

Office of the City Manager

December 14, 2022

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Re: Workforce Analysis Presentation

Please find the attached copy of last night's presentation, a Workforce Analysis: A Hiring Crisis Amidst the "Great Resignation."

Attachments:

- Workforce Analysis Presentation

cc:

Paul Buddenhagen, Deputy City Manager  
LaTanya Bellow, Deputy City Manager  
Aram Kouyoumdjian, Director, Human Resources  
Matthai Chakko, Assistant to the City Manager/Communications Director  
Mark Numainville, City Clerk  
Jenny Wong, City Auditor

# WORKFORCE ANALYSIS

A HIRING CRISIS  
AMIDST THE "GREAT  
RESIGNATION"



# INTRODUCTION

- Amidst the COVID era, the US labor market experienced record-setting rates of job departures – a phenomenon known as the “Great Resignation.”
  - In 2021, the number of workers who quit their jobs totaled 48.7 million, averaging over 4,000,000 per month. (Source: SHRM)

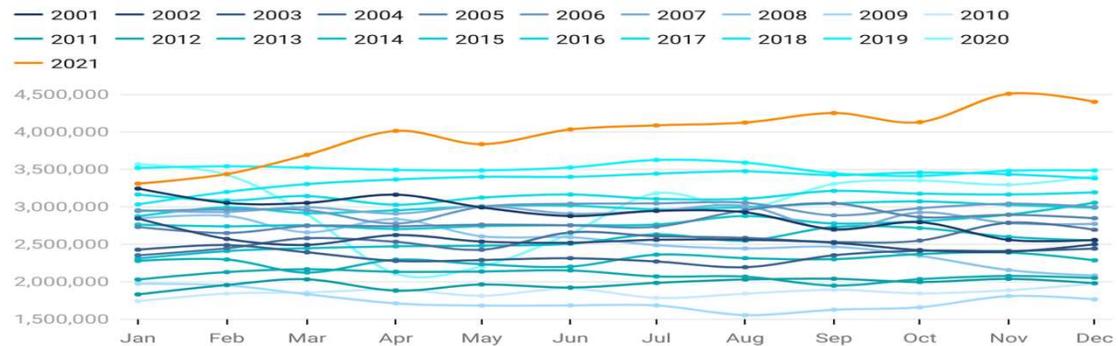


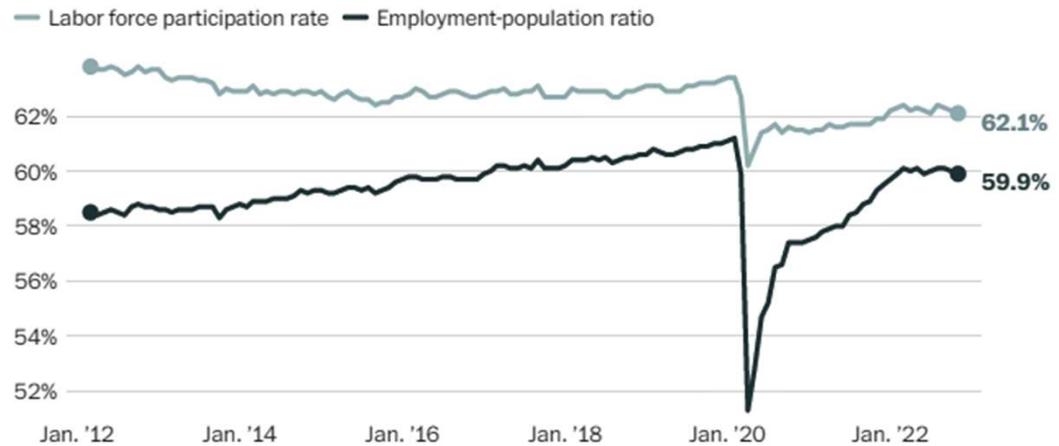
Chart: Mauro Whiteman • Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey. • Created with Datawrapper

# CAUSES FOR THE LABOR SHORTAGE

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## 1) A drop in labor force participation.

- The labor force has **3.5 million fewer** workers than the Congressional Budget Office had predicted in its pre-pandemic growth forecast. (Source: Washington Post)



Employment-population ratio refers to share of civilian non-institutional population age 16+ who are employed. Labor force participation rate refers to the share who are either working or actively looking for a job.

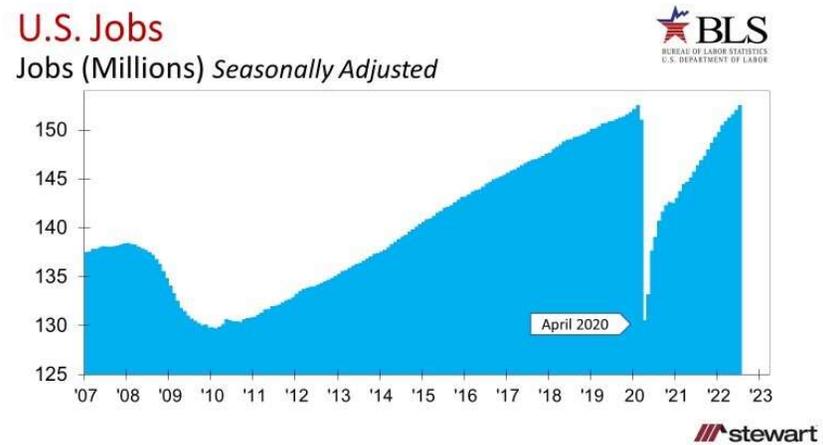
Source: U.S. Bureau of Labor Statistics, via Haver Analytics

THE WASHINGTON POST

# CAUSES FOR THE LABOR SHORTAGE

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## 2) An increase in the number of available jobs.



## 3) Impacts of COVID:

- Deaths;
- Symptoms of “long COVID”;
- Reluctance to return to workplaces.

## CAUSES FOR THE LABOR SHORTAGE

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### **4) Higher rates of retirement and earlier retirements.**

- Retirement rates among the Baby Boomer generation increased 13% in 2020, according to Pew Research.

### **5) Scarcity of child care and elder care keeping prospective workers from the labor market.**

- The child care industry has contracted by 8% and has lost 90,000 workers according to the Center for American Progress.
- Over 60% of nursing homes reported limiting new admissions due to staffing shortages in a survey conducted by the American Health Care Association/National Center for Assisted Living. (Source: U.S. News & World Report)

### **6) Reduced immigration rates in 2020 and 2021.**

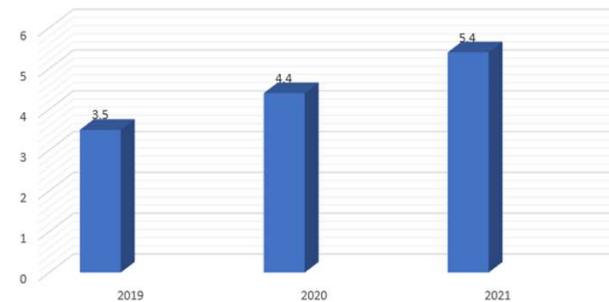
# CAUSES FOR THE LABOR SHORTAGE

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## 7) Changed notions of “work.”

- Prioritizing family time.
- Reassessing work hours and conditions.
  - Joining the “gig” economy.
- Pursuing labor autonomy and entrepreneurship.
  - Starting own business.

NUMBER OF NEW BUSINESS APPLICATIONS  
(in millions)

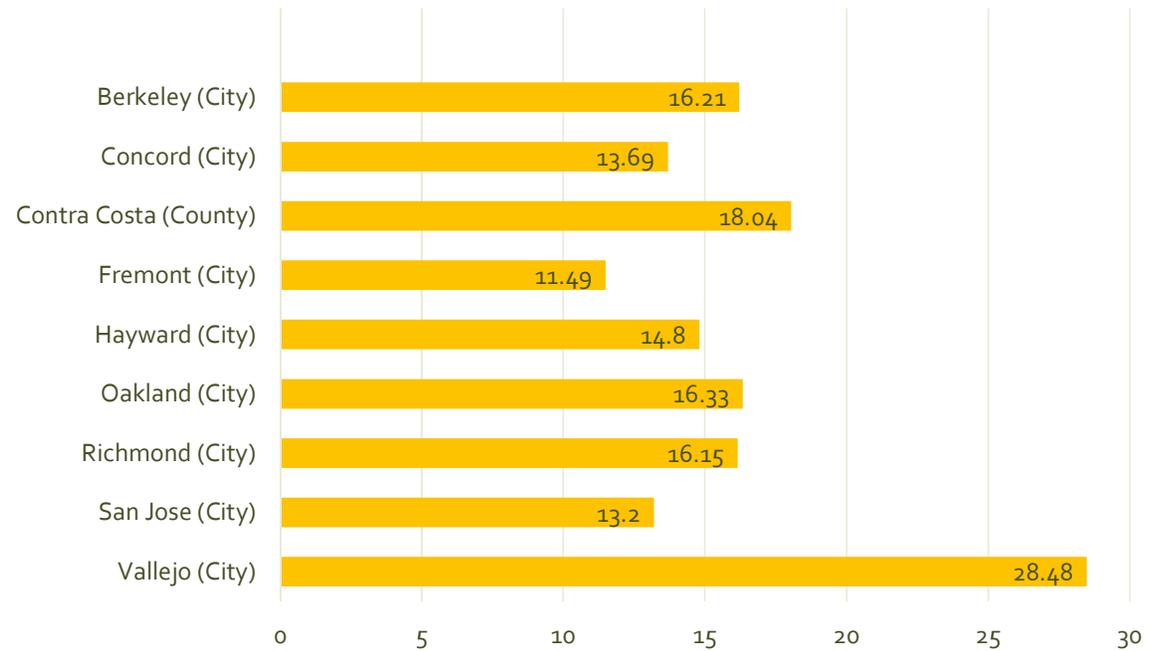


Internal

# REGIONAL RECRUITMENT CHALLENGES

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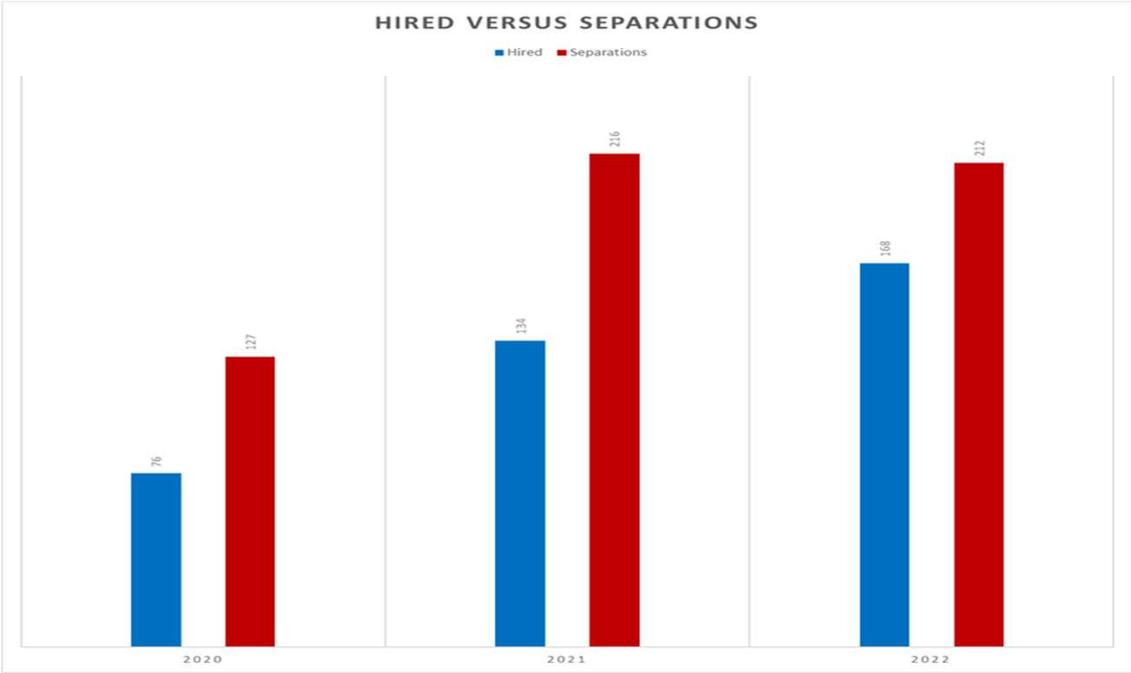
### Vacancy Rates (June 2022)



# RECRUITMENT CHALLENGES: CITY OF BERKELEY

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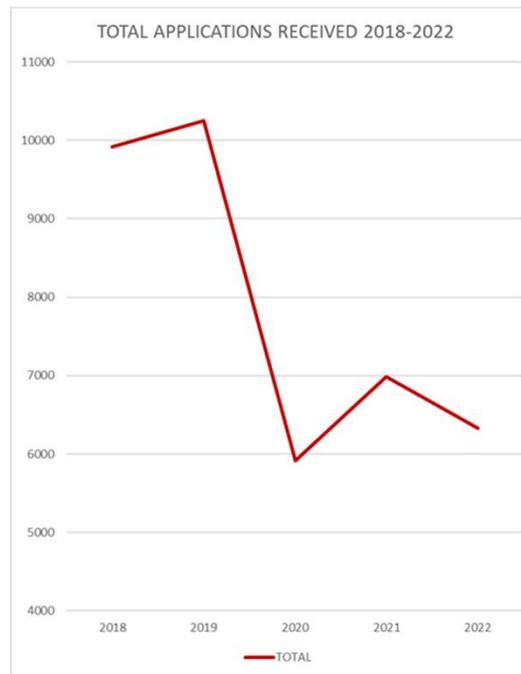
- Employee separations, due to retirements and resignations, have outpaced hiring in each of the past three years.



# RECRUITMENT CHALLENGES: CITY OF BERKELEY

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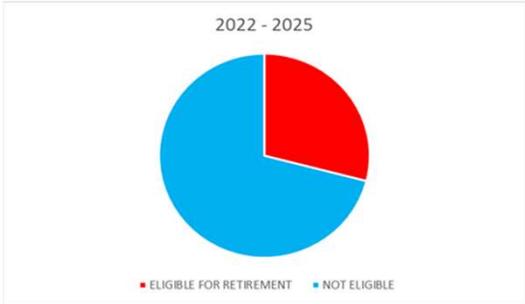
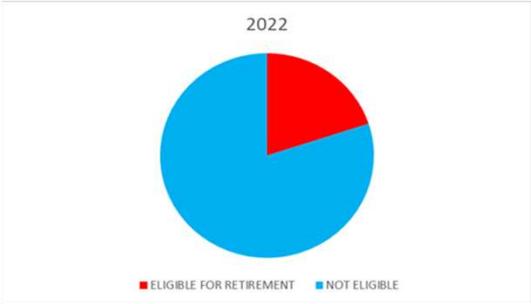
- Applications for employment with the City of Berkeley have **dropped nearly 40%** compared to pre-pandemic figures.



# RECRUITMENT CHALLENGES: CITY OF BERKELEY

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- Nearly 20% of the City workforce is currently eligible for retirement – a figure that will climb to 28% by 2025.



Internal

## IMPACT OF VACANCIES ON SERVICES

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# HEALTH, HOUSING & COMMUNITY SERVICES

Vacancy Rate: **25%**

# IMPACT OF VACANCIES ON SERVICES

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## HHCS

- **Reduction of ongoing physical health, mental health, and basic needs services for our most vulnerable community members**
  - As caseloads grow, services for individual clients are reduced
- **Delays in providing essential services to eligible residents who request them**
  - Slower to process intakes, assessments, and referrals; and have lengthier response times to calls, emails, home visits, and complaints;
- **Reduction in service hours and/or closure of facilities on certain days**
  - For example, we currently have reduced in-person dining at senior centers, and reduced service hours at clinics;
- **Reduction in service quality**
  - As a function of decline in employee morale and energy; increased stress, and increased absenteeism;

# IMPACT OF VACANCIES ON SERVICES

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## HHCS

- **Decreased capacity to manage existing programs and take on new ones mandated by State/Federal requirements or Council referrals**
  - Loss of opportunities to compete for grants and resources;
- **Challenges meeting grant deliverables**
  - Jeopardized fulfillment of contractual agreements for grants, which make up 75% of the HHCS budget;
- **Challenges with retention**
  - Departures occasioned by overwork, which creates retention hardships and hiring “churn.”

Internal

## IMPACT OF VACANCIES ON SERVICES

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# PUBLIC WORKS

Vacancy Rate: **15%**

# IMPACT OF VACANCIES ON SERVICES

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## PUBLIC WORKS

- Flashing beacon installations have been delayed for 18+ months.
- Neighborhood traffic calming backlog stretches back to 2019.
- Major infrastructure planning is 6+ months behind schedule.
- Illegal dumping/encampment/RV-related cleanups are missed.
- Key vehicles are not properly maintained and unavailable during significant weather events.
- Long delays occur in addressing dozens of directions via Council referrals, budget referrals, and audit findings.
- Staff morale suffers—department is in lowest 15% of comparable public entities, and staff rank "filling vacant positions" as the top priority to improve work satisfaction.

Internal

## IMPACT OF VACANCIES ON SERVICES

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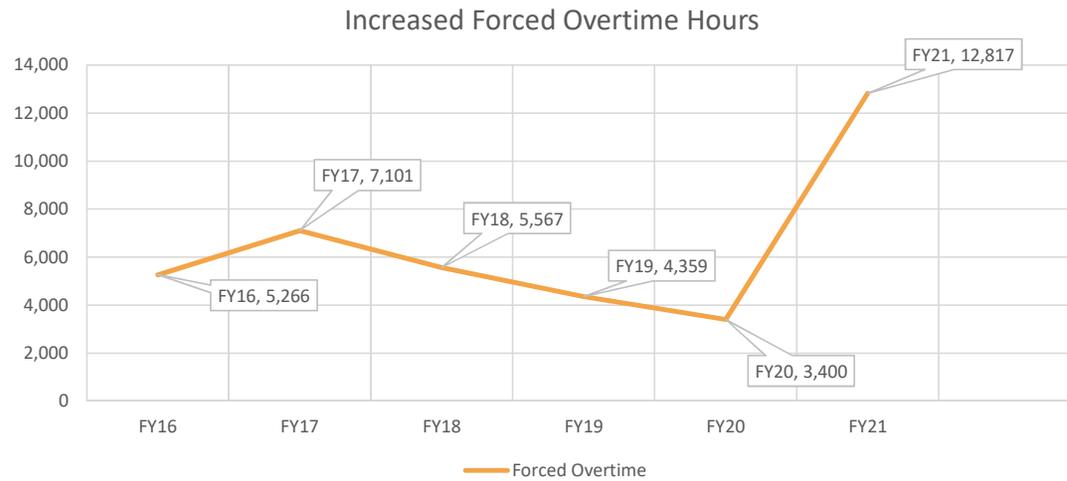
# FIRE DEPARTMENT

Vacancy Rate: **24%**

# IMPACT OF VACANCIES ON SERVICES

## FIRE

- Temporary closures of firehouses due to unstaffed shifts.
- 275% increase in forced overtime in FY 21.



Internal

## IMPACT OF VACANCIES ON SERVICES

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# POLICE DEPARTMENT

Vacancy Rate: **25%**

# IMPACT OF VACANCIES ON SERVICES

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## POLICE

- **Sworn Officer** staffing levels:
  - **Authorized: 181 | Current: 151**
    - Three officers have announced their separation before the end of 2022 (two departing for other Bay Area police departments);
    - An additional **21** are currently off due to injuries or extended leaves;
    - An additional **21** are eligible to retire now, and grows to 27 next year.
- **Public Safety Dispatcher (PSD)** staffing levels:
  - **Authorized: 36 | Current: 21**
    - **Three** are currently off work due to extended injuries or leaves;
    - **Seven** dispatchers are eligible to retire now;
    - In two years **12** eligible to retire.

# IMPACT OF VACANCIES ON SERVICES

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## POLICE

### SWORN OFFICERS

- Necessary prioritization of violent crimes over lower-priority property crimes;
- Extended response times and a lack of officers in the community;
- Delayed (and possibly no) response to qualify-of-life-related calls and unhoused-related calls;
- Diminished ability to staff extra patrols;
- Reduced back-up resources for officers in distress;

# IMPACT OF VACANCIES ON SERVICES

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## POLICE

### SWORN OFFICERS (CONT'D)

- Cuts in special assignment staffing;
- Limited officer involvement in policy work and community engagement;
- Reduced officer oversight and supervision in the field;
- Inability to partner with regional task forces;
- Forced overtime, unplanned extensions of shifts, and denial of time-off requests – all negatively affecting officer wellness and morale.

# IMPACT OF VACANCIES ON SERVICES

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## POLICE

### PUBLIC SAFETY DISPATCHERS

- Prolonged call answer times;
- Insufficient staff to handle critical incidents;
- Reduced oversight when supervisors are needed to work as call takers;
- Forced overtime and unplanned extension of shifts due to staffing shortages;
- Diminished wellness and morale, and heightened attrition.

Internal

## IMPACT OF VACANCIES ON SERVICES

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## FINANCE

Vacancy Rate: **33%**

# IMPACT OF VACANCIES ON SERVICES

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## FINANCE

- **Timeliness and Accuracy of Critical Tasks**



- Ensuring Adequate Liquidity to Meet City Obligations
- Efficient Financial Operations
  - Contract Administration
  - Vendor Payments
  - Tax Filings
- Financial Reporting
- Regulatory Compliance

# IMPACT OF VACANCIES ON SERVICES

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## FINANCE

Internal

- **Internal Control Risks**
  - Effective Financial Controls Require Segregation of Duties
  - Need Staffing for Adequate Supervisory Review
  - Risks Include
    - Overpayments
    - Missed Payments
    - Fraud



# IMPACT OF VACANCIES ON SERVICES

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## FINANCE

- **Same Work with Fewer Employees**
  - Longer Hours
  - Increased Stress and Lower Morale
  - More Illness / Use of Sick Leave



**IMPACT OF  
VACANCIES ON  
SERVICES**

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**PARKS, RECREATION &  
WATERFRONT**

## IMPACT OF VACANCIES ON SERVICES

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### PRW

- Reduction of Parks and Playground sites from 4 to 3 in Summer 2022;
  - Inability to restart Tots Around Town or Pre-K Power Play programs;
  - Reduction of Tots Drop-In program to 2 days a week;
  - More than 50% drop in number of youths served by free Saturday swim lessons; more than 80% drop in number of adults;
- Marina Office closures affecting Waterfront safety;
- Decrease of landscaping services for park turf and median areas;
- Loss of supervisors due to insufficient support staff.

**IMPACT OF  
VACANCIES ON  
SERVICES**

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**NEIGHBORHOOD SERVICES**

# IMPACT OF VACANCIES ON SERVICES

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# NEIGHBORHOOD SERVICES

- **Animal Care Services**
  - Reduced field services in order to staff shelters;
  - Inability to support/grow network of volunteers;
  - Low staff morale due to inability to take weekends, holidays, or vacation.

# RECRUITMENT STRATEGIES AND INTERVENTIONS

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## **ALREADY IMPLEMENTED OR IN PROGRESS:**

- HR Staffing
  - New HR Director, HR Manager, and EEO Officer
- Expanded Testing Capacity: Use of Proctors
- Increased Speed / Frequency of Vacancy Announcements via “Berkeley Matters Recruitment Supplement”
- Continuous Exams in 2023 for Key Classifications with Multiple User Departments

# PROPOSED INTERVENTIONS

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# RECRUITMENT CAMPAIGN

- Launch **"Berkeley Is Hiring"** Campaign Across Digital Platforms
  - Social Media
  - Streaming Services
  - Online Ads
- Implement **Remote Testing** Options to Broaden Candidate Pool

# PROPOSED INTERVENTIONS

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## SALARIES

### ➡ City Manager Authority to Approve/Adjust

- **Starting Salaries for Newly Hired or Promoted Employees**
  - City Manager authority to establish starting salaries for new employees or adjust promotional increases after considering:
    - Recruiting difficulty;
    - Candidate's level of knowledge, skills, and experience;
    - Comparable internal salaries;
    - Budget.
- **Annual Pay Increases and Accelerated Salary Advancement**
  - City Manager authority to approve accelerated salary advancement for employees who provide exceptional work and exceed performance goals and expectations.
- **Equity Increases**
  - City Manager authority to mitigate salary inequities (within the same classification) or remedy salary compaction.

# PROPOSED INTERVENTIONS

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## INCENTIVES

### ➡ City Manager Authority to Offer

- **Signing or Hiring Bonuses** to fill vacancies that are difficult to recruit.
  - Health, Housing & Community Services
  - Public Works
  - Fire Department
  - Police Department
  - Finance
  - Parks, Recreation & Waterfront
  - Neighborhood Services
- **Referral Incentives** for select classifications that pose recruiting challenges.
- **Educational Incentives.**

Internal

# PROPOSED INTERVENTIONS

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## BENEFITS

- Alternative / Flexible Work Schedules
- Vacation Accrual Rates and Administrative Leave Allowances
- Training Opportunities / Professional Membership Fees
- Childcare for Working Parents
- Commute and/or Parking Subsidies

## NEXT STEPS

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- **Council Follow-Up: Return with Full Report in January**
- **Budgeting / Negotiations / Implementation:**
  - Assessment of Costs / Identification of Funding Sources
  - Outreach to Labor Partners
  - Development and Launch of Recruitment Campaign
  - Effectuation of Salary-Incentives-Benefits Initiatives
- **Completion of “Employer of Choice” Roadmap by Municipal Resource Group**
- **Completion of Dispatch and Retention Studies by City Auditor**

## MILESTONES FOR SUCCESS

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With a robust recruitment campaign and salary / incentive / benefits interventions, we can achieve the following milestones for success:

**2023:**

Hiring processes are stabilized; hiring rates overcome attrition rates – and exceed them by 10%.

**2024:**

Hiring outpaces attrition by 50%.

**2025:**

Overall vacancy rate dips below 10%.