



CITY OF SAN CARLOS FY2010-11 BUDGET BASE BUDGET EXPENSE AMENDMENT – PROGRAM CHANGE FORM

PROGRAM: 01212000 – Human Resources
REQUEST TITLE: Eliminate Payroll/Benefits Technician

Priority Tracking	
Department Priority	1
City Manager Priority	17
City Manager Recommended	Y
Council Accepted	

Request Summary

Eliminate Payroll/Benefits Technician, resulting in an annual savings of \$117,540.

Factors Driving the Request for Change

- City Manager Request for 10% Budget Reduction Projection

Impact of Change

- With the tier two budget cuts, a RFP for outsourcing of the payroll service has already been issued. However, even with a contract provider, there is still considerable work related to payroll that needs to be done internally. That work will be re-assigned to another employee in either Human Resources or Finance.
- Re-assignment of the payroll related work will result in delays in response to labor relations or employee discipline issues as well as delays in completing year-end reports that are required by outside agencies.
- Re-assignment of benefits administration tasks, payment of Human Resource invoices and coordination of employee training tasks will have to be reassigned to remaining Human Resources staff.
- Staff recommends payroll be reduced from 26 pay periods to 24 pay periods to save costs related to processing through the outside vendor as well as internal resources required to manage the extra payrolls that cross fiscal years. This requires a “meet and confer” process with the labor groups.
- Elimination of this position will also impact the internal controls that the City has in place to ensure no one employee has control over multiple payroll input processes.
- Elimination of this position results in a thirty-three (33) percent staff reduction from Human Resources and a 7% percent reduction from the Administrative Services Department. Many functions are shared between ASD divisions and the cumulative impact will be significant. The cumulative effect would be a reduction of 13% of the department.

Alternatives

- 1) Chose no action on the proposed budget amendment.
- 2) Choose other budget reduction strategies.

Cost Summary

Annual savings of \$122,440 of salary and benefits and a reduction in the reimbursement to the General Fund of \$4,900 resulting in a net decrease to the General Fund of \$117,540.

Line Item Description	Org Number	Object Code	Total Amount
Operating Expense (list detail description below)			
Eliminate Payroll Benefits Technician	01212000	511010	81,500.00
	01212000	512005	8,100.00
	01212000	512006	1,100.00
	01212000	512007	140.00
	01212000	512008	600.00
	01212000	512009	600.00
	01212000	512003	15,700.00
	01212000	512013	7,400.00
	01212000	512001	5,600.00
	01212000	512002	1,300.00
	01212000	511060	400.00
Total Operating Costs			\$ 122,440.00
Offsetting Revenues			
Overhead Allocation Impact (cost to or recovery from other funds)			
From Workers Comp	01212000	493201	(1,100.00)
From Risk Mgmt	01212000	493301	(3,500.00)
From Sewer	01212000	490601	(2,300.00)
From NPDES	01212000	491501	1,700.00
From Gas Tax	01212000	491601	(900.00)
From RDA	01212000	498001	1,000.00
From RDA Housing	01212000	498101	200.00
Net Operating Costs			\$ 117,540.00