






**CITY OF NEWARK
DELAWARE**

November 28, 2016

TO: Mayor and City Council

VIA: Carol S. Houck, City Manager 

FROM: Andrew S. Haines, Deputy City Manager 
David Del Grande, Director of Finance 

RE: Personnel Overview in the 2017 Draft Budget

During the November 21, 2016 Budget Hearing on the 2017 Draft Budget, there were questions made regarding the full-time equivalent (FTE) count. The questions were based on the Page 17 table included in the 2017 Draft Operating Budget, which is also included within the annual CAFR. The information below answers those data deviations. In addition, this information was also presented in an informal response to Councilman Markham's November 20, 2016 email, which is posted on Budget Central. The question is:

The FY2017 Budget states seven (7.0) new positions being requested, which is correct, however, the FTE count presented on Page 17 shows year over year comparison as the FTE increasing by 14. Why the difference?

Let's start with 2016. During the calendar year of 2016, there were several additional staff members added to the total FTE count, some by approval of 2016 CIP projects and others by supportive action of Mayor and Council. They are outlined as follows:

- IT Digital Records: in the 2016 CIP proposal was IT1608 Digital Records Management. If Mayor and Council did not support the capital project to start this initiative, then the personnel would not be added to the organization. The IT1608 CIP sheet notes the staffing cost of an estimated \$160,500 (staff plus leasing equipment) to effectuate this project. The FTE count for digital records is 2.5, of which 2.0 FTEs were capitalized in 2016. Those 2.0 FTEs were known items to roll into the 2017 FTE count and into the operating budget. The last 0.5FTE was in the City Secretary operating budget in 2016 and transferred to the IT Division in 2017.
- IT Fiber: staff presented to Council the option to convert the approved 10-year leasing option of fiber (IT1604) into a lease-to-own fiber solution. This presentation included an additional staff member in 2016, and the proposal was supported by Mayor and Council. This added 1.0 FTE in 2016.

- Finance and Communications: customer service demands, including both payments and telephonic engagement, presented a staffing challenge. The conversion of three (3) 0.5 FTEs (1.5 FTEs in total) into two (2.0) FTEs was accomplished to provide consistent staffing and greater customer service. The three 0.5 FTEs in the Finance Department had one 0.5 FTE transferred to the Communications Division of the City Manager's Office to handle the Welcome Center and phone support to the entire organization. This was converted to a 1.0 FTE to meet service needs and is considered our "Director of First Impressions", as multiple part-time employees or a staffing company did not effectively workout for the City. Currently this position is vacant and being fulfilled by a temporary staffing agency. The two remaining 0.5 FTEs in Finance were merged to create a 1.0 FTE as Customer Service Representative in the Payments and Utility Billing (PUBs) Division of the department, as recent efforts to fill these positions on a part-time basis have resulted in high turnover, and substantial staff time training new employees.
- Finance: the PUBs Division of the Finance Department is essential in the billing of, and accepting payments for, three of the City's utility services: electric, water and sewer. The back-end complexity that demands staff time to ensure the smart meter grid is functioning into the software required a technical support position solely for the PUBs operations. Prior to Lou Vitola's departure, and working with our IT Division, a position was created and recruited to directly support the utility software operations. The expense for this 1.0 FTE would be covered by the utilities (electric, water and sewer) because if the City was not a public utility, then there would not be a need for this position. This position will allow PUBs to directly manage its software applications needs and create better reporting, not only for public consumption, but also to ensure account reconciliation and good standing status. This solution was substantially more economic than the cost of increased service support from the software provider.

The above represents six (6.0) FTEs in 2016 with a reduction of three (3) 0.5 FTEs, with the last position in PUBs being a true +1.0 on the FTE Count in FY2016 over FY2015. These additions built the base in 2016 on the FTE count presented on Page 17 of the FY2017 Budget. There are a few additional notations in for FY2017 to reconcile the FTE count on Page 17:

- Parking Division: an existing 0.5 FTE position has been requested for full-time upgrade (+0.5) that does not show in the new position count slide. The Division's office is open and operating 18-hours a day, and the additional hours for this position will provide further administrative support. Also, on July 1, 2017 the Division will assume operations of the Residential Parking Permit program from the Police Department, and the upgraded position will provide further customer service and support to the community for this program. This upgrade accounts for the last 1.0 FTE on Page 17. (Note: the Police Department presented and supported the need to maintain its staff that currently facilitates this program – the Records Division of the department doubles as the oversight now, which includes the Captain's position and as needed, as well as the 911 Dispatch Manager to assist the public.)

- Parking Division: each year Mayor and Council have commented that the Parking Ambassadors (formerly Parking Enforcement Officers) provide revenue generation and should be maintained. The Parking Division has increased in the FY2017 Budget the part-time count of Parking Ambassadors to ensure sufficient staffing to cover all hours of enforcement seven days a week. This is reflected in the 5.0 PTEs on Page 17, which is 10 part-time employees. This is an increase of five (2.5 PTE) part-time employees noted in the total on for the Division year or year reporting.
- Lastly, there was a reclassification of a position (Call Attendant) from the City Manager's Office (Administration) to the IT Division as that is where the position was finalized within the organization. This was done with the effort to try to expand customer service on the phone system, which made improvements in 2016 and staff intends to make more improvements in 2017. This transfer is presented as a +1.0 FTE to the IT Division on the Page 17 Budget graph report, however, it is an internal shuffle. When asked Monday evening at the Budget Hearing why IT grew 7.5 FTEs year over 2016 to 2017, the above information outlines how 4.5 FTEs are accounted in the IT Division, with the three (3.0) FTEs articulated in the new positions in the FY2017 Draft Budget.

Mayor and Council's inquiry highlight the need for HR to work with Finance to try to better present the FTE count, and movement(s) when applicable, to better follow a given year. You have led the commitment to effectively place personnel in the right spot, akin to author Jim Collins' statement of "get the right people on the bus...and the right people in the right seat." This has resulted in more efficient staff production, however, as noted above, does create a shuffle effect that a given year may not be easily followed. I am available to answer any additional questions on this topic.

