



AGENDA REPORT

Human Resources

DATE:	May 28, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Nickie Mastay, Deputy City Manager, Internal Services Sharrone Taylor, Director of Human Resources
Subject:	Final Written Report of the Raftelis Workforce Analysis and PowerPoint Presentation
FINANCIAL IMPACT:	N/A
PREVIOUS COUNCIL ACTION:	May 2, 2023, February 6, 2024, May 7, 2024
STATEMENT OF THE ISSUE:	The City was audited by the State of California and was directed to conduct a workforce analysis. A Request for Proposals was issued to find a consultant to conduct a workforce analysis. City Council approved a contract with Raftelis Financial Consultants (Raftelis). Raftelis has completed the study and issued the final report.
RECOMMENDED ACTION:	RECEIVE the final written report from Raftelis Financial Consultants regarding their workforce analysis – City Manager’s Office/Human Resources Department (Nickie Mastay/Sharrone Taylor 510-620-6602).

DISCUSSION:

Background

On April 4, 2022, the City of Richmond was notified by the State Auditor that they would be conducting an audit of the City as approved by the Joint Legislative Audit Committee on June 30, 2021. The State Auditor's local audit program identifies and supports local government agencies that might be at high risk based upon analysis of a City's audited financial statements. Richmond's risk assessment began in February 2021, based on the City's June 2020 financial statements. The audit formalized eleven (11) recommendations to the City. The 6th recommendation from the State Auditor pertained to conducting a workforce analysis to mitigate the costs of increasing salaries. It is required that the City perform a workforce analysis by June 2024. Based on the results of the analysis, the State recommended that the City Council consider eliminating vacant positions deemed unnecessary. Additionally, the City should assess its need for each vacant position before it seeks to fill it and eliminate any positions it does not need.

Workforce Analysis and Study

The City entered a contract with Raftelis Financial Consultants (Raftelis) in May 2023 to conduct a Workforce Analysis. The purpose of the Workforce Analysis was to:

- **Reassess the Size of the City Staff:** Meet with Department Directors via the City Manager and Human Resources Director to assess staffing needs to determine if the department needs fewer additional staff than their vacancies would suggest.
- **Succession Planning and Vacancies:** The City is taking a measured approach to filling vacancies. This allows the City time to determine whether any departments, including public safety, should or could operate with fewer staff. While taking a measured approach to filling vacancies, potential retirements must be analyzed to determine proper succession planning.
- **Department Analysis:** Facilitate various meetings between/among department directors to determine the current workflow with the current staff in each respective department/division to determine if the department is operating at optimum accuracy and efficiency. Produce a written document summarizing this analysis with workflow and staffing recommendations.

The project commenced in August 2023, with Raftelis meeting with various stakeholders, including the City Council, regarding the analysis. Raftelis then interviewed key City personnel to develop an understanding of each department, including the organization, structure, and staffing. Raftelis conducted interviews at all levels, including managers, supervisors, and line-level staff, as well as several follow-up interviews.

Final Report

The study culminated in Raftelis issuing a draft report in March 2024, finalized in May 2024 (Attachment 1). The final report outlines the study's full scope, methodology, and

data analysis. Raftelis provides a detailed department summary, including staffing level history, structure, and core services. The report also analyzes the data they reviewed and includes key observations, staffing, and operational recommendations.

In addition, it should be noted that this report may not represent the preferences of Councilmembers. The City Council and City staff always prefer to provide a high level of services to the Richmond community. Keeping with these values, the Richmond City Council continues to explore and direct policy to increase revenue generation strategies, aiming to improve service delivery, health, and environmental safety while rebuilding the built environment.