

June 24, 2002

Honorable Rodney S. Melville
Presiding Judge, Santa Barbara Superior Court
312-C East Cook Street
Santa Maria, CA. 93456-5369

RE: Grand Jury Response-Governing the City of
Solvang

Dear Judge Melville,

The Solvang City Council considered the Grand Jury Report and offers the following comments:

GENERAL COMMENT:

The Solvang City Council has itself identified many of the findings and recommendations found in this report and have taken steps to correct these problems outside the Grand Jury Process. We will be responding to this report based upon the current conditions which exist in city government.

FINDING 1:

There have been numerous complaints by the citizens who are concerned with the functioning of the City of Solvang's government.

RESPONSE:

Partially agree. While there have been some complaints by citizens of the operations of city government, we believe that the complaints have not been significantly higher in number than those of other cities or of county government.

FINDING 2:

There are indications of the staff being demoralized.

RESPONSE:

Disagree. We have extremely dedicated and professional staff that is committed to serving the Citizens of Solvang and providing them quality service.

FINDING 3:

There is instability and a high rate of turnover of employees.

RESPONSE:

Disagree. The "high turnover" cited in the Grand Jury report has been limited to a few high level management positions. The Council believes with recent changes to the salary structure the

quality of staff will be higher along with the community's satisfaction in the execution of Council Policy. The Grand Jury states that there have been seven city managers since Solvang's incorporation. In fact, there have only been five, including our new city manager hired in February of this year. That leads to an average tenure of nearly 4 years. While it is of course desirable to have the city manager remain as long as possible for continuity, the average tenure of a city manager in the State of California is only three years. We believe that changes made with our new city manager's appointment will lead to long-term stability at the department head level. The City of Solvang has over 25 percent of its workforce who have been with the city over 10 years, with the overall average being approximately seven years.

FINDING 4:

Some members of Council have a practice of dealing directly with subordinate staff on operational day to day functions.

RESPONSE:

Disagree. The Council works through its City Manager regarding operational issues of the city.

FINDING 5:

Staff is hesitant to make recommendations due to public intimidation or lack of support by Council.

RESPONSE:

Disagree. Since February of this year, several longstanding issues have been resolved by the Council and staff's effective dealing with policy issues. While the staff's job is to make recommendations regarding policy, we understand that those recommendations may not always be followed as issues of policy are within the purview of the Council.

FINDING 6:

A cooperative team effort is missing between staff and the Council.

RESPONSE:

Disagree. We believe that a new spirit of cooperation exists between Council and staff.

FINDING 7:

The intimidation and instability of staff results in less than adequate briefing of Council.

RESPONSE:

Disagree. We believe that with the changes in staffing recently enacted by the Council and the quality of recommendations will improve so that the decision making process will improve.

FINDING 8:

Clear policy direction by Council was not apparent to the staff.

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RESPONSE:

Partially Agree. The Council will be adopting Council Norms and Standards which will help define more clearly the roles and responsibilities of staff and the City Council.

FINDING 9:

Some members of the Council have preoccupied themselves with administrative and operational details.

RESPONSE:

Disagree. The Council understands their role in the process and leaves details to the staff to carry out.

FINDING 10:

The conditions found in Findings 2 through 9 results in: the failure to address pertinent issues, delay in decision making, important decisions being made without all the facts presented.

RESPONSE:

Disagree. We believe that staff and the Council are working to improve the information presented to the Council which will improve the timeliness and quality of the decisions made by the Council.

FINDING 11:

The Anti-Nepotism Policy does not cover the City Council and does not provide for an independent review when the City Manager is the subject of a nepotism question.

RESPONSE:

Disagree. The City Manager is an employee of the City and as such is subject to the Anti-Nepotism policy. In the event that some issue in this policy concern the City Manager, the City Council would have the authority to deal with the issue, as they are the appointing authority of the Manager. Certain other laws pertain to the City Council and are regulated by the Fair Political Practices Commission; an independent body empowered to provide the oversight we believe is intended by the Grand Jury.

FINDING 12:

The City Plan has not been updated since 1988, with the exception of the Land Use Element, which was amended in 1995.

RESPONSE:

Agree. Although state law requires that the Housing Element of the General Plan be updated every five years, most jurisdictions do not have sufficient funding to comply with this unfunded mandate because it is also suggested that the Land Use Element and Circulation Element be reviewed at the same time in order to provide consistency between the elements. However, the State of California HCD (Housing and Community Development Department) must certify an updated Housing element by December 31, 2003 or the City could face certain sanctions. On

January 28, 2002, the City Council directed that an RFP be issued to hire a consultant to update the Housing Element. Staff is in the process of hiring a consultant to perform this work.

FINDING 13:

Of the comparable cities surveyed, none had an Assistant City Manager.

RESPONSE:

Partially agree. The City Council does not have a separate Assistant City Manager position, but rather has assigned those duties to an incumbent who also serves as the Finance and Personnel Directors as well. This was done in order to provide the clarity that the Grand Jury appeared to be looking for in Recommendation 3. However, as organizations are dynamic and always changing, the Council will continue to evaluate this need in the future.

FINDING 14:

The City lacks written guidelines delegating authority when a position is vacant or the office holder is absent or otherwise unable to act.

RESPONSE:

Disagree. State Law governs how incapacitation and vacancy are dealt with at the City Council level. Section 1-5a-2 of the Solvang City Code dictates authority succession when the city manager is unavailable or the position is vacant. Practically, the City Manager prepares a memorandum to the Council and staff when she is out of town designating who will be acting in her absence as well as telephone numbers at which she can be reached for emergencies.

RECOMMENDATION 1:

The City Council and senior city management should attend as many of the League of California Cities programs as possible.

RESPONSE:

Councilmembers Russ and Mathiasen along with City Manager, Marlene Demery recently attended a League of California Cities Workshop on developing an effective leadership team. The group developed an action plan for the entire City Council to consider including establishing Council Norms and Standards of Operation which will delineate the basic understanding of roles and responsibilities of staff and council in decision making. This workshop was extremely insightful and allowed the participants the opportunity to learn from other City Councils and to spend time together to help understand the opportunities, along with the barriers that can be overcome to provide effective leadership. It would be our desire to see this type of training provided to future councils and staff.

RECOMMENDATION 2:

Council meeting agenda items need to be resolved in a timely manner.

RESPONSE:

Our new City Manager is working with staff to more fully develop staff reports that contain enough information including options for the Council to make decisions on a timely basis. The

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Mayor and City Council have made significant strides in the past few months to allow the staff the appropriate latitude to make decisions at the lowest possible level.

RECOMMENDATION 3:

A succession resolution should be adopted.

RESPONSE:

See response to FINDING 14. Our City Manager has routinely provided written notification of who is acting on her behalf whenever she is away from the office and the Solvang City Code covers staff succession. State Law governs council succession.

RECOMMENDATION 4:

Update the City General Plan and its various elements with scheduled reviews.

RESPONSE:

The Council recently adopted a budget for 2002/2003 that provides \$90,000 for the first year's effort in updating the General Plan which is estimated to cost approximately \$180,000. The first Element which will be updated is that covering Housing. The Council directed that a consultant be hired to accomplish this work, and it is staff's intent to issue the RFP for this effort as soon as possible.

RECOMMENDATION 5:

Work more actively with Caltrans, the County and the Association of Governments (SBCAG) to implement the updated plan.

RESPONSE:

The Solvang City Council agrees that any plan must also include significant efforts to implement the recommendations and is committed to working with its neighbors to be part of those efforts.

RECOMMENDATION 6:

Amend the Anti-Nepotism Policy to include members of the City Council and to provide for independent review when the City Manager or a member of the City Council is alleged to be in violation of the Policy.

RESPONSE:

The Council believes that the current policy as adopted adequately addresses employment issues associated with nepotism. Certain other laws pertain to the City Council and are regulated by the Fair Political Practices Commission; an independent body empowered to provide the oversight we believe is intended by the Grand Jury.

RECOMMENDATION 7:

Exercise restraint when addressing personnel issues in public meetings.

RESPONSE:

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The Council has hired a strong City Manager who understands the need for providing effective personnel management. Both the Council and the City Manager are committed to protecting employees and providing the proper atmosphere for effective job performance by all who are involved in city operations. We must work together as a team to provide quality service to our constituents.

RECOMMENDATION 8:

The Council must establish and maintain a supportive leadership role that fosters a stable professional staff.

RESPONSE:

Agreed. The Council is committed to establishing in writing Council Norms and Standards that will detail the appropriate roles staff and the Council play in the leadership process. That effort will help guide the Council in how they interact with each other at council meetings and with staff. The Council is committed to providing policy guidance and allowing the staff to carry out the policies established by the Council. Once the Council Norms and Standards are adopted, the Council will be ready to develop annual Goals in concert with the staff of the city.

RECOMMENDATION 9:

The Council must act as a body through its chosen chief executive officer, the City Manager.

RESPONSE:

Agreed. The Council is committed to work together to provide effective policy guidance to its employees through the City Manager.

RECOMMENDATION 10:

The Council should insure there is clear delegation of authority to specific individuals with defined dollar amounts and then permit staff to carry out the delegation without further Council approval.

RESPONSE:

The Council intends to review its Purchasing Ordinance in the near future and make any changes that are necessary to clarify purchasing authority. The Council, like most City Councils does however; approve all expenditures of the City on its Check Register which is included in nearly every Consent Agenda of the city council meetings.

RECOMMENDATION 11:

The City should reconsider the need for the position of Assistant City Manager.

RESPONSE:

The City Council does not have a separate Assistant City Manager position, but rather has assigned those duties to an incumbent who also serves as the Finance and Personnel Directors as well. This was done in order to provide the clarity that the Grand Jury appeared to be looking for

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in Recommendation 3 above. However, as organizations are dynamic and always changing, the Council will continue to evaluate this need in the future.

Sincerely,

Mayor Kenneth Palmer

cc: Grand Jury Foreperson
Solvang City Councilmembers