



City of Huntington Beach

File #: 19-643

MEETING DATE: 6/3/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Lori Ann Farrell Harrison, Interim City Manager

PREPARED BY: Michele Warren, Director of Human Resources

Subject:

Adopt Ordinance No. 4181 amending Section 2.76.010 of the Huntington Beach Municipal Code (HBMC) related to exclusions from competitive service by adding the classification of Assistant Chief Financial Officer

Approved for Introduction May 20, 2019 - Vote: 4-2-1 (Carr, Hardy-No; Peterson-Absent)

Statement of Issue:

On May 20, 2019, the City Council approved for introduction Ordinance No. 4181 amending Section 2.76.010 of the Huntington Beach Municipal Code to add the classification of Assistant Chief Financial Officer as an at-will position.

Financial Impact:

This request has a net neutral budget impact. The new Assistant Chief Financial Officer position has a salary range of \$138,403 to \$171,475. The Finance department will fund the cost by eliminating a vacant Senior Finance Analyst position, and utilizing savings from the previously approved downgrade of the Finance Manager-Fiscal Services position to a Principal Finance Analyst. The remaining cost will be funded by minor reductions in supplies and materials (account no. 100.35.206). This action does not increase the Department's Table of Organization.

Recommended Action:

Adopt Ordinance No. 4181, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Amending Section 2.76.010 Thereof Related to Exclusions From the Competitive Service" by adding the Assistant Chief Financial Officer.

Alternative Action(s):

Reject the proposed Ordinance and direct staff accordingly.

Analysis (included in 5/20/2019 report):

The City of Huntington Beach, as well as other cities throughout the region and the State of California, is facing a record number of retirements. There are currently 208 employees currently eligible for retirement, the highest number on record. This unprecedented trend, commonly referred

to as the “Silver Tsunami” is creating a significant loss in the City’s institutional memory, number of staffing with required subject matter expertise, and a shortage of experienced and seasoned professionals throughout key positions in the organization.

Overview

To address these challenges, the Human Resources Department has been working with multiple departments to identify key positions within the City, as well as improved reporting structures that will help to stabilize City operations in critical areas in order to reduce short- and long-term risk, and help ensure business continuity.

At the February 2019 Strategic Planning retreat of the City Council, staff presented an overview of past Succession Planning efforts taken by the City, as well as future proposed actions. Past succession planning efforts include the creation of “second-in-command” positions in several departments including the Police Department, Community Development Department, and the City Attorney’s Office. The need to establish similar positions in several other key departments was also discussed including the Public Works Department and Finance Department. A recommendation was also presented on how to further strengthen the succession planning efforts of the City Attorney’s Office. The succession planning proposal for the Public Works Department has been temporarily placed on hold due to the recent appointment of the Public Works Director to the Acting Assistant City Manager position, and the immediate need to make an appointment to the now vacated Public Works Director position. The City Attorney’s Office is submitting its succession planning proposal under separate cover. The Finance Department’s succession planning proposal is contained herein.

Assistant Chief Financial Officer Position

The Finance Department is responsible for the daily ongoing development and monitoring of the City’s \$381.2 million All Funds Budget, in 15 separate City Departments, contained in over 121 separate financial Funds. It is also responsible for the creation of the annual audited financial statements, the Federal Single Audit, annual budget development and revenue monitoring, compliance with Federal, State and County grants, as well as private donations. The Department is responsible for the processing of all 50,000 accounts for water and sewer service, all 22,000 annual business licenses, all Accounts Receivable functions for the processing of all cash and currency from locations throughout the City, the processing of over 675,000 transactions at City Hall’s front counter annually, the bi-weekly payroll of all 987 full time and over 1,000 part time employees, and all cash, check and wire payments to the City’s vendors.

Given the critical nature of these Citywide operations, it is recommended that a “second in command” at-will executive position be established to improve the department’s operational efficiency and establish a clear chain of command within the organization that is easily understood within and outside of the City. It will also help to ensure business continuity for the department which serves as the backbone of all City operations and is dependent upon the attraction and retention of individuals with a high degree of technical expertise and financial acumen.

The Assistant Chief Financial Officer is an at-will position that will be appointed as an employment contract arrangement and is included as part of the group of classifications designated as Non-Represented/Non-Associated. The annual compensation range for Assistant Chief Financial Officer is \$138,403 - \$171,475. This salary range is equal to the recently established Deputy Director of Community Development position. The recruitment and selection process will be open and

competitive.

Environmental Status:

N/A

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Ordinance No. 4181
2. ~~Resolution No. 2019-37~~
3. ~~Exhibit "A" Non-Associated Employees' Pay and Benefits Resolution No. 2016-50~~
4. ~~Exhibit 1 – Modified Non-Associated Management Salary Schedule 06/01/19~~
5. ~~Job Classification Specification – Chief Assistant Finance Officer~~