

TIMES ARE A-CHANGIN'

THE EVOLUTION OF SANTA MARIA'S CITY GOVERNMENT

Introduction

The City of Santa Maria prides itself on an efficiently run government. According to the Mayor it has become the "economic engine" of the Central Coast. The City's finances are in enviable shape with a wealth of general reserve and contingency funds. Agriculture has been the basis for this City's economy and has provided the historical foundation from which its growth and prosperity have sprung.

However, the City of Santa Maria can no longer be considered solely as the agricultural center of Santa Barbara County. It has the County's fastest growing rate of population and development. Many of those buying homes in the area are professionals from South County and from San Luis Obispo County, changing the socio-economic make-up of some neighborhoods. Also, many retirees find this city attractive due to its relatively low housing costs. Adding to the diversity is the large Hispanic migrant population that came primarily to work in the farming community and remained as residents, many eventually finding employment outside of agriculture. Hispanics now represent over 60% of Santa Maria's population.

With the City's rapid growth and changing demographics come challenges for city government. Santa Maria's demographic growing pains seem to be causing some concern within the community. Many citizens wonder if city government is keeping pace with those changes and is up to the challenges. Some feel that changes in how their government is being administered are not made known to them until after the changes have been implemented. They are concerned that their government is not staying abreast of the wants and needs of the community.

Investigation

The Civil Grand Jury received complaints concerning potential problems with the structure of the City Government. Among these was a concern that a strong City Manager form of government might place too much power in one individual and that the City Council was not exercising sufficient oversight of city administration.

The Grand Jury interviewed 28 persons including elected and appointed city officials. The Jury issued fifteen subpoenas for persons to appear and provide sworn testimony. In addition, it issued three subpoenas to produce records for review by the Grand Jury. Grand Jury members also observed City Council meetings. Members of the Grand Jury reviewed public documents including the City Charter, City Budget, General Plan, Mission Statement, Municipal Code and all pertinent information on the City's web site.

Background

Santa Maria was incorporated as a city in September 1905. This year, the City is celebrating its 100th anniversary with centennial activities scheduled throughout the year. About fifty years ago Santa Maria adopted a form of government favoring a strong city council rather than a strong mayor. The City operated under general law, as prescribed by the California Government Code. The City Council hired a City Attorney and a City Administrator who were directly responsible to the Council. The City Attorney provided legal advice to the Council and the City Administrator ran the operations of the City. In recent years, the City has made several changes to its government structure.

In 1995 the City Council decided to change the chief executive position from a City Administrator to a City Manager. The primary difference is that a City Manager can hire and fire senior management personnel without the approval of the City Council. This gave the City's chief executive a great deal more authority and control in administering the City government, which emphasizes the necessity for close Council oversight.

In the November 2000 election, City officials put a measure to change from a general law city to a charter city on the ballot. The measure passed. The charter itself is very flexible. Its power lies in the fact that the City can, for the most part, make its own decisions as to how it spends its money and how it governs itself.

Also in the year 2000, City leaders proposed a change in the mayor's office, making the mayor's term four years rather than two. The voters approved that change.

On several occasions, the Mayor or City Council members have resigned their positions either to retire or to seek other elected offices. Their vacated seat then required that someone be elected or appointed to fill the position. Determining that special elections were too costly, the Council decided in each case to appoint a replacement. In the past ten years, there have been five appointees to the City Council. While appointments have followed logical and legal methods, it remains that those council members were not elected by the people and were therefore, one step removed from the democratic process.

Observations

The City Council meets twice monthly and acts on an agenda prepared by the City Manager's office. The City Manager prepares and sends to the Council, in advance, a thorough and comprehensive information package concerning up-coming agenda items. The agenda does not routinely include a public update concerning the status of the programs being administered by each department, projected projects, personnel strengths, budget issues or any serious problem areas the departments may have encountered.

Currently, the City's personnel functions lie within the City Manager's office. He and his assistant oversee more than 500 employees. The City Manager sometimes spends up to

half his time on personnel issues. As Santa Maria grows, the number of recruitments and hires will demand more staff and the City Manager will be compelled to take on an even greater workload within the personnel area. A city the size of Santa Maria normally has a Human Resources Department.

All department heads report to the City Manager and sign an employment contract with him. They are "at will" employees, meaning that they serve at the will of the City Manager and can be terminated without justification. An association formerly represented the department heads and negotiated salaries and benefits on their behalf. Now the department heads do this directly with the City Manager.

Each department head provides the City Manager with department goals and objectives annually. The City Manager evaluates their performance based upon how well they are able to achieve those goals and objectives. The evaluation process is informal and unstructured. There is no written evaluation most of the time. Although the Municipal Code requires that every city employee receive a minimum of one performance evaluation report annually to be filed in his official personnel file [Sec 2-20.01(z)], this apparently is not the case for department heads. Nor is it the case for the City Attorney and City Manager who are "at will" to the Council. They also do not receive written performance appraisals from the Council. In the case of a grievance or difference of opinion, there is no comprehensive paper trail to follow.

Santa Maria officials are proud that the City has a ratio of only 4.87 employees per 1000 population instead of the 8.67 average ratios for other Central Coast cities. However, this lean staff demands high output from all employees. Santa Maria's population is becoming more diverse and demands on its infrastructure are escalating. The City is showing every sign of continuing its rapid growth. The workload will, of course, increase in proportion to the City's growth and will inevitably cause additional strain. In the words of the City Manager, City issues have become "more numerous, complicated and controversial." Staff already performing at maximum efficiency is not in the best position to handle these growing complexities. Although employee turnover is considered low, the City will need more staff as it grows and takes on more functions that require dealing directly with the public. This is especially true if one person is overseeing all departments and evaluating performance on the basis of economy and efficiency.

In an effort to achieve greater efficiency, the City Council has allowed the City Manager's office to effect a number of changes in recent years. Some of the actions taken by the City Manager have not gone without notice in the community. There have been ripples of tension within certain segments of Santa Maria, including the large Hispanic population and members of the Police Department. The former police chief was relieved of his duties and subsequently retired. He was regarded as a leader who reached out to the sizeable Hispanic population of Santa Maria, building trust and providing services at a level previously unknown. The loss of this leader left some in the Hispanic community feeling that they no longer had a voice within city government. City officials feel that Santa Maria is now recovering from that period of unrest, but suspicion and wariness remain.

Conclusion

Santa Maria is currently in an economically viable but potentially vulnerable position. Finances are sound and the City is experiencing unprecedented growth and prosperity. The City is evolving rapidly into a metropolis that will increasingly have a major impact on the economic and political face of the Central Coast. According to the California Department of Finance, Santa Maria will soon surpass Santa Barbara as the largest city in Santa Barbara County. However, growing pains are starting to be felt and caution must be exercised to ensure that city government evolves to keep pace. City leaders should reach out to all citizens of Santa Maria and make them feel a part of this evolution. The more complicated and complex government becomes, the more public involvement is needed. That involvement fosters a feeling that the public is a part of the governing process and might possibly head off future episodes of unrest. Vacant Council seats should not be filled by appointment simply to reduce costs. The Council should allow the citizens of Santa Maria to directly elect their representatives to fill those seats. This, again, fosters a feeling of involvement and participation on the part of the public and increases good will between the government and those governed. Also, the Council should not allow the City Manager to make major changes in how the government is administered without informing the public of the necessity for those changes. Major decisions might be necessary to promote productivity, cost savings or efficiency, but those changes should be made with the full awareness of the public. Care should be taken to not sacrifice democracy for economy and efficiency.

Findings and Recommendations

Finding 1

The City Council has historically chosen to appoint persons to fill vacant Council seats rather than hold a special election.

Recommendation 1

When Council seats are vacated, the City Council should ensure that elections are held to allow the citizens of Santa Maria the opportunity to directly choose their representatives on the Council.

Finding 2

The performance review process for "at will" employees is inadequate because it does not consistently result in a written report that is placed in the employee's personnel file.

Recommendation 2a

The City Council should establish a formal, annual written performance review process for the City Attorney and the City Manager. That process should create a written performance report to be kept in the employee's personnel file.

Recommendation 2b

The City Council should direct the City Manager to establish a formal, annual written performance review process for each of the Department Heads. That process should create a written performance report to be kept in the employee’s personnel file.

Finding 3

The City Council is not exercising effective oversight of the City Manager.

Recommendation 3a

The City Council should ensure that each Council meeting agenda include a briefing, in public session, by the City Manager or his staff concerning the status of each department, its goals and objectives and how well those are being met. The Council would then be in a better position to ensure that its policies were being administered in accordance with its wishes. If necessary Council meetings should be held more often in order to achieve that level of oversight.

Recommendation 3b

Prior to any action that could result in the termination of a department head, the City Council should require the City Manager to present an explanation for the proposed action to the Council.

Recommendation 3c

The City Council should ensure that personnel functions are removed from the City Manager’s office and made a separate Human Resources Department with purview over all personnel issues including employee grievance hearings.

Finding 4: Santa Maria leads Santa Barbara County in population growth and is projected to continue to grow at a rate of 2.2% per year through 2008 (UCSB Economic Forecast Team). Concern has been expressed by City officials and by the general public as to whether the current governmental structure can keep pace with that growth.

Recommendation 4

The City Council should appoint a task force or commission an independent study to determine the feasibility of governmental realignment in light of the rapid growth and demographic changes of Santa Maria. That study should include but not be limited to: possible full-time status for the Mayor and City Council Members, expanding the City Council to seven or more members, and implementing term limits for the Mayor and City Council Members.

Affected Agencies

Santa Maria City Council

Findings 1, 2, 3, 4

Recommendations 1, 2a, 2b, 3a, 3b, 3c, 4