



Date: July 6, 2010

To: Mayor and Members of the Charter Amendment Committee

From: Patrick H. West, City Manager *PWest*

Subject: **Recommendation to deliberate on the topic of consolidation of the Human Resources Department and the Civil Service Department, and recommend to the City Council proposed language for a ballot measure for the November 2010 General Election to amend the City Charter**

DISCUSSION

On June 22, 2010, a Special Meeting of the City Council was held to receive and discuss a presentation regarding Government Reform initiatives and efficiencies. One of the initiatives proposed by the City Manager was the consolidation of current Civil Service Department functions into the Human Resources Department as an efficiency measure both in terms of cost savings and streamlined service to our current and prospective employees. Under this proposal, the Civil Service Commission duties would be reconstituted to focus on handling appeals for employees in the classified service and recommending Civil Service rules and regulations, yet transferring the administrative tasks of the employment process to staff as is the model in nearly every other city.

Overview of Long Beach's Unique Structure

The City is unique in having both a Human Resources Department and a Civil Service Department that function independently from one another. The Civil Service Department currently consists of 16 full-time positions (one of which is unfunded), and the Human Resources Department currently consists of 29.5 full-time positions. The powers and duties of the Long Beach Civil Service Commission are similar to other jurisdictions, with the exception that, in Long Beach, the Civil Service Commission is burdened with administrative tasks that are handled by human resources staff in other jurisdictions. Other cities in California, both large and small, have one central department (e.g., Human Resources) that handles all of the personnel-related functions to avoid duplication and inefficiencies. Given the City's unique structure, there is an opportunity to merge these two functions to provide cost-savings and to better serve employees and the City's recruitment and hiring needs.

Recommendations from Prior Outside Review

The concept of a Human Resources / Civil Service consolidation has been a topic of discussion for several years and was reviewed in 2007 by Management Partners in an independent review of the City's recruitment, hiring and retention practices. This review recommended the City Charter be amended to provide for a single centralized personnel department encompassing the functions of both the existing Civil Service and Human Resources Departments. The report found that with the central personnel function bifurcated between the two departments, there is no clear mission, vision, values or practices related to hiring. Further, the report found

disparities between the technology used to process and track employees. Additionally, both employees and applicants express confusion as to which entity is responsible for which employment function.

Potential Benefits

The following are some of the potential benefits from a consolidation of the two departments:

- The City could create a unified mission, vision, values, and processes for guiding all of the personnel practices of the City.
- The City could have integrated practices covering the full range of employee related issues, from hiring, compensation, orientation and ongoing employee development.
- The City could integrate the two technology systems to track applicants and employees.
- There would be clear linkage between workforce planning and the rules and processes in place to meet the City's needs.
- The professionals within the Civil Service Department are skilled in recruitment, outreach and exam preparation and administration, and could provide their expertise for all recruitments, whether classified or unclassified.
- The City would benefit from cost savings through the elimination of positions where duplication exists.
- The City would benefit from increased coordination in the potential placement and retraining of employees displaced through budget reductions and organizational restructuring.
- The timeliness for the appeals process would be improved, as the Commission would have additional time to hear appeals.

Civil Service Systems in Other Cities

The outside review by Management Partners revealed that the cities of Anaheim, Fresno, Los Angeles, Oakland, Sacramento, San Diego, San Jose and Santa Ana all have human resources functions combined into one department. In San Jose, for example, the city utilizes merit-based hiring and retains a Civil Service Commission, yet the functions are centralized in their Human Resources Department. In San Jose, all administrative functions are the responsibility of the Human Resources Director, with all matters pertaining to investigations and appeals under the purview of the Civil Service Commission.

Charter Amendment

The consolidation of departments requires a revision to the Civil Service Commission's responsibilities and authorities as stated in Section 1101 of the City Charter. Specifically, the proposed new role of the Commission will be to function as an appeals board for employees in the classified service, preserving this important independent function and service to our employees, yet transferring the

administrative responsibilities to the Human Resources Department as is the model in other cities. The Civil Service Commission would continue to adopt and amend the Civil Service Rules and Regulations, subject to the approval by the City Council. However, the Civil Service Commission would not hire its own Executive Director or have a separate department to support it.

Under this proposed restructuring, the administrative tasks and support of the Commission would be handled by the Human Resources Department. Responsibility for the examination and certification of the classified service, creation of classifications, maintaining eligibility lists and other hiring functions will be handled by the Human Resources Department following Civil Service rules and regulations. Merit based hiring standards would remain, with employees hired on the basis of qualifications, skills and abilities. The City would continue to use a system of classified and unclassified service, and those definitions would remain unchanged.

This matter was reviewed by Deputy City Attorney Christina Checél on June 30 and Budget and Performance Bureau Manager David Wodynski on July 1 2010.

TIMING CONSIDERATIONS

Charter Amendment Committee action is requested on July 6, 2010 to facilitate an expedited review of the issue by the City Council. The deadline for ballot measures for the November 2, 2010 general election is August 6, 2010.

FISCAL IMPACT

Should the proposed consolidation be placed on the November 2, 2010 general election ballot, and approved by the electorate, the ongoing annual savings is estimated to be \$400,000. Since the election takes place after the start of the new fiscal year and a period of transition would be required, partial savings will be achieved in FY 11 with full savings achieved in FY 12.

It is estimated that the one-time cost of holding a November 2, 2010 consolidated election with the County of Los Angeles is between \$441,000 and \$460,000. Each additional measure would cost \$15,000. The total cost of a City of Long Beach citywide election in April 2012 is estimated at \$1,239,000. The cost of the April 2012 election is expected to be shared among three entities depending on the number of candidates running, with \$532,000 in City of Long Beach cost, up to \$342,000 from Long Beach Community College, and up to \$365,000 from the Long Beach Unified School District.

SUGGESTED ACTION:

Approve recommendation.