

**NOTICE AND CALL OF SPECIAL JOINT MEETING
OF THE CITY COUNCIL OF THE
CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY AND
MORENO VALLEY HOUSING AUTHORITY**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND
FOR CSD MEETINGS***

December 18, 2012 - 6:00 PM

(or as soon thereafter as the meeting may be called to order following the Study Session of the City Council)

NOTICE IS HEREBY GIVEN that a special joint meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley and Moreno Valley Housing Authority will be held on December 18, 2012 commencing at 6:00 PM, in the City Council Chamber, City Hall, located at 14177 Frederick Street, Moreno Valley, California.

Said special meeting shall be for the purpose of:

AGENDA

CALL TO ORDER

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE SPECIAL MEETING AGENDA

There is a three-minute time limit per person. Please complete and submit a LAVENDER speaker slip to the Bailiff. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual

Council Member, staff member or other person.

SPECIAL ORDER OF BUSINESS

- 1 CONSIDER APPROPRIATION OF ADDITIONAL FUNDS FOR OUTSIDE LEGAL SERVICES
(Report of: City Attorney Department)

Recommendations

Approve the appropriation of \$101,000 from the General Fund fund balance designated for Outside Legal Services to the City Attorney Department budget for FY 2012-13. Direct staff to report to City Council on Outside Legal Service budget use and remaining funds with the Mid-Year Budget Review.

- 2 APPROVAL OF CHANGES TO POSITION CONTROL ROSTER
(Report of: City Manager Department)

Recommendations That the City Council:

Approve the requested changes to the City's position control roster.

ADJOURNMENT

Materials related to an item on this Agenda submitted to the City Council/Community Services District/City as Successor Agency for the Community Redevelopment Agency, or Housing Authority after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Mel Alonzo, ADA Coordinator, at 951.413.3705 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CERTIFICATION

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, certify that the City Council Agenda was posted in the following places pursuant to City of Moreno Valley Resolution No. 2007-40:

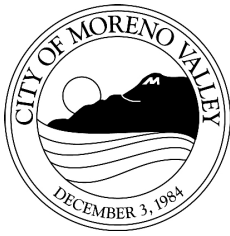
City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Jane Halstead, CMC,
City Clerk
Date Posted: December 13, 2012

AGENDA
December 18, 2012



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>MJD</i>

Report to City Council

TO: Mayor and City Council

FROM: Suzanne Bryant, Acting City Attorney

AGENDA DATE: December 18, 2012

TITLE: CONSIDER APPROPRIATION OF ADDITIONAL FUNDS FOR OUTSIDE LEGAL SERVICES

RECOMMENDED ACTION

Recommendation: That the City Council:

1. Approve the appropriation of \$101,000 from the General Fund fund balance designated for Outside Legal Services to the City Attorney Department budget for FY 2012-13. Direct staff to report to City Council on Outside Legal Service budget use and remaining funds with the Mid-Year Budget Review.

BACKGROUND

City Council has requested to discuss an increase to the Legal Services budget for the City Attorney Department. This staff report also includes alternative actions for the City Council to consider.

DISCUSSION

The City Council has expressed interest in appropriating additional funds for outside legal services.

The City Attorney budget for FY 2012-13 includes \$100,000 budgeted for outside legal services. The amount used as of December 12, 2012 is \$11,000. This leaves \$89,000 available for the remainder of the year.

On December 11, 2012, City Council approved a General Fund reserve of \$101,000 for outside legal services, to be appropriated as needed. The funds were available from the City Attorney Department budget savings from FY 2011-12.

One option is to appropriate the reserved \$101,000 to the current City Attorney budget for outside legal services. This would increase the current year budget amount to \$201,000. Staff will monitor the use of these funds during the next several months and determine if an additional appropriation adjustment would be warranted with the Mid-Year Budget Review scheduled to be presented to Council in March 2013.

One alternative would be to not amend the current budget and monitor the utilization of the remaining \$89,000 through February 2013. Staff would return with a recommended budget appropriation at that time based on known use of services and need. The reserved amount of \$101,000 would still be available for appropriation at that time, or any additional amount that may be needed.

ALTERNATIVES

1. Approve the appropriation of \$101,000 from the General Fund fund balance designated for Outside Legal Services to the City Attorney Department budget for FY 2012-13. Direct staff to report to City Council on Outside Legal Service budget use and remaining funds with the Mid-Year Budget Review.
2. Take no action to appropriate additional funds at this time, understanding that this budget issue will be addressed as needed with the Mid-Year Budget Review in March 2013.
3. Any other action that the Council may direct related to this issue.

FISCAL IMPACT

The City Attorney budget for FY 2012-13 includes \$100,000 budgeted for outside legal services. The Council specifically reserved \$101,000 in prior year savings from the City Attorney Department budget for future outside legal services in the General Fund. The City Council may appropriate these funds or other General Fund fund balance to increase the outside legal services budget as it deems appropriate.

Outside legal services typically costs about \$250 per hour of service. Use will depend on case and workload, but for perspective, use of 20 hours of service per week, or about 80 hours per month, from January to June 2013 would total about \$120,000.

Proposed Appropriation:

Fund	Account Number	Account Type	Original Budget	Proposed Adjustment	Revised Budget
General Fund	1010-14-10-14010-620230 (Professional Svcs – Legal Svcs)	Expense	\$100,000	\$101,000	\$201,000

SUMMARY

City Council has requested to discuss the Legal Services budget for the City Attorney Department. This staff report provides perspective on this issue and includes alternative recommended actions for the City Council to consider.

ATTACHMENTS

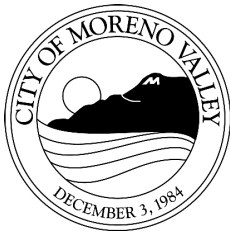
None.

Prepared By:
Rick Teichert
Financial and Management Services Director

Department Head Approval:
Suzanne Bryant
Acting City Attorney

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>MJD</i>

Report to City Council

TO: Mayor and City Council

FROM: Michelle Dawson, Assistant City Manager

AGENDA DATE: December 18, 2012

TITLE: APPROVAL OF CHANGES TO POSITION CONTROL ROSTER

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve the requested changes to the City's position control roster.

BACKGROUND

On December 11, 2012 the City Council approved a number of items as part of the Fiscal Year 2012-13 First Quarter Budget Update. Among those items was the approval of Resolution No. 2012-108 adopting a revised operating budget for the current Fiscal Year (2012/13). Budget amendments approved as part of Resolution No. 2012-108 included funding for the following positions:

Position/Department	Approved Budget Adjustment for Current FY
Management Analyst Financial & Administrative Services	\$50,000 to fund position for remaining FY

- This position will support the Time & Materials program implemented by the City Council to more equitably apply fees to developers. See Attachment A for justification. **This position will be funded through developer fees.**

Budget Officer Financial & Administrative Services	\$65,000 to fund position for remaining FY
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- Re-establishing this position will help address severe workload issues within Financial & Administrative Services and provide analytical capabilities that are currently lacking. See Attachment B for justification. **This position will be funded through the General Fund and is not fee-supported.**

Position/Department	Approved Budget Adjustment for Current FY
Senior Administrative Assistant City Attorney	\$86,400 to fund position for the full FY

- This position supports the City's Risk Management program by processing general liability claims. There is also a need to ensure that insurance certificates are received related to the numerous contracts Citywide to minimize risk to the City from contracted services and work. The Risk Management Program was transferred to the City Attorney's Office in July, 2012. Previously these claims were administered by a full-time Risk Management Division Manager supplemented by assistance from a Human Resources Technician. When the function transferred to the City Attorney's Office, the Risk Management Division Manager position was eliminated. (The employee in that position transferred to a budgeted vacancy within the Parks & Community Services Department fully funded by Zone A). To support the City Attorney's Office in administering the Risk Management functions, the Human Resources Technician that was assisting with the program was transferred along with the responsibilities. This was determined after the reorganization was approved by Council in June 2012. The additional budget expenditure to the City Attorney for this position is \$86,400. **This position is funded through general liability internal service funds.**

Personnel Actions Related to the Transfer of the Risk Management Function:

Citywide Impact of Position Reorganization

Division Manager - Parks and Community Services	
Position vacated due to retirement	\$(160,000)
Division Manager - Parks and Community Services	
Position filled by transfer from Risk Management	146,600
Eliminate Division Manager - Risk Management	(146,600)
Add Sr. Admin. Assistant - Risk Management	86,400
Net Citywide cost savings	\$ (73,600)

DISCUSSION

The amendments to the current Fiscal Year budget noted above were approved in the City Council's December 11, 2012 action adopting Resolution 2012-108. However, in the same First Quarter Budget Update agenda item, staff's recommendation to approve the corresponding changes within the City's position control roster so that it reflected

those amendments was not approved. The City Council directed staff to bring this item back for further discussion.

The Position Control Roster serves as an important internal control tool to track the actual number of City employees (excluding temporary positions). While the requested positions were funded through the adoption of Resolution 2012-108, not having the requisite titles included in the Position Control Roster results in staff not being able to move forward with the recruitments for the two newly approved positions. The Human Resources Technician/Sr. Administrative Assistant position in the City Attorney's Office is already filled; to keep the bottom line number in Position Control in sync with Council approvals staff has kept another position on the roster vacant and will continue to do so until the position is included on the roster. While staff has some flexibility to do so when workload necessitates, this is not a long-term solution and an updated and accurate Position Control Roster is needed. Staff is requesting that the City Council approve the following changes to the Position Control Roster:

<u>Full Time Equivalent</u>	<u>Position Count</u>	<u>Department</u>	<u>Position</u>
Add positions to roster:			
1	1	FASD	Budget Officer
1	1	FASD	Management Analyst (Time & Materials)
1	1	City Attorney	Senior Administrative Assistant (Risk Management)
Retitle Only (same salary grade, no fiscal impact):			
-1	-1	HR	Human Resources Technician
1	1	HR	Senior Administrative Assistant

ALTERNATIVES

1. Approve the requested changes to the City's position control roster. This will allow staff to proceed with the needed positions approved on December 11, 2012 and provide an accurate count of the number and classification of City employees. **Staff recommends this alternative.**
2. Not approve the requested changes to the City's position control roster. **Staff does not recommend this alternative**

FISCAL IMPACT

There is no fiscal impact associated with approving the requested changes to the City's position control roster because the City Council has already approved funding for the referenced positions in the revised operating budget for FY 2012-13.

ATTACHMENTS

- Attachment 1: Department Justification for Budget Officer
Attachment 2: Department Justification for Time and Materials Management Analyst

Prepared By:
Michelle Dawson
Assistant City Manager

Department Head Approval:
Michelle Dawson
Assistant City Manager

Concurred By:
Richard Teichert
Financial and Administrative Services Director

Concurred By:
Thomas M. DeSantis
Human Resources Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

MEMORANDUM

To: Henry Garcia, City Manager
From: Rick Teichert, Financial & Management Services Director
Date: January 12, 2011
Subject: Justification of Need for a Budget Officer Position

The City's Budget Officer position was deleted in the FY 2009/10 budget deficit reduction actions. This position is one of ten positions eliminated from the financial support group since FY 2008/09. The financial support group consisting of the Treasury and Financial Operations Divisions have no analyst positions. This has severely restricted the ability of the financial support group to meet day to day accounting duties, transaction processing and deadlines. The tasks of developing the City's budget are major and have been handled by the Director, the Financial and Treasury Division Managers. This has been accomplished through this group working on their days off to meet deadlines and produce a quality product. This is also our approach to produce the annual Comprehensive Annual Financial Report (CAFR) and the implementation of the new LOGOS ERP system implementation. This is not a long term stable solution or approach for the City.

Staff is recommending the reestablishment of the Budget Officer position to address the key workload related City's desire for a three year budget for the years FY 2013-14 through FY 2015-16. This position will be the lead on assembling and processing the many Division and Department budget requests. The processing of this data and requests into a document that can be reviewed and assessed by the Executive Team is several weeks of work. The BO position will also bring significant analytic capability to the data as it is processed. This will facilitate the review at the Finance Management level and the Executive level, expediting this process to meet established deadlines.

This position will lead the review and response to management queries and processing of directed changes. Their ability to communicate with peer managers and all budget staff will be critical in ensuring changes are clearly communicated back to requesting departments.

This position will ensure that necessary staff reports are well written, complete and comprehensive in content and analysis. This will enable the Division Managers and the

Director to provide critical content review, rather than spending days of their time during off hours creating this staff level work. By freeing up the management staff to review content, quality and provide additional analytic review, the budget will be a better quality product in content and substance.

This position will also produce the presentation materials and provide the needed support to do more budget review with the public, as well as with Council. These materials will be produced in the normal course of developing budget materials, rather than on the fly by management staff on off hours.

This position will also provide the ability to more quickly produce an award winning quality document after final City Council adoption. With our current staffing levels, it is months before the document production can be fit in between year-end processing and daily transaction processing. This position will ensure that the final document is quickly available for use by the Council and public.

This will be a critical position to improve and maintain additional strategic documents, such as the Long Range Business Plan. This plan has solely been developed by the Director in the past and needs to be maintained at a staff level. In addition, this position will be critical in providing our ongoing budget to actuals reports, including variance analysis and follow-up with departments on a regular basis. This position will be key in promoting the use and capabilities of our new LOGOS system by all supervisors, divisions and departments. Broad use of this mission critical system will enable the City to continue to operate with a lean staff on a long term basis.

In summary, this position is critical to the functioning of the finance staff team. I recommend approval of this position quickly to allow for recruitment in time for the heavy budget processing that will begin in January 2013. Thank you for your consideration of this position.

MEMORANDUM

To: Henry Garcia, City Manager
From: Rick Teichert, Financial & Management Services Director
Date: January 12, 2011
Subject: Justification of Need for a Management Analyst for Develop Deposit Coordination and Oversight

In FY 2009-10 the City Council approved a pilot Development Services program that authorized development fees on a Time & Material (T&M) basis for very large or complex projects. T&M billing requires that developers make deposits for fees based on estimated charges; the City recognizes the fee revenue as the services are rendered and justified. System support for the business process necessary to account for deposit accounts and T&M billing are not available in the current financial system so a temporary solution was created. This temporary solution was envisioned to be required for a year but has already been in use for over two years. The temporary solution also added significant workload to staff in the Land Development, Building and Safety, Fire Prevention, and Special Districts Divisions. The Code Enforcement Division also utilizes the temporary solution for deposits related to the Rotational Tow process. In addition, the temporary solution has grown from supporting 1 major project to having over 10 deposit accounts currently active. The temporary solution has been used much more and much longer than originally intended.

The workload added to each affected Division in order to support the pilot deposit account, T&M billing program is more than what is required by this new position. Each of the 5 Development Services Divisions devotes at least 1/4 FTE to the temporary solution, the solution requires additional time (less than 1/4 FTE) from the Financial & Administrative Services Department (FASD), and the solution is barely effective.

With the implementation of the new LOGOS ERP system, all associated business processes are being evaluated for improvement; deposit accounts in Development Services related Divisions is an area where significant business process changes are required and the implementation of a replacement ERP system makes this an opportune time to make the changes.

ATTACHMENT 2

After several business process reviews with Development Services divisions, a permanent solution utilizing Project Accounting in the new ERP system has been developed and has the support of all affected Departments. The recommended solution centralizes the workload previously added to each Development Services division into the FMS department by adding a Management Analyst position with the responsibilities enumerated below. It is the consensus of the affected Departments that the coordination and accounting for deposits and reporting should be centralized and reside in FMS. Relieving Development Services divisions of workload that was added over 2 years ago is welcomed by those divisions and will allow that staff to focus on development activity instead of accounting activity. Unfortunately, there is no current capacity in FMS to absorb the centralized workload. Therefore, the Management Analyst position is recommended.

There are several other noteworthy reasons why this position is necessary. The Citywide priorities given by the City Council (Job Development, Maximizing Vacant Land Opportunities, Maximize Transportation and Infrastructure Opportunities, Economic and Tax Base Development, and Enhancing the City's Image) are all furthered by efficient, coordinated, and accurate business processes related to development activity. This is particularly true when the City can present consistent development processes and fee structures to developers. Developers have had difficulties in the past understanding the City's development processes and this position creates an opportunity to improve those process and place the workload at the appropriate place in the organization.

This position, supported by new business processes and new ERP system tools and functionality, will also assist the City in explaining development fee structures for very large projects while ensuring that full cost recovery is achieved for all Development Services related expenses. The existing temporary solution does not address issues that extend across all Development Services divisions, thus developers have expressed difficulties in understanding the City's processes and fee structures. This new position, supported by new ERP system functionality, will allow the City to present consistent development processes and fees to developers. A significant benefit will be a single point to place deposits and receive regular comprehensive reports. The current decentralized process requires the developer to place separate deposits with each business unit in Development Services and to receive separate reports for each. This is not a best practice in being responsive to the development community. This proposal will move toward a best practice, making the interaction with the developers simple and efficient.

Below is a more detailed list of job responsibilities than is available in the Financial Analyst job description (see Class Specification, Financial Analyst, dated April 6, 2007). These responsibilities are in addition to the responsibilities, duties, and qualifications that exist in the current job description.

- Deposit account management via Project Accounting in the ERP system
- Developer billing via Miscellaneous Billing in the ERP system

- Deposit account refunds at project closeout
- Providing developer reports
- Deposit reconciliation bi-weekly
- Completing revenue recognition journal entries
- Providing staff inquiries and reports
- Ensuring Development Services project policies are accurately implemented

In summary, this position is critical to improving the business process of accepting developer deposits and efficiently applying the actual cost to the deposits through a time and materials charge process. I recommend approval of this position quickly to allow for recruitment in time for the start-up of LOGOS payroll, which will allow for the project accounting system to be used for this process.

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