



**City of Grass Valley
City Council
Agenda Action Sheet**

Council Meeting Date: 2/10/15 **Date Prepared:** 2/6/15

Prepared by: Robert Richardson, City Manager

Title: Reorganization of City Operations

Recommended Motion: That the City Council adopt the attached resolution and update the City's Salary and Classification Plan and New Job Descriptions for the purpose of reorganization.

Agenda: Council Business

Background Information:

On January 13, 2015, Council adopted a resolution declaring financial and work load limitations potentially impacting service delivery and employee staffing levels. In addition, they directed the City Manager to initiate effects bargaining with impacted labor groups and return with a reorganization plan.

The reorganization and resulting resolution was the culmination of a comprehensive review of all of the City's finances and an analysis of the impact of future fiscal trends. Several of the significant issues facing Grass Valley, as with most cities in the State, include:

- ★ • An uncertain economic environment resulting in uncertainty in the City's top 2 revenue sources (sales tax and property tax);
- ★ • CalPERS employer contribution increases totaling over \$2.2 million over the next five years;
 - Increases in employer medical contribution rates of 14% in mid-FY 14-15 and uncertainty regarding future increases in medical premiums;
- ★ • A \$3.2 million unfunded liability for other post-employment benefits (OPEB) that continues to increase at an estimated \$200,000 annually;
 - An unknown cost related to a recently conducted PERS audit;
 - Need for stronger infrastructure investment;
- ★ • Strong retail presence being developed in north Placer County that could impact local sales tax revenues;
 - A decrease in the California unemployment rate from 12.3% (in November 2010) to 7.2% (in November 2014), thus creating a tighter labor market and increased difficulty in recruiting and retraining highly skilled employees.

Given this fiscal environment, staff is recommending a reorganization of City operations to both decrease on-going operating costs and increase organizational efficiency. This will include a reduction-in-force at City Hall of six positions and two part-time police civilian positions.



City of Grass Valley City Council Agenda Action Sheet

In order to provide both consistent and more efficient services to our citizens in a financially challenged environment, the City will be adding three new positions to City Hall and one new full-time and one part-time position at the Police Department.

Positions Eliminated

City Hall
Admin Clerk II/ Housing Tech
Planning Tech
Sr. Admin Clerk (2)
Econ Dev Coordinator

Positions Added

City Hall
Community Services Analyst (2)
Associate/Senior Planner

Police Department

Records Clerk (2 part-time)

Police Department

Records Technician (part-time)
Evidence/Property Technician

This proposed restructuring was the culmination of one year's work effort which involved an extensive review of workflow within City Hall and the Police and Fire Departments, with a focus on areas of redundancy, overstaffing and/or areas where a higher level of work/experience is now required due to changes in the community. One major area of change will be front counter operations, where community services will now primarily be provided by two new Community Services Analysts who will not only provide a wide range of service offerings, but will also provide a broad range of analytic support to operating departments on an as needed basis. In addition, the City Clerk's duties will be expanded to oversee front counter operations and coordinate City-wide work requests.

As development activity increases, the Community Development Department will require one additional professional level staff member to assist with plan check operations and other development-related activities. With a high number of State and Federally mandated projects taking much of the Community Development Director's time, the City needs to provide a full range of rapid plan check services when the Director is unavailable. The addition of an Associate/ Senior Planner will allow the City to continue to provide timely, high quality developmental services as demand rises.

The net fiscal impact of this reorganization, including last month's change in information technology support providers (from an independent consultant to County-provided information technology support), is anticipated to exceed \$300,000 per year.

With all Union effects bargaining now complete and an agreed-upon severance package, employee reduction-in-force packages include the following benefits:

3 weeks of severance pay
Medical insurance benefits through March 31, 2015
100% sick leave pay out
City has arranged a CalPERS retirement meeting on Monday, February 9, 2015



**City of Grass Valley
City Council
Agenda Action Sheet**

COBRA benefits
Unemployment benefits
Financial & other counseling services

The reduction-in-force will become effective at 5:00 pm on February 11, 2015 for all impacted positions with the exception of the Planning Technician which will be effective on May 11, 2015. Advertising for new positions will commence as soon as practical and all impacted and qualified employees are encouraged to apply.

In order to effect the reorganization, Council will need to adopt the following Resolution and Attachments:

Funds Available: N/A

Reviewed by:

 City Manager



**City of Grass Valley
City Council
Agenda Action Sheet**

A RESOLUTION OF THE CITY OF GRASS VALLEY ADOPTING AMENDMENTS TO THE CITY'S SALARY AND CLASSIFICATION PLAN AND ADOPTING THE NEW POSITIONS OF ASSOCIATE/SENIOR PLANNER, COMMUNITY SERVICES ANALYST, RECORDS TECHNICIAN AND EVIDENCE/PROPERTY TECHNICIAN

★ WHEREAS, the City is forecasting significant operational cost increases including an increase in employer PERS rates totaling over \$2.2 million over the next five years; and

★ WHEREAS, the City has an OPEB liability of \$3,200,000 which is increasing by \$200,000 per year, and

★ WHEREAS, the City's revenues are increasing at an only moderate rate and are not anticipated to keep pace with cost increases, and

★ WHEREAS, a substantial amount of new retail space will be opened in the coming years within the market area but outside City limits, drawing City residents to markets outside of the City and having potential negative impacts on existing retail sales, and

★ WHEREAS, personnel costs comprise nearly 70% of the City's General Fund expenditures and it is projected that there is a lack of funds to maintain current level of services and service activity, and

WHEREAS, in order to reduce costs and achieve a balanced budget, as well as to strive to maintain current service levels, the City must reorganize its operations through both a reduction-in-force and the addition of new positions to maintain service levels,

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF GRASS VALLEY ADOPTS THE FOLLOWING ACTIONS AS PART OF A REORGANIZATION OF CITY SERVICES AND OPERATIONS:

Approves the amended Salary and Classification Plans/Job Descriptions where the City will:

1. Eliminate City Hall positions; Administrative Clerk II/Housing Technician, Senior Administrative Clerks, Planning Technician, Account Clerk II and Economic Development Coordinator, and Police Department positions Records Clerk.
2. Add the positions of Associate/Senior Planner, Community Services Analysts (2 positions), Records Technician (part-time), and Evidence/Property Technician, as well as adjust the compensation range for the City Clerk position.
3. And approve the attached new job descriptions of Associate/Senior Planner, Community Services Analyst, Records Technician and Evidence/Property Technician.