

**TAB 2**



# City of Palmetto Agenda Item

Meeting Date

11/1/10

**Presenter:** Karen Simpson

**Department:** Finance

**Title:**

**Finance Re-Organization**

**PROBLEM:** The last two years have resulted in several positions in Finance assuming greater responsibilities over and above their job descriptions as well as obtaining vital certifications. A vacancy exists that will enable a much needed reorganization of the Finance Cost Center while remaining inside the current budget.

**BACKGROUND:** The proposed reorganization is fully outlined in the attached documentation. In summary, this plan reorganizes Finance to improve the work flow, create a more efficient use of staff time, and reassign staff to purchasing duties to allow sufficient time to process multiple RFPs etc. To accomplish this we propose to reduce the vacant Accountant position to a part-time Payroll Clerk 30 hours per week, upgrade the Account Clerk to a Purchasing Clerk with a one grade increase, rearrange the duties of current staff and create a new part-time Account Clerk. Each position assuming greater responsibilities would receive one step and employees who have achieved a certification/degree in their field would receive a step. The Sr. Accounting Analyst's title would change to Sr. Accountant and the Warehouse Operator's title would change to Warehouse/Data Entry Clerk. The Deputy Clerk - Finance received the CGFO certification in June, 2006 but would receive no increase in pay.

This proposal would be accomplished within the FY2011 budget and would not require additional funds in FY2012 to maintain the staffing level (Attachment B). If it becomes apparent that the part-time plan is not feasible, a full time payroll clerk would be hired and the part-time account clerk would not be hired. This plan would also be accomplished within the FY2011 budget (Attachment C).

**Attachments included:**

Attachment A - Outline of the steps to the reorganization

Attachment B - Detailed financial outline of the reorganization

Attachment C - Detailed financial outline of the reorganization with a full-time payroll clerk.

<b>Budgeted Amount:</b>	\$458,871 .00	<b>Budget Page No(s):</b>	34 - 35	<b>Available Amount:</b>	\$458,871 .00	<b>Expenditure Amount:</b>	\$456,745 .00
-------------------------	------------------	---------------------------	---------	--------------------------	------------------	----------------------------	------------------

**Additional Budgetary Information:**

<b>Funding Source(s):</b>	FY2011 budget	<b>Sufficient Funds Available:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Budget Amendment Required:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Source:</b>	
---------------------------	---------------	------------------------------------	--	-----------------------------------	--	----------------	--

<b>City Attorney Reviewed:</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<b>Advisory Board Recommendation:</b>	<input type="checkbox"/> For <input type="checkbox"/> Against <input checked="" type="checkbox"/> N/A	<b>Consistent With:</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
--------------------------------	--	---------------------------------------	---	-------------------------	--	--

**Potential Motion/ Direction Requested:** To approve the reorganization of Finance as outlined effective November 1, 2010.

**Staff Contact:** Karen Simpson Finance

**Attachments:** Attachment A and Attachment B and Attachment C

## **ATTACHMENT A**

### **FINANCE REORGINIZATION**

The Finance Department has experienced many changes since the beginning of FY2006. Management comments as a result of the FY2006 audit indicated that the Finance Department needed to establish stronger internal controls, adhere to due date requirements and increase training for Finance staff. Since that time, four of the seven staff members (3 accounting and 1 purchasing) have received professional certifications and another has received an Associate's Degree in business. Four new financial policies, the purchasing ordinance and numerous new regulations and standards have been implemented in the accounting and purchasing areas since FY2006. The FY2009 audit received no audit comments and was completed in February, a full month earlier than in prior years. In addition, the FY2010 budget was the first to receive the GFOA Budget Award.

This new accountability in the Finance Department has come through training, teamwork, greater attention to details and the assumption of additional responsibilities. For example, the Purchasing Agent is now required to take a greater role in the processing of RFPs, ITBs, RFQs and contracts. This process can take 2 – 6 months to fully process and during FY2010 ten were completed. These were all completed while processing the requisitions that created the 900 purchase orders which were issued during FY2010. The Sr. Accounting Analyst has assumed the duties of grants coordinator. During FY2010 alone, the City received three new labor intensive stimulus grants and processed \$1.1 million in grant expenditures, an increase of 864% over FY2009.

Currently the Accountant position (Grade 110) is vacant and needs to be filled. The full cost of this position is currently budgeted at \$61,593. This vacancy presents a unique opportunity to reorganize and redistribute duties within the Finance Department to enable a better workflow, greater efficiencies, increased internal controls and greater concentration to details and new standards.

Step 1 – Reduce the Accountant position to a Payroll Clerk (Grade 106). Research has revealed that payroll is being processed by Clerks in most governments in Florida. The following duties would be removed and absorbed by other Finance members: Budget liaison to City Hall and PD; Pension reporting; Annual PD reporting. The lower level duty of gathering grant information and assisting the Sr. Accountant would be added. This is a task currently done by the Sr. Accountant and would free time for higher level grant and accounting functions. This Payroll Clerk position would be posted as a part-time, 30 hr per week, position thus saving benefit dollars. The total projected cost of this position would be \$25,608 as a part-time and \$50,154 as a full-time. It is anticipated that this part-time position would appeal to parents with school-age children or “empty nest” parents needing a job for college funds or to return to the job market.

Step 2 – Upgrade the Account Clerk (Grade 105) to Purchasing Clerk (Grade 106) for the duties already assumed and those the position will assume as a result of this reorganization. Currently this position has been assisting the Purchasing Agent in the processing of new vendors, invoices, receipting reports and distribution of PO's. These lower level responsibilities are within the current job description. This reorganization would increase the level of responsibility by including the processing, sourcing and

issuing of requisitions and purchase orders, compiling and maintaining certificates of insurance, and assisting the Purchasing Agent with RFP, ITB, etc., and coordination and administration of the records retention of all finance documents. The following current duties would be passed to a new Account Clerk position (part-time – discussed below): AP check processing, back up data entry, mailing accounts receivable statements for Sr. Accountant. This removal allows for another layer of internal control.

Step 3 – Increase the Purchasing Agent a total of two steps. One step for the increased responsibility of the organization, issuing, processing, and compliance to new standards for all RFP, ITB, RFQ, and contracts that have been placed upon that position over the past two years from inside and outside the City. Currently this position is tasked with the increased responsibility as cited above along with the daily routine duties that will be passed to the Purchasing Clerk, freeing up badly needed time to concentrate on the upper level duty of purchasing goods and services for the City on the best terms possible.

The second step is due to the Purchasing Agent receiving her Certified Professional Public Buyer (CPPB) certification in public procurement in May, 2009. This is a vital tool for governments to maximize value of the taxpayer's dollars and is a formally recognized certification nationwide. This certification has enabled the Purchasing Agent to increase the efficiencies and financial savings for the city.

Step 4 – Change the title of Sr. Accounting Analyst to Sr. Accountant and increase the position a total of two steps. One step is for the increased responsibility of coordinating and managing grants and the second for receiving her Certified Government Finance Officer (CGFO) certification in November, 2009. Over the past four years, the City has averaged less than \$200,000 per year in federal grant expenses and has not required a single audit during that time. Over the last year, the City has had a minimum of \$700,000 in federal grant expenses and will require a single audit of at least three stimulus grants. This illustrates the increased volume of grant dollars the City has received over the past year. The knowledge and time involved in administering these grants have also increased.

Step 5 – Increase the remaining Accountant a total of two steps. The first is for the increased responsibility of administering budgeting standards for the entire City, CIP accounting and administration, compiling the quarterly reviews and analysis for City Commission and the constant analysis of the City's cash and investment position. These increases have been the Accountant's responsibility over the past year and were further increased with the assumption of the City Hall and PD budget liaison duties and the quarterly reviews. This employee also received his CGFO certification in November, 2009 and would be awarded the second step for this accomplishment.

Step 6 – Create a part time Account Clerk position (Grade 105) for 24 hours per week and assign the following duties: Processing liens; Accounts Receivable statements and scanning; Assist with tagging fixed assets; AP check printing and backup data entry; processing mail; scanning cash receipts; other clerical duties. These duties would relieve the Purchasing Clerk of AP duties, assist Sr. Accountant with low level A/R and fixed asset duties and add another layer of internal controls by separating the duties of matching invoices for payment and then printing the checks for those payments.

Step 7 – The Warehouse Operator’s title will be changed to Warehouse/Data Entry Clerk and will be awarded one step for achieving an Associate Degree in May, 2007. No additional responsibilities assigned due to the absence of available time allotted to manage the current warehouse and data entry duties.

This plan does not increase current budgeted funds for FY2011 or future years. In fact, a minimum surplus of \$5,000 is projected from the vacant position. It is anticipated that the part-time Payroll Clerk will be first to be advertised. If a suitable applicant is not found for the part-time Payroll Clerk position, it can be changed to a full-time position and remain within the budget. If this situation occurs, the part-time Account Clerk will not be filled.



**FINANCE REORGANIZATION**

**FY2011**

**ATTACHMENT C**

Grade/Step	Current Grade/Step	Proposed Grade/Step	Old Annual Rate	New Annual Rate	Increase		FICA	Pension	Health Insurance	Dependent and Retire Subsidy	Life and EAP	Workers Comp	Total Benefits	Position Costs	Employee Number	Employee Name	Date of Hire	
					\$ Amt	% Amt												
515	120/7	120/7	69,667	69,667	-	0.00%	5,330	16,351	6,809	1,637	262	110	30,499	100,166	1307	SIMPSON, KAREN	7/14/2004	
515	110/1	110/3	35,944	38,089	2,145	5.97%	2,914	8,939	6,809	1,637	153	60	20,512	58,601	1431	MICSO, MATT	1/2/2007	
515	115/4	115/6	50,041	53,027	2,986	5.97%	4,057	12,445	6,809	1,637	205	84	25,237	78,264	1416	MILLER, CHERYL	11/6/2006	
515	103/9	103/10	32,209	33,156	947	2.94%	2,536	7,782	6,809	1,637	135	565	19,465	52,621	948	SIMMONS, PAMELA	5/13/1998	
515	111/9	111/11	47,587	50,426	2,839	5.97%	3,858	11,835	6,809	1,637	195	80	24,414	74,840	333	HAISLEY, NIXA	6/25/2001	
515	105/1	106/2	28,164	30,441	2,277	8.08%	2,329	7,145	6,809	1,637	126	48	18,094	48,535	1422	GROSS, DONNA	11/15/2006	
515		106/0		28,727			2,198	6,742	6,809	1,637	120	46	17,551	46,278				
													New total of department	459,305	459,871	Current Finance Personnel budget		
														459,305	Proposed Finance Personnel budget			
														566	Surplus (Deficit)			

Vacant Accountant position annual costs 61,593.00  
 Vacant Accountant costs monthly 5,132.75  
 Available attrition costs thru 12/1/10 10,265.50

**Justification:**

Changes to current positions:

**Accountant** - Increase from Step 1 to Step 3, \$2,145 (5.97%) increase in pay. The current employee has achieved the CGFO certification which is recognized as highly as a CPA designation. This position has increased responsibility through the assuming complete CIP duties, all cost center liason duties to include budget oversight, advising of fiscal position to department heads and City Commission, quarterly review reports to City Commission, constant analysis of City cash and investment position.

**Sr Accountant** - Formerly Sr Accounting Analyst - Increase from Step 4 to Step 6, \$2,986 (5.97%) increase. The current employee has achieved the CGFO certification which is recognized as highly as a CPA designation. This position has assumed the duties of grants coordinator and is currently engaged in the grant reporting for the city's grants and coordinating the reporting for the PD grants. This position would supervise the Accountant and Payroll Clerk positions.

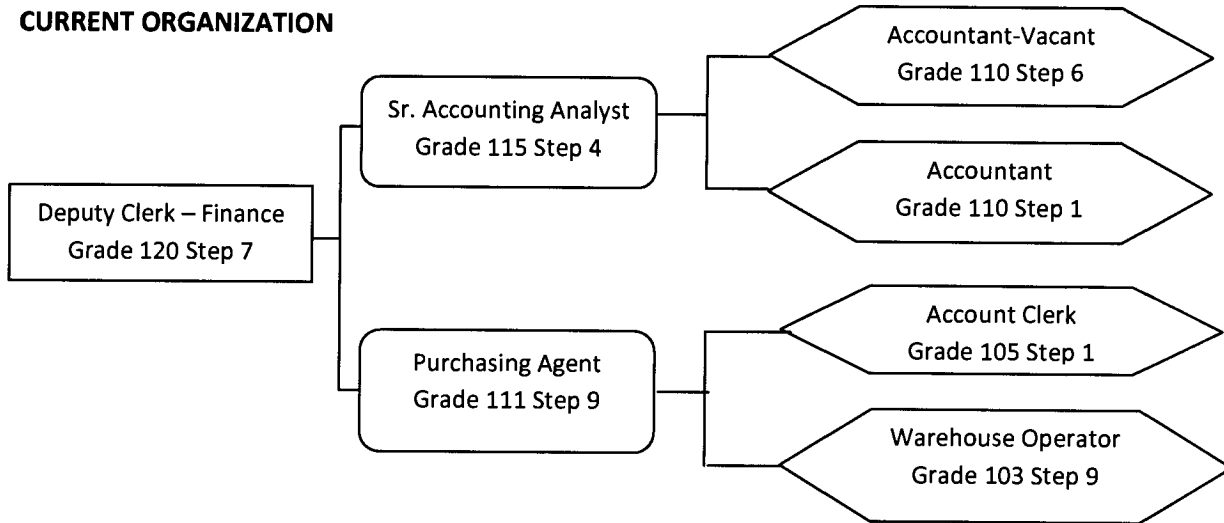
**Purchasing Agent** - Increase two steps from Grade 111 Step 9 to Step 11 for achieving the CPPB certification in public procurement; a vital tool for agencies all over the country as they watch every dollar and look to maximize value, which well-trained professionals are better equipped to do. This designation demonstrates a standard of competency in the public purchasing profession. Many local and state governments formally recognize the CPPB designation as a meaningful standard for employment and advancement of public procurement personnel. By achieving this certification this position has taken several steps in the RFP process and purchasing of goods and services that have created greater efficiencies and financial savings for the city as well as ensured the compliance to new standards and practices for governmental procurement. Recent attention has been given to taking advantage of all available purchasing cooperatives and programs in order to achieve maximum value for the taxpayer's dollars. This position will continue to supervise the Warehouse Operator and the Purchasing Clerk who will assume most of the routine purchasing tasks to further enable the Purchasing Agent greater efficiencies.

**Purchasing Clerk** - Formerly Account Clerk - Increase from Grade 105 Step 1 to Grade 106, Step 2. This position will be assuming several responsibilities from the Purchasing Agent's position, Grade 111, which is well above the current job description such as the daily processing of requisitions, purchase orders, receiving reports and invoices and retain the records retention administration for Finance and Purchasing. This position will communicate with vendors concerning the purchase orders and invoices as well as offer support to the Purchasing Manager for RFP, ITB and RFQ processing.

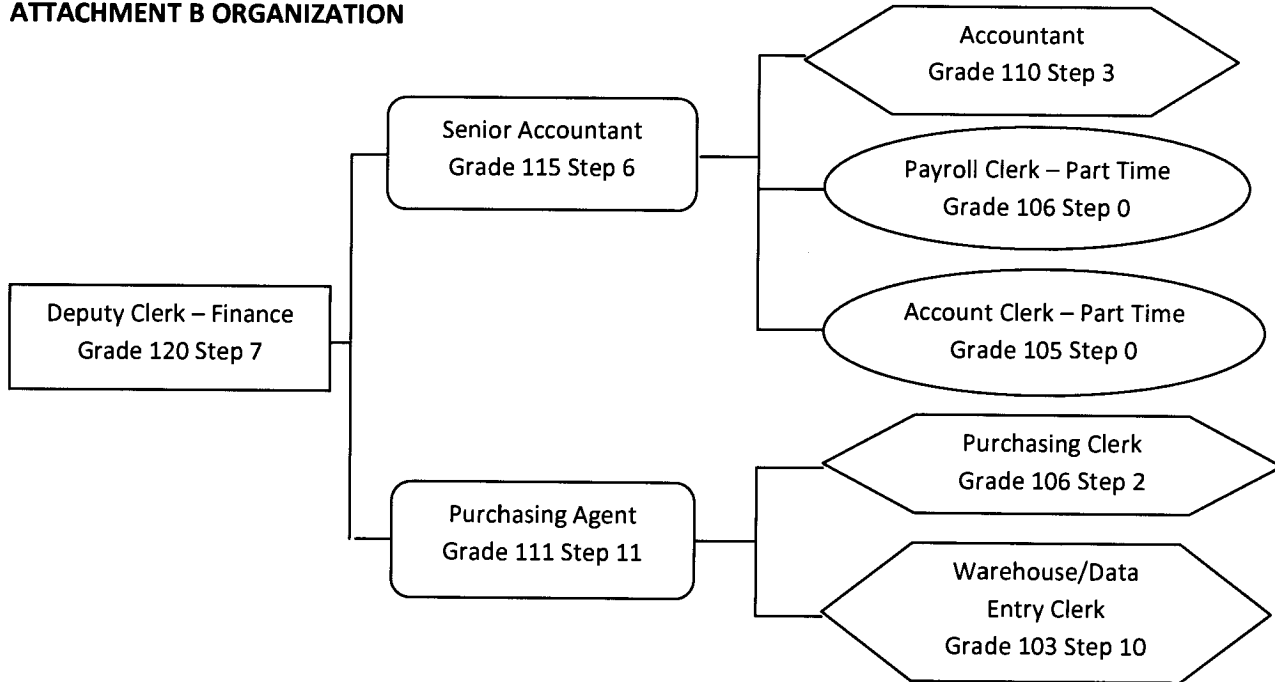
**Payroll Clerk** - Formerly Accountant - This position is currently vacant and would be downgraded from Grade 110 to 106 and process payroll, deposit summaries, GL interfaces, positive pay, ACH and payroll reconciliations with accounts payable. It would be similar duties that was included in the, now vacant, Accountant position with the duties of higher responsibility omitted such as budget approvals, cost center liason and pension reporting. These will be performed by the other Accountant position and the pension reporting by the Deputy Clerk. Other duties added to the position will be assisting with grants and processing tuition reimbursements.

## FINANCE REORGANIZATION

### CURRENT ORGANIZATION



### ATTACHMENT B ORGANIZATION



### ATTACHMENT C ORGANIZATION

