

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 3, 2013

CAO File No. 0220-04858-0000

Council File No.

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Transmittal from the City Clerk dated August 9, 2013

Subject: **REQUEST TO ADD AND ADJUST POSITIONS TO SUPPORT THE BUSINESS IMPROVEMENT DISTRICT SUPPORT PROGRAM**

SUMMARY

In a transmittal dated August 9, 2013, the City Clerk requests authority to add three new, regular authority positions (one Management Analyst II, one Accounting Clerk II and one Senior Clerk Typist) and reclassify two existing positions (Senior Management Analyst (SMA) II to Chief Management Analyst and SMA I to SMA II) to serve as additional/augmented support staff to the Business Improvement District (BID) Program. The BID Program is currently located at the Office of the City Clerk; Mayor and Council action taken in the FY 2013-14 Budget moves the BID support function to the Economic and Workforce Development Department (EWDD) effective January 1, 2014 (C.F. 13-0600). This report offers a modified recommendation to instruct the EWDD to evaluate the proposed staffing within the context of their FY 2014-15 budget submission and request that the City Clerk assist EWDD by providing detail regarding request position descriptions and comprehensive funding recommendations including indirect costs and space requirements. We believe these actions will offer EWDD, as the new BID support administrator, an opportunity to explore cost-control measures in conjunction with competing staffing needs within the context of resources required for the newly-formed department.

BACKGROUND

In April 2013, the Mayor and Council approved the transfer of the BID support function from the City Clerk to the EWDD (C.F. 08-3050). This concept was reinforced when the Mayor submitted his FY 2013-14 Budget and the transfer was approved by Council upon FY 2013-14 Budget Adoption (C.F. 13-0600). During budget discussions, a Motion (C.F. 13-0600) modified EWDD BID support staffing by moving one position that was envisioned to remain with the City Clerk to the EWDD, resulting in a total of 11 positions transferred to the EWDD for the BID support function. The position was backfilled in the City Clerk by a resolution authority Senior Management Analyst II with no funding identified. During Budget discussions, the City Clerk was instructed to report to the Personnel and Animal Welfare Committee regarding BID support prior to the BID support function's transfer to the

EWDD on January 1, 2014 (C.F. 13-0600-S25). The City Clerk's August 9, 2013 transmittal responds to that Council instruction.

In summary, the City Clerk recommends that in order to achieve optimal staffing for the BID support program, three positions should be added to existing support staff: one Management Analyst II, one Accounting Clerk II and one Senior Clerk Typist. Further, the City Clerk recommends the reclassification (upgrade) of two existing positions in the BID support program: SMA II to Chief Management Analyst and SMA I to SMA II. The City Clerk expresses concern that a desired expansion of the BID Program and improvement on the City's assessment collection rate cannot occur with the existing support staff composition.

The City's Financial Policies state that the City will consider requests for expanded programs during the course of the annual budget process. Only in extreme circumstances, such as critical public safety projects, will such requests be considered on an interim basis during the course of the fiscal year (C.F. 04-1822). During the annual budget process, position descriptions, workload indicators, requests for position reclassifications and organizational charts are offered as part of the review process to provide an opportunity for departments, the CAO, the Mayor and Council to review, consider and act on personnel needs in the context of other departmental and City-wide needs. We recommend that the EWDD, with assistance from the City Clerk, include this information relative to BID support in EWDD's budget submission for FY 2014-15. The submission should include proposed BID support funding including related costs and space required for the proposed positions. These potential needs, along with the priority of the package compared with competing departmental needs, will be reviewed to determine how to efficiently achieve BID Program goals within the context of the City's economic development priorities. It is also possible that efficiencies can be achieved prior to appointing new staff, such as work measurement, forms control, work simplification, position control, organization control, mechanization of procedures and implementing labor-saving equipment.

It should be noted that if the City Clerk's position recommendations were to be implemented at this time, it is likely that such a decision would result in General Fund impact. A June 2013 audit of the BID Trust Fund stated that FY 2012-13 costs to administer BID programs exceeded reimbursements from BIDs by approximately \$1.1 million (C.F. 13-0822). It is reasonable to expect that the additional approximately \$260,000 in staffing costs proposed by the City Clerk, along with yet-to-be-determined indirect and space-related costs, will increase the BID Program support burden to the City's General Fund.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, instruct the Economic and Workforce Development Department (EWDD), with assistance from the City Clerk, to submit a budget request package for any additional Business Improvement District (BID) support-related needs as part of the FY 2014-15 Proposed Budget.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendation above is consistent with the City's Financial Policies in that the City will consider requests for expanded programs during the course of the annual budget process. The Economic and Workforce Development Department will be reporting with information that may include a plan to realign its services or request additional resources for the Business Improvement District support program in FY 2014-15.

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