CITY OF BERKELEY

Office of the City Manager

INFORMATION CALENDAR
December 3, 2024

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Anne Cardwell, Deputy City Manager

Subject: Staff Shortages: City Services Constrained by Staff Retention Challenges
            and Delayed Hiring Audit Status Report

INTRODUCTION
On July 11, 2023, the City Auditor submitted a *Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring* audit report[1] to the City Council with recommendations that the City establish retention goals, conduct an analysis of staff needed for city services and consider staff capacity around new legislation. It was also recommended that the City take steps to address employee satisfaction and improve the recruiting and hiring process. Further, the audit recommended that the City expand the telework policy to align with best practices and regularly collect data on employee satisfaction and on diversity, equity, inclusion, and accessibility.

The purpose of this information item is to update City Council on the status of implementation of the audit report's recommendations. This is the second status report regarding this audit. As with the first status report, it is also an opportunity to provide an update on the Employer of Choice Initiative (EOCI), since many of the recommendations from the audit overlap with the objectives of the EOCI.

CURRENT SITUATION AND ITS EFFECTS
The audit included 25 recommendations. As of the writing of this report, two (2) of those recommendations have not been started, seven (7) have been started, thirteen (13) have been partially implemented and three (3) have been implemented.

Please see Attachment 1 for a detailed table of audit report recommendations, corrective action plans, and implementation progress. The next status report to Council is expected to be presented in Fall 2025.

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[1] Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring

Staffing Shortages: Audit Status Report

BACKGROUND
The findings of the audit are helping to inform the City's current EOCI efforts. As already noted, the EOCI Roadmap has many critical destinations along the way to becoming an Employer of Choice. As noted in the prior update, recommendations that are already underway and/or clearly aligned with the 49 EOCI Roadmap recommendations will take priority in terms of resources and timing. Many of these efforts take notable time and resources, as articulated in staff's response to audit recommendations.

As the City moves forward with this initiative, our focus remains on enhancing employee satisfaction, retaining valuable staff members, and refining our hiring processes. It is clear that a dedicated and motivated workforce is crucial to the successful functioning of the organization and the delivery of quality services to the Berkeley community.

There is a strong commitment to ensuring that the organization becomes an employer of choice, providing an environment that fosters growth, recognition, and professional development for employees. By creating a workplace that promotes job satisfaction and overall well-being, the organization can better prevent the challenges of the staffing crisis.

Staff will continue to keep the City Council informed of progress, sharing updates on the implementation of initiatives, and improvements made in staffing strategies.

Finally, key to continued success along the way will be maintaining the Employer of Choice Initiative as the organization's top priority in the upcoming budget process.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS
There are no identifiable environmental effects, climate impacts, or sustainability opportunities associated with the subject of this report.

ALTERNATIVE ACTIONS CONSIDERED
None at this time.

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Attachments:
  1. Audit Findings, Recommendations, and Status Updates

Audit Title: Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring					
Issue Date: June 22, 2023					
Finding	Recommendation		Department	Previous status update	Current status update
Staff shortages constrained city services.	1.1	Establish citywide retention goals and report to City Council on progress towards those goals biennially.	City Manager	Started	Partly Implemented: Human Resources has developed metrics that measure the rate of hiring against the rate of attrition. HR's robust recruitment efforts have ensured that from January to June 2024, hiring has outpaced attrition at a ratio of 1.2 to 1.0, reducing the City's vacancy rate by two percentage points.
Staff shortages constrained city services.	1.2	Conduct a staffing analysis based on critical needs to identify the number and type of full-time equivalent positions needed for successful city operations and services. The City may consider conducting this analysis one department at a time based on available resources.	City Manager	Not Started	Started: Full-scale implementation of this recommendation would need allocation of resources by Council, as its scope exceeds the Human Resources Department's current bandwidth. However, HR has identified heightened hiring needs in two areas – Mental Health (in Health, Housing & Community Services) and Transportation (in Public Works) and is implementing targeted strategies to fill vacancies in these areas. Berkeley.careers shows targeted recruitment for Mental Health and Transportation positions on the front page.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.1	Review the highest priority city job descriptions to ensure they accurately reflect job duties.	City Manager	Started	Partly Implemented: Over the course of the past two years, Human Resources has modified over three dozen class specifications, updating job descriptions and, in many cases, salaries in order to meet the City's priority hiring needs.

Some current city employees reported dissatisfaction and many have contemplated leaving.	2.2	Consider staff capacity when introducing new legislation, and limit or prioritize new legislation during periods of short staffing.	Mayor and Council	Started	Started: Staff communicate staff capacity to implement new legislation in Council reports. Additionally, the Agenda & Rules Policy Committee has been discussing 'City Council Legislative Systems Redesign, Including Strengthening the Committee System to Provide More In-Depth Review and Vetting of Major Items,' which City Council will review in the coming months.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.3	Report on the status of approved projects to City Council, including information about delays caused by staff vacancies.	City Manager	Started	Started: Staff continue to articulate in reports and communication to City Council regarding the status of approved projects and impacts of staff vacancies. AB 2561 recently passed in the California Legislature, which requires public agencies to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year. City management will report to Council on staff vacancies in compliance with this law. AB 2561: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2561
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.4	Improve pathways for promotion in the City through a citywide succession plan, which may include cross-training for positions.	City Manager	Started	Partly Implemented: Human Resources is redesigning the City's training curriculum in order to align training with career paths and promotional tiers. The new curriculum is slated for partial launch in January 2025 on NeoGov's LEARN platform.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.5	Direct departments to ensure that all employees receive an annual performance evaluation.	City Manager	Started	Started: Human Resources is redesigning supervisory training to emphasize ongoing feedback for performance management.

Some current city employees reported dissatisfaction and many have contemplated leaving.	2.6	Implement a comprehensive training program that ensures staff at all levels receive the training they need to fulfill their job duties and develop their job skills as needed. Consider increasing the training budget and redesigning the training curriculum to best address the needs of a post-pandemic workforce, improving training for supervisors and managers, ensuring that experts conduct trainings, and allowing employees to request specific trainings.	Human Resources	Started	Started: Human Resources is on track with re-imagining the workforce training curriculum along front-line, supervisory and management tracks, and expects the project to be completed within 18 months of the audit response.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.7	Ensure that all city employees complete mandatory trainings in accordance with the state law. Report data on mandated trainings to Council annually.	Human Resources	Partly Implemented	Partly Implemented: Human Resources has successfully brought the City back to near compliance with all mandatory trainings, with several departments achieving 100% compliance and all departments exceeding 90% compliance.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.8	Update City Council on the recruitment status of hard-to-fill positions during the biennial budget process, as well as steps taken to fill these positions.	City Manager	Started	Partly Implemented: Earlier this year, Human Resources presented to Council's Budget & Finance Committee its new infrastructure for digital recruitment, including the City's first-ever landing page (www.berkeley.careers) and the custom-designed Be/Berkeley outreach campaign. HR is currently devoting targeted resources to hard-to-fill positions in mental health (HHCS) and transportation (Public Works). www.berkeley.careers shows targeted recruitment for mental health and transportation positions.

Some current city employees reported dissatisfaction and many have contemplated leaving.	2.9	Identify positions that are hard-to-recruit and retain and consider reassessing pay for those positions.	City Manager	Partly Implemented	Partly Implemented: To date, the City has already adjusted salaries for several classifications in order to maintain market competitiveness (e.g., Senior Building Maintenance and Senior Public Works Supervisor), to avoid compaction issues (e.g., several classifications in the behavioral health career ladder), and to ensure internal equity (e.g., Traffic Maintenance Supervisor and Parking Meter Maintenance and Collection Supervisor). Pay structures for additional classifications are actively being reassessed during current labor negotiations.
Some current city employees reported dissatisfaction and many have contemplated leaving.	2.10	Assess employees' needs regarding communication from the City Manager's Office and design a communication strategy that addresses those needs.	City Manager	Partly Implemented	Partly Implemented: The Special Projects Division produces a newsletter at the completion of each 90-day sprint period as part of the Employer of Choice Initiative. This newsletter is currently paused due to staff turnover in the position responsible for developing, but the Division will resume distribution once that position is filled. Additionally, the Special Projects Division is creating a SharePoint Site to include information about the Employer of Choice Initiative and other Citywide information so that staff may easily access. The CMO has also initiated a series of internal 'open-houses' across departments to encourage collaboration, communication, and engagement across departments, which are currently occurring (e.g., Parks, Recreation and Waterfront had a well-attended open house in early October).

Instability in Human Resources delayed hiring and impacted internal services.	3.1	Assess the level of staff and resources needed to meet the City's recruitment and hiring needs. Prioritize filling these positions when vacancies in this area fall below a level that would jeopardize the City's ability to hire quickly.	City Manager	Implemented	Implemented: This recommendation has been fully implemented with the hiring of three additional employees: one Associate HR Analyst dedicated to recruitment; one Associate HR Analyst assigned to exams; and one Assistant HR Analyst supporting Benefits. HR's recruitment team additionally has standing meetings with departments during which they identify and prioritize hiring needs.
Instability in Human Resources delayed hiring and impacted internal services.	3.2	Assess the approval process for hiring new employees and identify opportunities to reduce inefficiencies.	City Manager	Implemented	Implemented: This recommendation has been fully implemented with the development of exam plans at the outset of every hiring process. Human Resources (HR) has also changed the order by which hiring approvals are processed in NeoGov, the City's hiring platform. HR has implemented additional steps to reduce inefficiencies including e-offers and e-reference checks through the NeoGov hiring system. HR has also obtained LiveScan certifications for some staff members and will be moving the fingerprinting process in-house as soon as they receive final approval.
Instability in Human Resources delayed hiring and impacted internal services.	3.3	Develop and execute a plan to modernize recruitment and hiring using social media and community engagement.	Human Resources	Partly Implemented	Partly Implemented: Utilizing funds allocated by City Council to support the Employer of Choice initiative, Human Resources has engaged a marketing agency, Sensis, and is developing a digital platform dedicated to hiring, along with a full-scale social media campaign. The new recruitment website can be found at https://www.berkeley.careers.

Instability in Human Resources delayed hiring and impacted internal services.	3.4	Communicate standard procedures and trainings for NEOGOV and the City's hiring process to all department heads and hiring managers.	Human Resources	Started	Partly Implemented: Human Resources maintains a standing series of meetings with City departments to assist with NeoGov usage and hiring procedures. HR also conducts specialized trainings customized for departments – most recently, Public Works.
Instability in Human Resources delayed hiring and impacted internal services.	3.5	Improve the employee onboarding process so employees have the tools and information they need to do their jobs.	Human Resources	Implemented	Implemented: The corrective action has been fully implemented with the automation of Onboarding through NEOGOV and the launch of the new, in-person "Welcome to Berkeley" orientation program.
Telework can benefit the City but the current policy is limited.	4.1	Identify ways of reducing unused space in city buildings to save on overhead costs. This initiative may require additional resources beyond city staff.	City Manager	Started	Started: The City is taking initial steps in exploring more efficient use of space on a department-by-department basis.
Telework can benefit the City but the current policy is limited.	4.2	Expand the citywide telework policy to include elements that align with best practices. This can include eligibility, employee accountability, equipment requests, telework training, and justifications for denying employee requests to telework.	City Manager	Started	Started: The consulting firm Municipal Resource Group (MRG) prepared a Hybrid Workplace Best Practice Guide as a supplement to the Employer of Choice roadmap. The City received a draft of the Best Practice Guide. Next steps are to review this report with the City Manager.
The City lacked reliable data to address staff shortages.	5.1	Clean up personnel data in ERMA to ensure all employee data is accurate.	Human Resources	Started	Partly Implemented: Human Resources has devoted considerable resources – through a dedicated Associate HR Analyst, as well as an outside consultant – to ensure accuracy in ERMA data.
The City lacked reliable data to address staff shortages.	5.2	Develop standardized procedures for entering and managing personnel data in ERMA.	Human Resources	Started	Partly Implemented: Human Resources has devoted considerable resources – through a dedicated Associate HR Analyst, as well as an outside consultant – to develop and implement standardized procedures for consistent entry and management of data in ERMA.

The City lacked reliable data to address staff shortages.	5.3	Produce reports that can be used to inform retention and hiring efforts, which may include data on vacancies, recruitments, turnover, or other useful data. Human Resources should also report to City Council on staff vacancies by department and how long those positions have been vacant.	Human Resources	Started	Partly Implemented: Human Resources has built a number of reports using PowerBI technology that draw on data from NeoGov and ERMA, and capture key statistics regarding new hires, attrition, vacancy rates, and applicant demographics. HR's next set of reports will track hiring times.
The City lacked reliable data to address staff shortages.	5.4	Consistently conduct exit surveys or interviews and share results with departments.	Human Resources	Not Started	Not Started
The City lacked reliable data to address staff shortages.	5.5	Determine the appropriate city department or other body to regularly collect data on employee satisfaction. Data collection should include employees' perceptions about diversity, equity, inclusion, and accessibility in the workplace. The department should consider publishing the data and comparing it to previous years to help inform retention efforts.	Mayor and Council	Not Started	Not Started: City Council has not yet provided input on the appropriate department or entity to conduct satisfaction surveys.
The City lacked reliable data to address staff shortages.	5.6	Resume data collection and production of Year End Workforce Reports on demographic workforce trends at least annually. Consider expanding Human Resources' performance measure reported in the budget book to capture diversity at all levels of city employment.	City Manager	Not Started	Partly Implemented: Human Resources has built a number of reports using PowerBI technology that draw on data from NeoGov and ERMA, and capture key statistics regarding new hires, attrition, vacancy rates, and applicant demographics.