

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 DEC -3 PM 6:20

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Human Resources Management
DATE: December 15, 2009

RE: Supplemental Informational Report on the Number of Employees Who Retired Under the CalPERS Two Years Additional Service Credit Retirement Incentive Program, the Status of Positions Vacated, and Projected Savings from the Program

SUMMARY

At the October 13, 2009 Committee meeting, staff was directed by the Committee to 1) provide final calculations for the net savings after backfill requests have been approved, 2) report how many annuitants or retirees have been hired back as consultants or otherwise, including the net benefit to the City in terms of how the criteria approved by the City Council in August have been applied, 3) the breakdown of how many positions will remain vacant, are being filled at lower levels, and how many are being filled at approximately the same rate of pay.

FISCAL IMPACT

Staff from the Department of Human Resources and the Budget Office has updated the information provided to the Committee earlier regarding the Status of Backfill Requests. A chart is provided on page 4 of the report, and indicates that a total of 33 requests have been approved, 20 are pending review and approval by the City Administrator, and 40.3 positions have been frozen to meet the projected savings.

The Budget Office now projects the savings from the Golden Handshake Program in the General Purpose Fund to be \$2.2 million if all of the pending backfill requests are approved. This savings is in line with the annual savings assumed in the FY 2009-11 budget. The pending requests represent approximately \$600,000. The City Administrator is requiring each Department submitting a request to document the benefit to the City prior to approving the request.

BACKGROUND

On June 30, 2009 the City Council adopted Resolution No. 82104 C.M.S., authorizing the California Employees' Retirement System (CalPERS) Two Years Additional Service Credit Retirement Incentive Program. The program was open to miscellaneous employees in 489

Item: _____
Finance and Management Committee
December 15, 2009

positions across 161 classifications City-wide. Eligible employees were offered the opportunity to participate in the program between July 1 and September 30, 2009.

On July 28, 2009 the City Council adopted Resolution No. 82236 C.M.S., authorizing the City Administrator to implement a restricted policy for filling positions vacated as a result of retirements under the CalPERS program in order to achieve the level of savings anticipated in the City of Oakland adopted budget for fiscal years 2009-2011.

At the October 13, 2009 Committee Meeting, additional information was requested on an ongoing basis to keep the Committee abreast of the program. Information that is responsive to the Committees request is provided in this report.

KEY ISSUES AND IMPACTS

As the City's financial situation has deteriorated, the City Administrator has required additional justification for backfilling of positions vacated as a result of the Golden Handshake Program, and the Budget Office and Department of Human Resources Management have "frozen" 40.3 positions to ensure the savings goal is met. As mentioned earlier, the program is on target to achieve the projected savings of approximately \$2.2 million. The pending requests are being monitored carefully.

The Department of Human Resources Management has provided a breakdown of how the positions that have been approved have been filled. You will note in the summary chart at the end of this report that a total of eight (8) annuitants or employees who retired as a result of the Golden Handshake Program have been hired by the City. Annuitants have been hired by City departments in positions that are necessary to ensure continuation of the provision of critical City services. These include positions in Claims Investigation (Claims Investigator III), Real Estate (Supervising Real Estate Agent), Human Services (Senior Services Manager), Finance (Accountant II/III) and Administration (Administrative Analyst I).

The Department has been monitoring the program to comply with PERS requirements that the annuitant is paid no more than the top step of the salary range of the classification from which they retired. At least four (4) employees who were laid off have been reinstated into Golden Handshake positions that were approved for filling.

Status of Current Requests to Backfill Golden Handshake Vacancies

The following is a more complete breakdown of requests to fill Golden Handshake vacancies by department as of September 30, 2009. Additional information is provided regarding how the thirty three (33) positions approved for filling have been filled. Of the thirty three (33) positions four (4) positions are reinstatements and of the four (4) two (2) were backfilled above mid step, one (1) was filled at second step and the remaining one (1) reinstatement is pending and if filled

Item: _____

Finance and Management Committee
December 15, 2009

will be at above mid step. There were eight (8) annuitants hired back at the same step they retired at and one (1) ELDE and one (1) TCSE hired (non-annuitants). There are fifteen (15) vacancies for which an existing eligibility list exist and will be utilized to backfill at mid step or below. Finally, there are four (4) vacancies that DHRM will need to conduct exams for and those are currently in progress.

Department	Total Retirements	Total Requests	Approved	Pending	Withdrawn	Frozen	Approved GPF	Approved Other Funds
CEDA	23	18	15	2	1	5	0	15
Public Works	20 (-5)	10	3	7	0	5	0	3
Finance & Mgmt	15	10	9	0	1	5	7	2
City Attorney	3 (-1)	1	1	0	0	1	0	1
Human Services	3	3	3	0	0	0	5	2.5
City Administrator	1	1	1	0	0	0	1	0
Library	11	1	1	0	0	10	0	1
Human Resources	2 (-1)	1	0	1	0	0	0	0
Information Technology	7 (-1)	3	0	3	0	3	0	0
Fire Department	1	1	0	1	0	0	0	0
Contracting and Purchasing	2	2	0	2	0	0	0	0
Mayor	1	0	0	0	0	1	0	0
Museum	1 (-1)	0	0	0	0	0	0	0
Parks and Recreations	4 (-1)	0	0	0	0	2.3	0	0
Police Department	12 (-1)	4	0	4	0	8	0	0
Totals	106 (-11)	55	33	20	2	40.3	8.5	24.5

* () = Number of GH Positions that have already been deleted from the budget and cannot be backfilled as they are no longer available.

The table below provides a breakdown of the 33 approved requests with details by department:

Department	Approved Requests	Details
ATTY	(1) Claims Investigator III	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations.
CAO	(1) Budget and Operations Analyst III	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position necessary to ensure the provision of critical City Services and operations.
CEDA	(1) Accountant II	<u>Reinstatement</u> Position necessary to ensure the provision of critical City Services and operations, and part of a program or activity that is revenue-generating and fully cost recovering. Position is funded through DEC Divisional OH Recovery Fund 7760.
CEDA	(1) Account Clerk III	<u>TCSE Hired</u> Position necessary to ensure the provision of critical City Services and operations, and part of a program or activity that is revenue-generating and fully cost recovering. Position is funded through DEC Divisional OH Recovery Fund 7760.
CEDA	(1) Administrative Services Manager I	<u>Reinstatement</u> Position necessary to ensure the provision of critical City Services and operations, and part of a program or activity that is revenue-generating and fully cost recovering. Position is funded through the Development Services Fund 2415.
CEDA	(1) Supervising Real Estate Agent	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations. Federal Code of Regulations Section 24.104 requires a qualified appraiser for the Agency. Position must be filled with a certified appraiser. Retiree is a Certified Real Estate Appraiser.
CEDA	(1) Account Clerk III	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position necessary to ensure the provision of critical City Services and operations, and is part of a program or activity that is revenue-generating and fully cost recovering. Position is funded through the Divisional Recovery Fund 7760.
CEDA	(1) Accountant III	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations, and is supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. Position is funded through Fund 7760.
CEDA	(1) Administrative Assistant I	<u>Reinstatement</u> Position is supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. Position is funded through Fund 7780.
CEDA	(5) Specialty Combination Inspector	<u>Eligible List Exists</u> and will be utilized to fill vacancies. Positions are necessary to ensure the provision of critical City Services and operations.
CEDA	(1) Specialty Combination Inspector	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position is necessary to ensure the provision of critical City Services and operations, and is part of a program or activity that is revenue-generating and fully-cost recovering. It is funded through Fund 2415.

Department	Approved Requests	Details
CEDA	(1) Support Services Manager	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations, and is supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. Position is funded through OH Recovery Fund 7760.
CEDA	(1) Accountant III	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position necessary to ensure the provision of critical City Services and operations, and is required to comply with Federal and/or State legal mandates or requirements for funding (Fund 5320 – Measure DD). Position is supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. It is funded through Fund 5320 – Measure DD.
DHS	(2) Administrative Assistant II	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Positions are necessary to ensure the provision of critical City Services and operations, and are supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. Positions are funded through Fund 2128. Positions are part of a program or activity that is revenue generating and fully cost recovering.
DHS	(1) Senior Services Manager	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations, and is supported by stimulus grant, other grant or other non-city funding that fully pays for the position and such funding could not be re-allocated to another position. Position is funded through Fund 2128. Position is part of a program or activity that is revenue generating and fully cost recovering.
FMA	(1) Accountant III	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations.
FMA	Accountant II	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations.
FMA	(2) Tax Enforcement Officer II	<u>DHRM Exam to be Conducted</u> Positions are necessary to ensure the provision of critical City Services and operations, and are part of a program or activity that is revenue generating and fully cost recovering. Positions will support lien processing and collection through the most intensive period for these activities. Short staffing could result in delayed or unrealized revenue collection.
FMA	(1) Tax Representative II	<u>Reinstatement</u> Position is necessary to ensure the provision of critical City Services and operations, and is part of a program or activity that is revenue generating and fully cost recovering. This position supports both Business Tax processing and tax auditing functions to ensure maximum collection of Business Tax revenue. Short staffing would result in delayed processing or revenue and un-pursued delinquencies.

Item: _____

Finance and Management Committee

December 15, 2009

Department	Approved Requests	Details
FMA	(1) Tax Representative II	<u>DHRM Exam to be Conducted</u> Position is necessary to ensure the provision of critical City Services and operations, and is part of a program or activity that is revenue generating and fully cost recovering. This position supports Business Tax processing and tax auditing functions to ensure maximum collection of Business Tax revenue. Short staffing would result in delayed processing or revenue and un-pursued delinquencies.
FMA	(1) Storekeeper III	<u>DHRM Exam to be Conducted</u> Position is necessary to ensure the provision of critical City Services and operations, and is the supervisory position for the Mailroom. This level of supervision is necessary to provide appropriate oversight and continuity of service. We plan to conduct a promotional recruitment and leave a Storekeeper II position vacant.
FMA	(1) Accounting Supervisor	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position is necessary to ensure the provision of critical City Services and operations, and is required to comply with Federal and/or State legal mandates or requirements for funding. This position receives Stimulus funding and is critical to providing fiscal control and oversight for Federal "Stimulus Package" funding for projects throughout the City organization.
FMA	(1) Accountant III	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position is necessary to ensure the provision of critical City Services and operations. This position supports the oversight, processing and collection of accounts receivable, thereby ensuring prompt deposit of funds owed to the City.
LIB	(1) Librarian II	<u>No Action Requested</u> Department has not requested specific action for filling this vacancy.
PWA	(1) Support Services Supervisor	<u>ELDE Hired</u> Position is necessary to ensure the provision of critical City Services and operations. This position is funded 100% through Fund 7760.
PWA	(1) Payroll Personnel Clerk	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position is necessary to ensure the provision of critical City Services and operations.
PWA	(1) Administrative Analyst I	<u>Annuitant Hired</u> Position necessary to ensure the provision of critical City Services and operations.
PWA	(1) Public Works Supervisor	<u>Eligible List Exists</u> and will be utilized to fill vacancy. Position is necessary to ensure the provision of critical City Services and operations, and is required to comply with Federal and/or State mandates or requirements for funding.

SUSTAINABLE OPPORTUNITIES

There are no direct economic, environmental, or social equity opportunities resulting from this action.

DISABILITY AND SENIOR CITIZEN ACCESS

The proposed action does not impact disability and senior citizen access.

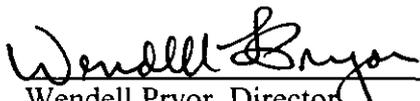
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council accept the supplemental informational report regarding the status of the CalPERS Two Years Additional Service Credit retirement incentive program. Staff is not recommending an additional Golden Handshake Program at this time, but may propose a more limited program in the future, once additional information regarding the net savings based upon the number of pending backfill requests that are approved. Additionally, Departments would need to be more directly involved in recommending classifications that would be included on the list of eligible classifications, and positions that could be eliminated through reorganization and downsizing.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Council accept the supplemental informational report regarding the status of the CalPERS Two Years Additional Service Credit retirement incentive program. Staff recommends that an additional report be provided as part of the mid cycle budget review.

Respectfully submitted,


Wendell Pryor, Director
Office of Personnel Resource Management

Prepared by: Veronica Hodge, HR Manager
Recruitment and Classification

APPROVED AND FORWARDED
TO THE FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

Item: _____
Finance and Management Committee
December 15, 2009