



**CITY OF HAYWARD**  
**OFFICE OF THE CITY MANAGER**

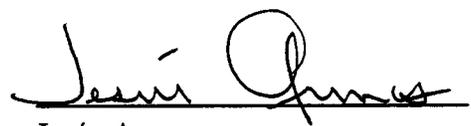
April 3, 2001

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Review of Personnel Board Action

Last month, I advised you that a demoted employee expressed interest in having the City Council review the decision of the Personnel Board sustaining her demotion. Although this session is scheduled for the evening of April 17, owing to the volume of material involved we are taking the liberty of distributing it at this time.

Attached is the record presented to the Board, along with a transcript of the hearing. Also attached is a memorandum prepared by the City Attorney's Office presenting the rationale for the demotion. The employee was invited to also submit a memorandum presenting her position, but she declined to do so, indicating she would rely on the written material she presented to the Board.

Lastly, at the request of the employee, the meeting will be held in open rather than closed session.

  
Jesús Armas

Attachments



**CITY OF HAYWARD**  
**OFFICE OF THE CITY MANAGER**

March 14, 2001

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Upcoming Review of Personnel Board Action

Local 790's Memorandum of Understanding with the City provides the represented employees with the option of having disciplinary matters heard by an arbitrator or the City's Personnel Board. During the past 7 years, virtually all of such matters have either gone to arbitration or been resolved. Recently, the Personnel Board conducted an appeal hearing involving the demotion of an employee in the City's Personnel Department. After a full evidentiary hearing, the Board upheld the discipline.

Pursuant to Personnel Rule 11.40, the employee is entitled to, and has requested, a "review" by the City Council. Consistent with the request, we will be forwarding to the Council the documents presented to the Board and a transcript of the Board's hearing. The employee requesting review has been notified that the Council will consider this matter in April and that she may submit a written statement of her reasons for believing that the decision of the Board should be reversed.

As the City Attorney has previously advised, the Municipal Code does not appear to require an evidentiary hearing at the Council level. Therefore, you may review all of the evidence and testimony presented by the Personnel Board, consider written material and statement presented by the employee, and render your decision. The City Council Members' Hand Book appears to allow the employee to address the Council for ten (10) minutes.

The review is tentatively scheduled to be precede your April 3 regular meeting and will be held in the work session room. While we will notice the meeting as a closed session, the Brown Act allows an employee to request the meeting to be open. If such a request is made, you will be advised and the meeting will be open to the public.

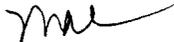
When the administrative record is forwarded to you, an agenda containing a brief schedule overview of the process will be included.

Jesús Armas

CITY OF HAYWARD  
OFFICE OF CITY ATTORNEY

MEMORANDUM

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** MAUREEN A. CONNEELY   
ASSISTANT CITY ATTORNEY

**DATE:** APRIL 2, 2001

**RE:** REVIEW OF DEMOTION OF MARY M. SHEPARD

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In November 2000, Mary M. Shepard (aka Peggy Shepard) was demoted from her position as Administrative Secretary (Confidential) in the Personnel Department to Secretary (Confidential). The grounds for the demotion were:

- Incompetency and inefficiency
- Failure to meet reasonable standards of performance
- Noncompliance with supervisory orders
- Repeated tardiness
- Poor judgment
- Ineffective time management.

Ms. Shepard appealed her demotion to the Personnel and Affirmative Action Commission, which, following a full evidentiary hearing, recommended to the City Manager that Ms. Shepard's demotion be sustained. Pursuant to City of Hayward Personnel Rule 11.40, Ms. Shepard has requested that the City Council review the decision of the City Manager sustaining her demotion.

It is recommended that the Council uphold the decision of the City Manager and the Personnel Commission and sustain Ms. Shepard's demotion.

## **BACKGROUND**

As the Personnel Department's Administrative Secretary, Ms. Shepard reported directly to Beth Perrin-Scales, the City's Personnel Director. In November 1999, Ms. Perrin-Scales placed Ms. Shepard on a 90-day Performance Improvement Plan ("PIP"), targeting four primary areas of deficiency in Ms. Shepard's performance:

- ✓ Processing Personnel/Payroll Action Requests ("PPARs")
- ✓ Submitting invoices for payment
- ✓ Maintaining the Employment Hotline
- ✓ Prepare Step Increase and End-of-Probation notices

At that same time, Ms. Perrin-Scales reassigned several of Ms. Shepard's other duties to address her concerns that she was overworked. Ms. Perrin-Scales also changed Ms. Shepard's start time from 9:00 a.m. to 8:30 a.m.

Ms. Perrin-Scales met periodically with Ms. Shepard during the next several months to monitor and counsel her regarding her performance. Ms. Shepard continued to send the PPARs to the Finance Department in large batches after the payroll deadline, rather than process the PPARs on a flow basis as instructed by Ms. Perrin-Scales and her predecessor, Acting Personnel Director Marsha Lang-Collins. This "batching" caused problems for the City's payroll technician, who was compelled to work overtime to process the PPARs in time for payday. Ms. Shepard also remained several months behind in submitting invoices for payment, which frequently resulted in the rejection of the Personnel Department's City-issued credit cards for nonpayment and the imposition of late charges. Ms. Shepard did not ensure that the information on the Employment Hotline was current and repeatedly failed to send out timely step increase and end-of-probation notices.

In January 2000, Ms. Shepard began arriving at work late, often by as much as one-half hour. Ms. Perrin-Scales repeatedly advised her that her tardiness was unacceptable and grounds for discipline.

At the end of March 2000, Ms. Perrin-Scales extended the PIP for another 60 days to give Ms. Shepard an additional opportunity to meet the performance objectives. Ms. Perrin-Scales arranged for Ms. Shepard to attend a time management seminar in April, 2000. Despite this, Ms. Shepard failed to meet any of the performance objectives set for her and continued to be tardy for work. In September 2000, Ms. Perrin-Scales recommended Ms. Shepard's demotion from Administrative Secretary (Confidential) to Secretary (Confidential).

Honorable Mayor and City Council

April 2, 2001

**Review of Demotion of Mary M. Shepard**

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Ms. Shepard asserts that she is overworked. Averaging over a period of weeks, Ms. Perrin-Scales estimates that Ms. Shepard receives 10-20 PPARs per week, which should take approximately 3 hours to process. This leaves ample time for Ms. Shepard to perform her other prioritized tasks. In May 2000, almost one year after she was instructed, first by Ms. Lang-Collins and then by Ms. Perrin-Scales, not to batch PPARs, Ms. Shepard sent a batch of 58 PPARs to the Finance Department for processing. Ms. Shepard was demoted for her persistent refusal to perform priority tasks as directed and her repeated tardiness; the volume of her work was not a factor.

Ms. Shepard submitted hundreds of pages of documents to the Personnel Commission, which have been duplicated as part of this proceeding. Many of these documents are copies of various manuals and computer printouts. It appears that the Personnel Commission was not persuaded by these documents.

**SUMMARY**

Based on Ms. Shepard's failure to conform her performance to reasonable standards despite months of counseling, staff respectfully requests that the City Council sustain the recommendation of the Personnel and Affirmative Action Commission and the decision of the City Manager to demote Ms. Shepard from Administrative Secretary to Secretary.

MAC:sam

**DUE TO THE LENGTH OF THE  
EXHIBITS TO THIS REPORT, THEY ARE  
ONLY AVAILABLE FOR REVIEW IN  
THE CITY CLERK'S OFFICE.**