

STRUCTURE COMMITTEE - FINDINGS & CONCLUSIONS

The Mission

The mission of the Structure Committee is to assess the County's current organizational structure and determine if the current structure is operationally adequate to meet today's financial challenges. And, if not, identify potential cost savings that might be obtained through the existing structure or an alternative structure.

The Committee's first task was to make a cursory examination of the Oregon Revised Statutes to determine what services are required by statute and those which are optional. Next, the Committee developed and distributed a questionnaire for the purpose of making a written survey of all county management and staff as to their concerns, ideas for improvement and general commentary. The heart of the mission, however, was the Committee's effort to conduct a series of interviews encompassing every major department head and a significant number of staff in order to learn firsthand the operations and procedures of each department. The Committee was also asked to examine how other like organizations, both public and private, organize their operations. The Committee will have conducted at least four public meetings to share information gathered, to deliberate on the findings and finally to reach a consensus on the recommendations.

Overview of Findings – General

Common Threads in the Committee's Findings

There are several common threads in the Committee's findings in both the employee surveys and the department interviews.

1. There is considerable time and effort expended in all departments dealing with Information Technology (IT) issues and the procedural problems they spawn. The double and sometimes triple manual entry of data into incompatible systems is an

incalculable drain on resources and an open invitation to error. Each department is left to its own devices with respect to hardware and software purchases. The IT department is then called upon for installation and support. Many computers are old and exasperatingly slow, adding to the time it takes to get things done. There were many reports of extended waiting times for computers to 'catch up'. The wide array of operating systems, hardware and software creates a network environment that is rife with incompatibilities. And in a host of ways, there is an imprudently high level of vulnerability to County operations and records, not least being the age and condition of systems, the sub-standard data facility, and the inability of the technical support people to keep up with current support demands, let alone do any coordinating or planning for future development.

2. Interdepartmental communications is woefully lacking. Even within the "silo'd" department assignments there seems to be little interaction. In recent years there have been no regular department head or senior staff meetings where departments share what they are doing and express their needs and concerns. Absent this communication, turf protection builds and intruders are mistrusted; an exceedingly common problem in organizations where strong team-building and leadership is weak or absent. Procedures are and have been developed in isolation and without input from users, invariably leading to inefficient results.
3. Historically, departments have been assigned to liaison commissioners, often without regard to either the expertise of a commissioner or departments of a similar nature being assigned to the same liaison. This division of liaison responsibilities is not conducive to essential interdepartmental communication.
4. The Board of Commissioners no longer has time to govern. Rather, it is relegated to dealing with a myriad of details that would – in most business environments - be handled by an executive staff and brought to the governing body in a comprehensible form, well vetted for action, approval or otherwise. In addition, the underlying structural problem of three commissioners unable to discuss county issues except when meeting in a public session impedes communication with department staff and lengthens the time required to secure approvals or take quick and decisive action. Many staff members reported having little or no one-on-one contact with their liaison commissioner – some for many years and many commissioners.
5. Expenditure approvals have, on many occasions over the years, been managed so tightly that both staff and BOC have invested an inordinate portion of its bi-monthly meeting

hearing departmental requests for purchasing approval for items of a routine – and often inexpensive - nature. Inadequate management information systems contribute to creating an environment in which the BOC is uncomfortable delegating expenditure authority to departmental management.

The County's operations can be broken down into two broad categories: those funded from the County's self-generated funds such as the General Fund or the Timber Fund and those funded from outside sources, mostly state and federal. The governing body has considerable discretion in the use of the former and very little discretionary power over the latter. Those monies are generally referred to as "restricted", meaning they must be used for the specific purpose for which they were granted. Many departments get some funding from both the General Fund and from restricted sources. General Fund departments include most administrative functions such as Human Resources, County Clerk, Assessor, Sheriff, Treasurer, District Attorney (staff only) and County Counsel. Departments such as Public Health, Mental Health and the Road Department receive nearly all their funding from state and federal grants and their funds are considered restricted. Additionally, there are a few departments which are self-funded through fees or other revenue-raising sources. These would include Solid Waste, Planning, Parks, and Fair. Even though these departments are, theoretically, self-funded, the General Fund is at risk if revenues do not meet expectations or expenses exceed budget. (The recent, unexpected and unbudgeted Solid Waste fire being an example.) *A significant amount of administrative services, which are paid by the General Fund, are expended in support of departments which operate with restricted funds for which the General Fund is not reimbursed.*

The Committee finds that the County, with minimal exception, is NOT providing any services which are not mandated by statute or are funded with restricted funds. Eliminating those excepted services may be politically infeasible. Further cuts to mandated services or those with restricted funding would likely put the County at risk of being in violation of the County's state charter or losing restricted funding for those services. There are, however, many areas where the service provided could be streamlined and improved.

Overview of Findings - The Departments

Ongoing budget cutting exercises over the last few years have placed the County in something of a precarious position with respect to operational risk. The emphasis from the governing body has been almost exclusively directed to cutting costs but with insufficient regard to the resulting, downside risks. More will be said about this further on in this report, but it is fair to say that there is very little bench strength in many operationally critical areas, leaving the County highly vulnerable to employee attrition or disability.

A detailed discussion of each department would make this report far too lengthy to be meaningful to its readers. To the extent the Commissioners want to discuss individual departments in greater depth,

members of the committee stand ready to do so. Instead, the Committee will provide herein a summary view of findings for those departments it deems critical to the County's operations.

Information Technology

IT is perhaps the most important department requiring immediate attention and which has the highest level of vulnerability for all county operations. The IT team is stunningly small relative to a distributed network as large as the County's and they have – against all odds – managed to keep the County's network relatively functional in spite of numerous challenges.

The County reportedly owns some 400 computers, many of which are old and outdated. There are multiple servers and operating systems being maintained – several that are obsolete and no longer supported. Computers and software are often specified and purchased by individual departments without consultation or approval from IT, resulting in a wide array of Windows operating systems and applications requiring on-going support. Departments have often purchased software independent of IT guidelines or approvals and various employees have imported applications from home and installed a wide variety of routers, peripherals and printers, unaware of the implications to the county-wide system security, compatibility issues created, or the support headaches created for the IT department.

The IT staff consists of two people with technical expertise trying to support a complex, varied and widely distributed network throughout the County. Some critical components of the data center are obsolete and no longer supported by the OEM (original equipment manufacturer). Other components are quickly approaching obsolescence. The absence of fundamental network management tools exacerbates the support and security challenges of the IT team. The county generates and maintains a significant amount of employee data as well as HIPPA related information. This information is widely distributed and, again, greatly diminishes the county's ability to control and secure this data. In an era in which the OS(s), apps and data are being distributed through secure portals from a central data center, the county's current model is obsolete, increases support costs and county risk, and will continue to be a detriment to inter-departmental efficiencies and communications.

Payroll is manually entered twice for most departments and some departments enter three times. Accounts payable are dealt with in much the same way. Separate Excel files are manually maintained in both HR (which processes both payroll and A/P) and in individual departments to capture certain payroll related data and expense tracking not supported by the system. The Assessor's software is not compatible with the Clerk's, requiring at least two trips per day by the former to collect updated data on real estate transactions. Citizens making inquiries on property matters are often sent to both offices, sometimes more than once. The list of departmental IT challenges is extensive and examples of disconnect are numerous.

Human Resources

The HR department consists of a director and two staff. The department deals with seven bargaining units in two unions. In addition to handling hiring and terminations, benefits issues, grievances, union negotiations and all the other duties normally part of the HR function, the department also has one

employee that understands and can operate the payroll, including the self-designed benefit tracking system, and accounts payable systems for the County. The second staff member is learning the system. This is a potentially serious vulnerability. Job descriptions are woefully out of date. Presumably due to staffing and funding issues, there is no training program for supervisory staff. This may be one reason why the number of grievances is so high.

Principal departmental concerns are duplication of effort and inconsistency of data input from departments with respect to payroll and accounts payable. The process of terminating time sheets around the 25th of each month, but paying through the end of the month creates problems, both with employees remembering to update their time sheets from the prior month, and the payroll person having to go back and manually adjust payroll data in at least two applications. With only one departmental exception the County does not use time clocks, leaving the updating of payroll data to the memory of the employee and the supervisor in many cases. Also, bills are paid weekly to accommodate late payable submissions from various departments, a practice virtually unheard of elsewhere. Likewise, interdepartmental charges are, in many cases, handled with vouchers and actual checks thereby adding to the accounts payable workload.

Treasurer's Office

The Treasurer is an elected official and operates under the general guidance of ORS 208 requiring the office to collect and disburse all county funds, to manage the County's investments and to provide a monthly statement of financial status which is filed with the county court. The Coos County Treasurer performs other functions, not required by statute, such as tax collection, budget officer, fixed asset inventory management and monthly responsibility reports by department and/or fund. The treasurer has four staff, two more or less dedicated to tax collection and two to the more conventional duties of the office plus the fixed asset inventory. The fixed asset inventory is on an antiquated database that is no longer supported and which should be updated. The Treasurer's system only puts out a standard budget/actual report monthly. There is universal commentary that the reporting is inadequate and most departments labor through their own home-grown monitoring system and there is no serious attempt to reconcile differences between the two.

Some cross-training of functions has commenced within the department. The County does not have a conventional accounting department or chief financial officer. The current treasurer performs these duties. There is no guarantee that future elected treasurers would continue to do so.

Concerns include the inability of tax collectors to follow up on address changes, personal property tax billings and system incompatibility with other departments.

County Clerk

Records and elections are the two primary functions of the clerk's office. The clerk's office appears to be performing the duties set forth in ORS 205. The Clerk has four staff evenly split between the two functions and cross-training between functions is underway. The Clerk records all real property transactions, including liens and issues licenses for various things such as marriage, dogs, etc. There is

considerable interface between the Clerk's and Assessor's offices with regards to real property transactions. All documents for recording are carefully scrutinized for accuracy and scanned into the electronic filing system. There are still an incredible amount of old data files that have not yet been scanned into the system. This could create problems in the future as hard copies deteriorate with time. Data is currently transferred manually. A minimum of four elections, mandated by the state, are held every year, all of which are managed by the Office of the Clerk. Some part time help is brought in to handle certain tasks regarding the handling and counting of ballots. Existing staff can handle current records volume but would be considerably strained if volume were to return to 2008 levels.

District Attorney

The District Attorney is an elected official and paid almost entirely by the state. His staff, however, is paid through the General Fund. With one exception, all deputy district attorneys are quite new in their jobs, none more than a year or so. The Deputy Chief Prosecutor is an experienced prosecutor but the remaining are relatively recent law school graduates. The department cannot retain attorneys with present pay scales. Young lawyers are attracted to the department because of the opportunity to try cases very early on. Once they gain experience, they move on to better paying positions. Budget cuts have required the discontinuance of investigators in the department. Accordingly, attorneys are required to do their own investigatory work such as finding witnesses, checking backgrounds and some follow-up crime scene investigation. One or two experienced investigators could make the department run much more efficiently. Exacerbating the problem is the fact that police units are also short of staff for investigations and, at times, not as thorough as they might otherwise be. For all practical purposes, the department no longer prosecutes misdemeanors.

Lack of investigative support and the revolving door aspect of attorneys is a serious concern. Potential lack of funding for major case trials could be problematic.

Assessor

The Office of the Assessor, also an elective position, has undergone significant change over the last four years. There have been two changes in leadership and significant attrition in the ranks of experienced appraisers. Additionally, the department is trying to introduce a new computer system. The department appears to have stabilized even though the appraisal staff, as well as the leadership, is quite new. The introduction of the new ORCATS system has not gone well and will continue to be an issue for a while. Appraiser field work and personal property taxes are not getting the attention they demand. Tax collection staff suggests that perhaps hundreds of thousands of dollars of overdue property taxes remain uncollected due to resource constraints.

Staff concerns include systems incompatibility with other departments, awkward procedural interface with property records, sharing of GIS resources for maximum efficiency, rearranging office for better customer service as well improved efficiency of operations. Getting ORCATS working to its full potential is a major challenge in both time and money.

Maintenance

The maintenance department consists of a supervisor and two staff plus a part time administrative person. It is responsible for general building maintenance for the seven buildings in the greater Coquille area plus the Annex in North Bend. Janitorial services, however, are contracted out. The age of the buildings and years of deferred maintenance add significantly to what might be considered a normal work load for a department of this type. There is little time available for “projects”. Staff is frequently interrupted by demands from others with little ability to set priorities, they feel, without political consequences. The maintenance budget frequently fronts expenses for other departments for which its own budget is not replenished. Planning for these expenditures is virtually impossible.

Major concerns include age and condition of facilities both in Coquille and North Bend; inability to maintain a schedule of preventative maintenance; being required to respond to requests for non-essential services. Centralized purchasing practices may require further examination.

Sheriff

The Sheriff is an elected position and the largest department financed from the General Fund. There are two dominant areas: jail and law enforcement. Due to the deep cuts in 2007 virtually all middle-management positions were eliminated. This has resulted in an extremely flat organization. There is currently no one between the rank of Sergeant and Sheriff, and the Sheriff now has over 90 direct reports. Remaining sheriffs have picked up the workload of several eliminated positions in addition to their parole duties. So much paperwork is associated with each case that at one point in time, one of our Sheriff's was 50 cases behind in burglaries alone. Everyone is stretched so thin that some major problems have gone by the wayside or been placed on a back burner.

A staff that once had 18 deputies has managed to cover 1,640 square miles and 65,000 residents with a current deputy count of eight (8). The current staff has been working without a contract since June of 2010, but is committed to serving the community and working extra hours - under tremendous strain - to insure the safety of Coos County. (Staff reports there is “a lot of overtime” to insure appropriate levels of patrol coverage. It would behoove the BOC to determine if this overtime is sufficient enough to pay for one or more incremental HC.)

In 2007 the Jail was cut to a total of 97 beds by the BOC. Additionally, the Jail lost 16 deputies and one transport person. Blocks 3A and 2B represent those 97 beds of which eleven (11) are dedicated to females. These two blocks are managed with the current staff and without the additional cost of overtime. Additional beds are needed – including more beds for women - but expansion would require no less than five (5) additional deputies to monitor. (Expansion of a 3rd block would open an additional 25 beds for a total of 249 beds.) Due to bed constraints, many people with ten-day sentences are serving only a couple of days of their sentence to make room for the next wave of inmates. As with the Sheriff's department, many Jail staff are performing multiple jobs to keep things running.

Emergency management is handled by one person with little or no support in seeking or writing grants. Further study of the County's ability to react meaningfully in the case of a significant emergency event should be considered.

Parks

The department is responsible for maintaining 36 facilities around the county including 7 camp grounds, some with full hookups for RVs. Additionally, Parks is responsible for garbage collection within their own facilities plus. Camp grounds are all staffed by park rangers (staff) and supplemented with volunteer park hosts.

Camp sites, particularly those with RV facilities, are substantial fee generators. They also incur substantial cost. Bastendorf is the only facility that actually turns an operating profit. With the addition of the new bridge and access to the dunes, the hope is that Riley Ranch will become a real profit generator. About 80% of Parks, budget comes from use fees and sharing of registration fees. The remainder comes from the General Fund.

Equipment is old and expensive to maintain, though it generally does not get high use. Most maintenance is done by the Road Department's maintenance shop.

With the exception of a pilot project at the Powers location, Parks has no reservation system and they do little or no marketing of their facilities. Early indications suggest a reservation system could increase camp ground revenue by 10% or more.

Concerns center around making revenue producing facilities not only self-sustaining economically, but capable of contributing to other Parks' needs. The now customary complaints about systems and procedures requiring duplicate effort and the lack of management tracking systems (other than department grown spreadsheets) were mentioned by sundry Parks personnel.

Road Department

The Road Department maintains all designated county roads. Some are paved, many are just gravel. Additionally, it operates a quarry complete with crushing and screening equipment and does its own drilling and blasting. The department has a substantial equipment fleet which it maintains in its own shops. It also does much of the vehicle and equipment maintenance for the rest of the county for which it bills the appropriate departments. Interdepartmental billings actually account for about \$400,000 in "revenue" for Roads. Virtually all other funding comes from state and federal source and is restricted to use for road maintenance exclusively.

Roads has 19 FTE and 4 part time staff. Most are cross trained and can do most all road maintenance functions, including paving. Planned projects are scheduled by the Road Master. The Road Master works up an estimate for each project to determine whether to do the work in house work or contract out. Most small jobs, 300 tons or less can be done cheaper in house according to the Road Master. Large ones are better being out-sourced. When crews are not rocking or paving roads they are cleaning ditches and culverts or cutting and spraying roadside brush.

The department performs many functions. It has its own sign shop, its own paint and welding shops. It is the primary maintenance service for other county departments and, including its own, services approximately 100 pieces of construction equipment and a fleet of some 266 automotive vehicles. Interdepartmental billings are done on a time and material basis with a 20% margin built in to materials. Costs were not audited but an example of \$45 to \$50 for a typical oil and filter change and lube was offered. Further study is justified as it appears there may be at least some work that could be farmed out at lower cost to the County.

The Road Department uses IRIS, a system widely used by Oregon county road departments. It is fairly comprehensive and satisfies nearly all their needs as a management information system. Nevertheless, they still must deal with the same, challenging accounts payable and payroll issues as do other County departments.

Concerns expressed were manifold. The age and condition of the equipment fleet is manifesting itself in higher and higher maintenance costs. There is a very substantial backlog of deferred maintenance that will likely never be completely satisfied. Declining revenue from various sources exacerbates that situation. The role of the Roads Advisory Committee and BOC should be better defined.

Solid Waste

The department is responsible for three dump sites: Beaver Hill, Bandon and Joe Ney. Bandon has been closed for some time and is currently being monitored with no apparent problems found. Joe Ney is a primitive landfill site that takes only non-hazardous construction waste. It has no water or electricity available on site. It has one attendant during the day. The Beaver Hill site is an incinerated waste site with three burners and the requisite air filtration equipment (bag house). It operates 24/7. It is currently processing less than 20,000 tons per year down from nearly twice that amount a few years ago.

Equipment is old and deferred maintenance has taken its toll. Burners have not had a complete refractory service since 1994 and the bag house has not been completely serviced in about seven years. Both are well over due. Recent break downs have caused significant jumps in maintenance expense. Department personnel report they have sufficient ash pit capacity to

run a few more years but eventually that will have to be expanded at a capital cost likely in the millions. At least one loader needs replacing as does several of the automotive fleet.

The department “borrowed” from its shutdown reserve to buy equipment to extract metals from the ash pits. Metal mining requires three employees and has returned about 500 tons of metal in the first quarter of FY10/11. The effort has yielded about \$95 thousand in revenue at \$65 thousand in cost, not counting wear and tear on equipment or capital cost. Concerns are many and significant, most requiring much more independent study. On site leadership is probably adequate for day to day activities but the lack of a true director is taking its toll for more strategic direction. Operating costs for an incinerated waste operation are inherently much higher than that of a land fill. State-wide, solid waste disposal has dipped to 1993-94 levels and Coos County has experienced a similar dip in disposal. Tipping fees have been raised in an attempt to offset shrinking tonnage, but that has only served to further hamper cash flow as County tipping fees far exceed the costs of hauling local waste to Coffin Butte. Significant capital expense will be necessary over the next few years if the operation is to remain viable irrespective of the relative costs of operation, as several future – and expensive - maintenance projects are currently un-budgeted or projected on County books.

Public Health & Mental Health

Both departments are completely self-funded through grants and programs from state and federal sources except for Public Health which relies on the General Fund to pay for its Director and one support staff. Both departments are well run with capable directors and reasonable bench strength at the second and third tier levels.

The issues and concerns facing both center around HB3650, the governor’s health care delivery initiative, which could put both operations in a totally different organization and outside County control. The other issue is pretty much the same as with other departments with respect to the IT systems and support.

If the County were to lose jurisdiction over the two, it would almost be a fiscal wash. The rent Mental Health pays the County for space in the Annex is just slightly less than the overhead cost associated with Public Health.

Planning

Planning consists of a director and one staff and is relegated to processing applications for one thing or another. There is no planning activity going on. The Land Use Plan has not been updated since 1999. Trying to undertake a new master plan is unthinkable at this time. There

is no time to undertake projects, deal with ordinances and there is no enforcement capability of existing ordinances. For reasons not entirely clear, the department was taken off budget some years ago and is supposed to rely on internally generated fees for sustenance. The General Fund makes up and shortfall. Attention should be given to the level of fees. There is a point at which the cost of compliance become regressive and has the opposite effect of what is intended.

Staff expresses the same system compatibility issues as other departments.

Forestry

Forestry manages approximately 15,000 acres of County timberland with a staff of two foresters and on business manager/land agent. Timber resource consists of approximately 2,500 acres of Douglas fir (mostly in the Daniels Creek area) and the remainder in spruce, hemlock and some Port Orford cedar.

There is concern that harvesting pressure has depleted prime timber resources. Department personnel indicate there may be scarcely 200 acres of Douglas fir remaining at the Daniels Creek site. Lower value trees are available. No inventory has been taken since 1998. One is starting now but will take nearly a year to complete. Once a comprehensive inventory is completed, the County should have a better understanding of growth and harvest cycles.

The land agent handles all MOG and ground leases and land sales. Additionally, this position deals with the administration of contracts and routine office functions, such as payroll, etc.

Concerns similar to other departments were expressed with respect to systems and procedures being cumbersome and often incompatible. Lack of interdepartmental communication was raised as an issue needing attention. There is some resentment that Parks is raiding the forest fund for Parks purposes leaving no funds for additional timber land acquisition. Relationship with the Forest Advisory Committee and the BOC needs better definition. Conflicting guidance from the committee is an issue.

PENDING INTERVIEWS:

Surveyor's Department

CONCLUSIONS AND RECOMMENDATIONS TO BE DEVELOPED

DRAFT