

COUNCIL ACTION FORM

SUBJECT: TEMPORARY AUTHORIZATION FOR ADDITIONAL FINANCE DEPARTMENT FTE

BACKGROUND:

As positions turn over and work processes change over time, City staff evaluates whether changes should be made to improve service and efficiency. An upcoming retirement will create a vacancy for one of the three Account Clerk positions in the Accounting division of Finance. After analyzing the position, it has been determined that the best option going forward will be to replace the position with a Budget Analyst and re-organize duties between the Finance Accounting and Finance Administration Divisions.

Current and proposed organization of the Divisions is as follows:

	<u>CURRENT:</u>	<u>PROPOSED:</u>
<u>Finance Administration</u> Current: 3 FTE Proposed: 4 FTE	Finance Director Budget Officer Secretary I	Finance Director Budget Officer Secretary I Budget Analyst (new)
<u>Finance Accounting</u> Current: 9 FTE Proposed: 8 FTE	Assistant Finance Director Treasurer Accountant (2) Account Clerk (3) Cashier Payroll Clerk	Assistant Finance Director Treasurer Accountant (2) Account Clerk (2) Cashier Payroll Clerk

An increase in the use of technology and the general increase in workload as City operations have grown have resulted in a higher demand for more skilled work and a reduction in the work demands for some clerical positions. The addition of a Budget Analyst will provide budget preparation and monitoring support. Additionally, with the full implementation of the EnerGov permitting system, duties of the Account Clerk handling accounts receivable will change considerably with the type of work moving from a manual processing of receipts and billing to a more automated system.

TIMING AND ESTIMATED FINANCIAL IMPACT

The planned retirement for one Account Clerk will take place effective November 1, 2019. The new Budget Analyst position is needed sooner to begin training for the upcoming budget season. **Staff's request is to hire the Budget Analyst as soon as August.**

Because there is an overlap in the position being eliminated and the new position, authorization by Council is required for a temporary additional FTE.

The overlap will also allow for completion of the transition of the EnerGov billing for building permits and an orderly re-allocation of duties across the two divisions. Additionally, this will allow a long-term successful employee to complete her career with the City at her planned retirement date. The re-organization within the existing authorized positions has been approved by the City Manager.

The estimated cost for the overlap in positions is approximately \$22,500. However, the Finance Department Secretary I position was vacant approximately three months. **With the carry-over of the savings from this open position, the cost for the overlap in positions will be fully offset and will have no budget impact.** Though overall expenses will not change with the re-organization, there will be a shift of costs between Finance Administration and Finance Accounting. Both divisions are budgeted in the General Fund with part of the expenses allocated to utilities, but all at different rates. **The shift in the FTE will result in small reductions in the General, Resource Recovery, and Parking Funds, and off-setting small increases in the Water, Sewer, and Electric Funds.**

In the long term, the cost of replacing an Account Clerk with a higher grade Budget Analyst will be phased in over time. The difference in the top of the range for these two classifications is approximately \$20,000. However, it generally takes a number of years to reach to the top of the range and it is expected the new Budget Analyst position will be filled closer to the midpoint of the range. Therefore, the full impact of the higher-paid position will not be felt for approximately seven to ten years.

ALTERNATIVES:

1. Authorize an additional full-time position in the Finance Department for the period between August 1, 2019 and November 1, 2019.
2. Do not authorize the additional FTE for the Finance Department.

CITY MANAGER'S RECOMMENDED ACTION:

An analysis of the needs of the Finance Department has determined that the creation of a Budget Analyst position and reduction of one Account Clerk would be in the best interest of providing service to City departments. The temporary authorization of an additional FTE will allow for implementation of a new organizational structure with minimal interruption in service and no impact to the City's budget.

Therefore it is recommended that City Council approve Alternative No. 1, thereby authorizing an additional full-time position in the Finance Department for the period between August 1, 2019 and November 1, 2019.