



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of May 27, 2025

**TO:** Mayor and Members of the City Council

**SUBMITTED BY:** Kristi Carter, Human Resources Manager

**REVIEWED BY:** Dante Hall, City Manager

**SUBJECT:** Compliance with Assembly Bill 2561/Government Code Section 3502.3: Public Agency Vacancies, Recruitment, and Retention Efforts

### **RECOMMENDED ACTION:**

Staff recommends that the City Council receive the presentation for information purposes only during the public hearing at which the City will report on workforce vacancies, recruitment, and retention efforts. The City's recognized employee organizations will be provided an opportunity to make a presentation on such subjects.

### **BACKGROUND:**

On September 22, 2024, Governor Newsom signed Assembly Bill 2561 ("AB 2561") into law to amend the Meyers-Milius-Brown Act ("MMBA") and creating Government Code Section 3502.3 ("GC 3502.3") and a new obligation for public agencies to publicly address the status of their vacancies. As the basis for the new requirements, the California Legislature determined that vacancies are a widespread and significant problem in the public sector. Vacancies require employees to take on heavier workloads, resulting in burnout and increased turnover, which negatively impacts the delivery of public services. Further, the legislature declared there is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee relations.

GC 3502.3 requires public agencies to present the status of their vacancies and recruitment and retention efforts during a public hearing before their governing board at least once per fiscal year prior to the adoption of a final budget for the fiscal year. During the presentation, the public agency is also required to identify any changes to policies, procedures, or recruitment activities that may lead to obstacles in the hiring process.

Additionally, if the number of vacancies meets or exceeds 20% of the total number of authorized full-time positions in a particular bargaining unit, the public agency shall include the following information in its presentation upon request of the recognized employee organization:

1. The total number of job vacancies within a bargaining unit.
2. The total number of applicants for vacant positions within the bargaining unit.
3. The average number of days to complete the hiring process from when a position is posted.
4. Opportunities to improve compensation and other working conditions.

GC 3502.3 entitles recognized employee organizations, regardless of the vacancy rate, to make a presentation before the governing board of a public agency during the same public hearing in which the public agency makes its annual presentation on vacancies.

## **REVIEW AND ANALYSIS:**

### Employee Groups

The City of Hercules' staff is composed of five (5) employee groups - three unrepresented and two represented – consisting of 64 authorized full-time regular positions which are reflected in the table below. The City Manager position is a contracted position.

<b>Employee Group</b>	<b>Budgeted FTEs</b>
Teamsters Local 315	24
Hercules Police Officers' Association	23
Executive Level Employees	6
Mid-Management Employees	3
Non-Represented Employees	7

### Vacancies

Position vacancies are created for a number of reasons, including when newly budgeted positions are approved, there is internal movement such as a promotion or transfer, or when an employee leaves the organization due to retirement, voluntary resignation, or involuntary termination.

When vacancies occur, it is a high priority for the Human Resources Department and the City's hiring managers to fill vacant positions in order to ensure continuity of services, maintain operational efficiency, minimize the need for overtime, and minimize disruptions to departmental functions. Timely recruitment and hiring efforts help the City sustain its workforce, meet community needs, and uphold service standards while also providing opportunities for internal growth and external talent acquisition.

Although AB 2561 now requires staff to present annually on the status of vacancies and efforts to recruit and retain staff, it has always been a priority for departments to fill vacancies as soon as reasonably possible. The City's average vacancy rate across all bargaining units at the end of 2024 was 4.69% calculated as the quantity of vacancies divided by the quantity of positions.

The following is a breakdown of the vacancy rate by employee group as of December 31, 2024:

<b>Employee Group</b>	<b>Vacancy Rate (%)</b>
Teamsters Local 315	4.17%
Hercules Police Officers' Association	4.35%
Executive Level Employees	16.67%
Mid-Management Employees	0%
Non-Represented Employees	0%

#### Recruitment and Retention Efforts

The Human Resources Division recognizes recruitment is about identifying, attracting, and hiring the right people, and retention is about keeping employees engaged, satisfied, and committed to the organization long-term. Both are critical for the success of the organization, especially in today's competitive job market.

To initiate a recruitment, the hiring department notifies Human Resources, who then open the job posting. Once a candidate is screened and selected, a conditional job offer is extended. The candidate then completes all required pre-employment steps, a start date is confirmed, and the new employee is onboarded.

To meet the evolving needs of its workforce, the City has implemented and/or maintained several key retention strategies. Non-sworn employees benefit from a four-day, 38-hour workweek, promoting greater work-life balance. Telecommuting options are also available for eligible positions, providing flexibility and support for various work styles. To further prioritize employee well-being, the City offers an Employee Assistance Program (EAP), which provides confidential support for mental, emotional, and personal challenges.

Professional growth and development are supported through the City's Tuition Reimbursement Program, which allows employees to receive reimbursement for educational programs directly related to their roles. Additionally, the City invests in employee training and development by providing access to City-paid workshops and trainings. These efforts reflect the City's commitment to fostering long-term career growth and skill enhancement for its workforce.

Employee engagement is essential to retention, and the City recognizes its importance. A dedicated Social Committee helps foster connection and camaraderie through fun events and activities that bring employees together. When employees feel valued, supported, and connected to their workplace, they are more likely to be motivated, enthusiastic about their roles, and committed to the City's mission.

#### **FISCAL IMPACT:**

There is no fiscal impact to receive this report and presentation.

#### **ATTACHMENTS:**

Presentation