

The

CORNERSTONE

PERFORMANCE AUDITS • STRATEGIC PLANNING • ORGANIZATION DEVELOPMENT • TRAINING

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Protecting community development, engineering, planning, and building staff during tough times



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You're the boss and for years you've had to struggle to keep up with the demands that growth has placed upon your organization:

- Complaints to your city council regarding poor customer service
- Getting transportation, sewer, water, parks, and facility infrastructure in place ahead of demand
- Keeping current with your General Plan and Zoning Regulations

- Getting your engineers and planners to cooperate effectively and efficiently.

Now the housing boom has come to a grinding halt. California is suffering from a serious economic downturn that could last several years. Nobody knows when the housing market will turn around and construction will begin again. California home sales have already plunged well below levels experienced during the 1990-91 recession. Now what?

Question No. 1:

What can I do as a local government leader to **provide stability** for my community development, engineering, planning, and building staffs?

Question No. 2:

What can I do to take advantage of these tough times by **building a better organization** that is highly productive as it waits for the next up turn in the economy?

I speak from experience when I say, "These times are full of opportunity." When I served as Acting Finance Director and then as Interim City Manager, my city was experiencing serious financial troubles a few years ago -- so serious that Standard & Poor's and Moody suspended their credit ratings of our city. The financial troubles were so overwhelming

that we had to lay off hundreds of our employees, including some sworn personnel. The city was a mess financially. Morale was non-existent. The city's financial situation was so bad our mayor was interviewed on NBC's Today Show.

Quietly below the radar screen, during these tough times, we were able to keep our community development, planning, engineering, and building programs in tack. Not only did we retain our staff, we actually did some hiring! The organization remains fully intact today and, in fact, is successfully working its way through a multi-million dollar General Plan Update.

What did we learn from this tough-time experience? We developed valuable "*Managed Decline Principles*" to get through it all in a way that strengthened and improved the organization.

Here's a partial list of the *How To's* we developed:

- How to stop the bleeding now
- How to stabilize the organization
- How to develop visible Quick Fixes that boost confidence and morale
- How to involve customers in revenue enhancement decisions

- How to address sticky personnel issues with dignity and humanity
- How to conduct 360 degree transition planning
- How to attract, develop, and retain talent in tough times
- How to reevaluate customer service policies
- How to take a fresh look at technologies
- How to take a fresh look at short-term and long-term facility needs
- How to update regulatory codes and systems
- How to reposition through training
- How to develop efficiencies by eliminating organizational silos.

Develop a 3-Year Financial Plan With Investment Strategies that Motivate Employees

We found that involving staff at all levels in order to build a consensus-based 3-Year Financial Plan was an essential part of organizational survival and regeneration. We developed financial stress tests in an open and transparent environment so that everyone affected by the plan had a meaningful part in developing it, understanding it, and believing in it. We developed effective revenue strategies, overhead strategies, and reserve strategies that were understood by staff in a way that provided private-sector-like motivations and behavior. Along the way we made investments in technology and training.

Develop a 3-Year Action Plan that Gets Real Measurable Results

During tough times it is important that community development, planning, engineering, and building staff know where they are heading individually and as teams within the organization. A **3-Year Action Plan** that is in sync with the previously mentioned financial plan is an essential ingredient to make sure there are measurable deliverables that will keep the organization on a highly productive track. The Plan should identify the recommended action(s) to be taken by the teams, its priority, the anticipated benefits, the lead person responsible for results, the support team members, the milestones, and the reporting-out mechanisms.

Getting Ready for the Economic Turn Around

A smart leader knows that there is no substitute for preparation. Yes, it is hard to imagine right now that the housing slow down will bottom out, but it will. And when it does, those agencies that have planned for the turn around will be in a good position to take advantage of growth and all the wealth accumulation opportunities it provides. As long as California offers sunshine and jobs, housing demand will continue. It is a question of when, not if.

Sometimes you can benefit from the experience of others. If you are wondering whether Citygate Associates can help you in any of these areas, please call us. If we can be of value to you, we would like to help.

Please contact Jay Corey by phone at (510) 303-0327 or via email at jcorey@citygateassociates.com.



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Citygate Associates, LLC is a management consulting firm providing services to local and state governments. Citygate specializes in:

- Management Studies
- Process Improvements
- Performance Audits
- Strategic Planning
- Organizational Development
- Community Development
- Fire Protection and Emergency Medical Services
- Animal Care and Control
- Budget and Financial Analysis
- Leadership Training and Team Development.

Citygate's clients benefit due to their ability to provide more effective and cost-efficient services through improved management approaches and systems, clarified focus, and upgraded skills.

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