

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: ITEM-1

Item: SUPPLEMENTAL POSITIONS AND VACANCY FACTOR

OVERVIEW

One of the goals of the FY07 budget, as discussed by the IBA at the January 30th Council meeting, is to address the issue relative to “supplemental positions.” These are positions that have been filled by City employees performing City services, but these positions have not been reflected in prior budgets. The City has assumed that savings from budgeted but vacant positions, or unbudgeted revenue, would help pay for these costs during the course of the year. However, there has been no accurate accounting for this or an awareness of how many positions fall within this category. The IBA Office has taken the stance that these positions need to be fully identified; and once it has been determined that essential services are being provided, these positions should be appropriately budgeted in the FY07 budget.

The CFO and Financial Management Department have been following up on this matter for the past several weeks to determine how to proceed with this issue going forward in FY07. Mayor Sanders recently announced as part of his budget reform “a requirement that each department disclose the number of vacancies in staff positions currently . . . to prevent phantom staff positions from being presented in the budget.”

QUESTIONS

While we are awaiting detailed information on how this issue will be addressed in the FY07 Mayor’s budget, below are our preliminary questions and thoughts:

What is the accurate number of supplemental positions (both filled and vacant) and when were the vacant positions last filled?

Should supplemental positions that have not been filled within the last six months and/or do not bring in revenue be included in the FY07 budget?

Would a freeze on supplemental positions that are vacant be more appropriate at this time in order to evaluate their need prior to inclusion in the budget?

Have the supplemental positions been reviewed for criticality relative to other City needs?

Have other budgeted vacant positions been explored, where appropriate, for placement of supplemental positions?

RECOMMENDATIONS

It is our preliminary thought that supplemental positions that are filled should be included in the FY07 budget. These positions are filled with employees who have been performing important City services, in some cases, for many years. Many of these positions also generate their own revenue source.

It is less conclusive that unfilled supplemental positions should be included in the budget. It is uncertain how long these positions have been vacant and whether they are critical to City operations. It is questionable whether supplemental positions that have been vacant for some time are truly needed. There has not been sufficient opportunity, at this point, to evaluate their need relative to other critical activities. An alternative to including the unfilled positions in the budget would be to freeze them until a thorough review to determine need is undertaken.

It is also suggested that the City Attorney, IBA, and the Mayor's Office work together to identify the current authority and process for position approval, and return to the Budget Committee with recommendations for an improved position control policy.

Respectfully submitted,

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