

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE August 15, 2006		(3) CONTACT/PHONE Gail Wilcox, Deputy CAO (805) 781-5011	
(4) SUBJECT Consideration of a report on issues related to succession planning					
(5) SUMMARY OF REQUEST On July 18, 2006 the Board discussed creation of a committee to review civil service rules and make recommendations for changes that would assist the County in recruiting and retaining qualified employees to replace staff who retire in the next 5-10 years. This report provides information for the Board to consider related to that issue and the larger issue of succession planning.					
(6) RECOMMENDED ACTION It is recommended that the Board review the report and provide direction to staff regarding succession planning efforts and the possible formation of a "Planning for the Next Generation" committee.					
(7) FUNDING SOURCE(S) Fund Center 275 – Organizational Development		(8) CURRENT YEAR COST To be determined		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Listed in staff report					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, <u>All</u>			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min</u>)			(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

8-15-06
E-1

(19) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office
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County of San Luis Obispo

COUNTY GOVERNMENT CENTER, RM. 370 • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5011



DAVID EDGE
COUNTY ADMINISTRATOR

To: Board of Supervisors

From: Gail Wilcox, Deputy County Administrative Officer *GW*

Date: August 15, 2006

Subject: Consideration of a report on issues related to succession planning

Recommendation:

It is recommended the Board review this report and provide direction to staff regarding succession planning efforts and the possible formation of a "Planning for the Next Generation" committee.

Discussion:

On July 18, 2006, Supervisor Bianchi suggested that staff prepare a report regarding the formation of a committee to review civil service rules and make recommendations for possible changes to those rules that would enhance the County's ability to recruit and retain qualified employees. The Board acted to create a committee and, subsequently, staff was asked to prepare a report on this matter.

The Board's interest in reviewing civil service rules in the context of the recruitment/retention challenges fits nicely with our larger efforts related to succession planning. Like most employers, the County is on the brink of experiencing a mass exodus of "baby boomers" from the workforce. A recent study performed in conjunction with the International City/County Management Association (ICMA) estimates that in the next five years, half of the managers and senior staff in local government agencies will likely retire. Data obtained from the San Luis Obispo County Pension Trust Office (attached) illustrates the challenges on our horizon. Over 46% of County employees are now eligible for retirement (i.e. age 50 or older). Less than 11% of the 2,208 "miscellaneous" employees are under 35.

Many barriers exist that will make it difficult to replace these experienced employees. The generation following the "boomers" is smaller in numbers. In San Luis Obispo and many other areas of the country, housing costs will exacerbate the challenges of recruiting new employees. Additionally, surveys of college students indicate a lot fewer of them are interested in public sector employment, in part due to negative perceptions about government.

*E-1
2*

The ICMA sponsored study referenced above, which was conducted by Godbe Research, recommended that public sector employers proactively develop and pursue strategies to address what they call the impending “workforce crisis”. Some of the strategies they suggest include:

- Implementing career ladders and mentorship programs.
- Developing relationships among municipal agencies for staff development.
- Committing to a structured succession planning process.
- Improving awareness of public sector career opportunities (consider creation of a public service academy for high school students).
- Communicating the benefits of public sector employment.

The County has taken some steps to address the impending retirement of many seasoned employees. Most significantly, the County Administrator initiated the “Employee University” in 2001. A survey of all County employees was conducted to solicit input about training needs. Overwhelming, County employees at all levels of the organization indicated that supervisory skills (hiring, coaching and evaluating employees) were the top priority for training. As a result, a major focus of the EU has been development or enhancement of supervisory skills. But many other courses have been offered to build employees’ skill and knowledge in the areas of project management, continuous process improvement, conflict resolution, and written and verbal communication.

Training opportunities for existing employees is a critical component of succession planning. But it isn’t enough. As part of the 2006-07 budget process, the Board allocated resources to the Administrative Office to support a succession planning program. We think a review of civil service rules falls within the “umbrella” of the larger effort to address the impending retirement of many employees and the challenges we’ll face replacing those employees. With that in mind, we suggest the idea of a committee be broadened to consider all issues related to succession planning. The following are some general ideas for the formation of a “Planning for the Next Generation” steering committee:

Steering committee membership:

- 1-2 Board of Supervisors – recommended by Board of Supervisors
- County Administrative Officer or Deputy CAO
- Personnel Director
- 5 Department Heads (2 elected, 3 appointed) – recommended by Department Heads
- 1 -2 Civil Service Commissioners – recommended by Civil Service Commission
- Chairperson, Management and Confidential Issues Committee
- One representative from each of the employee associations – Total of 6

E-13

Steering committee process/objectives:

- Conduct analysis of strengths, weaknesses, opportunities, threats vis-à-vis challenges related to recruitment/retention of qualified employees
- Consider employee survey to gather retirement data
- Identify specific strategies to capitalize on opportunities, address weaknesses, etc.
- Create workgroups to address individual strategies (for example, a workgroup to explore recruitment programs at local schools and colleges; another to meet with cities and other governmental agencies to discuss partnership opportunities; another to review civil service rules to determine if changes should be considered to enhance ability to recruit/retain qualified employees, etc.)
- Provide findings and recommendations for consideration by Board of Supervisors

Additional Comments:

- Recommend use of external facilitator to assist with at least initial stages of committee process (Admin will delay hiring of position approved for succession planning efforts to pay for facilitator)
- Recommend invitation to participate in committee stress importance of strong commitment to this effort in the context of the County's motto – Not For Ourselves Alone

Financial Considerations:

If outside facilitation is pursued, salary savings in fund center 275 – Organizational Development – can be used to offset this expense.

Other Agency Involvement:

See above regarding suggested representation on steering committee.

Results: Direction from Board regarding succession planning.

c: Department Heads
Civil Service Commission
Employee Associations

E-1
4

San Luis Obispo County Pension Trust
Active Data used in the January 1, 2006

	Total	35 and over	40 and over	50 and over
Miscellaneous				
Non-management	1,740	1,532	1,373	851
Management	<u>468</u>	<u>441</u>	<u>400</u>	<u>260</u>
Sub-Total	2,208	1,973	1,773	1,111
Probation				
Non-management	95	67	51	24
Management	<u>6</u>	<u>6</u>	<u>6</u>	<u>4</u>
Sub-Total	101	73	57	28
Safety				
Non-management	257	201	156	40
Management	<u>16</u>	<u>16</u>	<u>16</u>	<u>10</u>
Sub-Total	273	217	172	50
Total				
Non-management	2,092	1,800	1,580	915
Management	<u>490</u>	<u>463</u>	<u>422</u>	<u>274</u>
Grand Total	2,582	2,263	2,002	1,189

E-1
5

**San Luis Obispo County Pension Trust
Active Data used in the January 1, 2006**

	Under 35	35-39	40-49	50 and over
Miscellaneous				
Non-management	11.95%	9.14%	30.00%	48.91%
Management	5.77%	8.76%	29.91%	55.56%
Sub-Total	10.64%	9.06%	29.98%	50.32%
Probation				
Non-management	29.47%	16.84%	28.42%	25.26%
Management	0.00%	0.00%	33.33%	66.67%
Sub-Total	27.72%	15.84%	28.71%	27.72%
Safety				
Non-management	21.79%	17.51%	45.14%	15.56%
Management	0.00%	0.00%	37.50%	62.50%
Sub-Total	20.51%	16.48%	44.69%	18.32%
Total				
Non-management	13.96%	10.52%	31.79%	43.74%
Management	5.51%	8.37%	30.20%	55.92%
Grand Total	12.35%	10.11%	31.49%	46.05%

E-1
4