

**FINAL REPORT
CASE #1504 CITY OF STOCKTON
HUMAN RESOURCES**

REASON FOR INVESTIGATION:

- A. The Civil Grand Jury received a complaint alleging that the City of Stockton was paying medical benefits for the Director of the Asparagus Festival, a position that is not associated with the City of Stockton.
- B. The Civil Grand Jury heard testimony that the city of Stockton had paid medical benefits to the “spouse” of a city employee who could not furnish proof of her marriage and was, therefore, not eligible to receive benefits. The witness further alleged that the city of Stockton had taken no steps to recoup this money.
- C. The Grand Jury also heard testimony alleging that the city paid an unusually high salary to the Assistant to the City Manager. The witness also alleged that the person filling the position of Assistant to the City Manager had not met the educational requirements.

BACKGROUND:

With respect to “A” above, the Asparagus Festival Organization is not associated with the City of Stockton and the organization’s employees are not qualified to receive benefits from the City of Stockton Employee Medical Plan.

With respect to “B” above, a person who is a current city employee, a spouse of an employee, a retired employee, or a dependent of an employee may be eligible to receive benefits from the City of Stockton Employee Medical Plan. An addition or deletion of a recipient requires documentation of eligibility or disqualification; for example, a marriage or divorce document, or a birth certificate. The employee in question declared that he was married, but he did not provide a marriage certificate to prove his partner was eligible to receive benefits.

With respect to “C” above, a survey must be presented to and approved by the city council in order to create a new position or to re-classify an existing position. A survey includes the job description, duties, responsibilities, educational requirements, and a comparative analysis of salaries of similar positions within the city.

Stockton City Council Resolution 03-0301, item 11d reads the City of Stockton does “Authorize the City Manager to make salary adjustments in classifications to ensure comparability with similar classifications, as determined by a classification review and to incorporate changes into the Salary Schedule, as appropriate. Authorize cost of living

adjustments for all city management, including the City Manager equal to other city employees.” The survey presented to the city council specifies the position of Assistant to the City Manager will have responsibilities comparable to and a salary equal to the Parks and Recreation Director, which ranges from \$95,964 to \$123,168, but the survey does not specify that an applicant meet the same work experience and educational requirements as department heads.

The following are the educational and work experience requirements for the positions listed in the study:

- The Parks and Recreation Director is required to have six years of related work experience **and** a four year degree.
- The Assistant to the City Manager is required to have a four year degree or major course work in business administration or related field. Experience may be substituted for education on a year-for-year basis to a maximum of two years.

METHOD OF INVESTIGATION:

The Grand Jury reviewed the City of Stockton’s employment procedures and an internal audit report of the employee benefit policy. We also reviewed the minimum requirements and job descriptions for various positions in the city of Stockton and the survey submitted to the City Council for the Assistant to the City Manager position.

We interviewed Mayor Ed Chavez, City of Stockton Councilman Bestolarides, the former City Manager Dwayne Milnes, and other city personnel.

FINDINGS:

- 1) With regard to allegation “A”, the position of Director of the Asparagus Festival is not associated with the City of Stockton and it’s director did not receive benefits from the City of Stockton Employee Medical Plan as alleged.
- 2) With regards to issue “B”, the employee in question did not provide documentation of his spouse’s eligibility, and in January of 2004 he agreed to pay back \$5,960.51 of invalid claims with repayment deferred until May 20, 2005.
- 3) With regard to issue “C”,
 - a) Although a bachelor’s degree is not specified by regulation as a prerequisite for the position of Assistant to the City Manager, the employee whom the city manager promoted to this position had not qualified for two previous positions held in the Stockton city government because each had required a four year college degree.
 - b) The survey for the Assistant to the City Manager position did not include an analysis of the salary range for similar positions within the city.

RECOMMENDATIONS:

With regard to issue A, the Grand jury has no recommendations

With regard to issue B, the Grand Jury has no recommendations.

1. With regard to issue C, the Grand Jury recommends that:
 - a. The work experience and educational requirements for the position of Assistant to the City Manager be amended to be comparable to that of the Economic Development Director and the Parks and Recreation Director because the salary and responsibilities are already equivalent.
 - b. The City of Stockton require future applicants to meet all job qualifications before appointing them to a position with the City of Stockton.

RESPONSE REQUIRED:

Pursuant to Section 933.05 of the Penal Code:

The City of Stockton shall report to the Presiding Judge of the San Joaquin Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of the analysis and a time frame not to exceed (6) six months.
- d. The recommendation will not be implemented, with an explanation therefore.