



City and Borough of Sitka Municipal Organization Chart

Review and Recommendations

Cape Decision Consulting
Rob Allen, Principal
March 21, 2024

One of the goals of the 2022 five-year strategic plan for Sitka is that the City be recognized as a great place to work, and a provider of excellent services to the community. To achieve this goal, the City is reviewing the organizational charts of all municipal departments and job descriptions at all levels to identify areas for improvement. Starting at the top, changes are needed in the number of direct reports to the City Administrator to improve municipal management and retain talent in this key role.

Managing municipal government is a difficult job in all communities, regardless of size and location. Across the country, there are disagreements about the appropriate role and scope of local government, but almost all Americans want public safety, public works, and other basic services at the lowest possible cost. In most small communities, the work of providing public services can be shared with other public entities, including federal, state, county, and other local governments through mutual aid, or quasi-public or private entities, such as regulated utilities. Most small local governments can contract for services and can easily hire talent from neighboring communities.

As an island community of fewer than 8,500 residents, Sitka is an outlier when it comes to providing services to its residents. In addition to managing standard municipal services such as police and fire, road maintenance, regulation of building and development, and provision of parks, recreation, and libraries, the City and Borough of Sitka is responsible for providing or managing electric generation, transmission and distribution, domestic water, wastewater, solid waste removal, harbors, an airport, and an industrial park. Over the past several decades, residents of Sitka have demanded more from municipal government as the federal government has increased regulations, and the state government has decreased financial support. Regulation of tourism and construction and operation of a marine haul-out facility will add cost and complexity to an already-full menu of municipal services.

Under the current organizational chart, one person – the City Administrator – is responsible for direct oversight of fourteen senior managers:

1. Finance Director
2. Assessor
3. Harbormaster

4. Human Resources Director
5. Library Director
6. Planning & Community Development Director
7. Public Works Director
8. Electric Utility Director
9. Harrigan Centennial Hall Manager
10. Fire Chief
11. Police Chief
12. Information Technology Director
13. Municipal Clerk
14. Public & Government Relations Director

The CBS Personnel Policies Handbook (1.03.03), classifies all of these positions as Department Heads. The Assembly proposes to create a new Tourism Manager position, which would presumably be another director-level report to the City Administrator.

A common phrase used in management and leadership literature is “span of control.” Evaluating whether an executive has an appropriate span of control, or number of direct reports depends upon many variables. Each direct report will require a different amount of the executive’s time, attention, and decision-making authority at different points in time, depending upon the complexity of the organization as well as the individuals and particular circumstances involved. However, most management and leadership researchers/consultants agree that a senior leader with 10 or more direct reports is a red flag, because providing both oversight of and support for this many managers, all of whom have their own direct reports, is extremely time-consuming.

A municipal executive needs subject matter expertise, or at least familiarity, with all of the services that their community provides. Typically, the executive will spend more of their time overseeing departments that provide complex or high-risk services, such as public works and public safety, and less time managing cultural services, such as public recreation and libraries. However, specific circumstances – for example, local controversy over what books belong in the library – can result in a municipal leader needing to invest more time in supporting a manager who previously required little of it.

Managing vacancies in key municipal positions and hiring and supporting new senior staff is always time-consuming. This is especially true in Sitka, which has a limited talent pool to draw from for senior municipal leadership positions. We cannot rely on commuters from the next town over to fill key jobs. The City must either identify, cultivate, and train local people to take on leadership roles, or undertake searches and relocate managers from elsewhere, and hope that they like Sitka enough to stay. Both strategies are expensive and require time and effort on the part of the municipal executive. With fourteen direct reports, Sitka's City Administrator is virtually always involved in a search to fill a position or helping to on-board a new manager.

Concern about the scope of Sitka's City Administrator position goes back at least a decade. In 2014, Administrator Mark Gorman engaged the consulting firm Municipal Solutions to conduct a study of the City organization. The resulting report, titled "City and Borough of Sitka General Fund Efficiency Audit & Comprehensive Management Plan," observed:

The City Manager might facilitate greater organizational efficiency with fewer direct reports. The City Manager appears to have more direct reports (12-14) than is generally accepted as a best practice. The Rule of 3-5-7 is a generally-accepted best practice in management and supervision of employees for efficiency and accountability. The City Manager's 12-14 direct reports far exceed this rule.

The report defined the 3-5-7 rule as follows: *Based on the 3-5-7 rule of effective professional management, personnel management can have a detrimental effect if subordinates number fewer than three (3) or greater than seven (7). According to most management experts, 5 directly managed employees provide both the employee and the manager the optimum level of interpersonal communications and organizational effectiveness.*

Mark Gorman attempted to adjust the senior leadership organizational chart without adding or eliminating any department head positions. Looking at the 2024 organization structure in place it is apparent the 2014 effort was unsuccessful.

To prepare this report and recommendations, interviews were conducted with Administrator John Leach and all of his direct reports. Dave Miller, past Fire Chief and interim administrator at various times, was also interviewed for historical context. The interviews ranged from 30 to 60 minutes. Interviewees were provided with the following prompts prior to the meetings:

- Ideas and thoughts on the current organizational structure
- Information flow and decision-making processes within City Hall
- Work-life balance issues
- Improving advancement opportunities for staff

In most interviews there was also a discussion about the culture and values of the workplace at the City and Borough of Sitka.

The message from the interviews is clear and unequivocal: the City Administrator has too many direct reports and a change is needed in the very near term. It is impossible for Sitka's City Administrator to properly supervise and support fourteen direct reports in addition to his responsibility to carry out directives of the Assembly, ensure compliance with an ever-increasing list of state and federal regulations, and advocate for City priorities. The current structure of the Administrator position is incompatible with work-life balance and will inevitably lead to burnout and turnover in the position.


A key frustration expressed by the current Administrator is that there is not enough time to properly supervise, mentor, or give feedback to each direct report. Spending an hour on a bi-weekly basis at minimum with each direct report is best practice, but this is not possible under the current structure. Not having that direct contact is detrimental to the Administrator, the department heads, and the entire organization – the Administrator is inevitably not informed about important issues on a timely basis, and senior managers are waiting too long for direction and decisions from their supervisor.

There is no way to address this problem with the current number, qualifications and responsibilities of senior municipal leaders. ***The primary recommendation of this report is that a new senior leadership position is required to improve the function of City government and to prevent turnover in the Administrator position.*** The new department head would

report directly to the Administrator and share the burden of overseeing fifteen senior leaders.

Under the proposed structure, the Administrator and the new senior leader would supervise different functions of City government. The Administrator would oversee finance, human resources, information technology, city government and elections, external relations and public safety. The new leader, whose title could be Deputy Administrator or Public Services Supervisor, would oversee public works, utilities, harbors, planning and community development, Harrigan Centennial Hall, Sitka Public Library, Parks and Recreation, and tourism.

Reporting relationships under the proposed structure would be as follows:

Administrator	Deputy Administrator
Deputy Administrator	Public Works Director
Finance Director	Electric Utility Director
Human Resources Director	Port Director (see discussion below)
Municipal Clerk	Planning & Community Development Director (see discussion below)
Public & Government Relations Director	Harrigan Centennial Hall Manager
Police Chief	Sitka Public Library Director
Fire Chief	Parks and Recreation Director
Tourism Manager (see discussion below)	

The proposed structure is intended to allow the two senior managers to develop separate areas of expertise and build relationships along functional lines. It would allow the Administrator to focus on City Hall, Public Safety, relationships with the Assembly, and communications and external relations. The new leader would be focused on maintenance of municipal infrastructure, provision of public services, and planning and economic development.

A review of the Sitka Home Rule Charter and Sitka General Code was completed relating to these recommended changes. Sitka General Code 2.10.110, General Provisions states:

A. Administration of Departments. Departments shall be administered by the [administrator](#) of the [city and borough](#), or his designated department head, supervisor, or other designee unless prohibited by [Charter](#). Departments may be assigned additional responsibilities by the [administrator](#). Department heads, supervisors, or other assigned personnel may be responsible for more than one department or division within the department.

B. This Title Not a Grant of Power. This title grants no power not otherwise granted, nor does it make any service areawide, or add any services to a service area, but rather provides an organizational structure through which authority over performance of services otherwise authorized may be exercised. (Ord. 72-5 § 5, 1972; S.G.C. § 2.08.110.)

Per this section it appears the Administrator has the flexibility needed to make changes to the current organizational chart to allow the recommendations to occur. This position could be considered a supervisor. The city Attorney has also reviewed the proposed changes.

The structure of Juneau city government was reviewed for this report. While significantly larger than Sitka, Juneau has a similar range of departments and services with the exception of their electric utility, which is private. The organization chart for the City of Juneau is offered for comparison with the proposed organizational chart for Sitka.

Juneau City Manager	Juneau Deputy City Manager
Deputy City Manager	Police Chief
Finance Director	Fire Chief
Engineering and Public Works Director	Library Director
Community Development Director	Parks and Rec Director
Tourism Manager	HR/Risk Management Director
Lands Manager	Clerk
	Public Information Officer
	IT Director
	Emergency Programs Manager
	Teen health clinic
	Executive Assistant

In addition to creating a new senior position that would oversee approximately half of department heads, the following changes to management of City service are recommended.

1. Creation of a Port Director position by terminating the contract with SEDA for management of the Gary Paxton Industrial Park. The Port Director would be a municipal employee who would oversee the industrial park, operation of the new municipal haul-out facility, operation of the harbors and the airport. The Harbormaster and Airport Manager would report to the Port Director. This structure would provide more City oversight, financial control, and accountability over economic functions associated with harbors and industrial development. This could be a preliminary step toward creation of a port authority that would include all of the harbors, the Gary Paxton Industrial Park, the municipal haul-out facility, the airport, and the new seaplane float.
2. The Tourism Manager is a proposed position going through the budget process for fiscal year 2025. Functionally, this position would best be clustered with other economic development activities under the oversight of the Deputy Administrator/Public Services Supervisor. In conversations that informed this report and recommendations, City Administrator John Leach made a persuasive case for overseeing the Tourism Manager while the Tourism Task Force is completing its work on tourism planning. Cruise ship tourism is a divisive and heated topic in

the community currently. The recommendation is to have the Tourism Manager report to the administrator for the next two years.

3. Under the recommended structure, the Planning & Community Development Director would report to the Deputy Administrator/Public Services Supervisor. The rationale for this recommendation is functional. Planning and Community Development should inform, guide, and interact with leaders and staff responsible for municipal infrastructure and economic development. In conversations that informed this report and recommendations, Administrator John Leach indicated a strong preference for having the Director of Planning and Community Development report to him. In the opinion of the consultant, the Administrator's preference is a reflection of the strong performance of current Planning Director Amy Ainslie, and the value he places on her as a member of his leadership team. While this is a valid perspective, we believe that the Administrator can include the Planning Director in leadership meetings and benefit from her insight even if the position does not report to him.
4. Under the proposed structure, the Assessor would report to the Finance Director.
5. Under the proposed structure, the Information Technology Director would report to the Human Resources Director. A large percentage of the work IT performs is in direct support of HR functions. These two managers work closely together already.

Increasing the municipal workforce is always controversial. Lack of trust in government and suspicions about waste, fraud and abuse are perennial and difficult to address. A strong rationale for proposing new positions and consensus among municipal leaders and Assembly members that the change will result in improved performance and better services is important to reassuring taxpayers that these changes are a wise use of their funds. The recommendations in this report are intended to achieve the following ends:

1. Prevent turnover in the City Administrator position. This is an extremely challenging job with a steep learning curve. Longevity in this position is in the interest of the City and its residents.
2. Increase oversight of department heads and provide them with more support. Under the current organizational structure, the City Administrator does not have the time or bandwidth to properly supervise senior staff and assist them in solving problems. The police department and electric department, both of which are seriously understaffed, are in particular need of more oversight and support.
3. Create additional capacity to manage the new marine haul-out facility. The City is making a multi-million dollar investment in a municipally-owned haul-out facility to support the commercial fishing industry. It is unclear whether dismal economic outlook for commercial fishing at this point in time is a short-term or long-term issue. In either case, the haul-out is a risky proposition for taxpayers. It is essential that the City have a qualified individual in place to assess and manage the risk. Unifying supervision of the haul-out, harbors, airport and sea plane float will provide better economic oversight and accountability for operation of these facilities.
4. Free up more of the Administrator's time to work closely with the Assembly on longer-term issues and priorities, increase and improve communication between City Hall and the public, and build stronger relationships at the federal, regional, Tribal and state levels. Under the current organizational structure, all of the Administrator's time is required to react to immediate circumstances and needs. The proposed structure will allow the Administrator to be proactive. This should result in fewer problems and more resources to address them.