



City of Bellingham
210 Lottie Street
Bellingham, WA 98225

MEMORANDUM

TO: MAYOR KELLI LINVILLE
BELLINGHAM CITY COUNCIL

FROM: BRIAN HEINRICH, DEPUTY ADMINISTRATOR

SUBJECT: ADMINISTRATIVE FUNCTIONS REVIEW

DATE: MARCH 15, 2016

In 2014, the Administration conducted a high level assessment of the current organizational and administrative structure in order to identify opportunities where further efficiency and effectiveness might be achieved.

The following areas were identified for improved function, effectiveness, and efficiency:

- 1) ***Regionalize service delivery of some services, such as fire, parks or libraries.*** New models in shared or regionalized service delivery have emerged as local governments have struggled with dwindling resources. This concept was identified as a strategy by Peter Moy of FCS and in the Fiscal Alternatives for Stability Task Force (FAST) report as well.
- 2) ***Continue to support the entrepreneurial shift in museum governance.*** A variation on the theme of shared services, this involves working with a nonprofit organization to rebalance the governance and financial support of the museum so that it flourishes as a cultural asset but relies less on city taxes for support in the future. A museum operations assessment was done in 2014, and the Museum Foundation is using the assessment as a guide for an implementation strategy.
- 3) ***Reduce complexity of civil service regulations.*** Other cities in Washington state have models where civil service rules apply primarily to public safety functions. This option could reduce the layers of rules and regulations surrounding recruitment, selection and classifications, allowing more streamlined business processes and management flexibility. The scope of civil service is codified in the City charter, and requires a vote of the residents of Bellingham to change.
- 4) ***Use lean management practices to identify new ways of delivering better services within existing resources.*** A disciplined application of lean management to prioritized areas of opportunity could lead to even further improvements in operational efficiency, effectiveness and customer services. The Permit Center completed lean training in 2014. Other candidates for lean management training include real estate management,

human resources class and compensation, any service for which a new IT system will be implemented, purchasing and payroll, and consolidation of staff into new facilities.

- 5) ***Create a center of excellence for grants and/or contracts management.*** The City depends on grants and contracts for the delivery of important services. Increasing the technical and managerial expertise for creating clear agreements, monitoring those agreements and managing relations with vendors and grantees is recognized as a leading practice, and remains as an option to pursue further.