



## Council Agenda Report

From: Ryan Cornell, Administrative Services Director  
Shannon Foutz, Human Resources/Risk Manager

Subject: Approval of the Hiring Incentive Program and Side Letter of Agreement with the Service Employees International Union

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: October 1, 2024

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### Facts

1. As a service-oriented organization, our employees are crucial for effective government operations. Filling vacant budgeted positions enhances our ability to serve the community. Hiring experienced personnel makes the best use of training resources and brings valuable expertise to the City workforce. Despite our significant recruitment efforts over the past few years, we still face challenges in filling certain positions.
2. In response to these challenges, the City Council has adopted a goal for 2024-2026 to implement a formal hiring incentive program (see Attachment No. 2). This initiative aims to reduce the time that key positions remain vacant by streamlining the hiring process, allowing for protocols to be implemented without prior, separate approval.
3. The program is designed to provide incentives for critical positions that have struggled to attract qualified applicants for an extended period, as well as for roles requiring specialized skills, training, or certifications. It will not apply to all positions.
4. On December 20, 2022, the City Council approved a Memorandum of Understanding (MOU) with the Service Employees International Union (SEIU). Since then, there has been a desire to update the housing reimbursement for Police Officer Recruits, which has been addressed in a side letter of agreement (see Attachment No. 1A).

### Options

1. Take no action;
2. Approve a) the Citywide Hiring Incentive Program; and b) the Side Letter of Agreement with the Service Employees International Union.
3. Provide alternative direction to staff.

### Analysis and Conclusions

#### Citywide Hiring Incentive Program

People are one of the most important pieces of making government work since the City is a service-oriented organization. As such, being able to recruit vacant and budgeted positions will more effectively enhance the services the city provides to the community. In 2023, the Human Resources Division hired or promoted 109 individuals, yet approximately 50 positions remain vacant.

An adopted City Council goal for 2024-2026 is to establish a list of guidelines and parameters that management can implement when a key position becomes vacant. The purpose of this task is to reduce the time between when an individual in a key position leaves, and when the position is onboarded by implementing these protocols without the need for preapproval. These incentives will not be applied to every position, but rather to allow for a broader employee group than is currently eligible for incentives. Recruitment incentives include a moving allowance of up to \$10,000; housing loan assistance (similar to the current lateral police officer incentive); enhanced vacation leave accrual rate and one-time bank of additional vacation hours at the beginning of employment; referral incentives; and lump sum payments for lateral Police Officers (this part has not change from previous years, but rather is now encompassed under one document). See Attachment No. 2 for further detail.

#### Side Letter of Agreement

Employees classified as a Police Officer Recruit who are required to attend a police academy over 60 miles from their place of residence are eligible to receiving a housing reimbursement not to exceed \$600 per month for the duration of their participation in the academy. POST reimburses the City up to \$7,500 per recruit for the duration of the 6-month academy. As a result of increased temporary housing costs since the adoption of the current reimbursement limit, staff recommends increasing the allowance to up to \$1,500 per month.

#### **Fiscal Impact**

There are no direct costs associated with approving these programs, agreements, and schedules. Any costs arising out of the hiring incentive program are intended to be covered from budget savings created from the vacated position(s). The fiscal impact of the side letters of agreement changes are minimal or reimbursable. That all being said, personnel costs make up a vast majority of City operating expenditures and the intent of these programs, agreements, and schedules is to enhance the services the City provides to its residents, which will result in increased costs. However, the City's baseline budget includes all previously approved positions, and the City financial forecast includes these positions as if they are filled for the entire year.

#### **CEQA**

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

#### **Recommendation**

Authorize the City Manager to implement the Citywide Hiring Incentive Program and approve Resolution 24-XXX, and the side letter of agreement with the Service Employees International Union.

#### **Attachments**

1. Resolution 24-XXX – SEIU Side Letter
  - a. Exhibit A –Side Letter of Agreement with the Service Employees International Union
2. Hiring Incentive Program