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| TRANSMITTAL MEMORANDUM |
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TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: March 10, 2021

RE: **Notification of Retirement – Payroll Coordinator**

As indicated in the attached memorandum from Finance Director Michelle Johansen, Payroll Coordinator Terry Sivertsen has submitted her notice of retirement effective the close of business September 30, 2021. Terry has been an amazing employee and she will be sorely missed when she retires. The position of Payroll Coordinator carries significant responsibilities that can often be stressful. Ms. Sivertsen has consistently performed the duties of Payroll Coordinator in a professional manner while always having a smile or good word for her fellow employees at City Hall. I wish to take this opportunity to thank Terry for her dedicated years of service to General Government and KPU and wish her and her family the best in their future endeavors.

Due to the responsibilities of the position and the need to cross train a replacement, I have authorized Ms. Johansen to proceed with a formal recruitment to fill the position in advance of Ms. Sivertsen's departure.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Michelle Johansen, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

TO: Karl R. Amylon, City Manager/KPU General Manager

FROM: Michelle Johansen, Finance Director

DATE: March 8, 2021

SUBJECT: Payroll Coordinator Position

Terry Sivertsen, the Finance Department's Payroll Coordinator has submitted a letter notifying me of her intent to retire. I have had the pleasure of working with Mrs. Sivertsen for the past 18 years and have been her direct supervisor since 2015. She is a hardworking and motivated individual that has performed her duties with professionalism and a can do attitude. Mrs. Sivertsen has balanced the needs of the City of Ketchikan (City)/Ketchikan Public Utilities (KPU) with the needs of the employee while also maintaining accuracy, efficiency and timeliness. Her dedication to the employees, Finance Department, and City/KPU as a whole will be hard to replace.

The payroll coordinator is responsible for managing the payroll records for 300-400 regular employees. The management of employee records includes but is not limited to the following:

- New personnel entry – Personal data, employee/department data, position data and compensation, deductions and benefits. The benefits are dependent on the 6 different groups of employees –
 1. Full time Non-representative employees
 2. Full time IAFF union employees
 3. Full time PSEA union employees
 4. Full time IBEW City union employees
 5. Full time IBEW KPU union employees
 6. Temporary employees
- Personnel/personal changes affect any of the above which may include pay increases, promotions, transfers, dependents, spouses, direct deposit, W-4's, addresses, FMLA status, worker's compensation status, military leave status, temporary additional duties status, etc.
- Terminations – resignation, retirement and other.

Each employee usually has at least one personnel action form per year which translates to an average of 25-34 changes per month. With each of these processes there are multiple steps that need to be completed prior to finishing the above items.

This position is also tasked with processing each payroll, 2 per month, to ensure all employees receive their pay on pay day. This process includes reviewing the time entry records, running approximately 50 queries to mitigate the risk of error, following approximately 40 additional steps to ensure the payroll checks and direct deposits are prepared accurately and timely.

Once each payroll has been processed there are reporting requirements and payments specific to payroll that must be processed. Each payroll has different deadlines but all are time sensitive and requires a well-organized person that can multi-task. In addition to reporting after each payroll

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there are other critical reporting and filing (Department of Labor and IRS) deadlines that occur quarterly and annually.

The payroll coordinator also needs to have a good working knowledge of how the payroll system works and how to implement changes per the collective bargaining agreements and federal regulations since it is the payroll coordinator's responsibility to enter the following into our financial accounting system: new pay tables, health insurance premiums (employee and employer share) for each employee group listed in 1-5 above and annual tax tables and thresholds (social security, flexible spending account and deferred compensation) established by the IRS. Each position is linked to a pay table and the pay table changes any time there is a negotiated wage increase per the collective bargaining agreement established by each union group, change in the compensation plan and or approved cost of living adjustments.

All of the duties included in the payroll coordinator job description require constant monitoring due to the annual changes in the tax code, health insurance premiums, employee salary and wages while at the same time meeting the critical deadlines each pay period, month, quarter and year. The payroll coordinator must be cognitive of the sensitive nature of the information held in the payroll records and each employee's payroll needs. It is imperative that the person in this position has the ability to communicate complicated rules in a clear and concise manner while maintaining effective internal and external working relationships.

As all of the above shows, the payroll coordinator position is a critical position in our department. The Finance Department is already stressed due to the Controller position vacancy and in order to maintain the desired level of financial reporting the City and KPU are used to receiving we need to fill this position. The loss of this position would impact the ability to maintain all of the above and could result in contract breaches, the City/KPU's ability to recruit personnel, an unfavorable audit opinion and fines from the IRS.

I respectfully request permission to recruit a replacement for Mrs. Sivertsen as soon as possible. There are time sensitive and crucial deadlines that need to be met and require training. If we are able to recruit an in-house candidate, I believe we can obtain sufficient training prior to Mrs. Sivertsen's retirement date. If we need to extend the recruitment process outside of our organization it will be critical to start recruiting now to ensure the new payroll coordinator is ready to go on September 30, 2021.

I would like to express my sincere appreciation for Terry's Sivertsen's 18 years of service. She has worked hard for the City and its employees. Terry has performed her duties with an endless positive attitude that will be missed by all. As much as I will be sad to see her go, I am excited for the adventures that await her and wish her many happy years in retirement.

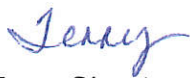
October 22, 2020

Dear Michelle,

I've set my retirement date as September 30, 2021. This has been a tough decision for me as I love my job and the people I work with. Karl, Bob and you have been the most amazing supervisors that I have ever had the pleasure of working under. The City Hall crew are all wonderful people and I will miss this very much.

I would appreciate as much time as possible to train my replacement. I would be very happy to help after I'm gone should anything come up.

Sincerely,



Terry Sivertsen