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To: Lemoore City Council Item # 8
From: Jeff Briltz, City Manager
Date: August 10, 2011
Subject: Lift of Hiring Freeze for 2011/12 Budgeted Positions

Discussion:

For nearly three years, the City has maintained a firm hiring freeze for all full-time positions, with the exceptions of Police Offices, and a one-time exception for an Assistant Planner position. The Hiring Freeze was instituted to allow attrition to reduce the City's ongoing personnel expense.

As vacancies have occurred in the City, personnel have been permitted to transfer within City employment, particularly in non-general fund areas. Essentially, all attrition within the General Fund, save the Police Department, has remained unfilled, resulting in considerable savings, coupled with reduced capacity, resources, skills, and abilities. We have, when needed, backfilled with part-time employment. This has certainly helped, but with part-time employment, the skill levels are often lower, and tenure much shorter. Additionally, we are limited to 1,000 hours per fiscal year with part-time employees, unless we enroll them in PERS, which obviously increases the costs. So, as a result, we either are left with scheduling them to 20 hours per week or less, or simply working them until they hit 1,000 hours, then laying them off.

The adopted 2011/12 Budget accounts for all of the attrition and full-time personnel reductions City-wide, through spring of this year. Since that time, we are down two more positions, Finance Director and Maintenance Worker I/II in the Maintenance Division. In the case of the Finance Director position, we are backfilling the position with an interim Director, Carlos Sanchez, a PERS annuitant who is limited to working 960 hours per fiscal year. Consequently, at rate we are going now, Mr. Sanchez will only be able to remain with the City through early January. In the case of the Maintenance Division, the vacancy began on August 8th.

In both cases, refilling these particular positions is warranted. For the position of Finance Director, there is an obvious need. First, the Department, once combined with the Utility Billing Office, is already smaller by one full-time staff member since 2008. The demands in the department have increased with the economic condition, particularly with utility customers. Leadership is needed to make necessary improvement, and simply put, the staffing level needs to remain to keep up with the existing demands. The position is funded 50% by the General Fund, and 50% by the utilities. In order to ensure we have adequate time to recruit, test, select and ultimately have someone on board by January, we need to begin the recruitment process soon.

The vacancy in the Maintenance Division also presents some concerns. Recall that the Maintenance Division was created by merging three shrinking divisions last fall, Public

Buildings, Streets, and Parks. Prior to the hiring freeze, these divisions had a combined total of 13.6 full-time positions. With this latest vacancy, the current number of full-time employees in the division has dwindled to 7.15. There are at least three options for the maintenance division moving forward now that this vacancy has occurred. First, we could leave the position unfilled, and save approximately \$53,656.16 annually. We would immediately need to close 19th Ave. Park to ensure we had enough labor available to handle the rest of the maintenance responsibilities. The second option would be to backfill with part-time staff with the \$53,656.16 saved with the full-time vacancy. This would allow us to keep 19th Ave. Park open. Our primary concerns are in the area of Street Maintenance, as now none of the prior Streets Division employees remain with the Maintenance Division. Items such as sign placement, street light repairs, etc, require extensive training, and our concern is that by the time we get a part-time employee trained, they will reach the 1,000 hours. Furthermore, even if we enroll them in PERS, our experience is that we will not enjoy the longevity or tenure that a full-time appointment often brings; consequently, the higher turnover results in increased training costs and poorer service to the public. The final, and recommended option is to fill this position with a full-time employee.

Long-term, we need to continue to rely on some additional attrition to take place, along with other measures, to safely achieve a balance budget beginning next July. However, these two positions are simply not ones I suggest going without. My recommendation is that the Council authorize me to fill the positions approved in the 2011/12 City Budget, including the two positions described in detail here. If attrition occurs in areas that are less sensitive to vacancy, such as administrative support, I will keep those positions open and unfilled, and rely on back filling with part-time employees if needed.

Budget Impact:

The authorized positions are fully budgeted. For your information however, it is estimated that the Finance Director position will have an annual salary and benefits cost of \$132,958.00, and the Maintenance Worker I/II position will have an annual salary and benefits cost of \$53,656.16.

Recommendation:

That the City Council, by motion, lift the hiring freeze for full-time employees for positions authorized in the 2011/12 Budget, and further direct the City Manager to only fill vacancies that occur if leaving them unfilled with create a severe hardship and impact the service delivery to the citizens of the City of Lemoore.