



## Staff Reports

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**File #:** 344-2021, **Version:** 1

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**To:** Honorable Mayor and Members of City Council

**From:** Heather Ruiz, Human Resources Director

**Prepared By:** MJ Tueros, Human Resources Manager

**TITLE:**

Human Resources Department Reorganization

**RECOMMENDED ACTION:**

Adopt a resolution (1) amending the City Staffing Plan by adding two Management Analyst I/II positions and one Human Resources Coordinator position and deleting one Safety Analyst position in the Human Resources Department; (2) approving the use of the General Fund Contingency Reserve to partially fund these positions; and (3) approving expenditure budget increases in the General Fund of \$197,560 and in the Risk Fund of \$44,980, as documented in Budget Adjustment BE2209505.

**DISCUSSION:**

The Human Resources Department in the City of Napa has historically not been a full-service Human Resource Department. In most other municipalities the Human Resources Department oversees Labor Relations and Employee Benefits, as well as the functions City of Napa Human Resources is already performing. In Napa, the Labor Relations function has been managed out of the City Manager's office, and Employee Benefits is in the Finance Department. The City's new Human Resources Director has experience managing both areas in other jurisdictions, so the Department now has the technical expertise needed to take on these functions. Additionally, other staffing changes in both the City Manager's Office and Finance have created a gap in those Departments.

The employee overseeing the City's Employee Benefits for over 20 years is retiring, and this expertise is not typically found in Finance. Therefore, with the departure of the incumbent doing this work, and the addition of the new Human Resources Director, now is an opportune time to realign this service area into Human Resources, where it more appropriately belongs.

The incumbent doing Labor Relations duties in the City Manager's office is being moved into the Assistant City Manager position in January, and the previous Deputy City Manager role is being deleted. This eliminated the resource in the City Manager's office responsible for labor relations, again, creating an opportunity to move the service line into Human Resources. This would allow for greater citywide operational efficiencies and continue the collaborative team-based approach to Labor Relations.

Additionally, as the City continues the implementation process of the new Enterprise Resource Planning (ERP) system, the need for a Management Analyst position with an emphasis on Human Resources Information Systems (HRIS) has been identified. The City's legacy financial system did

not integrate with other systems. As such, most business processes and exchange of information between the Human Resources Department and the Finance Department have been paper based and time-consuming. Additionally, the exchange of sensitive employee information was historically routed by interoffice mail or email. To update business processes, the Human Resources Department is diligently working toward a successful integration between NeoGov, the City's Human Resource Management System, and Tyler Munis, the ERP system that houses financial and payroll information. The ERP project would benefit significantly from a staff person dedicated to completion of integration between the two systems. However, the current project team has also identified an ongoing need for the City to have a dedicated staff person assigned to oversee system data integrity and continuous integration connectivity support. As the City of Napa continues to advance its technological initiatives, the demand for skilled staff to maintain payroll, financial, and human resources systems is imperative. A Management Analyst specializing in HRIS will facilitate processes between Human Resources and Finance and ensure appropriate separation of duties for the ongoing management of personnel data.

As a result of taking on these two additional functional areas, as well as the additional need with the new ERP system, the Human Resources Director evaluated the staffing needs associated with this additional workload and is seeking to reorganize and requesting the addition of three new positions (two Management Analyst I/II, and one HR Coordinator) in Human Resources. This addition will also create much needed capacity on the recruitment team, as the City seeks to fill 64 previously frozen positions, in addition to keeping up with the abnormally high turnover all employers are experiencing right now.

The recruitment team is comprised of one HR Manager, one Management Analyst I/II, and one HR Coordinator. That team manages the foundational recruitment lifecycle, as well as sourcing passive candidates for hard-to-fill positions, hosting information sessions for key promotional opportunities, providing interviewer feedback sessions, and conducting community outreach meetings. This team also performs all classification and compensation work for the City, including studying positions as requested under the Civil Service Rules, creating new classifications, or modifying existing classifications when needed. The current team has one recruiter for full-time classified positions, which for FY21-22 include the 64 planned recruitments (in addition to vacancies occurring due to natural attrition). With the changes in the local labor market, the typical recruitment requires additional touchpoints with candidates as many of them often have multiple job offers. One new Management Analyst I/II allocation would be assigned to this team, and this team would also take on the Labor Relations work, as well as assist with Recruitment, which would enable to department to increase recruitment bandwidth, allow for more cross-training of staff members, and explore more community outreach opportunities. The addition of this Management Analyst I/II would also bring necessary analytical bandwidth for Labor matters and negotiations, while still partnering closely with the City Manager's Office.

The cost of the additional Management Analyst I/II (calculated at MA II Step T, \$115,630) will be paid for through the General Fund, using funds transferred from the Contingency Reserve for FY 2021/22.

A second Management Analyst I/II position was identified as the most appropriate classification to take on most of the duties and responsibilities for citywide benefits administration and HRIS administration for the City's new ERP system.

The incremental cost of the second additional Management Analyst I/II (calculated at MA II Step T,

\$115,630) would be covered by the ERP Fund for FY 2021/22.

The employee in Finance who oversaw Employee Benefits, also performed duties related to supporting leaves of absence. While Human Resources administers much of the leaves, several tasks were being performed in Finance, and with the departure of the long-term Finance Department employee these tasks will come over to Human Resources as well. Additionally, COVID-19 has significantly increased the workload on the team that manages workplace safety and Workers Compensation matters. There is one Human Resources Manager and one part-time HR Technician that are assigned to these areas, in addition to the various other areas that team oversees (i.e., Leave Administration, Employee Wellness Program, Safety training). This division also has a frozen position of Safety Analyst. The work of this position has been performed by a contractor, with support from the part-time HR Technician and the HR Manager. An additional HR Coordinator positions is being proposed to assist the Human Resources Manager performing this work. This position would allow for the deletion of the Safety Analyst position and would take over the work of the part-time HR Technician as well.

The cost of the additional HR Coordinator (calculated at Step T, \$89,960) would be split between the General Fund and the Risk Fund. The General Fund portion would use funds transferred from the Contingency Reserve for FY 2021/22, and the Risk Fund would use available fund balance for FY 2021/22.

### Staffing Cost Summary

1. Management Analyst I/II - Recruitment/Labor
  - a. Estimated Cost \$115,630
  - b. General Fund Contingency Reserve
2. Management Analyst I/II - Benefits
  - a. Estimated Cost \$115,630
  - b. ERP Project (FY 2021/22)
3. HR Coordinator - Workplace Safety Leaves of Absence & Workers Compensation
  - a. Estimated Cost \$89,960
  - b. FTE addition offset by deletion of Safety Analyst (frozen in FY 2021/22)
  - c. General Fund 50%, Risk/Workers Comp Fund 50%

### FINANCIAL IMPACTS:

For FY 2021/22, the addition of these positions increases the General Fund budget by \$160,610 and the Risk Fund budget by \$44,980. There is no budget increase required within the ERP project, as for the current fiscal year the additional position will be paid with already budgeted project funds. The increase to the General Fund operating budget requires the annual contributions to reserves to also be increased, which adds \$36,950 to the total amount requested. In total, \$197,560 would need to be transferred out of the Contingency Reserve, which has a current balance of \$932,414.

The use of Contingency Reserve dollars means that at the end of the fiscal year, any surplus would first be used to replenish the reserve, before being transferred/appropriated for other uses.

Going forward, these additional positions will increase the ongoing General Fund operating budget,

as well as the Risk Fund's operating budget. In future fiscal years, both Management Analyst positions as well as 50% of the HR Coordinator position will be funded with regular General Fund dollars, a decision which assumes that future revenues continue to increase. The estimated impact of these positions to the General Fund for FY 2022/23 is approximately \$350,000 of additional expenses. The ongoing increase to the Risk Fund's budget will require our self-funded Workers Compensation rates to be increased to match, which will have a trickle-down effect on increasing expenses in other City funds.

**CEQA:**

The Human Resources Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

**DOCUMENTS ATTACHED:**

ATCH 1 - Resolution

EX A - Budget Adjustment BE2209505

EX B - Proposed Human Resources Department Organization Chart

**NOTIFICATION:**

Department Managers and Bargaining Group