

Office of the City Manager

PRESENTATION

July 15, 2003

To: Honorable Mayor and
Members of the City Council

From: Weldon Rucker, City Manager

Subject: City Council Study Session on Issues Related to Human Resources

I. Introduction

Tonight's presentation provides the City Council with a background and overview of Human Resources programs, services, priority work plan projects and issues in the City. It is hoped that this information will be helpful to the City Council in understanding the resources required to support the City's personnel management system.

The Human Resources Department administers the City's personnel merit system to ensure that the City has fair and equitable policies and procedures free from favoritism and patronage and that all recruitment, hiring, placements, transfer and demotions are made on the basis of individual qualifications for the position filled. The Human Resources Department delivers a wide range of specialized services and advice to other departments, employees, retirees and potential employees. The objective is to enable the City to attract, retain, develop, train and support a highly skilled, professional and diverse workforce to better serve the Berkeley community. The Human Resources Department works closely with other support departments in providing these services in an effective and efficient manner. The department is responsible for ensuring that the City complies with the myriad State and Federal laws, rules and regulations, union contracts, and generally accepted professional personnel practices that pertain to employment actions, employee benefits and classification and compensation for the approximate 2000-employee workforce.

With the retirement of the Director of Human Resources on January 5, 2003, the Human Resources has undergone an interim reorganization. As a result, there have been several assignment shifts with two permanent staff moving into the interim assignments of Acting Director and Acting Deputy Director of Human Resources. The Employee Relations Officer position has been temporarily vacated and will remain vacant pending the permanent filling of the Director of Human Resources vacancy. The Acting Director has continued to perform many of the Employee Relations Officer duties, in addition to assuming management of the Classification function and some administrative responsibilities. The Acting Director has continued to oversee the Examination and Employee Transaction functions, as well

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as the budget, previously the responsibility of the Deputy, as well as taking on the Director duties. These are the impacts of the temporarily vacant Employee Relations Officer position.

As part of the transition, the supervisory structure of the department was reviewed, and other changes were implemented. The nature of much of the department's work is highly detailed, technical and complicated by specific legal and contractual requirements. This type of work requires close collaboration and review, at certain decision points, which can best be accomplished by more available levels of supervision. To accomplish this, there has been a shift in supervisory responsibility to the Senior Human Resources Analyst in Employee Relations over the Workers' Compensation and Benefits functions and to the Senior Human Resources Analyst over the full Examination function. While the department re-organization has been implemented on an interim basis, the new supervisory assignments for the Senior Human Resources Analysts seem to be effective, in supporting the overall mission of the department.

II. Overview of Program Arcas

There is a fair degree of collaboration between program areas in the Human Resources Department and between this department and other City support services, particularly the City Auditor and the City Attorney staff. Over the past six months, there has been an increase in the amount of collaboration and sharing of staff between the program areas, within the department, to better utilize staff resources. The Human Resources staff provide specialized technical services and advice to a wide variety of customers in the following program areas that are set forth in the service view budget:

A. Recruitment and Examination

Staff assigned to the Recruitment and Examination function are responsible for the administration of the City's personnel merit system that includes responsibility for recruitment of a diverse pool of well qualified applicants to fill vacant positions in the career service for all City departments. This unit has primary responsibility for determining and implementing an effective recruitment strategy, including targeting advertising and developing valid and reliable testing and other selection instruments to fill City vacancies, as efficiently as possible. Applications data is entered in a computerized data base system and applicants are tracked and notified throughout the screening and selection process and the final eligible list of candidates is certified to the operating departments to fill each vacant position in the career service. The Human Resources Department also maintains a pool of prospective employees to fill positions on a temporary basis and conducts recruitments to fill temporary positions. This unit also provides telephone and counter reception for all of the Human Resources services.

B. Classification and Compensation

Assignments in Classification and Compensation include responsibility for the production of written classification specifications for each position allocated in the City budget and for establishing a salary range for each classification. The Human Resources Department is charged with analyzing each position and determining whether the job tasks being performed are consistent with an existing job classification or whether it is necessary to create a new classification and salary range. During collective bargaining, extensive salary and benefit studies are conducted to determine where the City's salary ranges fall compared to similar jobs in the surrounding municipalities. The City's labor contracts include a provision that permits an employee to request one job audit once in a twelve-month period. As the City eliminates positions and reorganizes delivery of services and distribution of job duties, management frequently requires studies to classify positions and to assign salary ranges. Maintenance of the City's

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classification plan allows the City to pay employees a fair and equitable salary for work being performed.

The City's classification plan consists of a total of 403 classifications. Of these, there are 336 active classifications. There are an additional 39 vacant classifications, such as Trainee classes, that the Human Resources Department recommends retaining for possible future use. During past negotiations, the unions have agreed to eliminate a number of unused classifications, but there are still 28 other classifications that should be abolished. The City of Berkeley has a large number of classifications, due in large part to the variety of occupations required to deliver our services. In addition to standard programs offered by most medium sized cities in the bay area, Berkeley offers services in public health, mental health, environmental health, federally subsidized housing and refuse services, among others. As a result of this wide variety of services, many of which require specialized skills, the City must provide a much broader array of classifications to allow us to recruit and retain employees who have the necessary qualifications. In case of funding reductions, such as those being experienced now, overly broad classifications could result in the loss or bumping of employees with necessary skills since the City has agreements with the unions to use a very strict seniority based layoff policy, within each classification.

C. Employee Benefits Administration

The City provides a wide array of health and welfare benefits to employees and retirees, some of which such as the SRIP programs are particularly complicated to administer. The Human Resources Department, working with the payroll staff of the City Auditor's Department, the Employee Transactions Unit and payroll clerks in City Departments, has principal responsibility to administer these benefits. The benefit array varies to some extent by bargaining unit so one of the administrative burdens is to understand the differences to ensure that benefits are correctly provided for each employee and retiree. The City benefits are described in Attachment A.

D. Employee Relations

Staff assigned to the Employee Relations function are responsible for the administration of the City's employee and labor relations program. The Meyers-Milias Brown Act (California Government Code Section 3500-3511) permits public employees in local government to organize for collective bargaining purposes and negotiate changes in wages, hours and other terms and conditions of employment within the scope of representation. The City recognizes seven separate labor organizations, each of which has a memorandum agreement with the City. The City's chief negotiator is the Employee Relations Officer but the City Manager, Deputy City Manager, City department directors, other Human Resources staff and the City Attorney's office are also actively involved in labor relations' matters. In addition to collective bargaining, the Employee Relations staff handles all matters involving contract interpretation on wages, hours and other terms and conditions of employment. The Employee Relations Division, in conjunction with staff from the City Attorney's Department, also advise departmental managers, supervisors and department heads on disciplinary matters and the Director of Human Resources represents the City Manager in disciplinary appeal hearings with the unions and affected employees.

More recently, with changes in State law, the Employee Relations Officer, with assistance by the City Attorney's Office, must also respond to Unfair Practice Charges alleging violation of the Meyers-Milias Brown Act, which may be filed with the State of California Public Employment Relations Board (PERB) on claims by individual employees and/or labor organizations. All grievances and disciplinary actions are tracked by this division, which also determines eligibility and tracks entitled leave benefits provided under the federal Family and Medical Leave Act (FMLA) for employees who are suffering

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from a serious medical condition or who need to be absent to take care of a family member suffering from a serious medical condition.

E. Employee Transactions and Records Administration

Staff assigned to the Employee Transactions and Records Administration function are responsible for the administration of the HTE software personnel module for the City, including entering much of the personnel data into the system and ensuring its integrity. Since the payroll and personnel module is a shared database, this requires very close coordination between the Employee Transactions Unit and the Payroll Audit Division of the Auditors Office. Staff makes offers of employment and signs up all new career employees including providing initial enrollment in the City's benefit program. Staff also processes all new hire and employment status change documents, requiring over 2000 annual employee transactions, and administers the cost of living adjustment system, to ensure the accurate and timely processing of salary changes for all City employees. In addition, this unit must plan and implement the annual cost of living and equity adjustments for all career and temporary employees, which requires a coordinated effort with all of the department payroll staff. Other assignments performed by staff include preparation of variety of union and State required employment status reports, updating and maintenance of all City personnel records for all employees except Library employees, and maintenance and reconciliation of the City's position control system in coordination with and support of the City-wide Budget function.

F. Equal Employment Opportunity and Diversity

The Equal Employment Opportunity and Diversity Officer is responsible for assuring that the City's employment practices and procedures comply with Federal and State mandates for Equal Employment Opportunity and Diversity. To that end, the City's Equal Employment Opportunity Policy statement and Harassment Prevention Policy are reviewed and disseminated to the work force annually under the City Manager's signature to reiterate their protections under the law and the City's commitment to Equal Employment Opportunity. In addition, the Equal Employment Opportunity and Diversity Officer provides advice, training and technical assistance on Equal Employment Opportunity issues such as hostile work environment violations, sexual harassment, protected disabilities and reasonable accommodations, and unlawful employment practices; and investigates and provides written findings on any internal or external discrimination complaint. The Equal Employment Opportunity and Diversity Officer assesses requests for reasonable accommodation for City employees or applicants with disabilities in compliance with the Americans With Disabilities Act (ADA) and the Fair Employment and Housing Act (FEHA) provisions, and trains managers, supervisors, and line staff on harassment prevention (sexual and non-sexual) and reasonable accommodation, on an ongoing basis. Additionally, the harassment prevention training is provided to all new employees as part of New Employee Orientation. Equal Employment Opportunity training on these topics is a valuable tool in arming the City against sexual harassment and disability based lawsuits, which could result in large punitive damages.

G. Insurance Services

Responsibility for insurance procurement and claims was transferred to the Human Resources Department in April 1990, as part of the City's Risk Management function. With the elimination of the Risk Manager position in 1995, the function became part of the Employee Relations Officer's responsibilities. Responsibilities include reviewing all City contracts for compliance with generally accepted insurance standards for commercial general liability insurance, automobile liability insurance,

professional liability insurance and workers' compensation insurance. The City uses Insurance Associates of Northern California to maintain a comprehensive program of property insurance on City buildings and structures, mobile property, boiler and machinery, computer hardware and software, fine arts, and personal property, and through Bay Cities Joint Powers Insurance Authority (BCJPIA), the City provides public liability coverage for City employees. In addition, staff provides Special Events Insurance through Diversified Risk Insurance Services and procures workers' compensation excess insurance through Continental Casualty Company of California.

H. Human Resources Management

The Acting Director of Human Resources is responsible for planning and managing the operations of the Human Resources Department, preparing the budget and providing support to each of the divisions. Responsibilities also include consultation and advice to other City departments on employment and organizational matters pertaining to staffing, the application of employment practices and policies, the need to resolve operational difficulties for individual departments, and administration of the layoff policy to implement the FY 2004 budget staffing reductions.

I. Training and Organizational Development

Staff assigned to the Training and Organizational Development function is responsible for providing ongoing training and development opportunities to employees in skills fundamental to successfully achieving the City's mission. This entails assessing training needs, identifying course specifics, contracting with training providers, organizing, advertising and filling class schedules, and monitoring program delivery. The Training and Organizational Development Division is also responsible for the New Employee Orientation Program, as well as, tracking training activities, and providing recognition to employees who successfully complete the four core courses. The Training Officer facilitates management programs and helps to develop other methods to reinforce the core values of the City.

J. Occupational Health and Safety

The Occupational Health and Safety Officer is responsible for providing a comprehensive program to prevent work related illnesses and promote a healthy workplace. The objective is to prevent work place injuries and thus reduce current and future medical and lost time costs. The City's Occupational Health and Safety Coordinator acts as a technical resource in occupational health and industrial hygiene issues and acts as a technical resource in accident prevention and employee safety policies. The Occupational Health and Safety Coordinator also chairs the Citywide Safety and Workers' Compensation Committee and provides training for City managers and supervisors on sound safety practices and techniques for improving the department safety records.

K. Workers' Compensation Claims & Administration

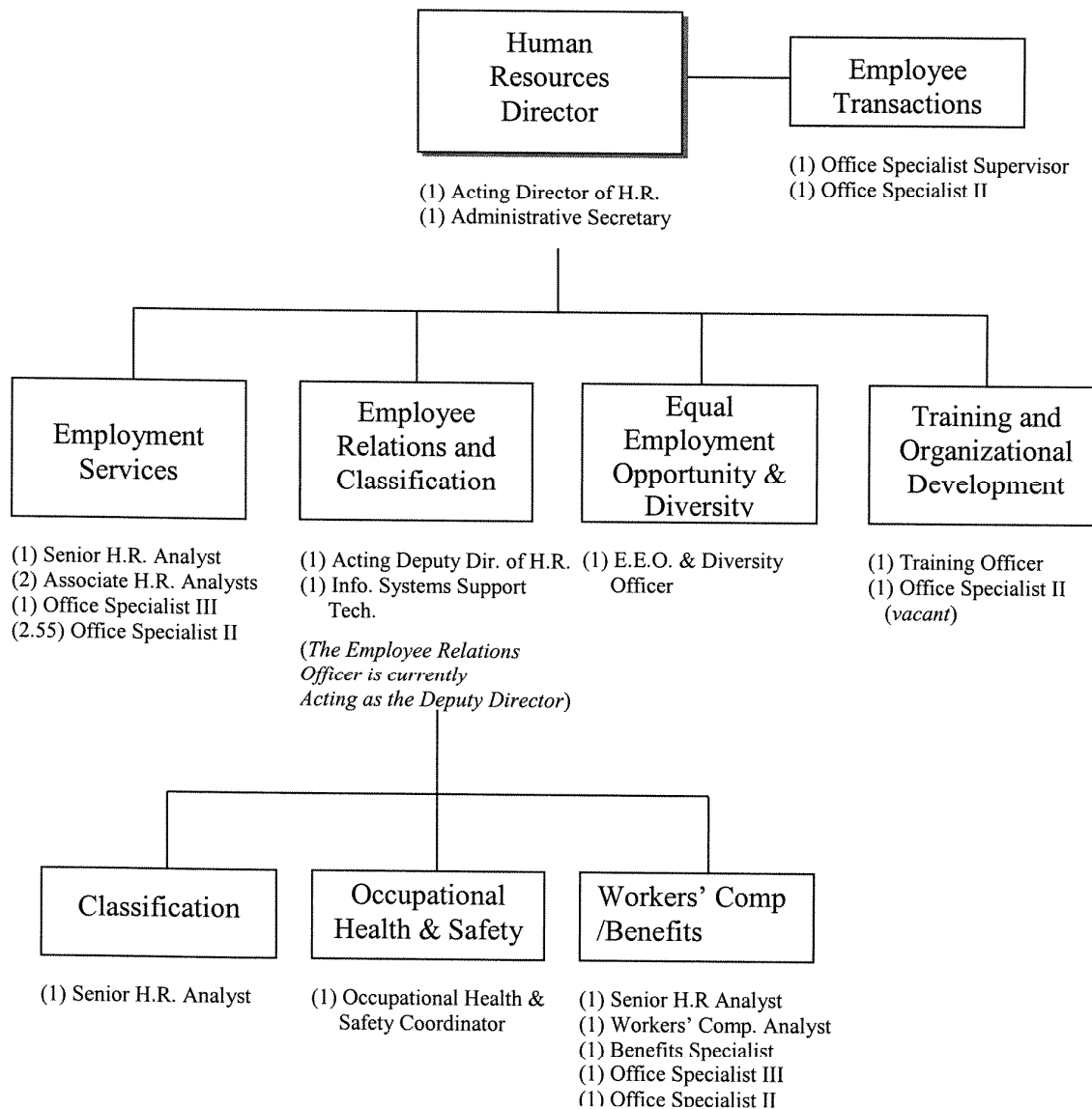
The City is required by state statute to provide no fault medical treatment and disability benefits to employees that are injured during the course and scope of employment. The Human Resources Department develops, coordinates and administers the City's self-insured workers' compensation program to comply with City policies, State and Federal mandated laws to control City costs by developing and implementing systems and methods for effective and efficient processing of workers' compensation claims and to coordinate and communicate case management information to City and outside personnel. The Human Resources Department provides subject matter expertise and analysis in order to interpret and apply existing laws, policies and procedures. A more complete description of the

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workers' compensation program and steps the City is taking to identify and control costs has been included in a separate report to Council.

III. Human Resources Department Organizational Structure for Providing Services



IV. Activities

a. Summary of Programs and Services Provided by the Human Resources Department Funded Through the City Budget

The summary of programs and services set forth below are approximate and subject to adjustment as a result of the ongoing need to meet customer demand. The Human Resources Department routinely shifts staff among the various programs in order to fulfill the demand for services.

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Service View Category	Division	Positions Assigned
Recruitment and Examination Department Reception	Employment Services	1 Senior H.R. Analyst 2 Associate H.R. Analysts 1 Office Specialist III 2.55 Office Specialist II 0.10 Acting Director of Human Resources
Classification and Compensation	Employee Relations and Classification	1 Senior H.R. Analyst 0.10 Acting Deputy Director of Human Resources
Employee Relations	Employee Relations and Classification	0.40 Senior H.R. Analyst 0.50 Acting Deputy Director of Human Resources 0.20 Office Specialist II
Employee Transactions and Records Administration	Director of Human Resources	1 Office Specialist Supervisor 1 Office Specialist III 0.20 Acting Director of Human Resources
Equal Employment Opportunity and Diversity	Equal Employment Opportunity and Diversity	1 Equal Employment Opportunity & Diversity Officer 0.10 Administrative Secretary
Information Technology Services	Employment Services and Employee Relations and Classification	0.90 Information Services Support Technician
Insurance Services	Employee Relations and Classification	0.10 Acting Deputy Director of Human Resources 0.20 Office Specialist III
Occupational Health and Safety	Employee Relations and Classification	1 Occupational Health and Safety Coordinator 0.20 Office Specialist II 0.10 Acting Deputy Director of Human Resources
Human Resources Management and Administrative Support	Director of Human Resources	0.70 Acting Director of Human Resources 0.90 Administrative Secretary
Employee Benefits Administration	Employee Relations and Classification	1 Benefits Specialist 0.30 Senior Human Resources Analyst 0.10 Acting Deputy Director of Human Resources 0.60 Office Specialist II
Training and Organizational Development	Training and Organizational Development	1 Training Officer 0.10 Acting Director Of Human Resources 0.10 IS Support Tech 1 Office Specialist II

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Service View Category	Division	Positions Assigned
Workers' Compensation Claims & Administration	Employee Relations and Classification	1 Workers' Compensation Analyst 0.30 Senior Human Resources Analyst 0.80 Office Specialist III

V. Significant Accomplishments

A. Recruitment and Examination

- Completed recruitments and examinations to establish 90 eligible lists, eight temporary recruitments and updated 10 open continuous lists, including completing competitive recruitments for the following:
 - Revenue Collection Manager
 - Deputy Director of Parks, Recreation and Waterfront
 - General Services Manager
 - Customer Services Manager
 - Emergency Services Manager
 - Principal Planner
 - Police Chief (with Executive Search firm)
- In FY 2002/FY 2003, participated in a Paramedic Recruitment Task Force consisting of Human Resources staff, Local 1227, BFFA and Fire Administration to develop and implement short and long term recruitment strategies towards increasing diversity in the Paramedic Firefighter classification. The successful candidate pool of 164 candidates consisted of fourteen (14) females and forty-eight (48) minority candidates.
- Established a process to interview and pre-qualify a group of persons interested in temporary Office Specialist appointments to enable the City to substantially reduce the use of temporary employment agency hires for the future.
- Completed nine Public Safety promotional examinations.

B. Classification and Compensation

- Completed compensation studies for contract negotiations of approximately 120 classifications for employee groups represented by SEIU Local 790, SEIU Local 535, Public Employees Union Local 1, the Berkeley Fire Fighters Association and for Unrepresented Classifications.
- Completed classifications for non-sworn classifications in the Police Department, including the Public Safety Business Manager and Crime Scene Supervisor.
- Completed 12 classification reviews and job audits, established 12 new classifications and revised 13 classifications.

C. Employee Benefits Administration

- Completed update to the Employee Benefits Handbook and distributed the document on the City's Intranet.
- Evaluated Health Plan Alternatives that would provide alternatives to HealthNet, more choices and better care for employees and retirees.

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- Completed revision of Supplementary retirement and Income Plan I and II Plan documents to comply with the Internal Revenue Code and related Federal laws.
- Completed revision of Deferred Compensation Plan Document to comply with the Internal Revenue Code and related Federal laws.
- Established a new Internal Revenue Code Section 401(a) plan negotiated with the Berkeley Fire Fighters Association and received a favorable ruling from the Internal Revenue Service in the form of a Private Letter Ruling. This resolves an outstanding taxation issue concerning liquidation of final settlement pay and allows retirees maximum flexibility in choosing when to pay taxes on the proceeds.

D. Employee Relations

- Completed contract negotiations with Service Employees International Union (SEIU) Local 790, Service Employees International Union (SEIU) Local 535, the Part-Time Recreation Leaders Association/SEIU Local 535, Public Employees Union Local One, and IBEW Local 1245 that resulted in six-year labor agreements through July 2008, and completed a limited scope of bargaining with the Berkeley Fire Fighters Association/I.A.F.F. Local 1227 that resulted in a two-year contract extension through July 2006.
- Amended CalPERS contract to provide 2.7% at age 55-retirement formula enhancement for non-sworn employees to treat them equitably with sworn public safety employees.
- Processed 46 grievances and one (1) Unfair Practice Charge in the calendar year ending 2002.
- Completed 47 disciplinary appeals, an increase of 38% for calendar year 2001, in the calendar year ending 2002.
- Updated and issued a revision to the City's Administrative Regulation on flexible work schedules to allow a 9/80 Alternate Work Schedule.

E. Employee Transactions and Records Administration

- Improved the City's position control system of authorized position by updating information to track with the Budget Office.
- Processed Cost of Living Adjustments (COLA) and Equity Adjustments, for SEIU Local 790, SEIU Local 535, the Part-Time Recreation Leaders Association/SEIU Local 535, Public Employees Union Local 1, IBEW Local 1245, the Berkeley Fire Fighters Association, Berkeley Police Association, and Unrepresented employees, for a total of approximately 2,800 transactions, including posting and filing.
- Completed initial preparation for Cost of Living and Equity Adjustments (COLA) for the July 2003 Cost of Living Adjustments (COLA) for SEIU Local 790, SEIU Local 535, the Part-Time Recreation Leaders Association/SEIU Local 535, Public Employees Union Local 1, IBEW Local 1245, and Unrepresented employees, including posting and filing.
- Completed the hiring process for 92 career and 179 temporary appointments and 48 promotions for FY 2003, a 60% reduction in hiring and promotions from FY 2002.

F. Equal Employment Opportunity and Diversity

- Processed 23 internal Equal Employment Opportunity discrimination complaints in the last two years. Twelve cases were investigated and culminated in a finding of no discrimination, six were mediated and resolved, three were rejected for lack of purview and one was withdrawn. One case is currently pending investigation.

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- Processed thirty reasonable accommodation requests in the last two years. After analysis, seventeen were accommodated, eight were not accommodated, and five cases are pending process.
- Prepared an Equal Employment Opportunity Plan that was required by the state Office of Criminal Justice Planning (OCJP) for the Berkeley Police Department because the department is a grant recipient from the state.
- Developed a mediation process as an alternative settlement tool in lieu of complaint discrimination investigations. Mediation entails settling Equal Employment Opportunity disputes without identifying fault or liability. The resolution agreement is voluntary and binding on all parties.
- Developed a refresher Harassment Prevention training, which includes a work force diversity module, for City employees. The first offering of the combined training was provided to the Fire Department in November 2002 and was well received.
- Conducted Harassment Prevention training as part of employee orientation for new employees as of March 2003.

G. Insurance Services

- Reviewed over 400 contracts for compliance with the City's insurance requirements. Fifty-three (53) or approximately 13% of the contracts were returned to department of origin for non-compliance with one or more of the City's insurance requirements.
- Procured Liability Certificates of Coverage for public liability and/or other property insurance in approximately 20 occasions for contracts where the City was required to provide proof of insurance.

H. Training and Organizational Development

- In January 2002 the City launched a new Citywide Training Program consisting of four core courses for all employees and thirteen focus courses pertinent to different employees depending on the type of work they do and their professional development needs. The Citywide Training Program is unique in that it represents the first time the City has undertaken a comprehensive, systematic approach to meeting the general training needs of its workforce. The City expects that by the end of 2003, the majority of employees will have attended the four core courses that include:
 - Effective Communication: Working with Others So They Can Work with You
 - Resolving Conflict in the Workplace
 - Customer Service: Our Shared Commitment
 - Creating Effective Teams: We're All in This Together

Here are some data on the number of employees who will have been trained in the four core courses from January 1, 2002 through June 1, 2003 (percentages are based on an approximate career employee population of 1500.). Numbers are lower for each subsequent core course due to a staggered launching of these courses, over time.

Course	By June 1, 2003
Effective Communication	1162 Participants (77%)
Resolving Conflict	676 Participants (45%)
Customer Service	490 Participants (33%)
Creating Effective Teams	368 Participants (25%)

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The Citywide Training Program has been very well received by employees and enjoys the support of both management and labor. The joint labor-management Training Advisory Group (referred to as "TAG") helps provide ongoing input into the training program.

- In 2002, the Training and Organizational Development Division, in conjunction with an interdepartmental working group, revised the City's New Employee Orientation Program. The New Employee Orientation Program now consists of several elements, including stronger departmental and supervisory participation, a buddy program, in addition to a quarterly orientation meeting presented by the City Manager, Human Resources staff and others.

I. Occupational Health and Safety

- Developed and presented an Injury and Illness Prevention Plan (IIPP) to senior management staff and employees in all City Departments.
- Developed and presented training in Accident Investigation, Conducting Safety Inspections and Rewarding Safe Behavior.
- Changed industrial medical clinic provider to U.S. Health Works who are a dedicated provider for Occupational Medicine.
- Conducted Industrial Hygiene surveys on airborne lead in the Public Safety Building Firing Range.
- Conducted a citywide safety and perceptions survey through Bickmore Risk Services that identified significant areas to target for training and administrative improvements to reduce the number of employee injuries.
- Developed Respiratory Protection Program for Fire and Police Departments resulting in continued annual medical surveillance for Fire Fighters and upgraded respirators for Police Officers who engage in crowd control.
- Conducted focused safety inspections in high-risk areas of the city resulting in significant reduction in potential for employee injury, equipment failure and chemical spill.
- Entered into negotiations with Cal-OSHA regarding three significant citations resulting in dismissal or substantial reduction of monetary penalties.
- Completed Occupational Health and Safety Policies and Procedures Manual and distributed it to employees and on the City's Intranet.
- Administered the federally mandated Department of Transportation Drug and Alcohol Testing Program for approximately 180 employees who drive commercial vehicles in safety sensitive functions.

J. Workers' Compensation Claims & Administration

- Processed 167 workers' compensation cases categorized as Medical Only and 105 workers' compensation claims categorized as Indemnity.
- Designed and implemented changes to maintain current industrial third party administrator for workers' compensation (Innovative Claims Solutions – ICS) including ICS Renewal Quote and Performance Standards.
- Identified repetitive motion injuries as a major contributor to our injury experience and conducted over 200 workstation ergonomic evaluations to prevent future occurrences.
- Completed workers' compensation claims analysis and settled of over 100 workers' compensation cases.
- Designed and implemented ergonomic processes after industrial injuries and return to work to prevent reoccurrence of industrial injuries.

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- Continued employee and supervisor training in the area of workers' compensation and ergonomics.
- Designed and implemented compliance and cost containment strategies under the requirements of AB 749 (the Workers' Compensation Reform Act) that became effective January 1, 2003.
- Developed job specific profiles for medical surveillance programs for annual and pre-employment medical examinations.

VI. Operational Challenges

Significant Challenges:

We are facing the prospect of a shrinking economy and the impacts of citywide budget reductions. At these times, the demand for Human Resource services usually increase, as so many of the solutions require our intervention and assistance. We realize that we must continue to streamline our systems, and balance service demands, to free our staff to provide the most effective level of service.

In looking forward, we are trying to anticipate the demands that will be made on our department. Depending on the economy, recruitment activity has been variable, but always a substantial part of the department's product. As a City with an open-competitive merit system, we are subject to very formal and structured recruitment and hiring policies and procedures. During the previous two years, recruitment activity was extremely high, with staff intensive quarterly Police Officer and annual Firefighter/Paramedic recruitments and the establishment of approximately 110 eligible lists per year, despite a very tough recruiting environment. Because of operational efficiencies, we were able to meet these increased demands without adding any staff. Given the economic downturn, the job market has changed drastically and we anticipate a reduction of recruitment and examination activity for the City, although judging from past experience, a significant activity will remain in public safety and specialized recruitments.

In anticipation of reduced recruitment, demand, we have reassigned some backlogged classification and employee relations work to the analysts who normally support our recruitment efforts. As noted earlier, due to our temporary organization, we have not filled the Employee Relations Officer position. This staff shortage has required that we further shift work assignments, and has delayed implementation of some new programs. If we must eliminate a professional position to meet the second tier (Level B) budget reductions, we will need to continue a similar realignment of work priorities.

As the Human Resources Department's role in administering City benefit programs, in labor relations and in workers' compensation programs has grown and the programs have become more complex to manage, we have needed to better staff those functions. While we decreased the examination and classification staffing over the past twelve years, we increased staff to support these other functions. Within this time, we have also added an Equal Employment and Diversity Officer, to investigate complaints, provide specialized training and to provide ADA support, an Occupational Health and Safety Coordinator to better meet the workplace safety needs of the City and most recently a Training Officer and support position to establish a citywide Training Program.

In comparing the status of the City's employment programs in 1990, with the programs in place today, it would seem to justify the changes in staff resources to support all of these

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necessary functions, given the increased complexity of state and federal laws and City operations.

The Human Resources Department is looking to electronic information delivery and automation as the means to stretch our resources. Economies in the recruitment and examination function have been realized through using automated systems. The City of Berkeley Human Resources Department was among the earliest in the Bay Area to have placed its entire classification plan and the union memoranda agreements on the Internet. We are presently working on scanning files for electronic data transmission of application materials to the operating departments. Our future goal is to automate our Workers' Compensation filing system, by converting all the documents to digital format and storing them electronically and to create a comprehensive Human Resources Intranet web site to provide a full array of information about our services and employee benefits, as well as contacts for all of the service providers. This latter project is scheduled for completion in FY 2004.

While we have departmental resources to accomplish some of these goals, we will also be relying on the installation of the new document management system, now being investigated by the City Clerk's Department, and some technical assistance from the Information Technology Department to support our more advanced efforts.

VII. Policy Issues

As a support service department, we have little control over our work plan and priorities, as we must be ready to provide services as the demand arises. In preparation for that, we can examine the methods we use for service provision and review the allocation of staff resources to determine the best use of staff time. In addition, to responding to the demands of the operating departments and providing information and support to employees, we have responsibility, on behalf of the City Manager, for ensuring that we are administering the City's overall employment program in a lawful and appropriate manner. This entails the consistent application of a variety of State and Federal laws, union contract provisions, City policies and regulations, in the administration of all of the City's human resources programs, along with the maintenance of numerous employee records and the HTE personnel database system. The need to assign adequate staffing to support these activities must constantly be balanced with the daily demands for service from the employees, the unions and the operating departments.

VIII. Resource Considerations

a. Budget reductions

The Human Resources Department has submitted proposed budget cuts of 5%, 10% and 15% to the City Manager for the FY 2004 and FY 2005 Budgets. The department's FY 2003 Budget has already been reduced by \$64,000, which resulted in loss of a .45 FTE Office Specialist II. As a result, there are no non-personnel general funds from which additional cuts can be made, and except for a slight shift in funding of administrative staff, further funding reductions of 10% and 15% can only be achieved through staff elimination. Due to the more cost efficient model of continuing to assign support staff to handle the many processing, information and data storage functions of the department, the staffing reduction must occur at the professional level. The impact of further staffing reductions will be a delayed response time in providing professional support to some programs, depending on the priorities which will be set by the City Manager.

b. Funding Gaps

There are possible technological solutions to the need for improving some operations efficiencies, but which have a set-up cost associated with them. Due to the lack of funds, the Human Resources Department has been reluctant to explore these possibilities. Prior to serious investigation of new technology, the possibility of additional funds for non-recurring costs may need to be identified.

CONTACT PERSON

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Approved:



Nicki Spillane, Acting Director of Human Resources

ATTACHMENT A

Summary of City Health and Welfare Benefits

Medical Coverage for employees, spouses, domestic partners and dependents - The City offers medical insurance coverage through a Kaiser Permanente Health Maintenance Organization (HMO) Plan, through a Health Net HMO plan and a Health Net Point of Service plan.

Dental coverage for employees, spouses, domestic partners and dependents - The City offers dental insurance through Delta Dental.

Pension plan for employees in the career service – The California Public Employees Retirement System (CalPERS) provides a defined contribution pension plan. The Human Resources Department makes determinations for industrial disability retirements for sworn public safety personnel and processing contract amendments to enhance benefits resulting from contractual obligations.

Defined contribution plan for part-time, hourly and temporary employees – The Public Agency Retirement System (PARS) provides a defined contribution plan, organized as an Internal Revenue Code Section 401(a) multiple employer trust, that is administered by Phase II Systems Inc., for part-time, hourly and temporary employees that cannot be enrolled in CalPERS to meet federal requirements.

Long Term Disability Plan (LTD) – The City provides an LTD Plan for non-sworn employees in the career service through UNUM Provident.

Supplementary Retirement and Income Plan I Disability Benefit – The City provides a disability benefit program for employees hired into the career service prior to July 1, 1988. There are approximately 96 remaining active employees in SRIP I and approximately 86 retiree receiving benefits under the SRIP I plan at current annual cost of approximately \$1.5 million. The Investment Plans Committee makes determinations for disabilities. The disability benefit includes a Long Term Disability plan component acting as a stop loss against the General Fund that is administered by UNUM Provident.

Deferred Compensation Plan – The City provides a deferred compensation plan for employees organized under Internal Revenue Code Section 457. The plan permits employees to defer income and avoid taxation until a later date through three separate plan administrators, Hartford Life, Prudential Financial Services and CalPERS/457 Plan.

Supplementary Retirement and Income Plan Self Directed Investment Account – The City provides an Internal Revenue Code Section 401(a) money purchase pension plan for career benefited non-sworn employees and sworn Police employees that is administered through Hartford Life including an employee loan program.

Term Life Insurance – The City provides employees with term life insurance in an amount that varies by bargaining unit through Hartford Life with the ability of the employee to purchase additional coverage.

Employee Assistance Plan – The City provides employees an Employee Assistance Plan through Claremont EAP that offers advice on financial matters, job related concerns, individual and family counseling, alcohol and substance abuse issues, assistance with dependents including childcare, adoption, school and college assistance and adult care.

Retiree Medical Coverage – The City provides retirees with post retirement health care programs administered through The Lipman Company (TLC) including premium payment to health plan providers for all units except Police. TLC also pays retired sworn Police employees the “Retiree Medical Coverage” which consists of after tax cash.

Flexible Spending Account – The City offers employees an Internal Revenue Code Section 125 flexible spending account providing dependent care expense reimbursement coverage through HealthComp Benefit Services