




CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: October 13, 2024

Subject: Supplemental appropriation for overlap of FTE/related expenses

Background

Pending Assembly approval, effective March 31, 2025, the City and Borough of Sitka's current Controller, Brooke Volschenk, will assume the role of Finance Director following the resignation of Melissa Haley, whose last day will be March 31. To ensure a smooth leadership transition, Ms. Haley will focus on critical knowledge transfer and training over the coming months. However, the department must maintain regular operations throughout this period.

To facilitate the transition and prevent disruptions, I am requesting additional resources, including a temporary staffing increase (FTE) to allow for the immediate recruitment of a new Controller.

Analysis

1. Ensuring Effective Knowledge Transfer:

- Ms. Haley must pass on critical knowledge, including local policies, financial systems, and compliance requirements specific to Sitka and its complexities. Current staffing levels, particularly at this time of year, do allow time for this.

2. Recruitment and Early Onboarding of the New Controller:

- Immediate recruitment is essential to provide sufficient onboarding and training.
- Although we would like to hire locally, past recruitment challenges suggest we may need to engage a recruiting firm to identify qualified candidates.

3. Support During Critical Financial Cycles:

- The transition coincides with audit preparation and budget development, already requiring significant time outside of normal working hours from both the Controller and Finance Director.
- Hiring a new Controller promptly will ensure there is sufficient capacity for both

training and ongoing operations

4. Strengthening Long-Term Departmental Success:

- A structured handoff between Finance Directors ensures leadership stability and operational continuity. A smooth transition strengthens the Finance Department and reduces future turnover risk.

Fiscal Note

If a Controller is hired immediately, there will be a 4-month overlap between the incoming and outgoing Controllers, costing approximately \$68,000 (including family health coverage). Historically, recruiting for this position has been challenging, so we may need to allocate an additional \$9,000 for recruiting services.

Additionally, \$10,000 in temporary wages is requested to support departmental operations. If hiring takes longer than expected, temporary staff will provide interim support, and Ms. Haley may assist as a temporary employee after her departure. Current budget constraints—due to vacancies earlier this fiscal year—necessitate this funding request

Recommendation

Approve Ordinance 2024-25 to appropriate \$78,000 for personnel expenses and \$9,000 in contract purchased services and authorizing a temporary increase (up to 4 months) in FTE's for the Finance Department.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2024-25

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2025

(Finance Department - Personnel & Contract/Purchased Services)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental Operation and Capital appropriation for FY2025.

4. **ENACTMENT.** In accordance with Section 11.10 (a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2024 and ending June 30, 2025.

<u>FISCAL YEAR 2025 EXPENDITURE BUDGETS</u>
GENERAL FUND
Finance –Personnel: Increase appropriations by \$78,000 to support the finance department leadership transition (overlap of Controller and temporary staff support).
Finance – Contract/Purchased Services: Increase appropriations by \$9,000 for recruitment of the Controller position.

EXPLANATION

With the upcoming transition in the finance department, a temporary increase in FTE's and additional funding is needed so that a new Controller can be hired immediately as the current Controller prepares to transition into the Finance Director role. Outside recruitment and the augmentation of staffing levels by temporary employees may be needed as well.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of November 2024.

ATTEST:

Steven Eisenbeisz, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading: 11/12/2024

2nd and final reading: 11/26/2024

Sponsor: Administrator