

COUNCIL ACTION FORM

SUBJECT: **MID-YEAR STAFFING AUTHORIZATION**

BACKGROUND:

Additions to the City's permanent workforce are nearly always presented for Council authorization during the annual budget process, and most often do not take effect until July 1st of the following fiscal year. In December, however, Council approved two slight additions to authorized staffing levels to address unique situations. An additional situation has arisen where authorizing another staffing increase now will best meet our customers' service level needs. This involves a .25 FTE (full-time equivalent) addition to the Human Resources staff.

At present, five of the department's staff positions are vacant. In addition to three vacancies among the professional staff, the department's two support staff members recently left City employment. Both of these positions have been at a .75 FTE authorization level for many years. Having these positions vacant presents a unique opportunity to reevaluate their roles and responsibilities in the larger context of the department's overall workload.

At this time it is recommended that the FTE allotted to the former Secretary I position be expanded to 1.0 FTE. The position will be reviewed and updated to better align with current workload needs. This will also address the need to provide increased HR support to ensure CyRide complies with complex federal health care requirements.

The current year's adopted budget for this .75 FTE position included a total annualized cost for salaries and roll-up of \$54,696. The former incumbent was eligible for but opted out of pro-rated health insurance. Had she not done so, the City would have had an additional cost exposure of approximately \$15,000.

When budgeting for unfilled positions, staff assumes the new employee will select the highest priced health insurance option and could bring sufficient experience to be paid above the entry level salary. This guards against actual costs exceeding the available budget. Using this approach, it is estimated that changing from .75 FTE to 1.0 FTE will cost \$76,719 in FY 17/18. Most of that projected increase is for health insurance costs.

It is currently projected that the increased workload to support CyRide's compliance with the Affordable Care Act will utilize all of this .25 FTE increase. Thus, the added cost for that support of approximately \$20,000 will be paid by the Transit Fund, which has funding for this purpose built into its proposed FY 17/18 budget.

This action is being brought to Council now out of urgency to fill this vacant position soon, rather than wait for the FTE expansion to take effect on July 1st. Expeditious action is needed to provide capacity to rebuild the HR staff and restore services for the other City departments.

As the Human Resources functions are analyzed further, it is possible the second vacant support staff position may also be expanded to full time. Other changes may also be made to the department's professional positions, organization and budget; but those changes will not involve any other expansion of FTEs.

ALTERNATIVES:

1. Authorize the .25 FTE increase to the Human Resources staff effective immediately.
2. Delay filling this position until after approval of the FY 2017/18 Budget.

MANAGER'S RECOMMENDED ACTION:

Providing adequate staff support is critical for the success of the Human Resources function. This .25 FTE addition to the support staff will allow the department to support CyRide in its compliance with the Affordable Care Act. It will also take advantage of the immediate recruitment opportunity to fill this vacant position in a way that best addresses the City's long-term human resources needs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.