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2019 OCT 31 PM 4: 04

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ian Appleyard
Director, HRM

SUBJECT: Semi-Annual Staffing Report

DATE: October 23, 2019

City Administrator Approval

Date:

10/21/19

RECOMMENDATION

Staff Recommends That The City Council Receive The Semi-Annual Informational Report On Citywide Staffing Through September 23, 2019.

EXECUTIVE SUMMARY

This informational report, formally known as the "vacancy report," provides an update on city-wide staffing as of September 23, 2019, and includes the status of vacancies, recruitment and the City of Oakland full-time workforce. The total budgeted full-time positions was 4,533.21 Full-Time Equivalent (FTE) with 595.83 FTE positions vacant, resulting in a 13.14 percent vacancy rate as of September 23, 2019. This report analyzes the status of each vacancy by department (**Attachment A**), the status of the 175.90 FTE positions that were added in Fiscal Year (FY) 2019-20 (**Attachment B**), and the status of vacant positions in the Oakland Public Works Department (OPW) and the Department of Transportation (DOT) (**Attachment C**). In addition, this report identifies the number of positions filled during FY 2018-19 (**Attachment D**).

Human Resources Management (HRM) Department's recruitment priorities are set by the City Administrator, and, subsequently, in coordination with individual departments. In some instances, high-priority recruitments do not correlate to high-volume recruitments and, therefore, may not reduce the overall vacancy rate.

BACKGROUND / LEGISLATIVE HISTORY

The Human Resources Management Department (HRM) provides a semi-annual report to both the Finance and Management Committee and Public Works Committee. This report examines vacancy data, as provided by all City Departments, as of September 23, 2019. Additionally, this report analyzes several key organizational staffing elements, including unemployment rates, retention rates and employee tenure.

Item: _____
Finance & Management Committee
November 12, 2019

ANALYSIS AND POLICY ALTERNATIVES

For the purposes of this report, vacancies are described as **non-encumbered** and **encumbered**. The former is available to be filled and not linked for any other purpose, such as overtime, temporary staffing, or acting assignments. The latter is tied to one of the aforementioned purposes.

As of September 23, 2019, there were 595.83 FTE positions vacant citywide with 60.10 FTE encumbered as described above. Therefore, the Citywide vacancy rate is 13.14 percent. If the encumbered vacancies were subtracted, there would be 535.73 FTE vacancies and the rate would be 11.82 percent. The May 2019 report had an all-vacancy rate of 14.49 percent and a non-encumbered vacancy rate of 12.50 percent. Therefore, in six months the overall vacancy rate was decreased by 1.35 percent, despite 175.90 new FTE positions being added.

It is also important to account for the "budgeted vacancy factor," which is distinct from the "vacancy rate." The budgeted vacancy factor is a fixed budget ratio applied to the total personnel allocation for a given department and varies between 0 percent and 4 percent.

Status of Vacancies – City Wide

For the Fiscal Year 2019-20, 175.90 FTE were added to the City budget. **Table 1** below shows all vacant positions (encumbered and non-encumbered), which results in the current 13.14 percent vacancy rate. Table 2 shows only non-encumbered positions, resulting in an 11.82 percent vacancy rate.

Table 1: Citywide Vacancy Summary			
Type	All Positions	Vacant	% Vacant
Total Sworn	1,429	78	5.46%
Total Miscellaneous	3,104.21	517.83	16.68%
Total	4,533.21	595.83	13.14%

Table 2: Citywide Vacancy Summary (Non-Encumbered)			
Type	All Positions	Vacant	% Vacant
Total Sworn	1,429	78	5.46%
Total Miscellaneous	3,104.21	457.73	14.75%
Total	4,533.21	535.73	11.82%

Table 3 shows the historic vacancy rates, for both all vacancies and non-encumbered vacancies since May 2012. Since 2014, there have been 595.95 FTE positions added, including 175.90 added for Fiscal Year 2019-20.

Table 3: History Vacancy Rates					
Report Date	# of budgeted positions	# non-encumbered vacancies	Non-encumbered % Vacant	All Vacancies	All Vacancies % Vacant
11/12/19	4,533.21	535.73	11.82%	595.83	13.14%
5/14/19	4,455.17	556.85	12.50%	645.66	14.49%
11/13/18	4,447.67	522.25	11.74%	742.37	16.69%
4/24/18	4,282.97	419.50	9.79%	652.60	15.24%
11/14/17	4,279.22	406.70	9.50%	621.30	14.52%
10/24/16	4,186.84	377.07	9.00%	554.45	13.24%
10/5/15	4,151.78	432.72	10.42%	502.53	12.10%
9/22/14	3,937.26	341.01	8.66%	489.40	12.43%
5/20/13	3,813.39	295.88	7.75%	427.82	11.22%
5/14/12	3,796.53	259.88	6.88%	366.40	9.65%

When Departments submit vacancy information, standard descriptors are available from which to choose. **Table 4** is a summary of vacancy status throughout all departments.

Table 4: Summary of Vacancy Status	
FTE	Vacancy Status
93.50	Recruitment Plan in Progress
78.05	Recruitment Open (application intake)
71.75	Dept. Interview Process
60.10	Encumbered (Interim, acting, provisional, part-time, linked to TCSE/ELDE) *
67.25	Requisition Pending Approval
58.86	Not Under Active Recruitment
49.00	Eligible List Available
23.80	On Hold (Job spec revisions or FEHA Hold) **
21.50	On Hold (by Dept.)
21.02	Eligible List Referred to Dept.
20.00	Approved (pending HR assignment)
19.00	HR Assessment & Scoring
12.00	Recruitment Closed (HRM/Dept. screening apps)
595.83	TOTAL

* Temporary Contract Service Employee/Exempt Limited Duration Employee

** Fair Employment and Housing Act

Status of Vacancies – Departments

Table 5 shows the total vacancy rate by department, sorted by high to low percentage. As noted above, some vacancies are encumbered and do not necessarily reflect accurate vacant rates within each department.

Table 5: Vacancies by Department			
City of Oakland Departments	No. of Authorized positions (FTE)	No. of vacant positions (FTE)	Vacancy Rate
Violence Prevention	3.00	2.00	66.67%
Planning & Building	205.50	58.50	28.47%
Housing & Community Dev	74.50	19.50	26.17%
Economic & Workforce Dev	49.70	10.00	20.12%
Transportation	324.04	64.25	19.83%
Public Works	636.17	125.17	19.68%
Finance	167.80	32.80	19.55%
Police Commission	17.00	3.00	17.65%
Parks, Recreation & Youth Dev.	229.69	31.73	13.81%
City Administrator	94.10	12.00	12.75%
Information Technology	81.00	10.00	12.35%
Human Resources	50.00	6.00	12.00%
Human Services	242.13	27.60	11.40%
City Attorney	82.00	9.00	10.98%
City Clerk	18.50	2.00	10.81%
Library	269.18	27.00	10.03%
City Auditor	10.00	1.00	10.00%
Police	1274.20	109.00	8.55%
Fire	651.78	45.28	6.95%
Race & Equity	3.00	0.00	0.00%
Mayor	13.00	0.00	0.00%
City Council	30.92	0.00	0.00%
Public Ethics Commission	6.00	0.00	0.00%
Citywide Vacancy Rate	4,533.21	595.83	13.14%

To understand how Oakland compares to regional jurisdictions, HRM surveyed eight agencies within the region. The survey results, provided in **Table 6**, shows the average regional vacancy rate is 12.32 percent.

Table 6: Survey Agencies Vacancy Rates				
Comparator Agencies	No. of Depts.	No. of Budgeted positions	No. of vacant positions	Vacancy Rate
City of Berkeley	18	1,596	237	14.85%
City of Concord	10	419	28	6.68%
Contra Costa County	22	10,928	1,872	17.13%
City of Fremont	14	953	90	9.44%
City of Hayward	13	928	94	10.13%
City of Richmond	24	723	74	10.24%
City & County of San Francisco	50	36,680	4,069	11.09%
City of San Jose	23	6,647	790	11.89%
Regional Vacancy Rate Average		58,874	7,254	12.32%
City of Oakland	23	4,533.21	595.83	13.14%

Positions Filled During Fiscal Year 2018-19

There were 708 positions (not FTE) filled during the last fiscal year. Of those, 416 were full-time or permanent part-time and 255 (61 percent) of those were filled with current employees promoting to other positions. A list of the filled positions is included as **Attachment D**.

Since the beginning of the current fiscal year, an additional 242 positions have been filled. Of the 242, 167 were full-time or permanent part-time and 112 (67 percent) of those were filled by current City employees.

While the City remains focused on growing its own to fill positions, and while internal promotions are exceptionally beneficial for the health of the organization and workforce, it should be noted they result in a net-zero gain from the vacancy perspective in that each promotion creates another vacancy elsewhere.

Recruitment Conditions and Solutions

1. National and Regional Market Conditions: According to the latest Bureau of Labor Statistics, the nation's unemployment rate is 3.5 percent. The California unemployment rate is 4.0 percent according to the California Employment Development Department. For the San Francisco, Oakland and Richmond region, the unemployment rate is 2.7 percent. These conditions are a significant factor when recruiting for qualified and diverse candidates and have an impact on the number of applications HRM is receiving for vacancies. Some recruitments require extensions to the application period to allow for

additional applicants. In some cases, newly-created eligible lists for a classification have been exhausted by departments before all vacant positions could be filled.

2. HR Staffing Update: Since the last Staffing Report, HRM has filled three (3) HR Analyst positions, which has allowed for an increase in the number of recruitments being conducted. While Analyst staffing has increased, HRM did lose staff members this year at the HR Clerk and Benefits Representative positions. Recruitments are underway to fill these positions as soon as possible.
3. Recruitment Consultant: With City Council's approval via Resolution No. 87291 C.M.S., a three-year contract was executed in 2018 with Cooperative Personnel Service (CPS) to provide on-call recruitment services for departments. To date, CPS has assisted with twenty (20) recruitments, primarily within the Public Works, Transportation, and Finance Departments. This remains an available resource for departments with the ability to fund the consultant. Over the next several months, the consultant will be working on recruitments for the Public Works and Transportation Departments, including more than fifteen (15) positions in the Equipment Services Shop.
4. Decreased Applicants for Public Sector Positions: The 2019 Job Seeker Report was recently released by NeoGov, the vendor HRM uses as its applicant tracking system. This report is based on an analysis of data from 783 public agencies and calls attention to the shortage of applications public agencies are receiving to fill vacancies. A few of the statistics within the report include:
 - a) A 37 percent differential between open jobs and the number of applicants.
 - b) A 22 percent reduction in applicants from 2013 to 2018.
 - c) A 29 percent increase in the number of job openings since 2013. This is partially a result of nearly 30-40 percent of the public sector workforce being eligible to retire.

The entire report is included as **Attachment E**.

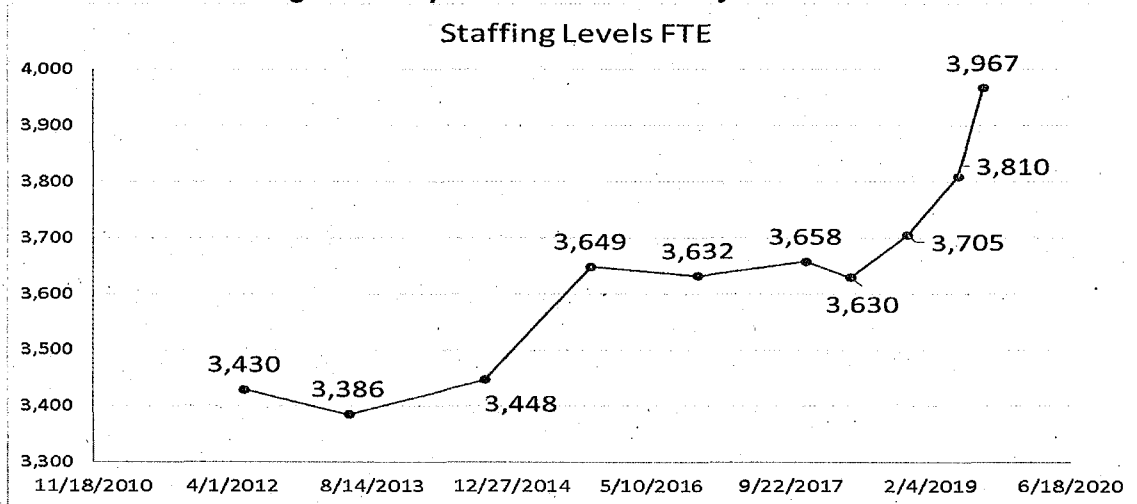
5. Improved Marketing: HRM continues to use various methods to market jobs to potential candidates. Increased outreach through social media platforms such as LinkedIn and Nextdoor have been successful in reaching potential applicants. In addition, HRM personnel continue to attend job fairs and community events to attract interest in City jobs.

Workforce Analysis

In addition to reducing employee vacancies through effective and efficient hiring practices, it is imperative to focus on retaining and developing the existing workforce. To further understand retention, included below are staffing, separation, resignation and tenure data. The results suggest that Oakland does very well in retaining employees. The FY18-19 resignation rate for non-sworn employees is 4.57 percent (105 total) with an average tenure of 6.27 years.

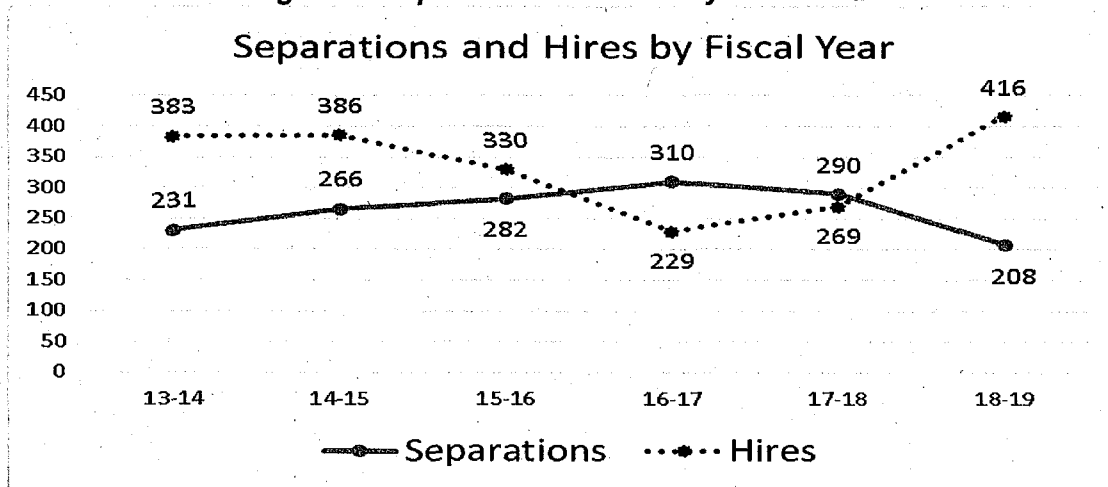
1. **Staffing Levels:** Since 2014, 595.95 FTE positions were added to the City's budget. While the vacancy rate has remained consistent with small fluctuations, the overall number of employees tied to FTE positions has increased by 519 during the same time. As shown in **Figure A** below, as of August 12, 2019, 3,967 FTEs have been filled. This number includes full-time, permanent part-time and temporary part-time staff. Multiple temporary part-time staff may be tied to one FTE position.

Figure A: Separations and Hires by Fiscal Year

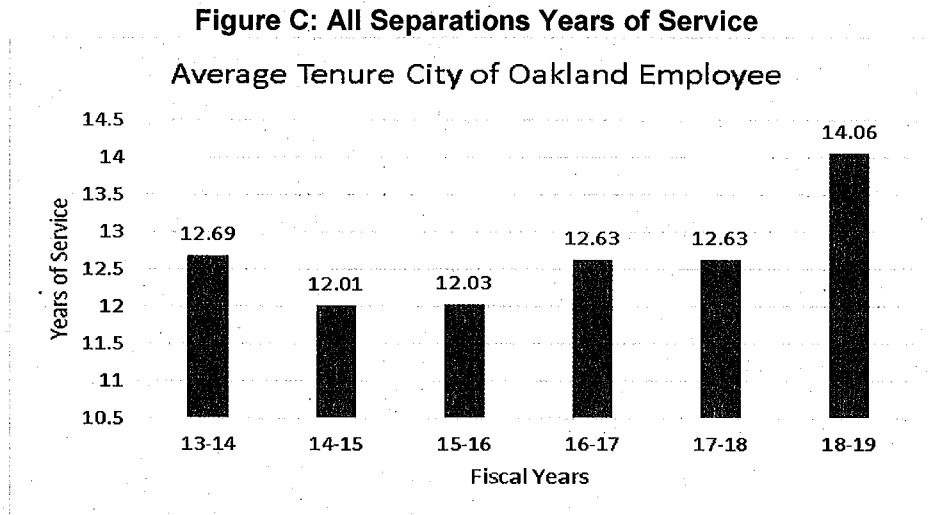


2. **Separations and Hires:** To reduce the overall vacancy rate, City hiring needs to outpace separations. As demonstrated in **Figure B**, over the last five years, the number of hires tracks closely to the number of separations, which includes retirements, resignations, terminations and other reasons. However, for FY18-19, the number of all separations significantly decreased, from 290 to 209 (28 percent decrease). At the same time, hires increased for FY 18-19 from 269 to 416 (55 percent increase).

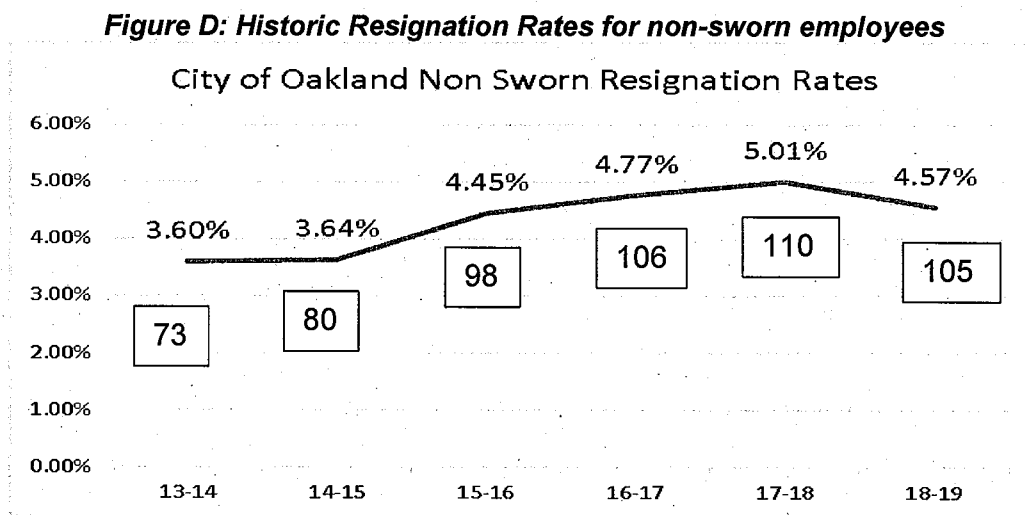
Figure B: Separations and Hires by Fiscal Year



3. **Tenure of Separations:** According to the Bureau of Labor statistics, the national rate of tenure with a public-sector employer is 6.8 years (private sector is 4.2 years), which includes all separations. Over the last six years, all separated full-time City of Oakland employees average 12.7 years of service with the current fiscal-year increasing to 14.06 years, far surpassing the national average. See **Figure C** below:

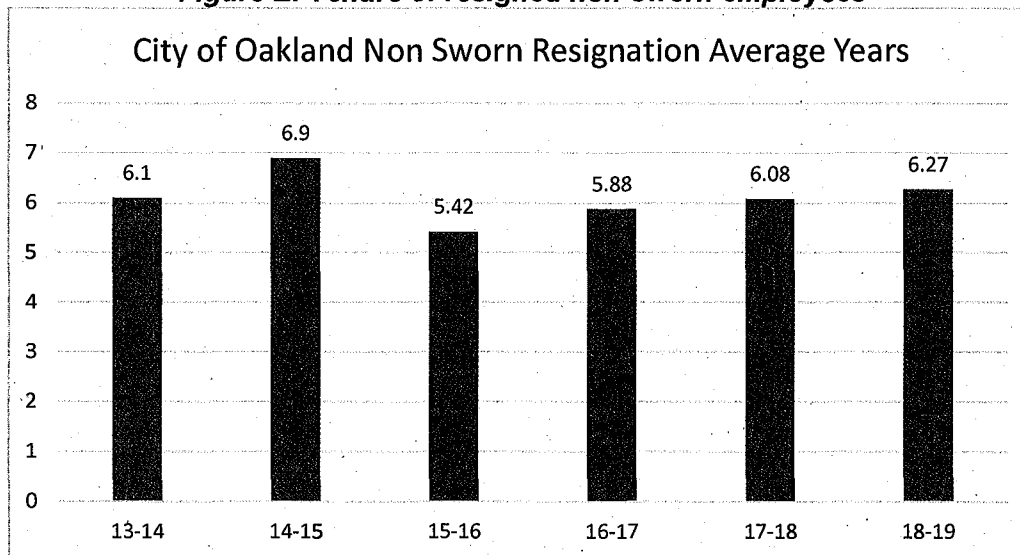


4. **Voluntary Resignation Rates:** The resignation rate is calculated by dividing the number of voluntary resignations by the total number of employees. For the purposes of this analysis, only non-sworn full-time employees were considered. A typical resignation rate for local government during normal economic times ranges between 4.5 percent to 5.5 percent. Given the historically low unemployment, it would be anticipated that the rate would be significantly higher, perhaps 6 percent to 8 percent. **Figure D** shows the rate for non-sworn full-time City of Oakland employees was 4.57 percent for Fiscal Year 18-19.



5. Voluntary Resignation Tenure: Over the last six years, the average tenure of a non-sworn City of Oakland employee who voluntarily resigns is 6.1 years. **Figure E** shows the number of years of service has steadily increased over the last three years, confirming that Oakland does well in terms of workforce retention. The average tenure of a City of Oakland non-sworn employee was 6.27 years of service for Fiscal Year 18-19.

Figure E: Tenure of resigned non-sworn employees



FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost. All positions reflected in this report are budgeted positions.

PUBLIC OUTREACH / INTEREST

No outreach was necessary for this report beyond the standard City Council agenda noticing procedures.

COORDINATION

Human Resources Management Department staff coordinated the collection and verification of data provided in this report with staff in each of the City's departments and the Finance Department.

PUBLIC OUTREACH / INTEREST

No outreach was necessary for this report beyond the standard City Council agenda noticing procedures.

COORDINATION

Human Resources Management Department staff coordinated the collection and verification of data provided in this report with staff in each of the City's departments, the Finance Department's Budget Bureau, and the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic impacts associated with this informational report.

Environmental: There are no environmental impacts associated with this informational report.

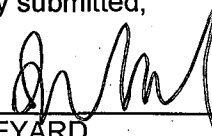
Social Equity: There are no social equity impacts associated with this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends acceptance of the Semi-Annual Informational Report On Citywide Staffing Through September 23, 2019.

For questions regarding this report, please contact Greg Preece, Human Resource Manager, at (510) 238-3112.

Respectfully submitted,



IAN APPLEYARD
Director, Human Resources Management

Reviewed by:
Greg Preece, Human Resources Manager

Attachments Prepared by:
Lisa Wright, HR Operations Supervisor

Attachments (5):

- A – Citywide Vacancies by Department*
- B – New Vacancies Created in Adopted Policy Budget FY 2019-20*
- C – Vacancies in Oakland Public Works and the Department of Transportation*
- D – Positions filled FY 2018-2019*
- E – NeoGov 2019 Job Seeker Report*