

**Overview and Initial Issues Identification  
Personnel Department**

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*Expenditures/Revenues*

<b>Budget Control Level</b>	<b>2008 Actuals</b>	<b>2009 Adopted</b>	<b>% Change '08-'09</b>	<b>2010 Proposed</b>	<b>% Change '09-'10</b>
<b>Expenditures by BCL</b>					
City Union and Class	\$3,164,000	\$3,199,000	1.1%	\$3,156,000	-1.3%
City Wide Personnel	\$3,736,000	\$3,550,000	-5.0%	\$3,129,000	-11.9%
Employee Health Service	\$3,003,000	\$3,055,000	1.7%	\$2,940,000	-3.8%
Employment & Training	\$2,825,000	\$2,730,000	-3.4%	\$2,745,000	0.5%
<b>Total</b>	<b>\$12,728,000</b>	<b>\$12,534,000</b>	<b>-1.5%</b>	<b>\$11,970,000</b>	<b>-4.5%</b>
Total FTEs*	123.5	128	3.6%	119	-7.0%

**Introduction:**

The 2010 Proposed Budget for the Personnel Department (Personnel) reflects a 4.5% reduction from the 2009 Adopted Budget. The largest single reduction is in consultant services (\$226,000). Two position cuts related to several completed or deferred IT projects will save an additional \$242,000. Other position abrogations, personnel transfers, administrative cuts and technical adjustments account for the remaining reductions.

**Identified Issues:**

**1. What is the role of the Personnel Department relative to the significant Human Resource functions that exist within individual departments?**

The Personnel Department's staff work in four main areas:

- Labor Relations;
- Classification and Compensation;
- Citywide Personnel Services;
- Employee Health Services; and
- Employment and Training.

Except for some small city departments that use Personnel or DEA for their human resource functions, most City Departments also have a Human Resource (HR) department, some of which are quite large. For example, Seattle City Light has 62 HR full time employees (FTEs) for their 1,830 employees. Seattle Public Utilities has 39 HR FTEs averaging 1 per 36 SPU employees. Both the Department of Personnel and other departmental HR staff assist employees albeit in different ways, in hiring, labor relations, apprenticeship management, benefits, leaves, training and safety. It is not a clear what different services are provided by these various staff and it seems likely that there is at least some duplication of effort.

**Option:**

Via a Statement of Legislative Intent, request either that the Executive and Council work together to oversee an independent assessment of the relative roles of the centralized Personnel Department and the decentralized human resource staff, or that the City Auditor conduct a review of this same issue. The preferred approach may depend on how receptive the incoming Mayor will be to joining the Council in this body of work.

**2. Apprentice Positions - Should the City Council restore unfunded apprentice positions that have been proposed for abrogation?**

Training apprentices is a long standing city strategy to ensure the City has the necessary skilled workforce to deliver city services. There are three main ways apprentice positions are established in the city.

- Underfilling Existing Positions: Some City departments like Seattle Public Utilities (SPU) hire apprentices into existing positions. When an individual completes their apprenticeship they are then continued in that position. This guarantees an individual has a position when they complete their apprenticeship.
- Department Apprentice Positions: Some City departments, like Fleets and Facilities, have their own apprentice positions. When an individual completes their apprenticeship, they transfer from that job title to the appropriate job title and position if a position exists. This then leaves the apprentice position available for the next apprentice.
- City-wide Apprentice Positions. The City also has 20 Apprentice positions that reside in the Personnel Department and are loaned to other City departments. When an individual completes their apprenticeship the individual is transferred to the appropriate job title and position, if a position exists. The apprentice position transfers back to the Personnel Department and is available for the next apprentice.

The Mayor's Proposed 2010 Budget abrogates a number of vacant, unfunded positions that are officially apprentice titles or used that way by the individual department. We are still working to ascertain the precise number. These abrogations mean that departments will not be able to use these positions to hire additional apprentices without first seeking new position authority from the Council (and Mayor). Although the costs of these positions are not included in the departments' budgets, the Executive has proposed the abrogations because otherwise individual departments could hire into these vacancies. Funding could come from salary savings or other comparable sources. The Executive is seeking tighter control over such potential hiring.

However, an alternative approach would be to retain the positions but require Council approval before they are filled. This would provide a mechanism for control but streamline the bureaucratic processes needed to fill the positions, when needs develop and resources become available. This approach would also signal Council's continued support for the City's various apprenticeship programs. We are reviewing the specific proposed abrogations and will provide options that would restore some or all of the positions.

**3. Personnel Related Legislation (four ordinances)**

There are two proposed ordinances related to the proposed furloughs and two more related to an extension of the current Collective Bargain Agreement (CBA) with the Coalition of City Unions.

- One ordinance authorizes Memorandums of Understanding (MOU) with the unions in the Coalition of City Unions. The MOU amends the existing collective bargaining agreements and provides for a

furlough program for most employees represented by these unions. Most employees will take a furlough, i.e. unpaid leave equivalent to 80 hours in 2010. The City and unions will reach agreement regarding which employees are in job titles or positions that will be excepted. In addition, employees earning less than \$18.00 an hour, or planning to retire by 2012, may use vacation, personal holidays or compensatory time for their furlough days. Finally, the legislation increases from one to two years the time an employee laid off in 2009 or 2010 may participate in Project Hire and remain on the reinstatement list.

- A second ordinance establishes a furlough program for non-represented employees. Affected employees will either not receive a base salary increase in 2010 and take 56 hours of furlough time or receive a 2010 base salary increase and take 80 hours of furlough time. Other provisions are comparable to the MOU provisions and also extend from one to two years the time an employee would be in Project Hire and on reinstatement lists.
- The third ordinance would extend the CBA between the City and Coalition of City Unions for one year. This legislation extends the existing CBA until December 31, 2011 including the provision that the wages for 2011 will be 100% of the Local CPI-W average for June 2009 through 2010 with a 2% minimum floor and a 7% maximum ceiling. Five City Councilmembers participate in the City's Labor Relations Policy Committee (LRPC) with the Executive. The LRPC approves all labor negotiations and agreements. The LRPC approved this agreement.
- The final ordinance authorizes a comparable 2011 COLA wage increase for non-represented employees, including the 2% minimum pay increase.

