



# PROGRESSIVE “NEW NORMAL” IN CITY GOVERNANCE COMES OUT OF FORMER “ECONOMIC DEATH VALLEY”

## **A Change of Goals Turns Fresno into One of the Most Functional and Economically Stable Cities in California**

In 2003, the Fresno city government had 53 grievance claims brought against the City. These grievances from city employees came from a system that, according to Deputy Mayor Roger Montero, “worked talented people into mediocrity, not by consciously thinking about it, but by absorbing [counterproductive] habits.”

Montero, a facilitator for The Pacific Institute while working for AT&T in the early 1980’s, came to Fresno with newly elected Mayor Alan Autry in 2001 to “make Fresno work again.” Bringing in The Pacific Institute in 2003, Montero noticed, “The curriculum from 1983 hadn’t changed a bit. The Pacific Institute’s *Imagine 21*™ program is so universal, so logical that it has stood the test of time. That was a great boost for me.” It was a boost for Fresno too when it **cut their grievances by nearly 70% in 2004.**

## DIAGNOSIS:

### **A Culture of Mediocrity**

In March 2003, the same time Montero and Autry initially contacted The Pacific Institute, *Forbes* Magazine ranked Fresno 146th out of 150 major American cities for standard of living.

Directly after the release of the *Forbes* article, The Pacific Institute’s *Organization Cultural Effectiveness Survey* and *Leadership Impact Survey* were implemented to provide Fresno leadership with insights into the cultural underpinnings of costly administration methods and practices.

Most counterproductive was Fresno’s governance system which utilized an activity-based infrastructure around 16 independent branches. With misaligned activities often contradicting each other, these branches were ineffective at working together and became a hindrance to the City’s programs. The system, according to City Manager Dan Hobbs, “reflected a routinized, clerically administrative system of pushing paper” that was trivializing the city’s \$800 million annual budget.

## INTERVENTION:

### **Getting it Right the First Time**

Familiar with The Pacific Institute’s *Imagine 21* program’s ability to develop a constructive organizational culture, Montero insisted the program be shared with all Fresno employees. “You can



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1709 Harbor Avenue SW • Seattle, Washington 98126-2049  
206.628.4800 • 800.426.3660 • Fax 206.587.6007  
[www.thepacificinstitute.com](http://www.thepacificinstitute.com)

have sporadic, incidental success," Montero said concerning the lack of a constructive culture in Fresno before 2003. **"But when you want to change a culture, you must have that point at the very top of the pyramid where you can visualize everything.** Without that game plan you are at the whim of what happens to blow at the time." According to Montero, The Pacific Institute and its *Imagine 21*<sup>™</sup> program have been that point for Fresno.

Over their first year and a half with The Pacific Institute, Mayor Autry, Deputy Mayor Montero, City Manager Dan Hobbs and the 3,700 employees of Fresno's city government developed **functional solutions to problems that silently had been debilitating their city.**

The Pacific Institute and Fresno city executives worked through *Cultural Consensus Building* programs to create a Mission, Vision and Values aimed at achieving the city's desired outcomes.

**"In the first year [of working with The Pacific Institute] we literally changed the way we prepare the city budget," Montero said, mentioning that in city governance a city's budget is also its business plan. "We went to an outcomes based budget as opposed to department based. We look at outcomes, goals and strategies, and then how much money it will take."**

## MEASUREABLE RESULTS:

### **Efficient, Innovative and Appealing — Fresno as the "New Normal"**

In 2004, Fresno was a finalist for the annual **National Innovative Government Award** presented by the Harvard School of Business for their new outcome-based budget. "The true beauty of moving to this outcome-based system of managing is that it is fluid and malleable. As situations arise throughout the year, this system allows the organization to flex to meet challenges which arise and still keep a focus," Mayor Autry said.

Fresno is in the thick of transforming from what Mayor Autry called "A tale of two cities with a disparity in opportunity, education and quality of life," to a "new normal" of governance where Fresno's innovative techniques create widespread success across the city.

**Deputy Mayor Montero likened The Pacific Institute's training "as the first piece of comprehensive municipal governance," to a cornerstone from which all of Fresno's recent success has grown. "It has worked beautifully," Montero said. "People not only believe that change is possible, but there is a system in place where you can look out and internalize for years to come."**

*The Pacific Institute, Inc. is a Seattle-based education and consulting company, delivering solutions based on applied psychology and best business practices. Since 1971, the Institute has helped individuals and organizations manage change, achieve goals, and transform culture.*



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