

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to the feasibility of reducing the City's use of as-needed employment usage.

Recommendation for Council action:

NOTE AND FILE the April 11, 2018 City Administrative Officer (CAO) report relative to the feasibility of reducing the City's use of as-needed employment usage..

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On April 18, 2018, your Committee considered an April 11, 2018 CAO report relative to the feasibility of reducing the City's use of as-needed employment usage. According to the CAO, its report is in response to a Motion (Koretz - Harris-Dawson - Krekorian) that was initiated on March 7, 2018 instructing the CAO and Personnel Department (Personnel) to report on the feasibility of reducing the City's use of as-needed employment in specific classifications, and instead filling positions on a full-time basis using the Targeted Local Hire (TLH) Program. Working in coordination with Personnel, the CAO conducted a review of City Department's current as-needed employment usage and surveyed departments to determine if the work being performed by the as-needed employees could be completed by full-time staff. A summary of each Department's response to the survey is provided in the Findings section of the CAO report.

In the first 17 pay periods of 2017-18, as-needed employees (in classifications determined by Personnel that may be able to be filled with TLH Program applicants) worked more than 2 million hours. However, the average employee worked only 13 hours per week over the 17 pay periods surveyed, far less than the 40 hours worked by a full-time employee (Attachment 1 of the CAO report provides a summary of department's as-needed employment usage by classification). Nearly all Departments who responded to the survey indicated that as-needed employees are used on an intermittent basis to meet peak workload demand or provide staffing for seasonal or temporary programs. These employees are often hired to fill-in for full-time employees who are on vacation or are out sick, or are hired by departments to address workload issues while the Department is in the process of hiring a full-time employee.

Several departments, including Cultural Affairs, Economic and Workforce Development, Recreation and Parks, and the Zoo, cited a high use of as-needed employment during the summer months to address summer youth programs and peak season workload. In these situations, adding full-time positions would be inappropriate, as the full-time employees would not have a consistent and on-going workload. Five City departments (Airports, Animal Services, Cultural Affairs, Personnel, and the Department of Public Works, Bureau of Sanitation) identified a small amount of work currently performed by as-needed employees that is on-going in nature. In these few situations, it may be more appropriate to hire full-time employees and reduce the use of as-needed employment. These five Departments requested to add a total of 32 full-time positions to replace existing as-needed employee usage. However, as Airports is a proprietary department that addresses position authority independently, there is no action needed to be taken

by Council to approve or fund Airports' proposed three additional position authorities. For the remaining 29 positions requested, the City is currently spending approximately \$1.2 million annually to fund the salary expenditures of the existing as-needed employees.

As as-needed employees typically do not receive benefits such as health care and a City pension, there is an increased cost to the City to hire full-time employees to perform the work currently being performed as-needed. It is estimated that the total cost to hire the 29 positions would be \$2.4 million, resulting in an increased cost to the City of \$1.2 million annually. Therefore, the full-time positions would cost approximately twice as much as the existing as-needed employees. Additional funding for this increased cost would need to be identified. As some of the functions currently being performed as-needed are funded by special funds, it is anticipated that some of the increased costs may also be able to be special funded (Attachment 2 of the CAO report provides a cost analysis of the requested positions).

As Council will soon be conducting hearings on the Mayor's 2018-19 Proposed Budget, it is recommended that any changes to Departmental position authority as a result of this review of as-needed employment be considered in the context of the 2018-19 Budget. At this time the Council can consider the operational and fiscal impact associated with any additional full-time positions alongside all other departmental funding requests. In addition, it is important to note that through the TLH Program, there is no mechanism to hire existing as-needed employees on a full-time basis to perform the same work, in the same department, in which they are currently employed as-needed. Therefore, if the Council elects to reduce the use of as-needed employment and instead add full-time positions to be hired through the TLH Program, this action will likely result in job loss for some existing City as-needed employees who would be displaced by TLH Program hires.

After consideration and having provided an opportunity for public comment, the Committee moved to note and file the April 11, 2018 CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
PRICE:	YES
ENGLANDER:	ABSENT

ARL
4/18/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-