



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-767

Meeting Date: 7/19/2022

TITLE:

APPROVAL OF RESOLUTION ADDING THE FINANCE MANAGER CLASSIFICATION AND SALARY RANGE

DEPARTMENT: FINANCE DEPARTMENT

PRESENTED BY: CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: CAROL MOLINA, FINANCE DIRECTOR (714) 754-5243

RECOMMENDATION:

Staff recommends the City Council:

Approve a reclassification of the existing full-time equivalent Senior Management Analyst position (Confidential) to one full-time equivalent Finance Manager, in the Costa Mesa Confidential Management Unit (Confidential Management), and corresponding proposed Resolution No. 22-39 (Attachment 1), amending Resolution No. 22-xx by establishing a new classification in the Confidential Management Unit and establishing the pay range.

BACKGROUND:

The Finance Department is seeking to amend the City's Classification Plan to incorporate a Finance Manager (Confidential Management) classification. The Department currently has one Senior Management Analyst (Confidential) position vacant, and requests to reclassify that vacant position to a Finance Manager (Confidential Management) position.

Over the past five years, the Finance Department has struggled with filling the Senior Management Analyst position due primarily to the following challenges: 1) the second tier pension rate calculation for Classic employees; and, 2) finding the specialized financial acumen to ensure fiscal controls and sustainability. These challenges have highlighted the need to ensure certain divisions within Finance are adequately staffed, and incorporate the specific financial expertise required to ensure internal controls and financial oversight. The Finance Manager classification does not exist in the City's class plan and provides the much-needed flexibility to ensure the level and scope financial expertise required in the Department. Presently, the Finance Department has two main divisions: Finance Administration and Financial Operations. One Division is headed by a Manager and the other by the Assistant Finance Director who reports directly to the department head. The additional Finance Manager position will provide oversight, increased internal control, and a high level of financial acumen, specifically in Accounting, that is currently taxing a select few within the department.

Over the last few years, the Department's vacancies have caused significant challenges, but this has also allowed for an opportunity to reevaluate the needs of the Department. This evaluation of resources has been ongoing, with two concentrations: first, to improve Department operational efficiencies and management of day-to-day activities; and second, to allocate additional analytical and managerial level resources to accomplish City Council's Strategic Plan Goals & Objectives and allow for additional forecasting, project administration, and oversight on procedural, policy and technological improvements.

Recently, the Department identified several challenges related to the overall departmental structure missing key managerial and analytical support. These missing roles have exacerbated an already strained department and mandated the use of contract staff and imposed overtime for department staff, which does not foster long-term productivity. In addition, this overtime is barely sufficient to cover day-to-day tasks, particularly due to the existing technology limitations. Moreover, ever-evolving governmental accounting and regulatory requirements place additional burdens on Finance staff. Providing the Finance Department with a flexible managerial title will ensure adequate financial expertise and management oversight is attained. This additional layer will also further the department's succession-planning efforts in the management tier of the Department.

ANALYSIS:

In accordance with the Department's staffing evaluation, the Finance Department is proposing one reclassification from a Senior Management Analyst (Confidential) to a Finance Manager (Confidential Management) full time equivalent position, and creating the new classification accordingly.

This proposed change requires the adoption of the Finance Manager (Confidential Management) Classification in the Finance Department, with no net increase to the City's table of organization.

ALTERNATIVES:

The City Council could choose not to approve the proposed staffing changes; however, this alternative is not recommended since staff's evaluation of the existing Finance Department structure determined that this classification is necessary to improve efficiency and the Department's ability to provide services to staff, the City Council, and community.

FISCAL REVIEW:

The estimated cost increase for FY 2022-23 is \$59,000. There is sufficient funding in the FY 2022-23 Finance Department's budget for the proposed staffing changes from the operational savings that will be attained as a result of reduced use of outside consulting services.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved this agenda report and the proposed resolution.

CITY COUNCIL GOALS AND PRIORITIES:

The proposed allocation of resources better positions the Department to accomplish the following *City Council Goals & Priorities: Achieve Long-Term Fiscal Sustainability, and Recruit and Retain High Quality Staff.*

CONCLUSION:

Staff recommends the City Council:

Approve a reclassification of the existing full-time equivalent Senior Management Analyst position (Confidential) to one full-time equivalent Finance Manager, (Confidential Management), and corresponding proposed Resolution No. 22-XX (Attachment 1) revising the pay ranges for classifications in the Confidential Management Unit.