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Title: APPROVAL OF MID-YEAR STAFFING PLAN AND SALARY SCHEDULE REVISIONS TO ADDRESS RECRUITMENT AND RETENTION CHALLENGES

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Date	Ver.	Action By	Action	Result
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TITLE:

APPROVAL OF MID-YEAR STAFFING PLAN AND SALARY SCHEDULE REVISIONS TO ADDRESS RECRUITMENT AND RETENTION CHALLENGES

DEPARTMENT: CITY MANAGER’S OFFICE- HUMAN RESOURCES DIVISION

PRESENTED BY: KASAMA LEE, HUMAN RESOURCES MANAGER

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RECOMMENDATION:

Staff recommends the City Council adopt Resolution Numbers 2022-XX, 2022-XX, 2022-XX, 2022-XX and 2022-XX revising the Compensation Plans and Salary Schedules of designated classifications to address Phase 2 of the City’s hard-to-fill and/or hard-to-retain positions, corresponding supervisory classifications to adjust for compression, adding new classifications, and updating the Citywide Table of Organization (Attach. I-VII).

BACKGROUND:

In January 2021, the City Council and City leadership team attended a workshop and identified their Three Year Goals and certain key priorities for the next six months through July 2021. One of the City Council’s Goals is to “Recruit and Retain High Quality Staff”. Strategic Objectives were identified over the next six months to assist the Human Resources Division in meeting this goal. This included developing a framework for a market analysis of employee compensation for hard-to-fill and/or hard-to-retain positions and to present the results to the City Manager.

On September 27, 2021, the City Council and City leadership team conducted a second workshop to revisit the Three Year Goals and identify the key priorities for the next six months through March 2022. The Three Year Goal to “Recruit and Retain High Quality Staff” was re-affirmed. In addition, new six-month objectives were created to better achieve this goal. One of these new objectives was to “Present to the City Council for consideration hard-to-fill positions requiring a market adjustment based on current data” and to “Develop HR staffing recommendations for inclusion in the mid-year budget to be presented to the City Council for consideration” to reduce vacancies Citywide.

The Fiscal Year 2021-2022 budget includes a total of 530 full-time employees. During the Great Recession, the City lost 146 full-time positions. While the number of full-time staff at the City has grown, the workload attributed to the pandemic, implementation of Measure Q and major development projects across the City, in addition to an increased workload overall, has magnified the need to both stabilize and enhance the workforce commensurately.

Over the last several years, the City has conducted numerous recruitments at all levels within the organization that have required multiple application periods and/or multiple rounds of interviews before a final candidate is selected. In some cases, despite multiple attempts, certain positions remain vacant. In other cases, positions are filled, but become vacant shortly thereafter due to higher compensation offered by competing cities.

Prior to the Great Recession, the City would annually conduct a market analysis and adjust salary ranges to meet the average or median total compensation of the contiguous cities. As a result, salary ranges were consistently at market year after year. As the City did not continue reviewing market data on a regular basis since the Great Recession, the compensation packages for many classifications have fallen significantly below market. In 2017, the City did conduct a market analysis for management employees (whose salaries had not been adjusted since 2008). At that time, management salary ranges were updated and set at 5% below market. Even with the adjustments, the City has struggled to recruit qualified individuals for management level positions, as this level of compensation still falls below the average provided by competing cities.

Staff has learned that the City’s current compensation package in many classifications, ranging all the way from part-time positions (e.g., Community Services Leaders) to management level positions (including even executive/management classifications) is significantly below neighboring and other local agencies. This makes it difficult to attract and retain high quality and experienced applicants to fill key leadership positions within the City. With the increased rate of retirements across all Departments, significant discrepancies in compensation levels for many positions will become a greater challenge. In addition, the City is experiencing turnover for employees in certain classifications who are leaving for higher salary and benefit packages with other local agencies.

The current market analysis conducted for the hard-to-fill and/or hard-to-retain positions included in this recommendation includes an assessment of the average total compensation of comparable positions in the five cities that border the City of Costa Mesa. These cities include the Cities of Fountain Valley, Huntington Beach, Irvine, Santa Ana and Newport Beach. The total compensation for each classification includes: the classification’s base salary, PERS retirement benefit formulas, employee retirement contributions, and City contribution(s) to medical and dental plans or cafeteria plans. This framework is similar to the framework that has been used for the City’s market compensation studies in the past.

ANALYSIS:

To continue the implementation of the Council approved Strategic Plan Goal of recruiting and retaining high quality employees, staff is requesting that the City Council approve the following staffing changes.

Public Safety

Police Department

The Police Department is requesting to upgrade the existing Emergency Services Administrator to a newly established Emergency Services Manager, upgrade the existing Police Records Administrator to a newly established Records, Property & Evidence Manager, and to reestablish one (1) civilian 9-1-1 Telecommunications Manager. These new Division Managers will supplement the Police Department's management team by adding additional technical expertise and knowledge to each individual bureau and complement the department as a whole. Moreover, it would allow for a Lieutenant position to return to performing sworn law enforcement duties in the field.

The Emergency Services Manager will administer all aspects of the City's emergency preparedness program. This position currently serves as an Authorized Agent to the California Office of Emergency Services for emergency and disaster relief funds; manages a range of emergency preparedness, hazard mitigation, and homeland security grants; partners with and advises executive leadership on homeland security intelligence, crisis management, and emergency preparedness; interacts directly with the City Manager, Chief of Police, Fire Chief, and other Directors to provide briefings, guidance, interpretation, and recommendations on topics pertaining to emergency management such as alert and warning, cyber vulnerabilities, continuity of operations, resilience, and emerging threats. Due to the additional management responsibilities, the department is requesting to upgrade the position from an Emergency Services Administrator to an Emergency Services Manager.

The Records, Property & Evidence Manager will manage both the Records and Property and Evidence Bureau. The Records and Property and Evidence Bureaus consists of approximately 23 personnel combined. Due to the nature of its management responsibility of more than one unit, one of which has multiple shifts, this position is better aligned as a management position.

The 9-1-1 Telecommunications Manager will improve management of both police and fire dispatching and complement recruitment and retention efforts, which have historically been very challenging. The Telecommunications Bureau consists of approximately 20 personnel. With a professional in management of a Public Safety Access Point (PSAP) with experience in emergency call-taking and emergency dispatch, along with needed management and technical skills, it will improve management to both police and fire dispatching allowing better input and access, help retain and hold employees accountable to work standards, and provide expertise in communications dispatching.

Currently, both the Records, Property & Evidence and Communications Bureaus are overseen by a Police Lieutenant. By creating the Records and Property & Evidence Manager and the Telecommunications Manager, this would deploy the Police Lieutenant to be better utilized in other capacities and to function in a sworn manager role.

The Police Department is also requesting to add one (1) Police Sergeant. The addition of a Police Sergeant will reestablish a dedicated supervisor to manage retail crime and enhance the Police

Department's presence at prime retail locations. This dedicated position was eliminated during the economic downturn and the current responsibilities have been assigned to a Police Sergeant who oversees Area 2, the largest patrol area in the City. The addition of a dedicated Police Sergeant will improve span-of-control and increase proactive crime fighting in these areas.

The Police Department is also requesting to convert one (1) part-time Crime Scene Specialist to one (1) full-time Crime Scene Specialist and two (2) part-time Police Records Technicians to one (1) full-time Community Services Specialist.

Converting one (1) part-time Crime Scene Specialist to full-time will allow an expert to conduct crime scene investigations and provide enhanced community services. This will relieve patrol officers from having to conduct crime scene investigations and return to patrol field operations quickly. Subsequently, it will improve productivity in patrol services due to enhanced patrol response time and coverage for each of the current patrol shifts.

In addition, converting the Police Records Technicians to a Community Services Specialist will alleviate the increased workload in the Crime Scene Unit associated with discovery requests. The workload of gathering and producing the information has been challenging under the time constraints requested/required by the judicial system. This reclassification will create a position that is more in line with the current operational needs of the Department.

Fire Department

The Fire Department is requesting to add one (1) full-time administrative Fire Captain to oversee Emergency Medical Services (EMS). The Administrative EMS Captain is needed to provide more substantive management and oversight of the City's EMS section and programs, which includes, but is not limited to managing our Electronic Patient Care Reports (ePCR), providing more support to the ambulance transportation program and actively developing opportunities to explore innovative service delivery options, all of which are complex and have evolved significantly in recent years. Additionally, the position will provide a field perspective for all EMS related functions, tasks and activities while enhancing EMS supervisory oversight and building much stronger regional partnerships with hospitals, public safety partners, the county public health department and capacity for critical community issues. This is also inclusive of incorporating higher levels of EMS quality assurance, risk management and service to the community, supported through improving our specialized continuing education and training for the department's Firefighters, EMT's, and Paramedics.

City Manager's Office

The City Manager's Office is requesting to add one (1) full-time Human Resources Administrator and one (1) full-time Human Resources Analyst. Currently, the Human Resources Division has six employees working on recruitment and selection efforts, but only one of these employees works on recruitments as their sole assignment. The other five employees work on recruitments concurrently with other assignments. With the addition of these new positions, the Human Resources Division will create a new team focused exclusively on recruitment and retention. The new Human Resources Administrator will oversee and supervise all recruitment efforts including implementing new plans to innovate and modernize the recruitment process, improve outreach to diversify and expand the applicant pool, develop partnerships with local colleges and universities to assist with the development of the next generation of public sector employees and implement new electronic onboarding processes. The new Human Resources Analyst will function as an additional recruiter to

supplement the City's recruitment team. The recruitment team will consist of four employees solely assigned to recruitment and selection efforts and an additional three employees who will assist the recruitment team on a half-time basis.

The City Manager's Office is also requesting to convert one (1) part-time Community Outreach worker and one (1) part-time Management Aide to one (1) newly established full-time Community Outreach Supervisor. This new full-time position will supervise Community Outreach efforts and staff, lead the Network for Homeless Solutions and oversee Bridge Shelter operations including coordination with and oversight of the shelter and kitchen operators.

Finance Department

The Finance Department is requesting to add one (1) newly established full-time Senior Accountant-Confidential.

Currently, the Finance Department only has one Accountant position. This position is responsible for bank and account reconciliations for the City, the Costa Mesa Community Foundation, and the Costa Mesa Housing Authority, which includes the balancing of cash and accounts payable transactions. In addition, this position prepares the monthly journal entries, quarterly reimbursement grant claim forms, and aids the Accounting Supervisor with researching and identifying accounting issues that need to be resolved within specified time constraints.

The department is requesting this Senior Accountant (Confidential) position to review and upload the payroll transactions into the City's financial system (PeopleSoft), prepare reports for payroll related adjustments for CalPERS retirement, assist in the preparation of financial reports including the tracking of capital projects funded by restricted funding sources and grants, prepare the schedules and financial reports for the annual audits, and prepare the Federal Single Audit documents.

Currently, these tasks are being performed by either consultants or retired annuitants, depending on their availability, at times leaving gaps in the completion of some tasks. Hiring a full-time employee will ensure smooth completion of the above-mentioned tasks and ability to properly plan for year-end closure and publishing of the City's Annual Comprehensive Financial Report (ACFR). The Finance Department is also requesting to upgrade two (2) full-time Budget Analyst positions to two (2) newly established full-time Senior Budget Analysts.

The Budget Analysts in the Finance Department assist the Budget and Purchasing Manager in the preparation and development of the City's Annual Operating and Capital Improvement Budget, which involves complex cost and statistical analysis. In addition, these positions also serve as liaisons to other City departments during the development and implementation stages of the budget process. They also maintain continuing reviews of budget expenditures and recommend appropriate action in response to budget variances and research, analyze and prepare reports.

Neighboring cities such as Huntington Beach and Santa Ana, with similar responsibilities are assigned to Senior Budget Analysts. In the last three years, the Finance Department has experienced complete turnover in the Budget Analyst positions two separate times. In order to recruit and retain budgeting personnel, staff is recommending upgrading the Budget Analyst positions to Senior Budget Analysts.

Information Technology Department

The Information Technology Department is requesting to convert one (1) part-time Management Analyst to one (1) full-time Management Analyst. The department's workload has increased due to the growth of the City's workforce, technology tools and established Information Technology Strategic Plan (ITSP). Converting the part-time Management Analyst position to full-time status will provide additional analytical and administrative support to the department.

Parks and Community Services

The Parks and Community Services Department is requesting to convert one (1) part-time Senior Community Services Leader, one (1) part-time Community Services Leader III and one (1) part-time Community Services Leader II to one (1) full-time Recreation Coordinator. The Recreation Coordinator will be responsible for coordinating the facility rental and reservation program. Converting these part-time positions to a full-time Recreation Coordinator would allow for more available and consistent support in scheduling and renting facilities which would maximize the potential revenue benefit of the facility rental program, specifically, with the newly constructed Community Center.

In sum, the total net increase to the Citywide Table of Organization of all these changes within all departments including the new positions, upgrades to higher classifications and part-time to full-time conversions is 6.5 FTE for all Departments including Police and Fire. A summary of all proposed changes is shown under Attachment VI.

Compensation Adjustments: "Hard-to-Fill" Phase 2

The Human Resources Division makes recommendations to the City Manager that may require adjustments based on input from City departments and labor associations along with recruitment and retention trends. Hard-to-fill positions include positions that are currently vacant, positions that are not currently vacant but are traditionally hard to fill, and positions which are currently filled but are expected to be difficult to fill in the future or retain for long term due to their relative position in the marketplace as being well under market compensation. Further, certain positions would adversely impact City operations if the position were to become vacant, and would be difficult to fill at current salaries.

Several positions were identified as hard-to-fill and/or hard-to-retain and the Human Resources Division will be presenting recommendations for adjustments in phases. Some adjustments will also be recommended to maintain internal alignment or to address compaction issues with supervisory classifications. The first phase of adjustments was presented to the City Council for approval at the December 7, 2021 City Council meeting.

In this second phase, classifications in the Planning, Fire Prevention, IT Programming, Accounting and Administrative/Secretarial Support series along with the City Clerk classifications are recommended for salary adjustments. A summary of the proposed updates and resultant costs is contained in Attachment VII.

ALTERNATIVES:

Do not approve the recommended action(s) and direct staff accordingly.

FISCAL REVIEW:

There are sufficient vacant positions citywide that departments can absorb the proposed staffing changes within their FY2021-22 Adopted Budget appropriations. The costs are estimated at \$275,905 in the current fiscal year for all departments combined. The full annual costs are \$606,400 for the public safety department changes; and \$497,200 for all other departments.

For the Hard-to-Fill and Hard-to-Retain classification adjustments, the current fiscal year cost is approximately \$175,000 with a full annual cost of \$711,000. Based on the City's mid-year budget review, the current year is expected to end with a \$2.8 million positive balance that is recurring that can accommodate these costs. Given current projections, Staff anticipates these costs will be viable in the next fiscal year as the economy is improving. The Proposed Budget for the Fiscal Year starting July 1, 2022 will incorporate these changes if approved by the City Council, with additional revenue still available for other Council priorities. Given the City's fiscal prudence to date, Staff is confident that these modest adjustments and staffing changes will help to stabilize the workforce and enhance the provision of high quality services to all residents, businesses and visitors.

Moreover, these are eligible expenses under the Federal American Rescue Plan Act (ARPA). The City still has \$13.5 million in ARPA funds available to expend through December 31, 2024 for all eligible expenses. While the City will not need to utilize these funds for this purpose, the ARPA funds provide an additional safety net, if needed.

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolutions and this report and approved them as to form.

CITY COUNCIL GOALS AND OBJECTIVES

This agenda item works towards achieving the following City Council goals:

- Recruit and Retain High Quality Staff
- Strengthen the Public's Safety and Improve the Quality of Life
- Achieve Long Term Fiscal Sustainability
- Diversify, Stabilize and Increase Housing to Reflect Community Needs

CONCLUSION:

In order to support the City's Strategic Plan Goals to recruit and retain high quality staff and to achieve the City Council's goals, priorities and objectives, Staff recommends that the City Council:

Adopt Resolution Numbers 2022-XX, 2022-XX, 2022-XX, 2022-XX and 2022-XX revising the Compensation Plans and Salary Schedules of designated classifications to address Phase 2 of the City's hard-to-fill and/or hard-to-retain positions, corresponding supervisory classifications to adjust for compression, adding new classifications, and updating the Citywide Table of Organization (Attach. I-VII).