Status of Vacancies and Recruitment & Retention Efforts in FY25
June 16, 2025

Cassondra Hollins
Human Resources Manager

Agenda

- Background on AB 2561
- Bargaining Unit Specific Information
  - Vacancy Information
- Stockton Port District- District Wide Information
  - Non-represented - Admin Recruitment Information
  - Overall Vacancy and Turnover Information
  - Recruitment and Retention Information

Background

The Meyers-Milias-Brown Act (MMBA) is the body of law that governs collective bargaining and labor relations at the local government level.

Effective January 1, 2025, AB 2561 added Government Code section 3502.3 to the MMBA.

(1) Hold a public hearing before the governing body at least once per fiscal year and present the status of vacancies, recruitment and retention efforts, and identify any necessary changes to policies, procedures, and recruitment activities that may resolve obstacles in the hiring process. If the governing body will be adopting an annual budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(2) Hold a public hearing and present additional information regarding vacancies, if the vacancy rate in a bargaining unit is at least 20%. When vacancies within a single bargaining unit meet or exceed 20% of authorized full-time positions in that bargaining unit, upon request of the recognized employee organization for that bargaining unit, the District must provide additional information during the public hearing, including the following: (1) the total number of vacancies; (2) the number of applicants; (3) the average time to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit.

(3) Allow the recognized employee organization for each bargaining unit to make presentations during the public hearing concerning vacancies and recruitment and retention efforts.

Bargaining Unit Specific Information

The District has two (2) bargaining units

1. Operating Engineers Union, Local 3 (OE3) - representing the Port Police sworn Officers and Police Support Technicians (PSTs)
   *24 budgeted positions
   *2 openings (1 Police Officer, 1 Police Support Technician I (PST I)
   *8% vacancy rate

2. International Longshore and Warehouse Union, Local 6 (ILWU-Local 6) - representing Port Maintenance skilled workers and general laborers
   *21 budgeted positions
   *1 opening – (Electrician)
   *5% vacancy rate

The vacancy rate for both of the bargaining units fall below the required threshold and no additional information will be provided to the Commission on recruiting efforts for these units.

Stockton Port District – District Wide Information

<u>Non-represented Administrative Staff Recruitment Information</u>

Fiscal Year 2024-25

Seven (7) new positions approved

6 full-time positions (Risk Manager, Emergency Management Specialist, Safety Officer, Public Engineer, Administrative Assistant - Real Estate, and Financial Analyst).

1 part-time position (P/T Accounting Clerk)

Recruitment has recently been approved and is underway for Risk Manager, Director of Engineering and Facilities (replacing Public Engineer) and Financial Analyst. The additional full-time positions have not yet been approved for recruitment as of today's date. The part-time Accounting Clerk position was filled in July 2024.

Stockton Port District – District Wide Information

Overall Vacancy Rate

As of June 1, 2025, the overall vacancy rate for the Stockton Port District was 6%, as it relates to positions approved for recruitment.

Please note that this figure is based on the full-time equivalent positions as reported in the fiscal year 2024-2025 operating budget and positions that have currently been approved for recruitment.

Positions approved during the budgeting process are not considered vacancies until they have been approved for recruitment by the Executive Team.

Stockton Port District – District Wide Information

<u>Turnover Rates</u>

Turnover over the last 3 years has remained consistently between 6.3% – 8.5% each fiscal year.

For FY 2024 – 2025 the overall turnover rate was 21.7%. This was due to the cessation of warehouse operations in December 2024 and the layoff of all warehouse staff. Not including the warehouse terminations, the turnover rate would land at 8.5%.

Stockton Port District – District Wide Information

Turnover rates, budgeted headcount and employee full-time equivalent counts for FY 2022 – 2023 through FY 2024 – 2025 (as of 06/01/25)

Fiscal Year	EE Count as of 06/30 (Note 06/01 used for FY 24-25)	Budgeted FTE	New Hires FTE - Does not include temp or PT	Turnover %	
2024 - 2025	**106**	148	3	**Total Turnover %**	**21.7%**
				Total Terminations	**23**
				Turnover % W/Out Layoff	**8.5%**
				Terms W/Out Layoff	**9**
				# Retirements	3
				# Voluntary Terms	5
				# Involuntary Terms	15
					Layoffs - 14
					Other - 1
2023 - 2024	**126**	141	12	**Turnover %**	**6.3%**
				Total Terminations	**8**
				# Retirements	3
				# Voluntary Terms	5
				# Involuntary Terms	0
2022 - 2023	**122**	140	10	**Turnover %**	**7.4%**
				Total Terminations	**9**
				# Retirements	4
				# Voluntary Terms	3
				# Involuntary Terms	1
				Other (Death)	1

Stockton Port District – District Wide Information

Recruitment and Retention Efforts

AB 2561 requires the District to identify any necessary changes to policies, procedures, and recruitment activities that may lead to hiring obstacles.

Staff has not identified any necessary changes to policies and procedures that may present obstacles in the hiring process.

The District continues to take proactive steps in support of recruitment and retention.

Some of these efforts are listed on following slides.

Stockton Port District – District Wide Information

- <u>Reduced Recruitment Timeline & Improved Candidate Experience</u>: Port Human Resources staff expanded the use of NEOGOV, a cloud-based Human Capital Management (HCM) software platform, enhancing applicant experience through improved and timely communication, streamlining the application process and reducing the overall recruitment timeline. In FY 2025-2026, pending staff resources, Human Resources will implement surveys to collect input from new hires and hiring managers about their recruitment experience and ways to improve the process.

- <u>Review of Job Classifications</u>: Before opening a recruitment, Human Resources staff reviews the job classifications with the hiring manager to ensure accuracy in job duties and requirements and works with union representatives, if applicable, on proposed changes. Aligning job classifications with industry standards and the District's business needs helps recruit the right talent. This strategy has contributed to increasing the number of qualified applications per recruitment.

Stockton Port District – District Wide Information

- Advertising on Industry-Specific Job Boards and Social Media: The District advertises career opportunities through paid and free professional and industry-specific job boards, such as the California Special Districts Association, American Journal of Transportation, Commission on Peace Officer Standards and Training, Peace Officers Research Association of CA, International Longshore and Warehouse Union, etc. These job boards can be effective in recruiting for hard-to-fill positions. In addition, Human Resources staff works together with the Public Affairs Department to leverage the District's social media channels, such as LinkedIn for broader visibility and posts all openings on the Port's Tenant Job Board as well.

- Competitive Wages and Benefits: The District conducts external salary survey comparisons for all new positions prior to commencement of recruitment activities. Additionally the Port Director evaluates any cost of living adjustment related to salary scales each year during the budget analysis and development process, based on consumer price index and internal union pay statistics as well as District financial performance. The District reviews employee benefit offerings each calendar year leveraging efforts with the use of benefit consultants to provide a robust benefit offering for current and prospective employees; and also allows departments to retain flexibility in work schedules through alternative work scheduling and hybrid telework arrangements. For represented positions, the District participates in good faith bargaining with represented groups prior to the end of the contract expiration year for all issues related to working conditions, benefits and wages.

Thank You

Cassondra Hollins
HR Manager
chollins@stocktonport.com
(209) 946-0246 ext. 8207

FY 2025-26 Operating and Capital Budgets

June 16, 2025

PAULA O'KEEFE

DIRECTOR OF FINANCE & ACCOUNTING

Discussion

- FY 2025-26 Draft Budget
  - New for FY2025-26
  - General Assumptions
  - Stockton Port District Overview
- Capital Improvement Plan 2025-2030

New for FY2025-26

- New Tyler EERP Account Structure
  - Chart of Accounts updated for Quarters 3 and 4 of FY2024-25
  - Electric Utility activities separated from Real Estate
- Budget v. Actuals realigned with new account structures
  - In absence of cost allocation plan, department staff are allocated within their “home” department, exception of Electric Utility
- A/P coding inconsistencies resolved through department awareness
  - Budget entries aligned with procurement activities
- Removal of tonnage projections to align with other Ports’ best practice reporting
- Individual Departmental Proformas

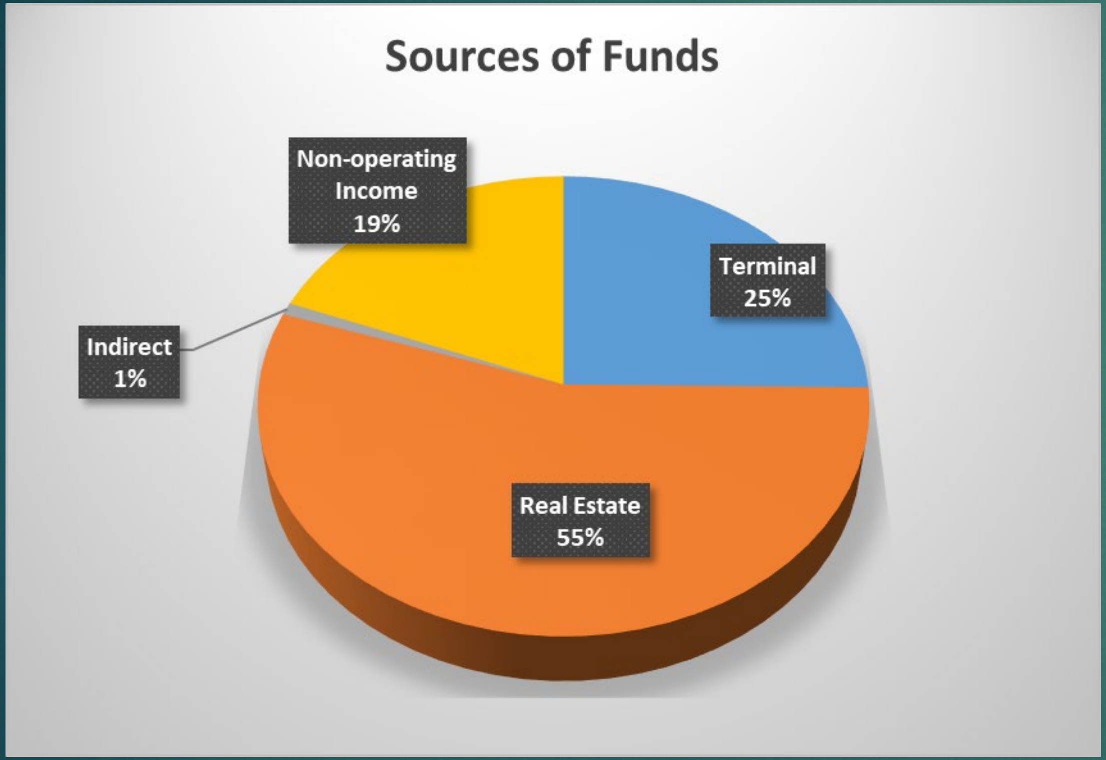
FY2025-26 General Assumptions

- 2.5% COLA applied to all salaries projections
- Benefits expenses are aligned with actuals
- Revenue projections are conservative, expenses have built in minimal contingency in anticipation of unknown costs
- Budget based on prior years' experience and zero-based budgeting principals
- Material payables coding concerns in Real Estate, Maritime Operations and Facilities & Maintenance departments

Stockton Port District

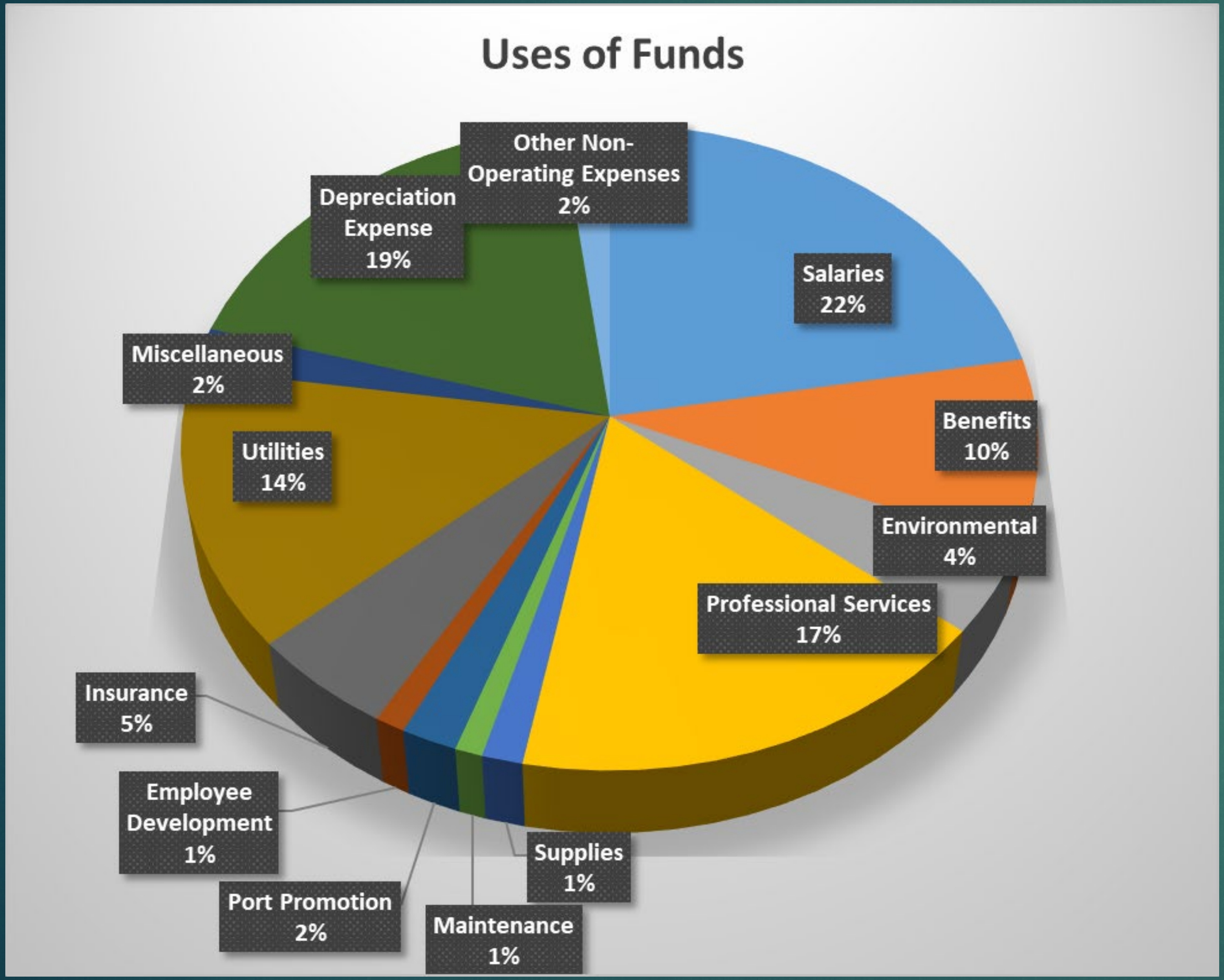
- Total Operating Revenues: $75,398,680
  - Terminal revenues 20% less than year end projection due to realignment of cargo projections
  - Real Estate up 2% over year end budget due to renegotiated contracts, Electric Utility rates alignment with market
  - Indirect down 10% over year end projection due to unanticipated claims reimbursements in FY25; non-operating includes grant reimbursements
- Total Operating Expenses: $53,352,630
  - Salaries and Benefits 3% increase over FY 2024-25 year end projections, 8% less than year-end projections

Sources of Funds



	Amount
Terminal	$ 18,995,680
Real Estate	$ 41,422,000
Indirect	$ 650,000
Non-operating Income	$ 14,331,000
	$75,398,680

Uses of Funds



FY 2025-26 Expenditures	
Salaries	14,819,960
Benefits	6,332,060
Environmental	2,909,000
Professional Services	11,471,447
Supplies	950,300
Maintenance	639,800
Port Promotion	1,310,750
Employee Development	710,520
Insurance	3,401,000
Utilities	9,370,824
Miscellaneous	1,436,950
Depreciation Expense	12,396,800
Other Non-Operating Expenses	1,337,600
	67,087,011

Maritime Operations

- Operating Revenues decreased by 2% over FY25 year-end projections
  - Reserves decreased by 10% over FY25 year-end projections due to ongoing realignment with market rates
- Salaries and Benefits are down by 10%; reduction of staffing levels due to retirements, winding down of warehouse operations
- Maintenance expenses increase by 1166% over FY25 year-end projections due to decentralization of some maritime maintenance activities
- A/P coding inconsistencies in prior years contribute to fluctuation of budget to actuals for FY25 year-end projections
- Overall Net Operating Income projects a decrease of 2% over FY25 year-end projections

Real Estate Operations

- Operating Revenues increased by 1% over FY25 year-end projections
  - Reserves increased 2% over FY25 year-end projections
- Salaries and Benefits are up by 33% over year-end projections in anticipation of filling existing vacancies
- Maintenance expenses decrease by 100% over FY25 year-end projections due to redistribution of maintenance expenses
- Miscellaneous up 183% due to tax expenses previously coded to Executive
- A/P coding inconsistencies in prior years contribute to fluctuation of budget to actuals for FY25 year-end projections
- Overall Net Operating Income projects an increase of 10% over FY25 year-end projections

Electric Utility

- Operating Revenues increased by 9% over FY25 year-end projections
  - Public Purpose fund projected to increase by $80,000, or 145%
- Salaries and Benefits have increased by $391,557 due to reallocation of Port salary/benefits costs
- Utility purchases up 19% over FY25 year-end projections due to increased power supply purchases attributed to large customer
- Overall Net Operating Income projects a decrease of 90% over FY25 year-end projections

Indirect Departments

Executive

- Salaries and benefits up % over year end projections
  - Benefits costs aligned with actuals
  - Removal of Administrative Staff from salary projections – reduction of $30,000
- Overall Expenses down 5% over year end projections
  - Includes increase in Professional services aligned with strategic planning initiatives
  - Shifted fuel revenue/expense to Facilities & Maintenance

Administration

Administrative Services

- Salaries and benefits down approximately $3,300 over year end projections due to shift in part time expenses
- Overall operating expenses up $53,990; includes postage, training, shredding and scanning projects and centralization of office supply purchases

Information Technology

- Expenses increased by 38% over FY25 year-end projections due the following new and ongoing IT services agreements
  - Primarily ongoing maintenance agreements no longer paid for by grant funding

Administration (continued)

Human Resources

- Expense increase of 14% over FY25 year-end projections due to realignment of expenses within the new Tyler system, salaries and benefits realignments and position reclassifications

Risk Management

- Expense increase of 52% over FY25 year-end projections due to increased insurance costs and professional services related to management of insurance policies

Port Police

- Expense increase of 7% over FY25 year-end projections due to the following:
  - New software maintenance agreements not included in IT budget
  - Purchase of new canine plus training
  - Safety equipment replacements

Finance

- Expense increase 5% over FY25 year-end projections due to the following:
  - Addition of Procurement and Contracts Officer, assumption of all procurement and contracting activities
  - Increased professional services for new contracts aligned with strategic planning
    - Long Range Financial Plan and Cost Allocation Plan

Facilities & Maintenance

- Expense increase of 6% over FY25 year-end projections
- Notable changes within the department:
  - Realignment of staff salary and benefits allocations
  - Realignment of operations with shift of procurement/contracts activities to Finance
  - Redirection of fuel revenues and expense from Executive
  - Redirection of centralized port office supply expenses to Administrative Services
  - 75% of prior expenses were coded within Real Estate, Maritime Operations and Warehouse

Regulatory & Public Affairs

Environmental

- Expenses increased 29% over FY25 year-end projections due to increased cost of remediation, permitting and potential Dock 20 aerator expenses
  - Salaries and benefits realigned based on staffing allocations

Governmental Affairs

- Expenses overall increased 9% over FY25 year-end projections due to realignment of salary and benefits, employee development

Regulatory & Public Affairs (continued)

Grants

- Expenses increased 183% over FY25 year-end projections due to realignment of salaries and benefits, new contracts for grant management support and small training opportunities

Public Affairs

- Expenses increased 13% over FY25 year-end projections due to realignment of salaries and benefits and decreased Port Promotion expenses over FY25 budget

Other Items

- Personnel Listing
  - Reduction of 17 positions, primarily due to the winding down of warehouse operations
- Debt
  - FY26 debt obligation totals $3,852,971
- Cash Flow
  - Budget projection of 211 days of cash, ending fund balance of $31,314,390

Capital Improvement Plan

Capital Improvement Plan Methodology

Capital Projects methodology:

- Project Priority
  - Is the project critical?
  - Is the project aligned with Port priorities?
- Project Feasibility
  - Does capacity exist to begin or continue the project?
- Evaluation of Funding Sources
  - What is the feasibility of receipt of the originally identified revenue sources?
- Consideration of available Unrestricted Cash
  - What level of Unrestricted Cash can be utilized without jeopardizing the need for cash flow in emergencies?

Capital Improvement Plan

- Capital Improvement Plan for Fiscal Years 2025-2030
- Projects approved including projected costs over five years and funding sources
  - Five year plan includes infrastructure and improvements totaling $185,684,340
- Total FY 2025-26 project expenses: $23,885,500
  - $400,000 for Vehicles and Equipment
- Funding Sources include:
  - Public Purpose Fund - $100,000
  - Unrestricted Cash - $23,785,500

Projects by Category

Category:

- Buildings & Structures - $11,122,500
- Environmental - $3,551,000
- Port Administration - $412,000
- Maritime - $1,750,000
- Rail - $500,000
- Streets - $3,500,000
- Utilities - $3,050,000

Cash Flow

- Projected Beginning Unrestricted Cash: $38,716,040
  - Net Annual Operating Income before Depreciation - $7,715,050
  - Total FY2025-26 Proposed Capital Improvement Plan - $23,885,500
  - Total Debt Service - $3,852,971
  - Other - $12,600,000
- Projected Ending Unrestricted Cash - $31,314,390
- Projected Days of Cash - 211

Questions?

PAULA O'KEEFE

DIRECTOR OF FINANCE & ACCOUNTING

Remediation Consultant Contract

Jeff Wingfield
Deputy Port Director, Regulatory & Public Affairs

Overview of Remediation Program

The Port of Stockton acquired the West Complex from the Navy in 2000.

52 sites were identified by the Navy, the California Department of Toxic Substances Control (DTSC), and the California Regional Water Quality Control Board, Central Valley Region (CVRWQCB) to be contaminated by various constituents.

Port entered into a Consent Agreement with DTSC and CVRWQCB to remediate the 52 sites.

Current Status of Remediation

- Remedial action is complete and/or NFA (no further action) – 24 sites
- Under Remediation and/or closure in progress – 24 sites
  - Under Active Remediation – 5 sites
  - In Closure Process – 17 sites
- Remedial Action to be Evaluated - 5 sites

RFP Issued for Remediation Consulting

On April 25, 2025, the Port issued a Request for Proposals (RFP) for Remediation Consulting Services and received four proposals. Submissions were evaluated based on the qualifications of the project team, the consultants' specialized experience with projects of similar scope and complexity, proposed costs and additional evaluation criteria shown in the table below.

Port of Stockton
CALIFORNIA

Administration Building
315 Fyffe Avenue
Stockton, CA 95203
procurement@stocktonport.com
(209) 946-0246

REMEDIATION CONSULTING SERVICES

PROPOSAL SCORING AVERAGES

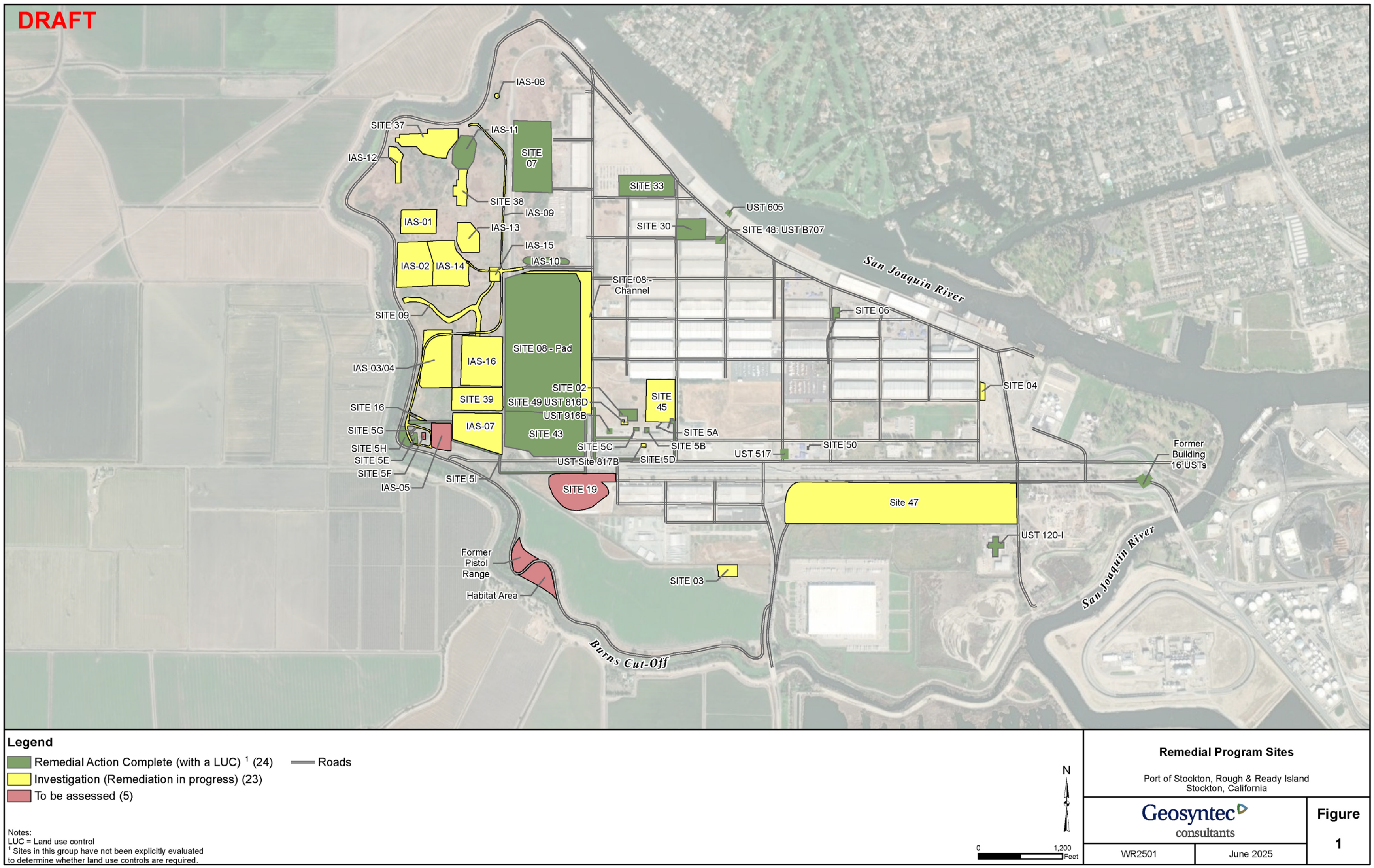
	CONSULTANT	Qualifications Average	Experience Average	License / DIR / Debar Average	Cost Average	BONUS* TWIC Average	TOTAL AVERAGE
	MAXIMUM SCORE:	30	30	25	15	5	
1	Geosyntec	27	28	23	12	3	**94**
2	Ninyo & Moore	24	21	25	12	2	**84**
3	Terraphase	20	23	25	11	3	**82**
4	SLR	19	13	17	9	3	**61**

RFP Issued for Remediation Consulting

Staff recommended awarding the contract to Geosyntec based on the following:

- Most relevant experience working with Department of Toxic Substances Control (DTSC) and Central Valley Regional Water Quality Control Board (CVRWQCB)
- Extensive knowledge and experience with Ports and former Navy facilities
- Qualifications of proposed staff
- Comparable cost proposal

Map Identifying Current Status



Scope of Work

- Provide environmental compliance and remediation support services.
- Provide site management services for sites controlled under State regulatory requirements.
- Provide site management and technical support for parcels outside Rough and Ready Island, such as the Port’s East Complex or other areas under Port jurisdiction, as directed by the Port.
- Provide site investigation services that evaluate past and current land uses and activities.
- Provide services associated with landfill area sites in compliance with State requirements and CERCLA.
- Underground storage tanks (UST) investigations.

Staff Recommendation

RECOMMENDATION

Authorize the Port Director to enter into a Standard Agreement with the most qualified respondent, Geosyntec Consultants, for Remediation Consulting services for a three-year term, with two optional one-year extensions. The total cost of the first year of the contract is estimated at $1,600,000.00.