

Reply to Common Council File No. 071143
From DOA-Budget and Management Division

December 4, 2007

Ref: 07009

Common Council file 071143 is a resolution reserving \$125,000 in the 2007 Common Council Contingent Fund for the Department of Employee Relations Operating Expenditure Account.

The increase in operating expenditures is the result of several different factors that were not anticipated when the 2007 budget allocation was determined. DER made significant changes to Police hiring practices in 2007 to improve Police Officer recruitment. Numerous components of the hiring and testing process were revised including the addition of multiple test components and the adoption of a continuous testing and recruitment model. These changes contributed almost \$83,000 in expenditures to DER's operating expenditure account.

Other factors also contributing to increased operating expenditures include greater usage of the Auxiliary Resource Program due to a high number of staff retirements and increased expenses from contract negotiations and grievance arbitrations with the MPA, Local 215, DC 48 and Local 61. Auxiliary Resource Program usage and contract negotiations resulted in \$55,500 of unplanned operating expenditures.

Overall, these three factors totaled \$138,500 or almost 40% of DER's 2007 operating expenditure budget. In 2008, DER does not anticipate making major changes to city hiring practices or a need for above average use of the Auxiliary Resource Program. In addition, DER is working to offset unanticipated recruitment expenditures by asking departments to pay for extra costs related to high level position recruitments.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE 071143 AND RESERVE \$125,000 FROM THE 2007 COMMON COUNCIL CONTINGENT FUND FOR THE DEPARTMENT OF EMPLOYEE RELATIONS OPERATING EXPENDITURE ACCOUNT.

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