

Legislation Text

File #: BILL NO. 21-50, **Version:** 1

An Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2021, as adopted by Ordinance No. 8905 and Ordinance No. 8906, by amending the authorized full time equivalent positions in the Public Works-Engineering and the Finance departments for the City of Lee's Summit, Missouri, and establishing a new Pay and Classification Plan. (F&BC 3/8/2021)

Issue/Request:

An Ordinance approving Amendment No. 10 to the budget for the fiscal year ending June 30, 2021, as adopted by Ordinance Numbers 8905 and 8906, by amending the authorized amount of full time equivalent positions in the Public Works-Engineering and Finance departments, and establishing a new Pay and Classification Plan, by adding 2 fully cost recovered positions and reclassifying one position.

Key Issues:

- **Public Works requests adding 2 FTEs with full cost recovery by permitting and capital projects revenue**
- The expansion requests were initiated as part of FY21 budget process but delayed due to unknown fiscal impacts and construction activity levels during the early phases of COVID response plans.
- Public infrastructure construction and ROW permitting set record levels high levels in 2020 and continue on an upward trend into 2021.
- Public Works is requesting 2 FTEs mid-year to address critical staffing shortages forecast for the 2021 summer construction season.
- These positions are highly aligned with the Infrastructure strategic plan initiative to sustain and enhance quality of life.
- These positions fill critical needs to provide the priority based budget programs of Right of Way Management, Customer Service, and Construction Management
- **Finance requests replacing an Office Coordinator position with a Financial Analyst position**
- Support staff needed for participation in EMS Ground Emergency Medical Transport (GEMT) and Medicare Ground Ambulance Data Collection System.
- Support staff needed for increased grant reporting requirements.
- Staff needed for cross-training related to staff turnover.
- Cost of position is fully covered by previous Office Coordinator salary in combination with salary savings from recent hires in positions previously held by long, tenured employees.

Proposed Council Motion:

FIRST MOTION: I move for second reading of an Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2021, as adopted by Ordinance No. 8905 and Ordinance No. 8906, by amending the authorized full

time equivalent positions in the Public Works-Engineering and the Finance departments for the City of Lee's Summit, Missouri, and establishing a new Pay and Classification Plan.

SECOND MOTION: I move for adoption of an Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2021, as adopted by Ordinance No. 8905 and Ordinance No. 8906, by amending the authorized full time equivalent positions in the Public Works-Engineering and the Finance departments for the City of Lee's Summit, Missouri, and establishing a new Pay and Classification Plan.

Background:

The Public Works-Engineering Division (PWE) has several positions that are paid for by self-generated revenue. These revenues offset the personnel costs to the general fund. This amendment will add an FTE to the Right of Way Management program and add a Construction Project Manager (CPM) to the Construction Management and Inspections Team. Both of these positions pay for themselves through the revenue generated. Both position are needed immediately to help with the upcoming 2021 construction season.

PWE is responsible for managing the City's Right of Way (ROW) through permitting, inspections, and enforcing the ROW ordinance. Most of the ROW users are utility companies, but others include homeowners replacing driveways, builders installing new driveways, new water service lines, sanitary sewer service connections and others. Work zone traffic control inspections and permitting are also part of the ROW management program. These activities have increased significantly for 3 years with no changes in staff. PWE currently has two inspectors who manage and inspect ROW permits.

Small wireless (5G) infrastructure installations and micro-mobility (i.e. Bird or Lime Scooters) are new business activities being added to the City's ROW management demands. The need to re-organize and add to the ROW staff is necessary to proactively manage ROW activities. With over 600 miles of City ROW, it is the largest asset managed by the City for which the City is at risk to liability and risk. The most common risk and problems are users routinely damage both public and private property through excavation and other routing construction work. ROW staff routinely responds to complaints from property owners with items damaged by utilities.

In order to address the increased activities, plus new types of ROW demands, PWE is requesting to add a ROW supervisor similar to positions currently established in several cities with the area. This position is a working supervisor that will handle some of the permit workload plus manage the ROW program. Proactive management includes pre-construction meetings with utility companies, post-construction service request management, and reviewing and updating ROW regulations to ensure new the City can effectively manage new industries using the ROW.

Increasing the ROW staff from 2 to 3 FTEs will not impact the general fund. The surge in permitting activity generates revenue that meets or slightly exceeds the program expenses. On average, the permits will cover 100% of the program costs with 3 FTEs requested. If the third FTE is not approved, PWE will have to look at a significantly reduced level of service in the program.

This position has been requested mid-year because of the usual ramp-up of construction during the summer months and permitting fees fully fund this position. This position had been submitted as part of the FY21 expansion request process. Due to fiscal constraints at that time related to COVID-19 uncertainty, expansions across the board were limited to ensure financial health of the City. Waiting for the regular FY22 budget cycle would lead to hiring someone after this year's construction season ends. In the meantime, PWE has re-designated design and technical staff to assist with some of the immediate overflow work. This is not sustainable as the design staff will have to be re-start design work as soon as practical to keep capital projects moving forward.

The second mid-year expansion requested is a new Construction Project Manager positions. PWE currently has 3 CPM

positions. One has been tasked to support the Police/Courts remodel and the Fire Stations 4 and 5 re-construction projects. That leaves 2 CPM to manage 14 active projects, or 7 projects each. Normally, CPMs can handle 2 to 5 active projects depending on the scope and scale of the projects. PWE currently forecasts that at least 2 construction projects this year will not have CPM assigned. That means pulling engineers off design work to manage projects.

The CPM positions are self-funded through capital chargeback process. CPMs charge their time, plus overhead, to projects funded by the Transportation Sales Tax, CIP Sales Tax, and other sources of revenue outside the general fund. Thus there is no cost to the general fund for the CPM positions.

The largest cost savings of a CPM are found in the hidden costs of projects. The most prevalent hidden cost is change order management. The construction industry standards consider adding 10% to a base bid through change orders is acceptable and reasonable. City staff has observed the many times Consultants, or other agencies, simply pass-through change order requests without much scrutiny. The City of Lee's Summit Procurement Policy sets that standard goal for changes orders at 5% of the base bid. Over the past 3 years, PWE staff has limited change orders to 1.62%. This would equate to a savings of \$1.6M per year below the industry standard. If CPMs have too many projects, this would create the situation common to Consultants in which too much work leads to passing through change orders without much scrutiny.

This position has been requested mid-year because of the ramp-up of construction during the summer months and permitting fees fully fund this position. This position had been submitted as part of the FY21 expansion request process. Due to fiscal constraints at that time related to COVID-19 uncertainty, expansions across the board were limited to ensure financial health of the City. Waiting for the regular FY22 budget cycle would lead to hiring someone after this year's construction season ends.

The budget amendment will authorize an additional \$101,059 in expenses in Public Works Engineering's budget for the remainder of FY21, with corresponding revenues going back to the General Fund.

Finance Request

Finance is requesting that the Office Coordinator position be upgraded to a second Financial Analyst position. Those duties formerly handled by the Office Coordinator have been distributed among various Finance staff members. The need for a second Financial Analyst is based on several factors relating to new program requirements and to staff turnover.

The Emergency Medical Services provided by the Fire Department have new financial reporting programs that offer recovery of costs that are not reimbursed elsewhere. The Ground Emergency Medical Transport (GEMT) program began in 2018 and requires a significant input and analysis of financial data, requiring an estimated 300 to 400 hours of staff time annually. Additionally, the Centers for Medicare and Medicaid Services have selected the Lee's Summit Fire Department to participate in the new Medicare Ground Ambulance Data Collection System. That process was scheduled to begin in 2021 but has been delayed one year due to COVID. The staffing needed to support that program is expected to piggyback from the GEMT work but will add significant workload.

Grant tracking and reporting requirements have grown in recent years. The federal government requirements for submitting data have become automated and web-based thereby requiring different methods and skill sets for maintaining the necessary data. Online system support functions pertaining to several key grant systems have been transitioned to Finance from Administration. Staff time needed to coordinate with other departments and to maintain the necessary data has increased dramatically.

The 22 positions within the Finance Department experienced significant turnover during the last 2.5 years reflecting the longevity of most of the department's staff. Six employees retired, each having over 20 years with the City. In addition, two other staff members left for other reasons. Finance now has 4 staff members in key positions that are eligible for retirement and 4 more that will be eligible within 2 years. With those statistics in mind, it is imperative that cross-training occurs to maintain service levels and knowledge base.

Christal Weber, Assistant City Manager

Staff recommends approval

At the March 8, 2021 Finance and Budget Committee meeting a motion was made by Vice Chair Lopez, seconded by Councilmember Forte, that this Ordinance be recommended for approval to the City Council. Passed unanimously.