

# STAFF REPORT

## *City Council Consent Item*

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**DATE:** August 19, 2024

**TO:** Honorable Mayor and Council Members

**FROM:** Aaron Felmlee, Finance Director

**THROUGH:** Amy Nilsen, Interim City Manager

**SUBJECT:** **Approve Temporary Over-Hire of the Payroll and Benefits Administrator Position and Provide Retirement Incentive to Retiring Employee, *Resolution 2024-26***

### **STAFF RECOMMENDATION:**

Approve temporary over-hire of a Payroll and Benefits Administrator Position in the Finance Department and adopt *Resolution 2024-26*, to provide retirement incentive involving three months paid medical insurance to retiring employee.

### **EXECUTIVE SUMMARY:**

The Finance Department is requesting to hire a regular full-time Payroll and Benefits Administrator as a temporary over-hire for a period not to exceed 3 months until the scheduled retirement of the current Payroll and Benefits Administrator on December 5. Upon the retirement of the current Payroll and Benefits Administrator, the over-hire provision will end.

This action will facilitate a smooth transition in the Payroll Division of the Finance Department after the retirement of the current over 25-year employee. The current Payroll and Benefits Administrator is responsible for a number of highly technical and complicated tasks. Allowing a temporary over-hire for this position will allow for the proper training of the position by the current Payroll and Benefits Administrator until her retirement.

This action will additionally provide a retirement incentive to the retiring Payroll and Benefits Administrator involving three months of City paid Medical Insurance. The City does not provide retiree medical insurance benefits through Memorandum or Understandings or via the Unrepresented Resolution. However, in recognition and appreciation for the over 25 years of service the employee has dedicated to the City of Fortuna, staff is recommending providing the employee with three months paid medical insurance upon the retirement date of employee.

### **FINANCIAL IMPACT:**

The fully burdened cost to over-hire the Payroll and Benefits Administrator position for three months and provide the retirement incentive would cost approximately \$22,800. The Department budget will have some pay and benefit savings through the remainder of the fiscal year from what was budgeted, as an employee comes in at the bottom of the pay range and replaces an employee at the top of the pay range, thus mitigating the adverse fiscal impact by \$15,100. Of the total \$7,700 amount not budgeted, \$2,310 would need to be appropriated for pay and benefits from the General Fund (100), \$2,695 from the Water Fund (500), and \$2,695 from the Wastewater Fund (550).

It should be recognized that over the following 5 fiscal years the City will recognize pay and benefit savings of approximately \$40,000 until the newly hired employee reaches the top of the pay scale.

**RECOMMENDED COUNCIL ACTION:**

Approve temporary over-hire of Payroll and Benefits Administrator position, approve attached SBR and adopt *Resolution 2024-26*. Consent Agenda Vote.

**ATTACHMENTS:**

- Supplemental Budget Request (SBR)
- Retirement Incentive, *Resolution 2024-26*