

Date: May 31, 2024

To: Thomas B. Modica, City Manager



From: Joe Ambrosini, Director of Human Resources



For: Mayor and Members of the City Council

Subject: **Response to City Council Questions Regarding Civil Service Proposed Charter Amendment**

On May 7, 2024, the Mayor and City Council approved an item to convene the Charter Amendment Committee of the City Council on June 11, 2024, to discuss placing an amendment of City Charter Article XI (Civil Service Department) before the voters to combine Civil Service and Human Resources Departments into one unified hiring department to manage all employee recruitment, hiring, and classified employee certifications; establish an independent Civil Service Employee Rights and Appeals Commission to resolve complaints regarding Civil Service rules, to adjudicate classified employee disciplinary appeal; and to implement classified hiring preferences for Long Beach residents, students from local colleges and universities, current employees, and certain internships and apprenticeships.

The Mayor and City Council provided their initial feedback on the proposal and requested more information on the details of the proposal and the process of getting the proposal to City Council. City staff have outlined the responses for each question below and look forward to discussing further at the June 11, 2024 meeting.

Question #1: Provide an overview of the proposal initially brought to the meet and confer process and the final proposal following meet and confer.

During the meet and confer negotiation process, the City made three adjustments to the Charter Amendment redline initially presented to all impacted labor groups. Those changes are as follows:

- Section 300: City Clerk and Police Oversight added as Departments that do not fall under the City Manager's purview.
- Section 1101(b)(2): inclusion of the ability for all public safety employees (FFA, POA and LGA) to opt to have their disciplinary cases heard by a hearing officer and that the hearing officer's decision is considered final in terms of employee's obligation to exhaust administrative remedies. Under existing state law members of FFA already have the right for their disciplinary appeal to be heard by an independent hearing Officer. Under current practice, the Civil Service Commission reviews and either affirms or rejects the decision of the hearing officer. This proposed amendment would allow members of the POA and LGA the choice to have their disciplinary appeal heard by either a hearing officer or the Civil Service Rights and Appeals Commission, thereby strengthening employee rights and placing all public safety employees under a similar disciplinary appeal structure.

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- Section 1105: inclusion of exemption of Tidelands funded positions from the local preferences as required by state law.

During the meet and confer negotiation process, the City agreed to a number of items via Letter of Agreement (LOA) with IAM, AEE and ACE to conclude the meet and confer negotiation process and address issues and concerns raised by our labor partners. All terms in the LOAs will be applicable to all labor groups. Notable terms included are as follows:

- If the Charter Amendment is approved by the voters, the City and employee organizations shall meet and confer regarding the reasonably foreseeable impacts of the Charter Amendment after November 2024 and there shall be no changes to the current civil service system until after the meet and confer process regarding impacts is exhausted.
- Employees represented by IAM and ACE in the Civil Service Department in November 2024 may opt not to work in the Human Resources Department at the time of implementation. Employees shall be allowed to transfer to another City Department without loss of pay, seniority, or benefits.
- The newly-constituted Civil Service Employee Rights and Appeals Commission (“Commission”) shall continue to have jurisdiction to hear and determine employee appeals or challenges to alleged violations of rules and regulations regarding the hiring practice, including allegations of discriminatory practices.
- A standardized process should the City wish to transition a classification to the Unclassified Service: The Human Resources Department shall submit requests to change classified positions into unclassified positions to the Commission for initial determination. Either Party can appeal the Commission’s determination to the City Council. The City shall meet and confer with IAM before submitting a request to change a position from classified to unclassified. In addition, the City will meet and confer with IAM regarding whether newly created classifications are classified or unclassified.
- The City will meet and confer with IAM before presenting recommendations to the Council regarding any amendment to the Civil Service Rules and Regulations.
- The appeals of determinations under the following Civil Service Rules and Regulations remain under the jurisdiction of the Commission:
 - Section 3. Categories of Employment
 - Section 14. Credit for Seniority
 - Section 20. Protest of Examinations
 - Section 41. Probationary Periods
 - Section 49. Extension of Appointments Provisional and Non-Career
 - Section 50. Allegations of Improper Certification or Non-Receipt of Interview
 - Section 51. Employee Evaluations
 - Section 61. Duties of Classification

- Section 62. Duties of Employee
 - Section 63. Temporary Reassignments
 - Section 65. Division of Classification
 - Section 66. Consolidation of Classifications
 - Section 67. Permanent Assignments
 - Section 68. Transfer from Classified to Unclassified
 - Section 69. Transfer from Unclassified to Classified
- The HR Department shall administer Civil Service Rules and Regulations Sections 92-100 but any action, issue, topic, or change falling under or covered by these Sections shall first be submitted to the Commission for determination before being implemented. Either Party can appeal the Commission's determination to the City Council.
 - Should the City Council direct the City Manager to conduct independent investigations concerning the enforcement of this Article, it shall retain an outside independent investigator who shall be retained by the City Attorney's Office. Once the investigation has been completed, the information will be reported back to the City Council for final determination.
 - The Commission will be assisted by a designated staff member within the independently elected City Attorney's Office who shall be assigned the following duties: track and monitor requests for appeals of discipline and IDRs (Industrial Disability Retirement); send cases out to OAH (Office of Administrative Hearings); coordinate/schedule appeal hearings; schedule court reporter; order transcripts from court reporter when needed; take oaths at hearings; log exhibits received during hearings and maintain custody of them prepare final judgements and minutes for Commission; schedule Commission meetings/prepare agenda; and coordinate investigation of complaints initiated by the Commission.
 - Agreement that the Civil Service system is intended to provide the City with the best workforce based on merit and that each candidate for employment is selected on the basis of their qualifications and shall be in compliance with the City's administrative regulation regarding the employment of family and relatives.

Question #2: How will equitable and inclusive hiring practices be maintained as a result of this Charter amendment?

The proposed charter amendment to merge City hiring into one unified department creates the opportunity to add more equitable, inclusive hiring and personnel practices in line with the City's Racial Equity and Reconciliation plan. A few examples of improved hiring practices include removing barriers to qualified applicants through more prompt hiring practices, the opportunity to require more diverse hiring panels, expedited timelines for classified employee disciplinary appeals, and integrated practices covering the entire spectrum of employee-related issues including hiring, compensation, orientation, and ongoing development. The proposed charter amendment also provides the opportunity to improve the City testing process for candidates who may not be able to take exams that are only available annually on a specific date and time,

thus making the testing process more accessible. Classified positions and most Unclassified positions are appointed following an open competitive recruitment process. Applicants must qualify for the position and complete the examination process in order to be certified on an eligibility list. Once on an eligibility list, the candidate is eligible to be hired by the City, ensuring all candidates will be treated equally in the process. In rare circumstances, the City may “directly appoint” an Unclassified position without conducting an open competitive recruitment process if it is determined that the timeline for a formal recruitment may severely impact department operations. Direct appointments are typically for management positions or highly specialized roles within the City. Departments must request approval prior to making a direct appointment through the Human Resources Director and the City Manager.

To promote transparency and public access to key demographic data on our City employees, the [City of Long Beach Employee Demographics Portal](#) is available on the City’s [Equal Employment Opportunity](#) web page. The portal provides detailed insights into Age, Gender, Race, and Salary, allowing users to generate tailored reports by adjusting various filters. As a point-in-time snapshot, this dataset reflects the current records in the City’s HR systems and is updated quarterly. More information about the City’s Equal Employment Opportunity Plan and available resources can be found on the Equal Employment Opportunity web page.

Question #3: Provide additional details on how merit-based hiring will be maintained as a result of this Charter amendment.

The City will continue to make certain that safeguards remain in place to ensure the merit system and Civil Service Rules and Regulations are upheld, including:

- Employees and applicants continuing to have the ability to appeal each step of the hiring process to the Civil Service Employee Rights and Appeals Commission for final determination.
- The City Council maintaining the powers and duties to adopt and amend Civil Service Rules and Regulations only after the City completes the meet and confer process with each affected labor group.
- The City Council having the ability to direct the City Manager to conduct independent investigations concerning the enforcement of these provisions in the City Charter.
- Maintenance of employee rights and protections pertaining to the workplace that are already established in federal/state laws as well as City of Long Beach Administrative Regulations, including laws prohibiting discrimination or retaliation based on protected class, the City’s Equal Employment Opportunity process, City Nepotism policy (AR32-1), and employee union representation.
- Regular engagement between the City and third party, independent outside consulting firms to conduct routine compliance audits of the recruitment and selection process to ensure merit-based rules and principles are being followed.
- Several rules will remain under the jurisdiction of the Commission and/or require the Commission to approve certain actions, with appeal rights being given to the City Council for final determination.

Question #4: Which cities have changed from a two-department hiring system and how have they improved hiring?

The cities of Long Beach and San Diego are the only two cities in California that have both a Human Resources Department and a Civil Service Department that function and operate independently from one another. New cities and public agencies incorporating throughout the years chose not to adopt this bifurcated hiring structure and instead opted for structures similar to what is being proposed in this Charter amendment. The classified hiring process in the City of San Diego takes an average of nine months, and the unclassified hiring process takes an average of eight months, according to a [recent study](#) from the City of San Diego Office of the City Auditor. San Diego and Long Beach share similar challenges and issues with a bifurcated hiring system and have both sought to make foundational improvements to the hiring structure. Although the City of Oakland and the City/County of San Francisco do not operate with dual hiring systems like Long Beach and San Diego, both have engaged in significant efforts to improve their hiring processes. Following a grand jury report detailing lengthy hiring timelines, San Francisco began an effort in 2022 known as the Government Operations Recovery Initiative that aimed to reform many steps, including the application, interview, and hiring process. Recent reports indicate that San Francisco lowered their time to hire from 255 days to 150 days. The City of Oakland is conducting a similar review of their processes and exploring ways to lower their time to hire.

Question #5: Is the City of San Diego considering changing their two-department hiring system?

The City of San Diego has substantially reviewed their hiring process and continues to evaluate the need for structure change of the two-department hiring system. In 2022, the City of San Diego considered a similar Charter amendment to consolidate hiring into one department, but City leaders ultimately decided against that proposal after several city employee unions failed to support the proposal. According to news articles and publications, the City appears to be considering again a formal change to this structure. The Mayor of San Diego and councilmembers have recently [renewed their efforts](#) to centralize hiring from the independent Personnel Department in September 2023, following an independent audit that found major delays in the city hiring process taking nearly 300 days on average to fill an [opening, resulting in the San Diego Civil Service Commission voting to terminate the Personnel Director](#). The City of San Diego operates under a mayor and council form of government with most of the jobs going through the classified service in the Personnel Department.

Question #6: How will this Charter amendment help address hiring challenges when many other public agencies are faced with the same issues and already have the proposed structure in place?

Hiring is an ongoing challenge in public sector agencies across the state, and given the current hiring crisis many organizations are now beginning to address with new and creative solutions. The City of Long Beach is an outlier due to our bifurcated hiring structure, adding an extra barrier to hiring practices that other organizations are better prepared to deal with due to their hiring structures. The proposed charter amendment to change the City's hiring structure is a

necessary step in the right direction for the City of Long Beach to be competitive with other organizations in attracting, developing, and retaining top diverse talent. Staff recognize that simply changing the proposed structure alone will not solve all the City's hiring challenges but will serve as a crucial step to having Long Beach being on equal footing with all other agencies in the competition for top talent. This proposal is part of a holistic approach to examining all areas where improvements can be made to hire faster and reduce the large vacancy rate across the City organization. Staff will continue to look at other ways to speed up hiring, further reduce bureaucracy, establish rules and protocols that are modernized and serve the needs of the current job market, and focus on providing sufficient pay and benefits to employees. Additionally, the City will differentiate itself from other agencies with the innovative addition of local hiring preferences within the classified recruitment process in the proposed charter amendment will create a more localized and community-centered approach, enhancing efforts to attract residents to City jobs. The City is committed to cultivating a pipeline of local talent that prioritizes opportunities for our residents through innovative, merit-based pathways to fulfilling careers in their local government. Under this proposal, candidates who pass the assessment shall be granted, in addition to all other credits, a credit of five additional points if the candidate meets one of the following criteria for localized preferences, up to a maximum of ten additional points if the candidate meets two or more of the localized preferences. Many applicants and potential applicants have displayed their desire to work for the City but are often discouraged or prevented from being considered in a timely manner due to the lengthy, cumbersome hiring processes. This proposal will reduce many barriers and provide a more inviting recruitment process that meets the needs of current job seekers.

Question #7: How will modernization of the hiring process work and who will oversee those changes?

The City has already taken several steps to modernize the hiring process, primarily led by the Human Resources Department. City Management has always recognized that hiring challenges are due to a multitude of factors and departments have critical roles in the hiring process, including Human Resources, Finance, City Manager, the hiring departments, as well as Civil Service. Numerous process improvement and organizational improvement efforts have taken place to address the issues under the jurisdiction of the City Manager. The requisition approval process required before a position can be recruited for previously took, on average, one to three months for full approval, requiring review and approval from multiple departments, but has been optimized to take no more than 6 to 13 business days for budgeted positions and no more than 6 to 16 business days for unbudgeted positions and is currently being implemented. The Human Resources Department has established a one-stop onboarding experience for candidates at the Occupational Health Services Clinic and adopted new changes to post-offer drug screening and medical examination processes to align with best practices and continue streamlining the onboarding process, resulting in up to 66 percent of City positions no longer requiring pre-employment physicals or drug testing. The newly established Talent Acquisition Division within the Department of Human Resources has successfully improved the average timeline for unclassified recruitments from seven months to 70 business days, exceeding the average municipal agency recruitment timeline.

Unifying all citywide hiring to one central department (Human Resources) will be a key step to further modernizing the City's hiring structure. If the amendment is approved the Human

Resources Department will lead efforts to focus further on modernization of civil service rules and processes to ensure they meet the needs of the current job market, allocate personnel and resources in an effective and efficient manner, and reduce barriers that make it difficult for applicants to get a City job. A unified hiring department will allow for the integration of practices covering the entire spectrum of employee-related issues, including hiring, compensation, orientation, and ongoing development. The consolidation of City hiring technology systems would significantly reduce duplication and enhance operational efficiency. Unifying hiring will provide the opportunity for City staff to add and enhance equitable, inclusive hiring practices, further reducing barriers to entry for qualified candidates. The Civil Service Employee Rights and Appeals Commission will have greater capacity to hear and review disciplinary appeals filed by classified City employees under the proposed charter amendment. The proposed charter amendment will have a significant local job impact aiming to rectify decades of inefficiency in the City's hiring processes, particularly the current 22 percent citywide vacancy rate, enhancing staffing levels across departments and bolstering the City's capacity to deliver services to residents. The inclusion of local hiring preferences, for candidates who pass the required examination, will promote opportunities for qualified residents, local students, non-career City staff, and qualifying internship and apprenticeship program candidates, cultivating a robust pipeline of local talent. The City will continue to maintain safeguards in place to ensure the merit system and Civil Service Rules and Regulations are upheld.

Question #8: How much money has been spent studying ways to improve the current hiring process?

The City has engaged in multiple consultant led studies to seek improvements to the current hiring system as listed below:

- The 2007-2008 Management Partners study cost \$185,231.93
- The 2017-2018 FUSE Fellow Study cost \$150,000.00
- The 2022 Human Resources process improvement study cost \$89,800.00
- The City has allocated \$200,000.00 for the Civil Service Department since 2019 to study and implement improvements to their hiring practices, which is near completion.

Assuming the funds allocated to Civil Service are expended, the total approximate investment in outside consultant studies to review and provide improvements to the hiring process is \$625,000 to date.

Question #9: What is the cost to change the current hiring system through a charter amendment?

The cost to include this amendment as a ballot measure is \$1.1 million and has already been allocated in the City's budget. Implementation of the proposed Charter amendment is not expected to generate new costs and will be absorbed by existing budget. To ensure a seamless organizational transition to the new structure, the City has allocated \$250,000 to utilize an outside municipal consultant to help with all aspects of the potential charter amendment including the transition of staff, implementation of change management, ensuring the

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consolidated Human Resources Department is effectively structured, and other related activities. Even if the proposed amendment is not approved by the voters, staff believe that a reasonable level of investment would be required to maintain and improve the current hiring system. The Civil Service Department has recently requested ten additional full-time employees, for a total of \$1,424,495 (an approximate 37 percent increase to the FY 24 adopted budget) through the FY 25 budget process to make improvements to the current system. If the amendment is approved, staff believe the financial investment would be smaller as the benefits and efficiencies of consolidating the hiring functions to one department, streamlining administrative processes, the reduction of bureaucratic steps, and creation of new hiring preferences would dramatically improve the hiring system.

If you have any questions, please contact Joe Ambrosini, Director of Human Resources, at Joe.Ambrosini@longbeach.gov or (562) 570-6140.

CC: DAWN MCINTOSH, CITY ATTORNEY
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LAURA L. DOUD, CITY AUDITOR
APRIL WALKER, ASSISTANT CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
GRACE YOON, DEPUTY CITY MANAGER
TYLER BONANNO-CURLEY, DEPUTY CITY MANAGER
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER
MONIQUE DE LA GARZA, CITY CLERK
DEPARTMENT HEADS
MARIO CORDERO, CHIEF EXECUTIVE OFFICER, PORT OF LONG BEACH
CHRIS GARNER, GENERAL MANAGER, UTILITIES DEPARTMENT
CHRISTINA WINTING, EXECUTIVE DIRECTOR, CIVIL SERVICE