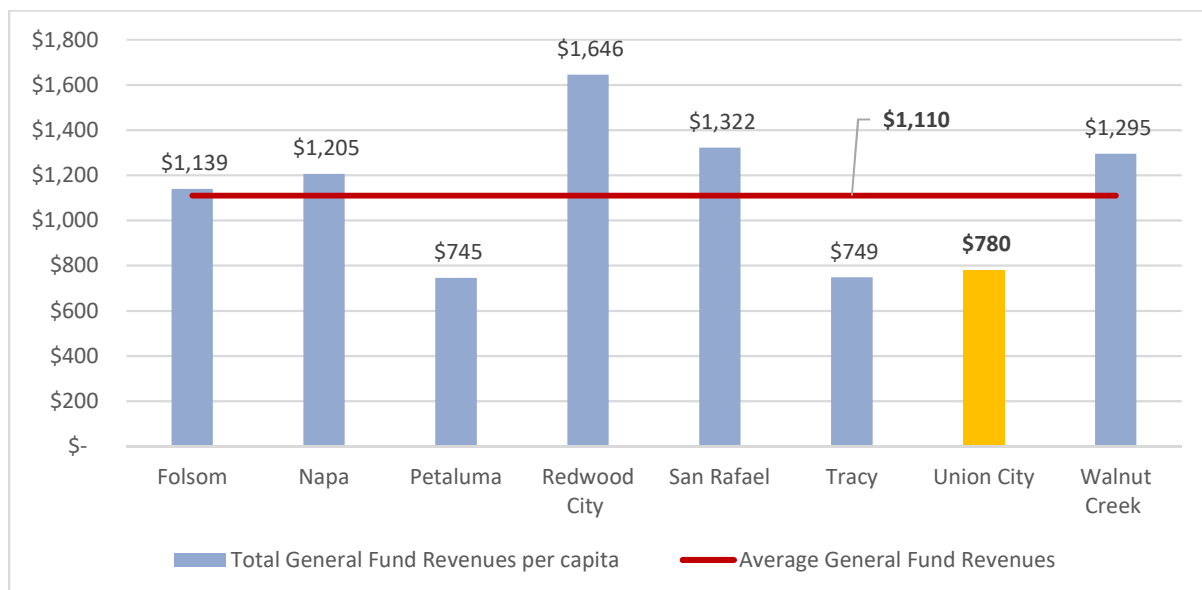


Figure 17. Peer Cities' Projected Property Tax Revenues per Capita for FY 2018-19

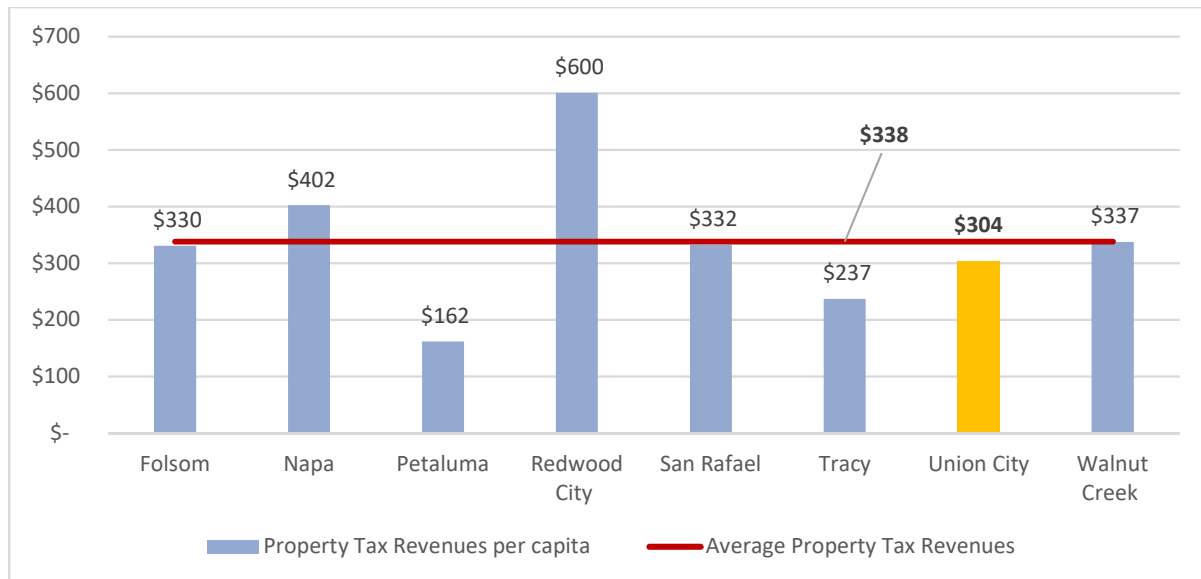


Figure 18. Peer Cities' Projected Sales Tax Revenues per Capita for FY 2018-19

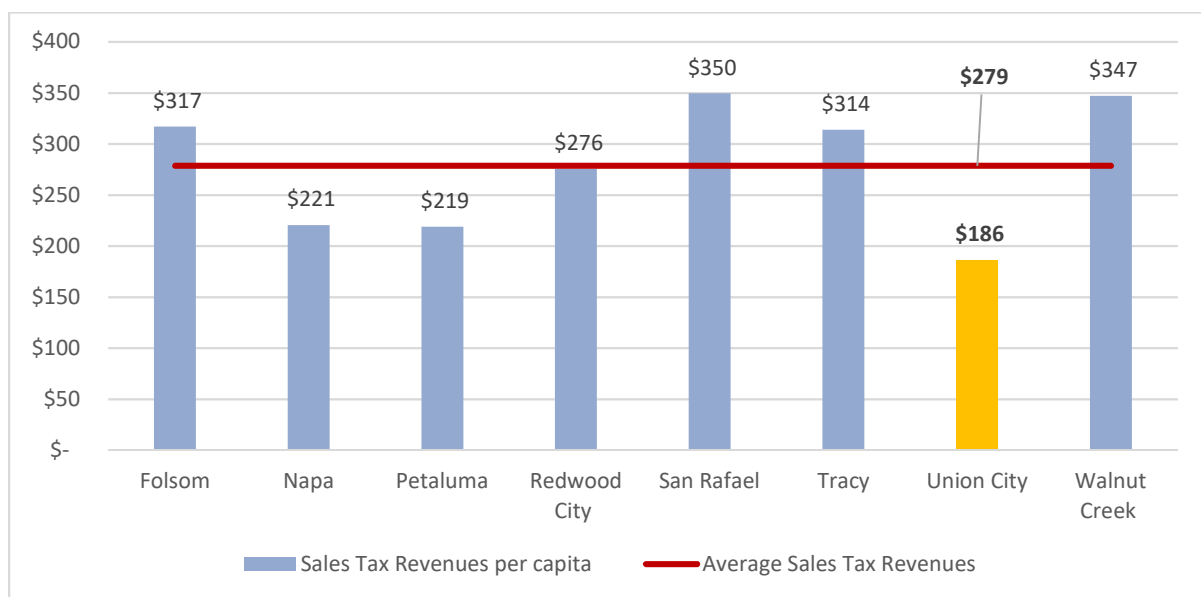
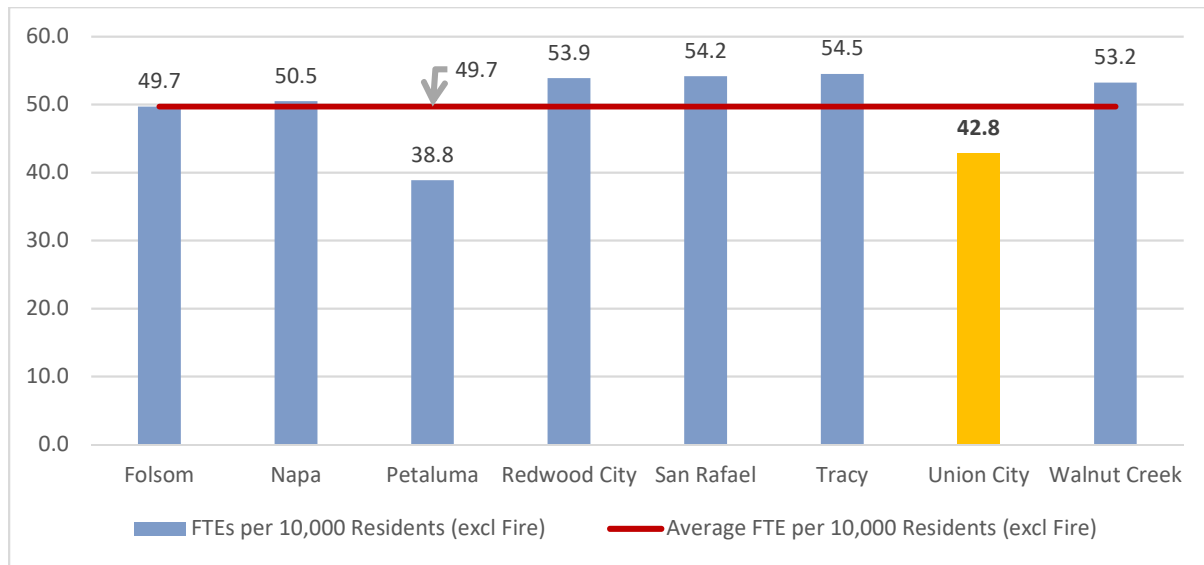


Figure 19 shows staffing levels for each agency per 10,000 population. Union City's staffing levels are the lowest of the peer agencies at 42.8 FTEs per 10,000 residents. This is nearly 14% below the average of 49.7 FTEs per 10,000 residents for peer cities.

Figure 19. Peer Cities' Staffing Levels per 10,000 Residents for FY 2018-19



Peer agencies were requested to provide information regarding employee turnover. Table 21 shows turnover rates reported by peer agencies. Union City's turnover rate of approximately 15% is higher than Napa, Petaluma and Walnut Creek, but is lower than San Rafael.

Table 21. Peer Cities' Staff Turnover Rate and Average Employee Tenure

	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Staff Turnover Rate	11.50%	8.84%	25%	15%	10%
Average Tenure of FTE (Years)	9	11	10	8	10

Cost Recovery Approaches

Agencies were asked to provide information on their approaches to cost recovery in the areas of planning, building, public works, recreation, and facility rental programs. Table 22 summarizes the reported cost recovery goal for the various services provided by each agency.

Table 22. Peer Cities' Cost Recovery Goals for Various Services

	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Planning Fees	100%	Not established	96%	80%	N/A
Building Fees	100%	Not established	96%	95%	N/A
Public Works Permit Fees	100%	Not established	96%	95%	100%
Recreation Programs	N/A ¹	Not established	77%	Not established ²	67%
Senior Services Programs	N/A ¹	Not established	N/A	Not established ²	30%
Facility Rental Fees	100%	Not established	90%	Not established ²	70%

¹ Currently developing a method to recover cost while at the same time keeping programs affordable as many clients are persons with the least amount of funds to use for the service.

² The City Council has not established a cost recovery policy for recreation programs.

Union City has not established standards for cost recovery for recreation-related services, but its targets for development services fees (planning, building, public works) are consistent with best practices used by other agencies.

Service Delivery Methods – Inhouse, Contracted and Shared Services

Agencies were requested to provide information regarding their service delivery methods within various departments. Our goal was to learn how services were provided in the following areas:

- Information Technology
- Police
- Public Works/Maintenance/Engineering/Transportation
- Planning/Community Development/Economic Development/Housing/Environmental Programs
- Recreation/Library/Community Services

Information Technology

Table 23 indicates the responses regarding the provision of information technology services among the peer agencies. Union City's IT service delivery approaches are consistent with the other agencies. San Rafael exercises a mixed approach of having IT staff overseeing contract employees performing the work in several areas.

Table 23. Peer Cities' Information Technology Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Help Desk Support	Inhouse	Inhouse	Inhouse/ Contracted	Inhouse	Inhouse
Telecommunications/ Network Infrastructure support	Inhouse	Inhouse	Inhouse/ Contracted	Inhouse	Inhouse
Network/Firewall Security	Shared	Inhouse	Inhouse/ Contracted	Inhouse/ Contracted	Inhouse
Server Administration	Shared	Inhouse	Inhouse/ Contracted	Inhouse	Inhouse
Application Development	Contracted	Contracted	N/A	Contracted	Contracted
GIS Systems Development/ Administration	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse
Business Systems Analysis/Support	Inhouse	Inhouse	Inhouse	Inhouse	Shared
Database Development Administration	Inhouse	Inhouse	Inhouse/ Contracted	Inhouse	Shared

Police

Table 24 shows the responses regarding the provision of police services among the peer agencies. Union City is the only agency within the peers to contract public safety dispatch services. The City also provides juvenile programs inhouse. Only Walnut Creek offers such services with inhouse staff. The other agencies rely on shared and/or contracted services with their respective counties. All other Union City services are handled similarly to the peers.

Table 24. Peer Cities' Police Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Investigations	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse
Regional Investigative Task Forces	Contracted	N/A	Contracted	Shared	Contracted
Crime Analysis	N/A	N/A	Contracted	Inhouse	Inhouse
Dispatch	Inhouse	Inhouse	Inhouse	Contracted	Inhouse
Patrol Services	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse
Homeless Outreach Services	Shared	N/A	Inhouse	Inhouse	Contracted
Juvenile Programs	Shared	Contracted	Shared	Inhouse	Inhouse
Neighborhood Watch and Crime Prevention Programs	Inhouse	N/A	N/A	Inhouse	Inhouse
School Resources	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse

Public Works, Maintenance, Engineering and Transportation

Tables 25 and 26 provide responses about public works maintenance and engineering/transportation services, respectively, among the peer agencies. Union City's public works services are mostly in alignment with how San Rafael and Walnut Creek provide such services. Napa and Petaluma have a higher reliance on shared or contracted services arrangements to provide public works related services.

Table 25. Peer Cities' Public Works Delivery Services

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Infrastructure Maintenance	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse
Park Maintenance	Shared	Inhouse	Contracted	Inhouse	Inhouse
Median Maintenance	Inhouse	Contracted	Contracted	Inhouse	Contracted
Street Tree Maintenance	Shared	Contracted	Contracted	Inhouse/ Contracted	Inhouse
Street Sweeping Services	Contracted	Contracted	Inhouse	Inhouse	Inhouse
Solid Waste Services	Contracted	Contracted	Contracted	Contracted	Contracted
Fleet Maintenance	Shared	Inhouse	Inhouse	Inhouse	Inhouse
Custodial Services	Shared	Contracted	Contracted	Contracted	Contracted
Parking Meter Collections	N/A	Contracted	Inhouse	Inhouse	Inhouse
Graffiti Removal	Shared	Contracted	Inhouse	Inhouse	Inhouse

Table 26. Peer Cities' Engineering and Transportation Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Engineering, including CIP Planning design and Construction	Shared	Inhouse	Shared	Inhouse/ Contracted	Shared
Transportation Planning	Shared	Contracted	Shared	Inhouse/ Contracted	Inhouse
Transit Services	N/A	Contracted	N/A	Contracted	Contracted

Planning, Community Development, Economic Development, Housing and Environmental Programs

Table 27 provides responses about planning services among the peer agencies. Union City tends to handle most current planning services for small projects inhouse, while more complex projects, advance planning and environmental impact reports (EIR) are performed with assistance in part (complex projects, advance planning) or in whole (EIR) with contracted professional planners. Petaluma has completely outsourced its planning functions. Walnut Creek tends to handle most of its planning services in house but will outsource EIRs to planning firms specializing in such services while retaining negative declarations in house.

Table 27. Peer Cities' Planning Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Current Planning-small projects	Inhouse	Contracted	Inhouse/ Contracted	Inhouse	Inhouse
Current Planning-complex projects	Shared	Contracted	Inhouse/ Contracted	Inhouse/ Contracted	Inhouse
Advance Planning-including general plan updates	Shared	Contracted	Inhouse/ Contracted	Inhouse/ Contracted	Inhouse
Environmental impact review	Contracted	Contracted	Inhouse/ Contracted	Contracted	Inhouse/ Contracted

Table 28 shows responses regarding the provision of building services among the peer agencies. Union City handles all building services inhouse. Other agencies use a mix of inhouse and contracted plan check and building inspection services.

Table 28. Peer Cities' Building Division Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Plan Check-small projects	Shared	Inhouse	Inhouse/ Contracted	Inhouse	Inhouse/ Contracted
Plan Check-complex projects	Shared	Contracted	Inhouse/ Contracted	Inhouse	Inhouse/ Contracted
Building Inspections-general	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse/ Contracted
Building Inspections (Trades-electrical, plumbing, HVAC, etc.)	Inhouse	Inhouse	Inhouse	Inhouse	Inhouse/ Contracted

Table 29 provides responses regarding the provision of economic development and housing related services among the peer agencies. Union City handles all such services with inhouse staff, as does Napa and Walnut Creek. Petaluma uses professional services firms to assist in economic development strategic planning. San Rafael has transferred housing administration responsibilities to the County of Marin Housing Authority.

Table 29. Peer Cities' Economic Development Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Economic development strategic planning	Inhouse	Contracted	Inhouse	Inhouse	Inhouse
Economic development events and administration	Inhouse	Inhouse	N/A	Inhouse	Inhouse
Housing program administration	Inhouse	Inhouse	Contracted	Inhouse	Inhouse

Table 30 shows responses regarding the provision of environmental programs among the peer agencies. Regarding environmental sustainability initiatives, Union City and Walnut Creek handle those services with inhouse staff. Petaluma and San Rafael take a mixed approach in leveraging countywide resources and initiatives. Regarding safety/environmental compliance for hazardous material waste, Union City, San Rafael and Petaluma perform these services inhouse, where Napa contracts those services with a private company.

Table 30. Peer Cities' Environmental Programs Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Environmental sustainability/climate action plan administration	N/A	Shared	Shared	Inhouse	Inhouse
Safety, environmental compliance for hazardous materials waste	Contracted	Inhouse	Inhouse	Inhouse	N/A

Recreation, Library and Community Services

Table 31 shows responses regarding the provision of recreation, library and community services among the peer agencies. Union City handles all these services with inhouse staff except for library services, which are handled by Alameda County. Napa, San Rafael and Walnut Creek use a shared services approach with local recreation districts and non-profit organizations to administer most recreation activities. All agencies that have senior and recreation centers oversee those facilities with inhouse staff. Walnut Creek uses a shared services approach for administration of its recreation centers.

Table 31. Peer Cities' Recreation, Library and Community Services Service Delivery

Function	Napa	Petaluma	San Rafael	Union City	Walnut Creek
Youth recreation programs	Shared	Inhouse	Shared	Inhouse	Shared
Adult recreation programs	Shared	Inhouse	Shared	Inhouse	Shared
Senior programs and services	Contracted	Inhouse	Contracted	Inhouse	Shared
Aquatics	Shared	Contracted	Inhouse	Inhouse	Inhouse
Senior Center	Inhouse	Inhouse	N/A	Inhouse	Inhouse
Recreation Center	Inhouse	Inhouse	N/A	Inhouse	Shared
Library	N/A	Contracted	Shared	Contracted	Contracted

Innovations and Best Practices

Finally, we asked agencies to identify any helpful new practices or innovative solutions that they have implemented in the recent past including use of technology or new policies or operational changes to streamline processes. Noteworthy items identified by the other agencies are presented in Table 32.

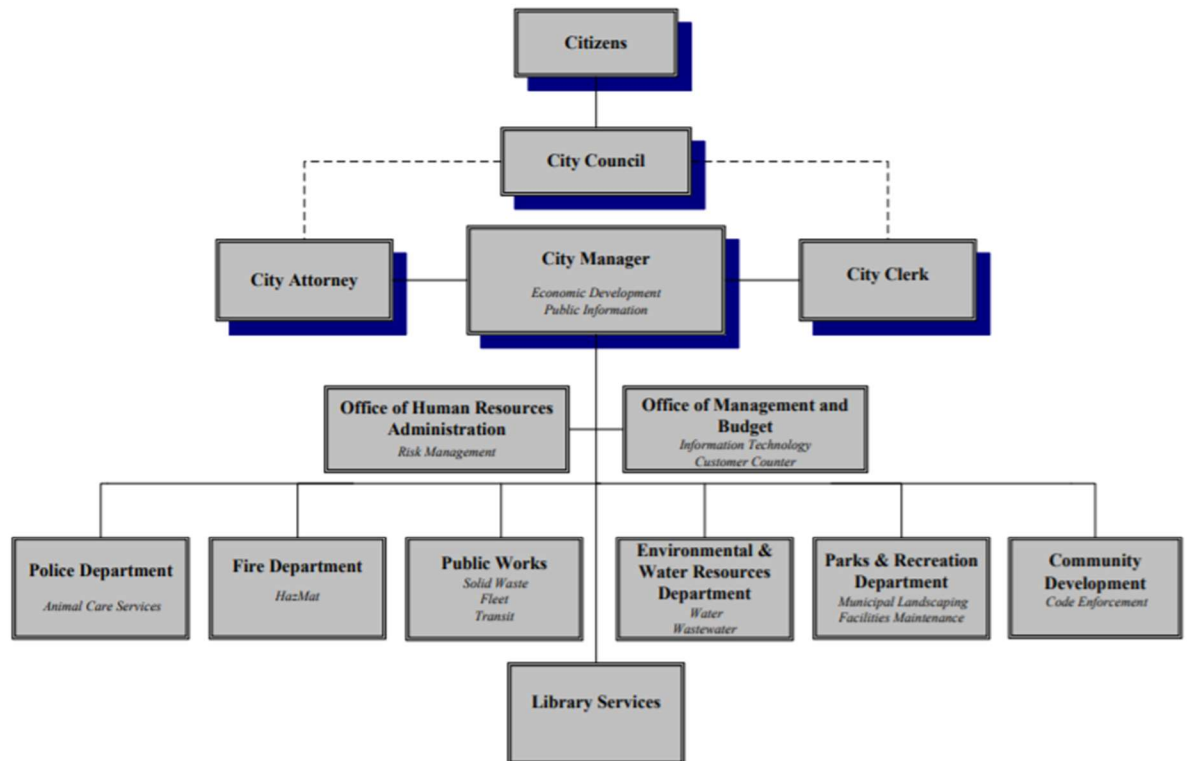
Table 32. Peer Cities' Self-Reported Innovations and Best Practices

Agency	Service Area	Description
Napa	None reported	None reported
Petaluma	None reported	None reported
San Rafael	Information Technology	Effective January 1, 2019, the City reorganized its IT Division as the Department of Digital Service and Open Government. Its redefined purpose is to create enhanced service offerings in tech support and infrastructure, service design, community engagement, data, open data, performance measurement, and government transparency. The new department will convene cross-departmental teams to provide input on the prioritization of major technology projects and purchases, build out citywide programs for open data and performance metrics with the goal of helping departments and the City Council make more data-driven and informed decisions, and shape the City's engagement strategy and expectations around how to involve the community in the decision-making process.
Walnut Creek	None reported	None reported

Appendix – Peer Cities' Organization Charts

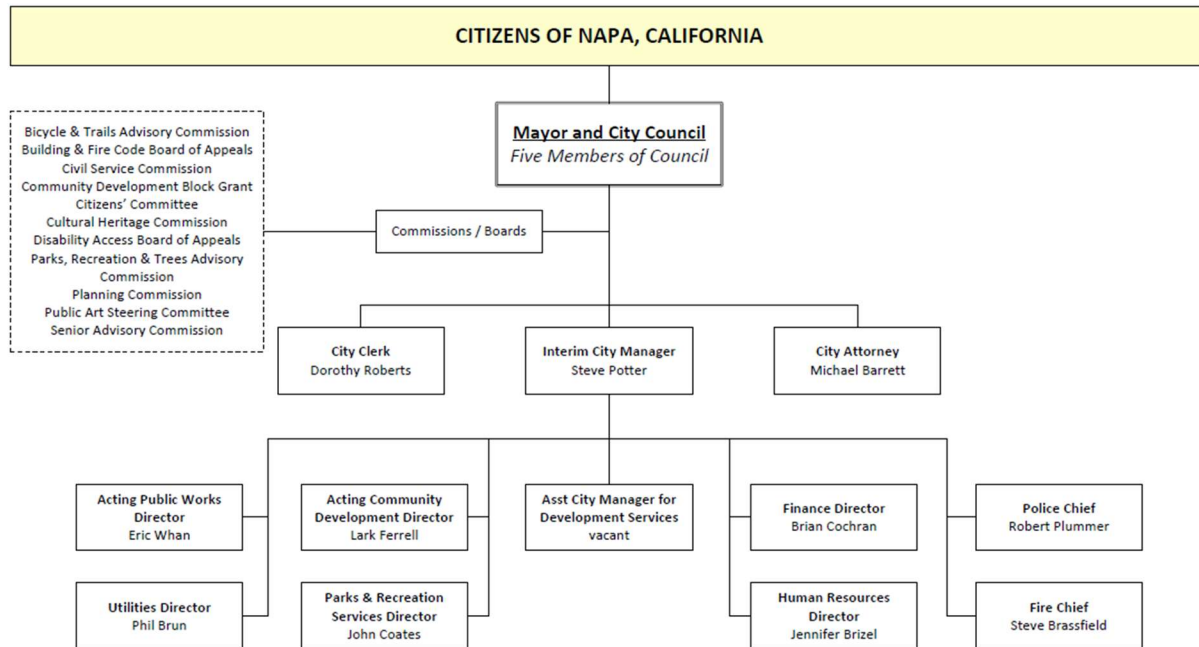
Figure 20. City of Folsom Organization Chart FY 2018-19

City Organizational Chart



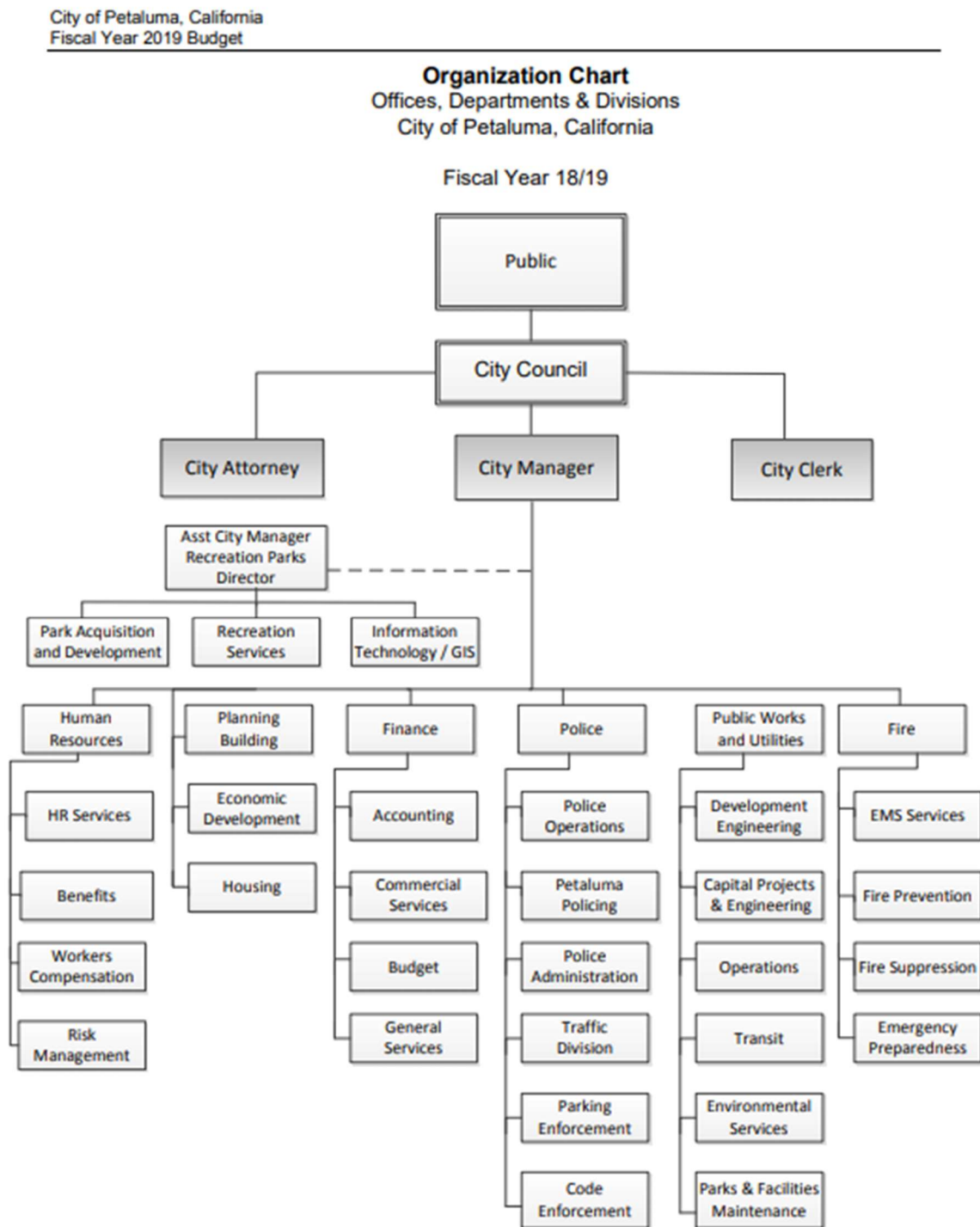
Source: City of Folsom Operating Budget FY 2018-19

Figure 21. City of Napa Citywide Organization Chart FY 2018-19



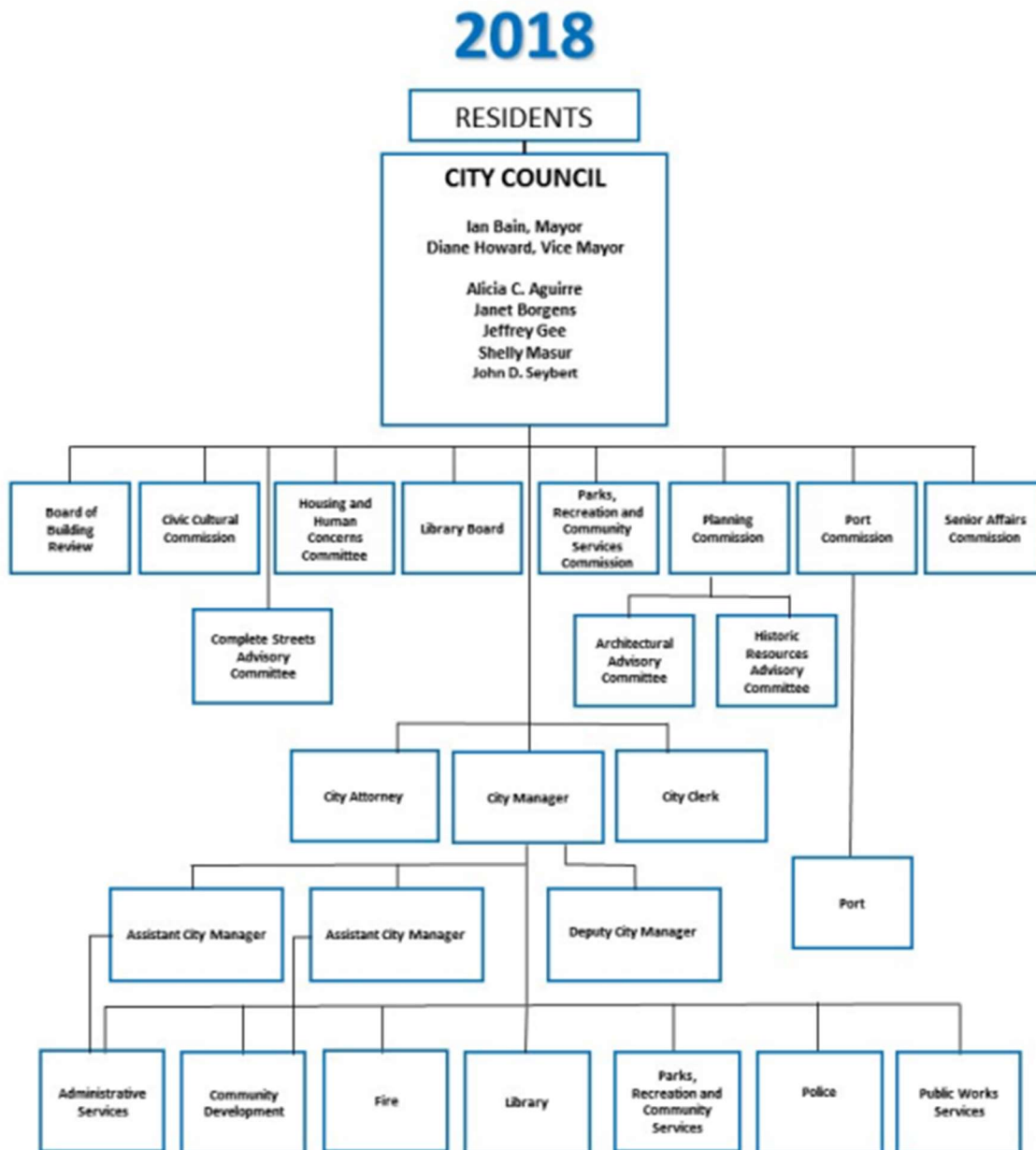
Source: City of Napa Operating Budget FY 2018-19

Figure 22. City of Petaluma Citywide Organization Chart FY 2018-19



Source: City of Napa Operating Budget FY 2018-19

Figure 23. City of Redwood City Citywide Organization Chart FY 2018-19

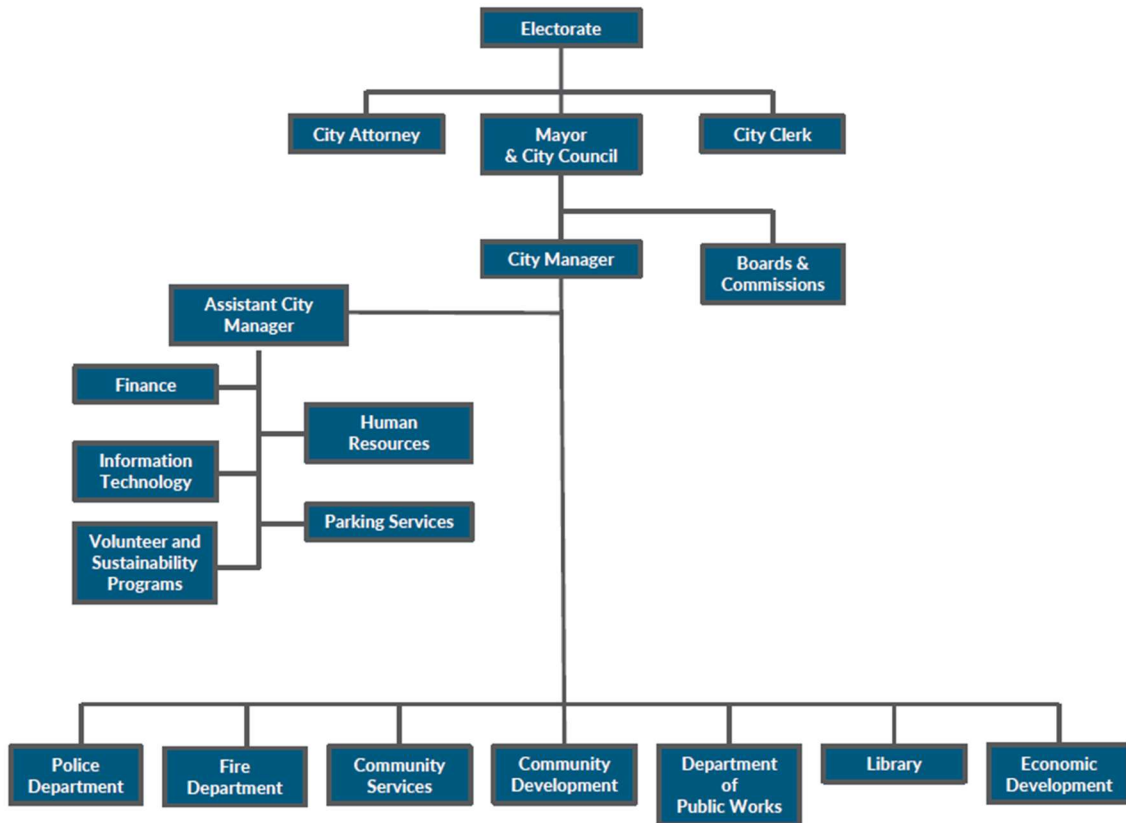


Source: City of Redwood City Operating Budget FY 2018-19

Figure 24. City of San Rafael Citywide Organization Chart FY 2018-19

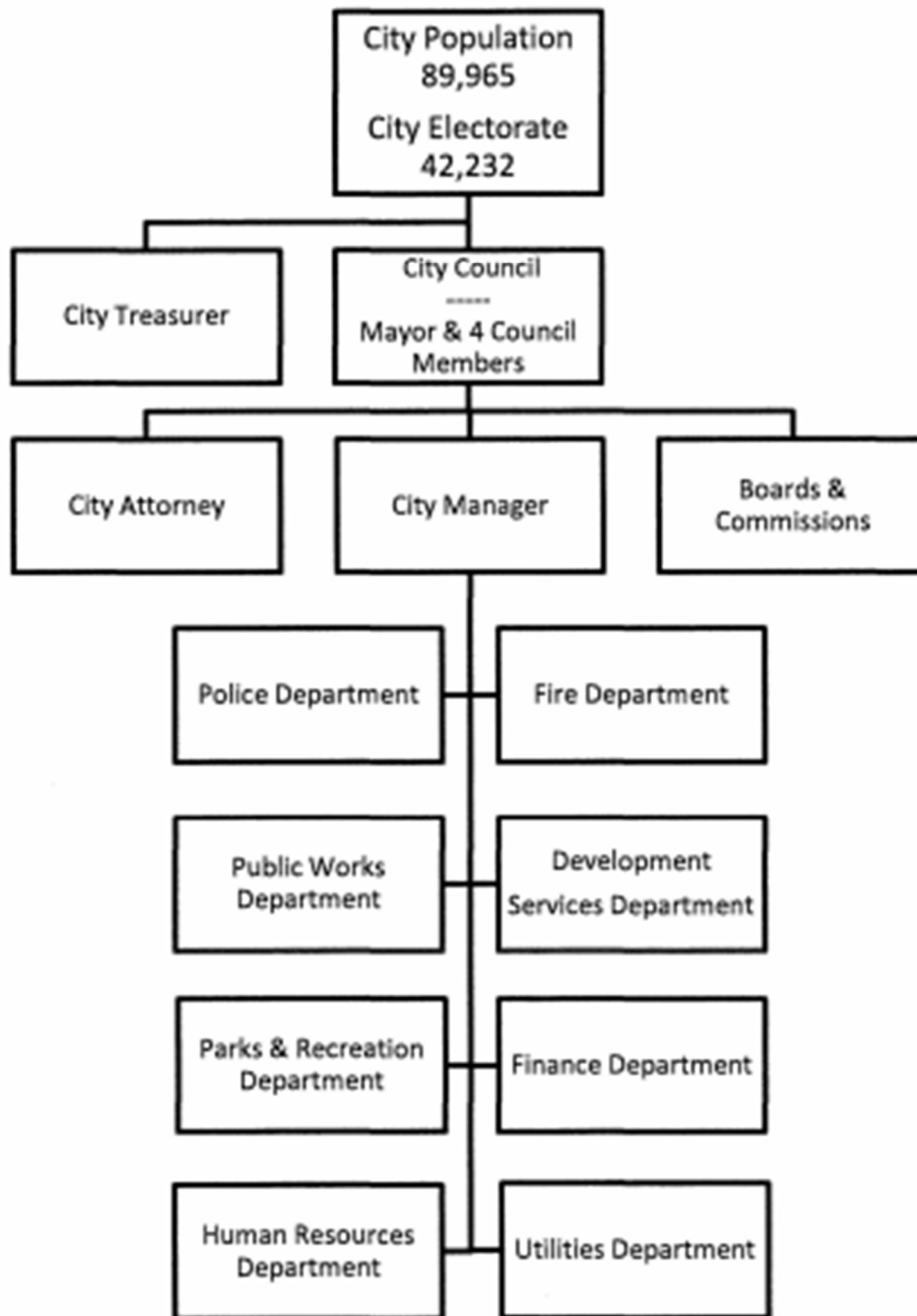


ORGANIZATIONAL CHART



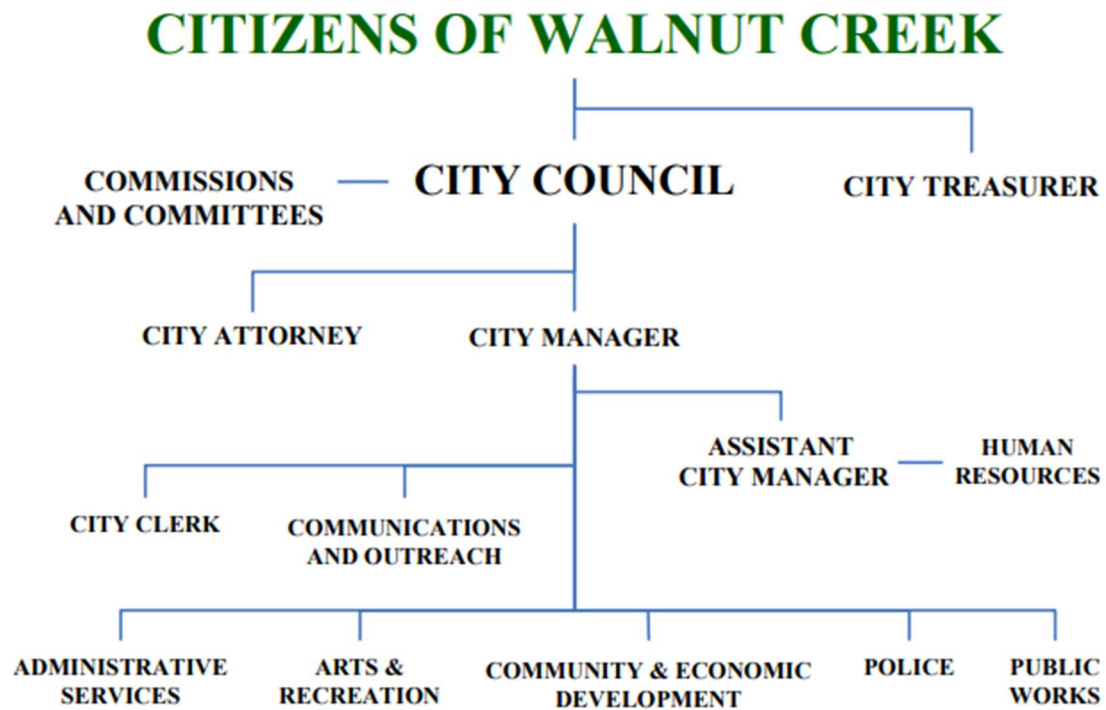
Source City of San Rafael Operating Budget FY 2018-19

Figure 25. City of Tracy Citywide Organization Chart FY 2017-18



Source: City of Tracy CAFR FY 2017-18

Figure 26. City of Walnut Creek Citywide Organization Chart FY 2018-20



Source: City of Walnut Creek Adopted Biennial Budget FY 2018-20