

AGENDA ITEM: _____
DATE: 1/20/2015

**CITY OF CASA GRANDE
REQUEST FOR COUNCIL ACTION**

Date Submitted: 1/5/2015	Date Requested: 1/20/2015
Type of Action Requested	Subject
<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other	Approve an Ordinance to authorize the addition of the position of Accounting Manager and the re-classification of the position of Supervising Accountant to Senior Accountant within the Finance Department and title changes to Account Clerk classifications.

RECOMMENDATION:

Approve an Ordinance authorizing the re-classification of two positions within the Finance department, the re-titling of two positions and their addition to the citywide staff complement

DISCUSSION:

By the end of this fiscal year, the Finance department is anticipating two positions being vacated due to retirements. This provides us an opportunity to implement a strategic staffing plan that will have little direct impact on our current employees but an immediate positive impact on our ability to perform our core functions. Implementation of this plan will directly address deficiencies in our current organizational structure evidenced by recent audit findings.

Consistent with the City’s goal of providing the highest quality services as efficiently as possible, Finance has been analyzing its current structure and capacity. The following analysis and recommendation is a part of our departmental strategic staffing plan. This analysis represents an internal staffing needs assessment, considers operational areas of improvement, and a gap analysis of technical skills on the accounting side of the Finance Department. The four key recommendations resulting from this analysis are:

1. A Senior Accounting Clerk position, when vacated, is reclassified to an **Accounting Manager** position (Pay Grade 72). This position would be filled by an experienced and credentialed professional responsible for all aspects of the accounting functions of the City. The Accounting Manager would be responsible for the direct and indirect supervision of a Senior Accountant, an Accountant, two (2) Sr. Account Clerks and three (3) Account Clerks. This position is exempt from FLSA.

2. The Supervising Accountant position would be re-titled to **Senior Accountant** (Pay Grade 64). This position would continue to include responsibility for Supervision, General Ledger accounting, reconciliation and coordination. This position is exempt from FLSA

3. The current position of **Accountant** (Pay Grade 56) is reassigned to concentrate on utility accounting, account management and collections. This position is exempt from FLSA.
4. As part of the re-organization the two existing position classifications of Senior Accounting Clerk and Accounting Clerk will be re-titled to Senior Account Clerk and Account Clerk to more closely match industry standards and actual practice. These positions are not exempt from FLSA.

This plan will allow the City to address both actual and potential process and internal control failures that are driven by the following factors:

- Inability to fulfill financial oversight responsibilities at an acceptable level, including identifying and completing regular monthly balance sheet and subsidiary ledger reconciliations, general ledger detail reviews and reconciling regular billings;
- Inability to proactively manage the accounting requirements of the City. Staff is unable to regularly provide internal and external reporting (CAFR, expense reports, fixed assets) without setting aside other duties, that often result in delays in other key processes;
- Inability to provide consistent, value added services to City departments, who do not have a financial or management analyst, such as financial performance, cost, project analysis, or procurement assistance;
- Inability to pro-actively manage our 16,000 wastewater and sanitation accounts. Spot audits conducted over the last 12 months have generated tens of thousands of dollars of ongoing revenue from inappropriately identified or missing accounts;
- The department does not leverage a city-wide ERP system, but uses disparate systems that require focused reconciliation efforts to ensure that financial transactions are complete, accurate and timely, when recorded in the accounting system. System inadequacies combined with a lack of understanding regarding the accounting system and reporting functionality often results in process “work-arounds” that entail using word and excel for tracking and reporting;
- Key business process maps, desktop manuals, policies and procedures have not been developed, formalized or updated.

The proposed changes, stated above and reflected on the attached organization chart, do not result in an increase to the 12.0 FTE’s authorized for the Finance Department. Due to vacancy savings, the net change in projected actual personnel costs for FY2015 will not require a budget transfer to implement these changes. It is estimated that the increased ongoing direct annual cost beginning in FY2016 is approximately \$50,000.

Adding a professional level management position and reorganizing job duties as presented will ensure that Finance staff has the requisite skill and depth to implement the systems and processes necessary to address current issues, and prevent future ones, in an appropriate and timely manner. Enhanced educational levels, applied training and technical skills will allow the department to refocus on the core elements of accounting and utility management that have been delegated to positions without the requisite background to address effectively.

Additionally, the recommendation supports four key fiscal policies:

- **Expenditure Reduction** – seeks expenditure reduction whenever possible through efficiencies, reorganization of services, and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness.
- **Productivity** – The City of Casa Grande seeks continuous improvement in the productivity of the City’s programs in terms of quantity and quality of services relative to resources expended, through all possible strategies.
- **Resource Management** – The City of Casa Grande seeks continued improvement in its budgetary and financial management capacity in order to achieve the best possible decisions on resource allocation and the most effective use of budgeted resources.
- **Revenue Enhancement** – it is anticipated that the focus on utilities will increase revenue collections in the near term. This element has not been factored into our cost analysis.

FISCAL IMPACT:

For the current fiscal year salary savings within the department will cover any increased costs. For FY2016 and beyond there is an increase of approximately \$50,000 to be funded through the general fund and enterprise funds.

Reviewed by
Finance Director: *Doug Sandstrom*

Reviewed by
City Attorney: *Brett Wallace*

ALTERNATIVES:

- Leave positions and structure as is and establish a lower level of service and expectations
- Delay until FY2016. A delay until FY2016 will have a direct impact on our ability to address audit issues and may extend existing issues into another audit period

Prepared by:

Recommended by:

Approved by:

 Doug Sandstrom
Finance Director

 Doug Sandstrom
Finance Director

 Larry Rains
City Manager