

CITY OF OAKLAND
AGENDA REPORT

2010 APR 15 PM 3:43

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: April 27, 2010

RE: **Informational Report on Potential Reorganizations for Departmental Efficiency, Including Accounting, Payroll and Personnel**

SUMMARY

As requested by City Council at the February 16, 2010 Special Budget meeting, staff prepared the following report about the potential reorganization for departmental efficiencies, including but not limited to consolidations of payroll, accounting, personnel and benefit/retirement functions. Key findings are:

- Discrete yet complimentary functions exist between agencies/departments and the Finance and Management Agency (FMA) and Department of Human Resources Management (DHRM). No overlap in function was revealed; on the contrary the need for additional accounting resources to monitor grants/funds was exposed.
- Staff reductions have prompted needs to: 1) revise existing processes, such as the partial centralization of grant accounting staff into the FMA, 2) provide additional procedural training, 3) review and clearly define accountability structures and 4) increase the use of new and existing technology to achieve efficiencies.

FISCAL IMPACT

This report is informational only, no fiscal impacts are included.

BACKGROUND

Staff Reductions

October, 2008 and June, 2009 reductions in staff significantly impacted supporting groups such as accounting, payroll and personnel. Twenty-nine support positions were lost, comprising 23%

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of the overall positions eliminated. The Golden Handshake early retirement incentive further reduced City staff by 105 positions (20 of which are related to accounting, payroll or personnel). While some of those positions have been backfilled, many of those positions are now frozen and cannot be filled without reducing expected program savings. There is also a hiring freeze on all positions.

The effect of the loss of staff has resulted in inefficiencies. Sufficient staff simply does not exist to perform the needed tasks both thoroughly and timely. Many departments are struggling to keep up with day-to-day operations. Knowledge gaps regarding process have also been exacerbated as experienced employees have either left the City or have shifted to different functions or departments.

Additionally, there is some speculation that decentralization has also contributed to the growth of negative fund balances. The FMA and Budget Office have been working with departments to manage and reduce negative fund balances. Staff reports to Council twice yearly on the citywide effort to reduce negative balances. Since this effort was launched in January, 2008 there has been progress. Yet as accounting, fund and grant monitoring responsibilities became shared between departments and the FMA, more emphasis seems to have been placed on program performance, regulatory compliance and the identification of new grants and perhaps less emphasis, and an erosion of accountability, on collecting reimbursement for city funds. Timely draw-downs and reimbursements will reduce negative interest and ensure collection of all possible reimbursable expenditures.

Despite the stated challenges, decentralization has provided some benefits, including improved collaboration between project managers and accounting. Specifically, the co-location of staff has facilitated better communication and increased program/accounting understanding across functions. The improved continuity has enhanced departmental ability to secure grants and meet the reporting requirements of the granting entities.

Citywide Survey

As part of the report analysis, staff conducted a survey of each department. The intent was to determine the number of staff assigned to these functions. To supplement the survey, staff also conducted an inter-departmental round-table meeting to discuss survey findings, identify areas of possible duplication and to develop potential centralization strategies of the accounting, payroll and personnel functions, if deemed appropriate.

The survey and discussions revealed that an overlap in accounting, payroll and personnel functions does not currently exist; however, inefficiencies do. These inefficiencies have been the consequence of staff reductions and the resulting shuffling of personnel based on seniority. Some measures may be taken to improve productivity, such as a limited centralization of grant

accounting staff from departments into the FMA. Supplemental training of staff is also recommended to ensure consistent application of City procedures and guidelines. This effort should be complimented with a clear delineation of grant/fund management accountability structures for staff. In addition, limited personnel savings may be realized through business process model reviews and the increased use of existing technology.

Accounting

The City's accounting function was partially decentralized in the 1990s. The change was a result of significant staff cuts that eliminated the centralized grant accounting function within the FMA. Subsequently, departments developed their own accounting functions to ensure regulatory compliance and proper oversight of their grants. Departmental accounting staff initiates accounting processes such as accounts payable, accounts receivable, journal vouchers and budget change requests. In addition, departmental accounting staff is intricately involved in grant program management, compliance, monitoring and research. They also interface directly with their counterparts within the FMA as opposed to going through a departmental representative or Single Point of Contact. On the other hand, accounting staff in the FMA uses the information provided by departmental accounting staff to create higher-level citywide reports, reconciliations and prepare for the consolidated annual audit. While day-to-day activities of the FMA's accountants may have similarities to that of departmental staff the two functions are discrete. The role of the FMA's accountants provide an additional needed check, separate from departmental interest, and they help to ensure internal controls are maintained as necessitated by their proximity to the audit process.

Payroll and Personnel

Conversely, departmental payroll and personnel functions such as personnel requisitions, new hire, retirement/termination, payroll adjustments, and payroll action requests are initiated by a Single Point of Contact (SPOC) or the department's payroll representative within each agency/department.¹ Once the SPOC obtains his/her department head's approval on any requested action, the paperwork is forwarded to either the FMA for payroll related matters and/or the DHRM for personnel issues. These central departments are tasked with ensuring compliance and consistency across all City departments. The DHRM conducts all City recruiting and works with departments through the entire hiring process. They also research and create new classifications, conduct desk audits, manage retirement, medical and other benefits. In addition, they manage the City's labor issues including grievances, contract negotiation and discipline. The payroll unit within the FMA operates in a similar fashion to their accounting unit. The departmental staff enters the timesheets and initiates payroll action requests, but everything else

¹ In many smaller agencies SPOC's may have broader departmental responsibilities and only a small portion of their time is devoted to these activities.

entered into Oracle related to payroll is completed by the payroll unit. They run the paychecks, process W-2 and 1099 forms and make any corrective action necessary.

Previous Efficiency Evaluations

Evaluations of decentralized staff functions were previously conducted. In May 2008, the DHRM (Office of Personnel and Resource Management at the time) completed a *Gap Analysis and Human Resources Efficiency Evaluation*. Consistent with this report, the centralization of positions responsible for personnel work was not recommended. The report stated, "It is important to highlight that the gap analysis did not result in a recommendation to centralize all positions responsible for Personnel work at this time, as it would not be feasible." The report went on to say, "The majority of the positions under consideration were ruled out for the following reasons: primary duties were more administrative rather than personnel-specific; responsible for fiscal operations; charged with handling the Position Control process; area of expertise was critical to success of current placement; and the overall efficiency of the department/City would be hampered by reorganizing staff in question."

Additionally, during FY 2009-11 Proposed Budget deliberations last spring, Council members requested a staff listing of all employees responsible for accounting, personnel, risk management and public information functions by agency/department. This report revealed similar findings to the current survey, in that staff assigned to these responsibilities throughout the City performed distinct, yet complimentary roles to those performed in the FMA and the DHRM. At the time of that report there were 113.32 FTE performing accounting functions compared to 97.38 FTE based on this survey. Since then some of these positions have been eliminated.

KEY ISSUES AND IMPACTS

Departments report no duplication of accounting, payroll or personnel functions, based on the survey and the round-table conversation. Aside from the Finance and Management Agency, the accounting, payroll and personnel functions make up a comparably small fraction of the overall departmental staff, typically less than 4%. (The results of the survey are presented in *attachment A*).

Based on existing processes current staffing levels are needed to carry out current functions. No additional budgetary gain will likely be realized by further workforce cuts, as any added loss of staff will be disruptive and increase inefficiencies. From time to time however, it is necessary to update internal processes to ensure compliance with laws and regulations.

Despite the limited resources and budgetary climate, there are opportunities for improved processes. The following are recommended for consideration:

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- **Targeted Centralization & Improved Coordination** - Departments should maintain their integrated grant accounting staff to preserve the continuity between administration and finance. However, consideration should be given to partial centralization of the grant accounting function within the FMA. This change would afford the FMA the resources, and City Administration the accountability, to continue to monitor funds that currently have negative balances² and more closely monitor grants/projects that span across several different departments/agencies. Per the Mayor's December 2008 directive, the FMA and Budget Office currently hold quarterly meetings with departments' fund managers on the status of their negative fund balances. These meetings have resulted in reductions to negative fund balances. Additional opportunity exists to save the City a significant amount of money by more proactively monitoring grant funds for accurate and timely reimbursement. This approach could reduce negative interest and recover reimbursable expenses before time limits expire. The DHRM should conduct a study to evaluate the feasibility of partial centralization. The study should determine possible candidates for composing this new group within the FMA, as well as evaluate the likelihood of process improvements. The goal would be to initiate the process within the first quarter of FY 2010-11.
- **Training & Accountability** - Staff reductions have resulted in the loss and shifting of staff. As a result many people are working in new departments or new positions for which they lack the proper training and/or background. Training is recommended for accounting, payroll, and personnel to ensure staff adheres to current processes, as well as City's Administrative Instructions. In addition, clearly defining the accountability structure for each process during training may increase efficiency and improve city grant/fund management. A training program is in development with classes taking place during the August 2010 Council recess.
- **Technology & Automation** – A preliminary analysis of technology needs in personnel has been completed. Part of the analysis suggested upgrading of the existing personnel management program to a more advanced web-based version of the application. Implementation of the new software is targeted for July, 2010. The upgrade would allow for significant improvements including greater efficiency in the following areas:
 - Less postage and paper costs: more electronic communication with applicants (email, electronic interest cards, etc.)
 - Paperless certification process (hiring supervisors could simply login to receive their certified eligible lists and applications of the top ranking candidates)
 - Electronic Personnel Requisitions submission and approval process
 - Vast improvements to the functionality of an online employment application
 - Compatible with Oracle systems for uploading of data on new hires

² Report to Finance Committee dated March 9, 2010 titled Status Report on Citywide Efforts to Research and Correct Negative Fund Balances

- Improved civil service testing functionality (statistical reports, item analysis, on-line test item banks)
- Improved reporting on applicant flow
- Data at the fingertips of all users including HR staff, hiring managers, or other stake holders

A similar review by the FMA of accounting and payroll processes will be conducted. One example of a process that needs review is changing an employee's master file. The master file is the payroll database that allocates an employee's pay to a specific coding block. In order to make a change or correct a mistake to an employee's master file requires manual paperwork from the department to the payroll department. However, with training and the appropriate Oracle access the department could make the changes themselves. This would save a considerable amount of time for the department, payroll and for accounting who would no longer have to make corrections resulting from master file errors after every pay period.

Throughout the City of Oakland there are advocates for centralization and decentralization of these functions and there are pros and cons to both points of view. Departments feel they need the integration and department specific knowledge, as well as easier access to staff to initiate processes and answer questions. This provides greater continuity between departmental grant management and external granting agencies. Conversely, centralization may provide greater control and uniformity in application of citywide policies and procedures, and internal grant/fund management. Overall, staff believes that the current system – partly centralized and partly decentralized – is the most effective. However, additional training and automation are necessary, as discussed above.

SUSTAINABLE OPPORTUNITIES

There are no sustainable opportunities identified in this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior citizen access issues identified in this report.

RECOMMENDATION(S) AND RATIONALE

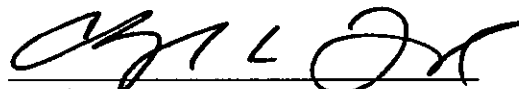
Staff recommends acceptance of this report.

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ACTION REQUESTED OF THE CITY COUNCIL

This is an informational report; therefore no Council action is required.

Respectfully submitted,



Cheryl L. Taylor
Director, Budget Office

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:

Prepared by:
Tom Morgan, Budget and Operations Analyst
Budget Office



OFFICE OF THE CITY ADMINISTRATOR

Reviewed by:
Kristin Spanos, Principal Financial Analyst
Budget Office

Attachments:

- A – Department Survey Results
- B – OPRM Gap Analysis and HR Efficiency Evaluation

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Attachment A

Department Survey Results

FTE						
Department	Accounting	Payroll	Personnel	TOTAL	FTEs in Dept	%
Mayor/CAO	2.15	0.55	0.30	3.00	80.10	3.7%
City Council	0.68	0.25	0.25	1.18	35.50	3.3%
City Attorney	0.95	0.35	0.40	1.70	74.00	2.3%
City Auditor	0.20	0.09	0.23	0.52	10.00	5.2%
City Clerk	0.30	0.30	0.05	0.65	11.50	5.7%
DHRM	0.30	0.30	1.30	1.90	42.00	4.5%
DCP	0.20	0.20	0.20	0.60	23.50	2.6%
DIT	1.60	0.00	0.30	1.90	76.00	2.5%
FMA	35.50	6.00	0.80	42.30	228.30	18.5%
Police	14.60	8.05	6.95	29.60	1158.13	2.6%
Fire	4.00	2.00	3.00	9.00	586.45	1.5%
Museum	0.70	0.60	0.30	1.60	44.95	3.6%
DHS	6.00	1.00	1.00	8.00	275.75	2.9%
OPR	3.30	1.00	1.00	5.30	220.99	2.4%
Library	3.10	2.30	1.60	7.00	215.04	3.3%
Public Works	8.00	3.00	5.00	16.00	587.35	2.7%
CEDA (Non-DEC)	7.50	1.90	2.22	11.62	312.40	3.7%
CEDA (DEC)	8.30	1.13	0.90	10.33	139.20	7.4%
GRAND TOTAL	97.38	29.02	25.80	152.20	4121.16	3.7%

CITY OF OAKLAND
Interoffice Memo



FINANCE & MANAGEMENT AGENCY, OFFICE OF PERSONNEL RESOURCE MANAGEMENT
Marcia L. Meyers, Director

DATE: May 8, 2008

TO: Office of the City Administrator

ATTN: Deborah Edgerly

FROM: Marcia Meyers, OPRM

CC: Cheryl Thompson

SUBJECT: OPRM Gap Analysis and HR Efficiency Evaluation

OVERVIEW

The Finance and Management Agency's Office of Personnel Resource Management (OPRM) was charged with performing a gap analysis on staffing roles and functions within the division. Staff evaluated the overall functions and responsibilities now that the organization has reached full staffing levels and is proposing the relocation of several positions from other agencies/departments to various units in OPRM. The positions that have been identified are currently responsible for performing varying aspects of Personnel work, including fulfilling the departmental role of Single Point of Contact (SPOC). OPRM, if approved, will partner with the impacted departments to assess partial duty reallocation as governed by the City's Classification Plan. By relocating these positions to OPRM, we will be better suited to ensure the consistent practice of critical employment processes and procedures and perform more analytical work that will ultimately result in improved policies, uniform implementation and potential cost savings for the City.

It is important to highlight that the gap analysis did not result in a recommendation to centralize all positions responsible for Personnel work at this time, as it would not be feasible. Instead, a small list of designated impacted positions was prepared for consideration. These positions would be moved at the start of the new fiscal year, and again, OPRM would interface with the departments to develop partial duty reallocation plans with the intent to maintain timely service delivery and minimize the potential for staffing and employment service disruptions.

Lastly, OPRM would increase the frequency of SPOC meetings to foster an uniform and increased standardization of HR matters. The meetings would now occur once every two months. In the off-months, OPRM would produce a brief SPOC newsletter to keep them apprised of emerging issues and to review and solidify existing practices. The SPOC meetings would provide a forum to work out issues and present resolutions.

FISCAL IMPACT

The transition of the identified positions and corresponding O&M would be budget neutral. The positions would be reorganized and moved to OPRM at the start of the new fiscal year, 2008-2009.

OPRM currently has no available space for anymore staff. To improve recruiting visibility and capture space needed, staff suggests that the current "Vela's Locker Room" space be assigned to OPRM. It is recommended that the current lobby at 150 Frank Ogawa Plaza have a entrance created into the space and that all applications for employment and front counter activities be re-located to the lobby level. The current second floor counter

would in turn service only training and exams and space could also be captured from the current second floor lobby. Significant budgetary savings in OPRM's existing budget for the current FY are available to partially pay for the costs of this build out, Interim Assistant City Administrator Zennoni is working with staff to project the potential amount available.

COMPARISON & ANALYSIS

Relying on information collected from the most recent Position Control report, staff reviewed all City positions responsible for some aspect of Human Resources work. The primary objective underlying the entire analysis was to promote consistent and economical HR practices throughout the City without impacting the ability of the departments to provide timely service delivery. The duties and responsibilities of each position were evaluated in light of the noted gaps in OPRM to determine if a match could be made and if the relocation of each position would result in increased efficiency or more consistency among processes and procedures. The most critical gaps are highlighted below and would be addressed by adding staff to:

- Administration: Research, draft, and assure Public Records, Sunshine, and Brown Act compliance ; review reports for several Boards such as the Civil Service Board, Police and Fire Retirement System, and Oakland Municipal Employees Retirement System; examine existing and develop new policies; perform complicated analysis and reconciliation of written and fiscal reports such as for MCAP, DCAP, and Deferred Compensation; maintain audit quality records and ensure practices and procedures are thorough and comply with guidelines
- Support: Provide consistent city-wide practices and uniform procedures for all personnel related tasks including lead-worker oversight and mentoring of assigned staff; perform complex position control analysis and reporting
- Recruitment & Classification/Public Safety: Provide more depth and better coverage by assisting with high volume, entry-level public safety examinations
- Recruitment & Classification/Mobilization: Perform standardized and enforced tracking and policy implementation including citywide oversight and administration of FMLA and other leave policies and practices to ensure consistency and applicability to appropriate City staff/stakeholders
- Employee Relations: Provide control, early intervention, and consistent guidance and interpretation to departments regarding contract language; implement guidelines for SPOCs; develop tailored mentoring and training situations; Civil Service Rule language, grievances, and disciplinary processes; assure defensible investigations of all allegations of misconduct; review all departmental responses during disciplinary processes and provide advice about next steps; effect an overall decrease in mishandled employee relations matters
- Benefits & Retirement: Capture significant dollar savings by establishing centralized controls in conjunction with the payroll system, to assure the timely removal of separated employees from the benefit rolls. Address portable retirement options including research new providers, vendors, and programs; perform cost analyses that could result in significant savings to existing and future City programs; address differing needs and wants of employees in terms of tailored benefit packages

CENTRALIZATION OF EMPLOYEE RELATIONS MATTERS

We are proposing that all labor relations matters be centralized to OPRM's Employee Relations (ER) Unit. With the addition of the staffing proposed in this report, these changes would enable ER to establish guidelines for the user agency/departments. No employees other than ER staff would be authorized to provide interpretations or give advice regarding the application of the Civil Service Rules, Memoranda of Understanding, grievance and disciplinary actions, and specific ER-related Administrative Instructions such as those pertaining to Voluntary Time-Off without Pay and Drug Testing policies.

In terms of implementation, the SPOCs/Personnel Liaisons in all departments would no longer be authorized to interpret or give advice about the relevant policies to employees. Instructions would be developed and disseminated to SPOCs indicating their official scope in employee relations matters, if any. Additionally, the SPOCs would be instructed to refer all employees with these types of questions to the ER Unit and could no longer advise them about certain Administrative Instructions; a list of "off-limits" AIs and Civil Service Rules would be designated and communicated to the SPOCs, managers, and supervisors. Two good examples of AI misinterpretation pertain to the City's use of VTN and how drug testing policies have been administered at the department level; both have resulted in significant losses to City funds, mishandling of matters thus increasing the City's liability and resulting in a lack of uniformity in application citywide policy.

This recommendation will prevent the current silo-based approach to dealing with employee relations matters. There will no longer be inconsistency and independent application of the policies and procedures as ER would be the unified voice in all matters. It is important for the sake of the City to have all grievances and disciplinary matters handled appropriately from the first step to prevent final decisions from being overturned at a steep cost to the City along with accompanying liability. This consolidation would ensure standardization and prevent not only the mishandling of labor relations matters but also the impact to the bottom line. Finally, for a culture change to occur as generation X and Y move into the city workforce, it is critical to successful succession planning that these employment issues be addressed and corrected on a citywide basis.

IDENTIFIED POSITIONS AND HOW DUTIES CURRENTLY PERFORMED WILL BE PERFORMED AFTER CONSOLIDATION

The process involved evaluating the duties of the positions in question in terms of current assignment and projected role in OPRM. The majority of the positions under consideration were ruled out for the following reasons: primary duties were more administrative rather than personnel-specific; responsible for fiscal operations; charged with handling the Position Control process; area of expertise was critical to success of current placement; and the overall efficiency of the department/City would be hampered by reorganizing the staff in question.

It is anticipated that the proposed changes will take effect at the beginning of the new fiscal year, 2008-2009. Seven positions were identified for relocation to OPRM; two of the seven are currently vacant, and only four departments would be impacted (Library, PWA, Fire, and Police). Information about the classification title, proposed duties if moved to OPRM, current responsibilities, and likely duty reallocations are provided below:

1. Management Assistant (Library, Crystal Ramie) – The bulk of Ms. Ramie's duties will be reallocated to the current Administrative Services Manager II, Gene Tom, who would fulfill the SPOC/Personnel Liaison role, oversee the Payroll function, process all staffing transactions such as Personnel Action Records and Budget Change Requests, and supervise assigned support staff.

The new duties of the Management Assistant will include researching, drafting, and reviewing reports in Administration. Currently OPRM is solely responsible for significant numbers of council reports. They include, all closed session reports regarding bargaining for the successor MOUs, monthly Measure Y reports for Police hiring, and quarterly reports for four boards and the Citywide Vacancy Report. Additionally, all governance issues affecting personnel matters, including Administrative Instructions, Unrepresented Employees Benefits, City wide policy promulgation of work rules, and other issues all fall to OPRM.

2. Administrative Assistant II (PWA, vacant) – This position was vacated by Patricia Carter who provided administrative support to the Support Services Supervisor, Debbie Corso. The overall

administrative support duties will be absorbed by the remaining support staff. Ms. Carter's primary duty however, involvement with the DMV Pull-Notice Program, has already been addressed by utilizing another Administrative Assistant II, Jennie Dang and FMA Risk Management is the central control.

This position will be combined with a vacant HR Clerk position in OPRM to yield a Senior HR Technician position in Support Services. The proposed duties include lead responsibilities over the Position Control program, recruitment and examination support, and support the "grow our own" mentoring of assigned staff.

3. Police Personnel Operations Specialist (Police, Shanda Wright) – Ms. Wright is one of two Police Personnel Operations Specialists currently responsible for overseeing all Police staffing issues and completing necessary documents and reports. Her duties would be reallocated to existing Police Personnel staff including Administrative Analysts and the other Police Personnel Operations Specialist. Once the Police Department's permanent Administrative Services Manager II over Personnel has been hired, Minnie Chan, who is filling the position on an interim basis, Chan will return to her duties as a Police Personnel Operations Specialist. OPD currently has a rich compliment of positions to support and provide personnel services to the department.

The proposed new function and duties range from assisting the existing Public Safety staff with the processing of candidates to data management and reporting in accordance with Measure Y. It is very clear that the elected officials are committed to fully staffing and maintaining the City's authorized public safety positions, and this position would be key in facilitating OPRM's ability to meet this goal. It is perceived that Ms. Wright's familiarity with OPD and Personnel work would be very useful and decrease the learning curve upon transition.

4. Administrative Services Manager I (Fire, Steven Danziger) – Mr. Danziger has been responsible for administering the Fire Department's worker's compensation program and FMLA leaves. His FMLA role would transfer with him to OPRM, however, the bulk of the worker's compensation matters would need to be reassigned to the SPOC/Assistant to the Chief, Jacqueline Curtis, and possibly the FMA Disabilities Benefit Coordinator, Gaynell Chase.

This position will continue to be involved with FMLA and all other leaves, now on a citywide basis, in Mobilization. The addition of staff to this Unit will ensure consistent practices, applications, interpretation, and authorization. The Unit will also be able to develop instructions and controls for all departments on how to handle these matters while ensuring that there are uniform interpretations and applications of these policies.

5. Support Services Supervisor (PWA, Rhonda Stuart) – Ms. Stuart has served as a primary contact for matters related to employee relations such as grievances and disciplinary processes and recently became responsible for overseeing PWA's DMV Pull-Notice Program. She assists the Administrative Services Manager II, Yolanda Lopez, with PWA staffing transactions and recruitment processes. Her primary role in employee relations matters will transfer with her to OPRM; the Personnel and all remaining administrative duties, including the Pull-Notice Program, will be reallocated to the Administrative Services Manager II and other applicable staff.

This position will carry a workload in Employee Relations and be responsible for advising user departments on the proper handling grievance and disciplinary matters and consistent interpretations

of the Civil Service Rules and Memoranda of Understanding. By centralizing all employee relations matters, the City will have one voice to provide uniform guidance at a significant savings to the City.

6. Support Services Supervisor (PWA, vacant) – This position has already been converted and placed in Employee Relations but was previously responsible for overseeing the DMV Pull-Notice Program, which has since been reassigned to another Support Services Supervisor, Rhonda Stuart. Primary responsibilities will include advising user departments on the proper elements of the disciplinary and grievance processes along with providing consistent application and interpretations of the Civil Service Rules and Memoranda of Understanding. The centralization of advice and interpretation of labor relations matters will positively impact both the City's bottom line and ability to effectively handle these matters from the earliest stages. This is critical to effecting a culture change as part of the overall citywide succession plan
7. Administrative Analyst II (Police, Donna Sabbatani) – Ms. Sabbatani is one of three Administrative Analysts that are heavily involved with maintaining the Police databases that were developed in response to the Negotiated Settlement Agreement and Inspector General oversight. Ms. Sabbatani's tasks would be redistributed among the remaining Administrative Analysts and possibly the remaining Police Personnel Operations Specialist.

The new duties will involve the research, development, and cost analysis of benefit and retirement providers and assistance with drafting reports. It has become increasingly evident that the emerging generations value different benefits in the workplace; this position will perform much of the research on possible benefits, programs, and potential short and long-term cost savings that could be tailored to current and future staff and contribute to the City's increased ability to recruit and retain employees.

It is proposed that all incumbents will move with their fully loaded positions to OPRM along with O&M funding and include where applicable the support staff positions. One year after staff has been relocated, OPRM's Classification Unit will evaluate the duties and recommend placement in more appropriate classifications, if necessary, to ensure that titles and duties align with the City's Classification Plan.

If these changes are implemented, OPRM will partner with the impacted departments to develop smooth and timely transition plans. We intend to minimize the potential for disruptions during the transition and will work in conjunction with the departments to ensure that duties not being absorbed by OPRM are efficiently reallocated to the appropriate staff. Further analysis of the impacted positions and discussion with the impacted individuals may be warranted to fully ascertain the scope of responsibilities in developing the transition and partial duty reallocation plans.

SUMMARY

OPRM believes that implementing these changes will be advantageous to the City in several ways. The greatest impacts will materialize from the centralized handling of employee relations matters, uniform interpretation of policies, and consistent practices among HR operation throughout the City. Eventual cost savings would result from more effective processing of public safety job applicants, applicable and reliable processing of FMLA requests, properly handled employee relations matters, and more economical benefit/retirement programs.

We look forward to further discussion of this matter on Friday May 9, 2008 at 1:00 pm. Any questions regarding these recommendations can be directed to me at 238-6450.