



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Patty Maitland, Finance Director
MEETING DATE: September 21, 2016
SUBJECT: Position Reallocation and Implementing a “Position on Loan” Process
CEQA: Does not Constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Introduce and hold first reading of an Ordinance Amending the Fiscal Year 2016-17 Budget to:

1. Reallocate 1 Full Time Equivalent (FTE) Engineering Technician to 1 FTE Program Manager.
2. Increase 0.5 FTE Administrative Technician to 1 FTE
3. Establish 4 FTE Positions on Loan, and directing a summary of the measure be published as approved by the City Attorney.

DISCUSSION

Pursuant to [Council Policy 400-6, Budget and Financial Management](#), Council’s adoption of the operating and capital budget includes baseline staffing levels and appropriations. Any alteration to staffing levels or staffing expenditures requires Council authorization. This item requests Council’s authorization to reallocate one FTE Engineering Technician to 1 FTE Program Manager in the Public Works – Administration division (501), and, increase .5 FTE Administrative Technician to 1 FTE in the Finance Department. Additionally, Staff recommends that Council implement a “Positions on Loan” process to address unanticipated and temporary staffing deficiencies due to Workers’ Compensation cases.

Public Works and Finance Positions

During the FY 2016-17 Budget Hearings on [May 18](#) and [June 15, 2016](#), Council authorized a 1 FTE Engineering Technician position for Public Works. Similarly, in the Finance Department, a .5 FTE Administrative Technician was authorized by Council. Both positions were requested of Council in anticipation of an increase in capital improvement activity as well as the expansion in accounting responsibilities relative to the authorized capital projects. Unfortunately, at the time of budget preparation, neither Public Works nor Finance accurately assessed the degree of managerial and administrative oversight necessitated by the expansion of capital projects, grant funded programs, environmental mandates, and developer reimbursement agreements.

The [span of control for Public Works](#) is such that additional depth in the management structure is necessary to achieve the Council’s goals in the investment of capital improvements and remedying deferred maintenance issues. The complex methods for managing and financing the projects (State loans, grants, user fees) necessitate the addition of a Program Manager. A Program Manager,

versus the previously authorized Engineering Technician, would possess a more robust skill set to manage a wider array of programs/projects, and supervise staff. Similarly, the accompanying accounting tasks that stem from the uptick in public works activities have impacted the Finance Department's productivity capacity. Staff recommends that Council authorize the reallocation of one FTE Engineering Technician to 1 FTE Program Manager in Public Works, and increase .5 FTE Administrative Technician to 1 FTE in the Finance Department.

"Position on Loan" Process

Workers' Compensation is a form of insurance the City utilizes to provide compensation and medical care to employees who are injured during the course of employment. Workers' Compensation provides for payments in place of wages (functioning as a form of disability insurance). Extended employee absences due to on-the-job injuries create a gap in the City's ability to maintain service levels.

Employees who are absent due to a covered Workers' Compensation injury remain on the City's payroll, and occupy a position that has been authorized by Council during the budgetary process. Even when it becomes apparent that an employee's recovery may span several months, if not years, the employee occupies a budgeted position. Because departments are prohibited from hiring more employees than budgeted positions, long-term Workers' Compensation cases reduce a department's ability to deliver services. The Position on Loan process is a tool that departments can utilize to temporarily resolve staffing deficiencies due to Workers' Compensation case absences.

A Position on Loan is a head count that is pre-authorized by the Council (Staff proposes four Positions on Loan be authorized) but with no associated funding. If a department experiences a temporary staffing vacancy due to a Workers' Compensation extended absence (an absence that exceeds 90 days) the department could utilize a Position on Loan to backfill the employee, contingent upon the department's ability to pay for it without additional appropriations. Because Workers' Compensation benefits are paid to employees via a separate internal service fund, departments with an employee receiving workers' compensation benefits generally have sufficient funds to backfill, but lack the Council authorized headcount.

The Finance/Risk Management Department would manage the position on loan process. If a department has an employee absence due to a Workers' Compensation case for more than 90 days, and possesses sufficient appropriations to fund a backfill, a Position on Loan would be granted to the department until the temporary staffing deficiency is resolved. However, if the department does not have sufficient funding to fund a Position on Loan with existing appropriations, the department would be required to request additional funding from Council via a budget amendment.

OPTIONS

1. Do nothing.
2. Make modifications to the ordinance

FISCAL IMPACT

Funding for the Public Works Program Manager position derives from the salary and benefits budgeted for the Engineering Aide. The difference in salary schedules is approximately 19% (at Step 3 of the Salary Schedule \$35.20 versus \$41.95 per hour). The 19% increase will be cross-charged to any project funds, such as Sewer, that the position would have involvement in. Funding

for the additional .5 FTE Administrative Technician in the Finance Department derives from existing appropriations in the operating budget for accounting services. The Public Works reallocation and Finance Department .5 FTE increase do not require the Council to authorize additional appropriations.

The four Positions on Loan are a staffing tool to resolve temporary staffing deficiencies. There are no appropriations associated with the four requested positions.

ATTACHMENTS

1. Ordinance

RESPECTFULLY SUBMITTED:



Patty Maitland
Finance Director

REVIEWED BY:



Ben Harvey
City Manager

ORDINANCE NO. 16-____

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AMENDING THE FISCAL YEAR 2016-17 BUDGET AND REALLOCATING ONE (1)
ENGINEERING TECHICAN TO ONE (1) PROGRAM MANAGER, INCREASING .5
ADMINISTRATIVE TECHNICIAN TO ONE (1) FTE, AND ESTABLISHING FOUR (4)
POSITIONS ON LOAN**

WHEREAS, the City Council approved the Fiscal Year 2016-17 Budget on June 15, 2016; and

WHEREAS, pursuant to Council Policy 400-6, Council's adoption of the operating and capital budget includes baseline staffing levels and appropriations and any alteration to staffing levels or staffing expenditures requires Council authorization; and

WHEREAS, the complex methods for managing public works projects necessitate the reallocation of an Engineering Technician to a Program Manager and the increase of a .5 FTE Administrative Technician, and

WHEREAS, a Position on Loan process and the allocation of four positions on loan without associated appropriations would facilitate the resolution of temporary staffing deficiencies due to Workers' Compensation case absences; and

WHEREAS, in the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment pursuant to the California Quality Act (CEQA), CEQA Guideline Section 15378.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
PACIFIC GROVE:**

SECTION 1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Staffing changes are made as follows:

1. Reallocate one FTE Engineering Technician to 1 FTE Program Manager in the Public Works – Administration division (501)
2. Increase 0.5 FTE Administrative Technician to 1 FTE in the Finance Department

3. Establish 4 positions on loan with no associated appropriations

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this ____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KENDALL, City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney