



Office of the City Manager

INFORMATION CALENDAR
March 12, 2024

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, 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 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 first status report regarding this audit. 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, three (3) of those recommendations have been implemented, four (4) have been partially implemented, fourteen (14) have been started, and four (4) have not yet been initiated.

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 on July 30, 2024.

BACKGROUND

The findings of the audit are helping to inform the City's current EOCl efforts. As already noted, the EOCl Roadmap has many critical destinations along the way to becoming an Employer of Choice. Specifically, of the 25 audit findings, 14 are not only clearly aligned with Employer of Choice, but are already underway. Seven (7) are aligned, and part of

the roadmap, but are not yet initiated. 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 overcome 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 associated with the subject of this report.

ALTERNATIVE ACTIONS CONSIDERED

None at this time

CONTACT PERSON

Anne Cardwell, Deputy City Manager, City Manager's Office, (510) 981-7014

Attachments:

1. Audit Findings, Recommendations, and Status Updates
2. Update on Employer of Choice Initiative (EOCI)

Audit Title: Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring						
Finding	Recommendation		Department	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Plan, and Progress Summary	Status at Audit Issuance
Staff shortages constrained city services.	1.1	Establish citywide retention goals and report to City Council on progress towards those goals biennially.	City Manager	1 year from audit response.	<u>Started:</u> Human Resources has developed a preliminary set of metrics (e.g., measuring the rate of hiring over attrition) and will develop further ones as the City makes reporting improvements to ERMA, Berkeley's personnel and financial management system.	Not Started
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	2+ years from audit response.	<u>Not Started</u>	Not Started

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	2 years from audit response.	<u>Started:</u> Human Resources has started updating job descriptions.	Started
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	1 year from audit response.	<u>Started:</u> Councilmembers have discussed methods to streamline the legislative process and consider budget and staffing impacts when implementing new legislation. The Agenda and Rules Committee is considering proposals as of January 2024.	Started
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	1 year from audit response.	<u>Started:</u> Staff continue to articulate in reports and communication to City Council regarding the status of approved projects and impacts of staff vacancies. Additional opportunities for enhanced communication in this area will be explored within a year of the audit response.	Started
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	2 years from audit response.	<u>Started:</u> Human Resources is currently redesigning the City's training curriculum in order to align training with career paths.	Not Started

<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.5</p>	<p>Direct departments to ensure that all employees receive an annual performance evaluation.</p>	<p>City Manager</p>	<p>18 months from audit response.</p>	<p><u>Started:</u> Human Resources has redesigned “The Role of the Supervisor” training module to emphasize ongoing feedback for performance management.</p>	<p>Not Started</p>
<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.6</p>	<p>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.</p>	<p>Human Resources</p>	<p>18 months from audit response.</p>	<p><u>Started:</u> 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.</p>	<p>Started</p>

<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.7</p>	<p>Ensure that all city employees complete mandatory trainings in accordance with the state law. Report data on mandated trainings to Council annually.</p>	<p>Human Resources</p>	<p>1 year from audit response.</p>	<p><u>Partly Implemented:</u> 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.</p>	<p>Started</p>
<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.8</p>	<p>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.</p>	<p>City Manager</p>	<p>18 months from audit response.</p>	<p><u>Started:</u> Human Resources continues to meet regularly with departments to prioritize hiring needs and address the challenges of hard-to-fill positions through interventions that range from enhanced recruitment strategies (e.g., direct outreach through LinkedIn) to modifications of job classifications. Departments will be able to update Council on the status of these positions during the upcoming budget process for fiscal years 25-26.</p>	<p>Started</p>

<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.9</p>	<p>Identify positions that are hard-to-recruit and retain and consider reassessing pay for those positions.</p>	<p>City Manager</p>	<p>18 months from audit response.</p>	<p><u>Partly Implemented:</u> The City has 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).</p>	<p>Started</p>
---	------------	---	---------------------	---------------------------------------	---	----------------

<p>Some current city employees reported dissatisfaction and many have contemplated leaving.</p>	<p>2.10</p>	<p>Assess employees' needs regarding communication from the City Manager's Office and design a communication strategy that addresses those needs.</p>	<p>City Manager</p>	<p>1 year from audit response.</p>	<p><u>Partly Implemented:</u> The Special Projects Division produces a newsletter at the completion of each 90-day sprint period. The newsletter is distributed widely via email and is stored in a folder all staff can access. Additionally, the Special Projects Division is creating a SharePoint Site to include information about the Employer Of Choice Initiative and other Citywide information that staff can access whenever it is convenient. The CMO is also initiating a series of internal 'open-houses' across departments to encourage collaboration, communication, and engagement across departments. This is all part of the calendar year 2024 workplan.</p>	<p>Started</p>
---	-------------	---	---------------------	------------------------------------	--	----------------

<p>Instability in Human Resources delayed hiring and impacted internal services.</p>	<p>3.1</p>	<p>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.</p>	<p>City Manager</p>	<p>3/12/2024</p>	<p><u>Implemented:</u> 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.</p>	<p>Started</p>
--	------------	--	---------------------	------------------	---	----------------

<p>Instability in Human Resources delayed hiring and impacted internal services.</p>	<p>3.2</p>	<p>Assess the approval process for hiring new employees and identify opportunities to reduce inefficiencies.</p>	<p>City Manager</p>	<p>3/12/2024</p>	<p><u>Implemented:</u> 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.</p>	<p>Started</p>
<p>Instability in Human Resources delayed hiring and impacted internal services.</p>	<p>3.3</p>	<p>Develop and execute a plan to modernize recruitment and hiring using social media and community engagement.</p>	<p>Human Resources</p>	<p>1 year from audit response.</p>	<p><u>Partly Implemented:</u> 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.</p>	<p>Started</p>

<p>Instability in Human Resources delayed hiring and impacted internal services.</p>	<p>3.4</p>	<p>Communicate standard procedures and trainings for NEOGOV and the City's hiring process to all department heads and hiring managers.</p>	<p>Human Resources</p>	<p>Ongoing</p>	<p><u>Started:</u> Human Resources maintains a standing series of meetings with City departments to assist with NEOGOV usage and hiring procedures.</p>	<p>Started</p>
<p>Instability in Human Resources delayed hiring and impacted internal services.</p>	<p>3.5</p>	<p>Improve the employee onboarding process so employees have the tools and information they need to do their jobs.</p>	<p>Human Resources</p>	<p>3/12/2024</p>	<p><u>Implemented:</u> 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.</p>	<p>Started</p>
<p>Telework can benefit the City but the current policy is limited.</p>	<p>4.1</p>	<p>Identify ways of reducing unused space in city buildings to save on overhead costs. This initiative may require additional resources beyond city staff.</p>	<p>City Manager</p>	<p>2+ years from audit response.</p>	<p><u>Started:</u> The City is taking initial steps in exploring more efficient use of space on a department-by-department basis.</p>	<p>Not Started</p>

<p>Telework can benefit the City but the current policy is limited.</p>	<p>4.2</p>	<p>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.</p>	<p>City Manager</p>	<p>Ongoing</p>	<p><u>Started:</u> 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 and is currently reviewing the report.</p>	<p>Started</p>
<p>The City lacked reliable data to address staff shortages.</p>	<p>5.1</p>	<p>Clean up personnel data in ERMA to ensure all employee data is accurate.</p>	<p>Human Resources</p>	<p>Ongoing</p>	<p><u>Started:</u> Human Resources is collaborating with a consultant for next-level review of data in ERMA, Berkeley's personnel and financial management system, to be followed with an initiative to ensure consistency along the system's nomenclature.</p>	<p>Started</p>

<p>The City lacked reliable data to address staff shortages.</p>	<p>5.2</p>	<p>Develop standardized procedures for entering and managing personnel data in ERMA.</p>	<p>Human Resources</p>	<p>Ongoing</p>	<p><u>Started:</u> Human Resources is collaborating with a consultant for next-level review of data in ERMA, Berkeley's personnel and budget management system, to be followed with an initiative to ensure consistency along the system's nomenclature</p>	<p>Started</p>
<p>The City lacked reliable data to address staff shortages.</p>	<p>5.3</p>	<p>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.</p>	<p>Human Resources</p>	<p>Ongoing</p>	<p><u>Started:</u> The City Manager's Office, in collaboration with Human Resources, is contracting with Tyler Technologies for follow-up assessments of ERMA functionality in order to identify and implement system improvements.</p>	<p>Started</p>
<p>The City lacked reliable data to address staff shortages.</p>	<p>5.4</p>	<p>Consistently conduct exit surveys or interviews and share results with departments.</p>	<p>Human Resources</p>	<p>2 years from audit response.</p>	<p><u>Not Started</u></p>	<p>Not Started</p>

<p>The City lacked reliable data to address staff shortages.</p>	<p>5.5</p>	<p>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.</p>	<p>Mayor and Council</p>	<p>2 years from audit response.</p>	<p><u>Not Started:</u> City Council has not yet provided input on the appropriate department or entity to conduct satisfaction surveys.</p>	<p>Not Started</p>
--	------------	--	--------------------------	-------------------------------------	---	--------------------

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	2 years from audit response.	<u>Not Started</u>	Not Started
---	-----	---	--------------	------------------------------	--------------------	-------------



Office of the City Manager

Attachment 2: Update on Employer of Choice Initiative (EOCI)

On February 28, 2023, the City Manager and representatives from the Municipal Resource Group (MRG) presented to the City Council a proposed roadmap designed to help the City become an Employer of Choice. The goal of the project was to assess the organization's needs and craft an actionable plan titled the "Employer of Choice Roadmap" to retain and attract employees. This Roadmap creates six thematic areas of focus with a total of forty-eight (48) initiative areas that strongly align with the report from the City Auditor focused on Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring Audit Status Report.

The Special Projects Team in the City Manager's Office was charged with leading the Employer of Choice Initiative (EOCI) to lead and track efforts made to address the action items identified in the Roadmap.

The City has completed several actions defined in the EOCl Roadmap that also support and align with the goals of the City Auditor's report. Here are some highlights from the past year of work:

1. Two 90-day strike team initiatives, which completed the following list of highlighted activities:
 - a. Strike Team 1 – April to June 2023
 - i. Invest in Human Resources – this effort included an increased focus on filling vacancies, increasing HR staff and developing a digital marketing campaign.
 - ii. Improve Communication – The office of Communications met with all departments to better determine each of their communication needs. The Communications team also created tools to assist staff in day-to-day communications, including the addition of a photo library, as well as developing a concerted presence for the City on LinkedIn.
 - iii. Developed processes to elevate internal and administrative systems - The Special Projects Division engaged with Departments to gather information on process pain points and began work to mitigate those issues and collect departmental data related to EOCl activities.
 - b. Strike Team 2 – September to November 2023
 - i. Invest in Cross Department Relationship Building through developing a model and schedule for Departmental open houses which kicks off with the CMO Open House in February 2024.

- ii. Implement Business Process Improvements, Finance - Changes to Purchasing and Expenditure Contract threshold requirements. The City has raised its formal competition limit from \$25,000, an amount unchanged for many years and inconsistent with best practices. Additionally, the City has raised its threshold amount for requiring a Blue Back Contract from \$5,000 to \$25,000. For low-risk services below \$25,000, a Purchase Order can be used to govern the engagement. Competition is still required. Engagements cannot be split to avoid the \$25,000 limit. The change was accompanied by clear instructions, training and guidelines to ensure continued rigor for competition.
- iii. Implement Business Process Improvements, Information Technology - IT staff trained City employees and deployed the use of TEAMS and TEAMS Channels for use city wide.
- iv. Implement Business Process Improvements, Other - Update Internal Administrative Regulation site to be more user friendly, searchable and include more information regarding what an Administrative Regulation is and when you should use them.

In addition to the strike teams, “Team Unity” was formed to redesign the City’s years of service awards process, the annual staff appreciation event and the City’s gifting and recognition program. The team consists of representatives from each Union, each unrepresented department and four at-large positions.

The role of Team Unity is to bring forward ideas for Citywide improvements in the defined squad. The Team Unity will review proposals from each squad and determine which projects move forward considering cost, value, impact, environmental considerations, adherence to city policy, and any other criteria the Team Unity puts forth. While the squad members will be the main group responsible for implementing the new structure or program, it is expected that all Team Unity members be present at events, promote the work of the Team Unity and provide additional support when needed. In year one, Team Unity members are active in the design, development, and deployment of the following programs:

1. Years of Service Events-Uplift Squad
2. Citywide Events-Party Squad
3. Gifting and Recognition Program-Appreciation Squad

Finally, the Special Projects Division worked closely with Human Resources to incorporate a mentoring model into the Skilled Worker Academy. As part of this effort, participants are connected with members of the Senior Executive Team for coaching and mentoring. Additionally, each participant has the opportunity to meet directly with the City Manager.

The Special Projects Division workplan for 2024 includes continuing the work to define business processes, create relevant informational materials and training for staff, and a comprehensive EOCl report, which will highlight the tremendous work completed in Departments across all lanes of the Roadmap.