

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 18, 2013

CAO File No. 0111-31248-0001

Council File No. 13-1206

Council District: All

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of City Planning Dated September 11, 2013

Subject: **REQUEST FOR SUBSTITUTE AUTHORITY FOR ONE DEPUTY DIRECTOR OF PLANNING**

SUMMARY

In a transmittal dated September 11, 2013, the Department of City Planning (DCP) requested Council approval of a substitute authority for one Deputy Director of Planning (DDP) over the Administrative and Technical Services Bureau for the period of October 1, 2013 through June 30, 2014 (C.F. 13-1206); the DDP position class is equivalent to an Assistant General Manager (AGM). The request was made for the purpose of selecting, hiring, and training a new DDP in anticipation of the retirement of the incumbent, Eva Yuan-McDaniel, in February 2014. The salary cost for the substitute authority would be approximately \$13,496 a month for a total direct cost from November 2013 through June 2014 of approximately \$107,968. The Department has indicated that there are sufficient salary savings projected for the year to cover this cost. This Office has reviewed the request and recommends it be denied. Instead, the department should follow the procedures outlined below to mitigate the impact of the retirement.

As part of the 2013-14 Budget deliberations, the Council adopted a policy, effective July 1, 2013, wherein authorization of substitute positions, except for layoff avoidance, shall require Council approval. Prior to Fiscal Year 2013-14, the filling of substitute authority positions was primarily authorized by the Office of the City Administrative Officer (CAO). The CAO will continue to perform its usual review and analysis of substitute authority requests under this new policy, providing the Council with an independent analysis as it considers requests from departments.

Aside from layoff avoidance, the purpose of granting substitute authorities is to enable a department or the City to resolve a temporary staffing problem such as: 1) To provide replacements for persons while on extensive sick leave with pay; 2) To meet peak workload situations which may or may not be anticipated; 3) To reduce a backlog in workload; 4) To provide proper classification of a vacated position, the skill requirements of which have changed, provided an increase in salary is not involved, and provided that it cannot be resolved through use of an "in lieu" authority; 5) To provide temporary additional authority in entering level classes during periods of the year when recruitment potential is greatest. The request from the DCP does not conform to these purposes; in addition, the request was made for nine months while the hiring

process, if the DCP follows the process outlined below, should be completed soon after the incumbent retires in February 2014.

While AGMs perform critical functions in managing departments, using a substitute authority is not the most cost effective or efficient approach to meeting operational needs before or after their retirement. To mitigate the impact of AGM retirements, departments should take the following steps: 1) Prepare and submit to the CAO a Request-to-Fill form before the retiring employee leaves their position; this will ensure the Managed Hiring Committee (MHC) receives the request to unfreeze the position in a timely manner; 2) Require the retiring employee to write a detailed exit report before he/she retires so that their knowledge may be accessed by the department and future employees after their retirement; 3) Before the retirement occurs, plan which duties of the retiring employee will be performed temporarily by the remaining department executive team and which will be delegated to other staff in the department until the new employee can be hired; 4) Ensure that the staff reporting to the retiring employee, if any, is well informed before the retirement of any assignments for which they will be responsible after the retirement and who they will report to on an interim basis; and, 5) General Managers should deny requests from retiring employees to use compensated time off prior to their retirement date; such requests cause gaps in time between an employee actively working and their actual retirement date as well as unnecessary department expenses in certain situations.

In addition to the above steps, General Managers have the authority to appoint an employee in their department to perform the duties of the retired employee in an "acting" capacity. Such appointments are governed by the Memorandum of Understanding for the Employee Labor Organization representing the employee. This approach has several advantages over using a substitute authority: 1) Operationally efficient in that employees already working in the department usually have a level of experience and knowledge of department operations that an external candidate filling a substitute authority may lack; 2) Provides employees a valuable training opportunity; 3) Provides General Managers the opportunity to evaluate potential internal candidates for the vacant position under actual work conditions; 4) Is more cost effective than a substitute authority as one person is employed rather than two.

RECOMMENDATION

That the Council deny the request from the Department of City Planning for one substitute authority position of Deputy Director of Planning for the period October 1, 2013 through June 30, 2014.

FISCAL IMPACT STATEMENT

There is no fiscal impact from approval of the recommended action.