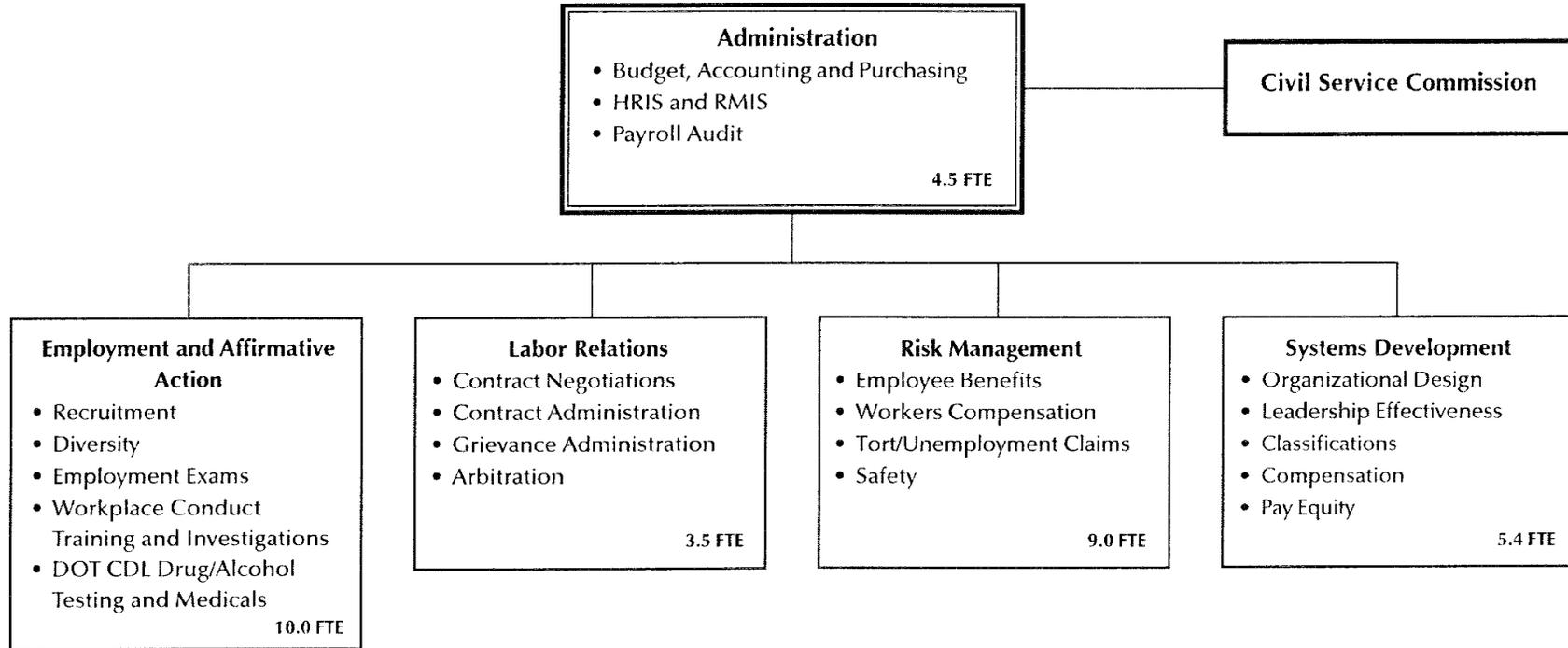


Human Resources

Providing the City with effective and efficient Human Resources services and expertise.



(Total 32.4 FTEs)

About the Office of Human Resources

What We Do (Description of Services)

Human Resources provides essential services and support to the City's departments and offices and to its 3,000 employees.

Administration -

Interpret personnel policies and rules, audit payroll documents to ensure accuracy and compliance with policies, maintain employee service records. Support the Office's information service needs.

Employment and Affirmative Action -

Work with Departments and Offices in planning their staffing needs. Recruit qualified and diverse candidates for City job openings, conduct targeted recruitment, post job announcements, review applications, develop and administer tests. Conduct Workplace Conduct Policy training and investigation.

Labor Relations -

Negotiate and administer all of the collective bargaining agreements between the City and employee unions. Represent City management in arbitrations, labor management committees, policy development and grievance handling. Advise City managers on employee issues such as sick leave, performance and discipline.

Risk Management -

Organize, coordinate, and provide management assistance to all City risk treatment programs. Provide financial and program management of all City employee benefit functions. Identify, measure, analyze and report property, casualty, and liability risks. Administer the City's worker's compensation program.

Systems Development -

Develop organizational capacity by redesigning structures, restructuring jobs, enhancing team and leadership effectiveness, addressing performance management issues, and developing strategic and operational plans. Perform job analyses, establish class specifications as a tool for management, and determine appropriate compensation based on principles of comparable worth.

2004-2005 Accomplishments

We're proud of the following accomplishments for 2004 & 2005:

- The Mayor and all top managers participated in a two-day Undoing Racism Workshop (Sept 2004).
- Over 1900 City employees attended the diversity training "Your Face Here" (June 2005).
- Conducted a national recruitment/ hiring process for Police Chief.
- Utilized an aggressive recruitment strategy for the Firefighter exam yielding over 2000 applicants, 12% female and 25% minority.
- Implemented the Advanced Management Academy and NetWork Saint Paul for top city managers.
- Continued offering the Mayor's Leadership Academy.
- Revamped the New Employee Orientation training.
- Negotiated a uniform health insurance package across most of the bargaining units. Negotiated the elimination of between one to three sick leave days out of several contracts. Negotiated the IRS mileage rate into, and floating holidays out of, several bargaining units' contracts eliminating these time-consuming processes.
- Decreased turn around time for class, comp, and organizational design studies by 14 days.
- Promoted self-service Internet/Intranet features, for 24/7 access.
- Completed an entirely new Employment and Affirmative Action Computer system, including Exam Applicant, Certification, Reallocation and Reinstatement processes.
- Negotiated two of the lowest rates of salary increases metrowide.
- Negotiated two of the lowest rates of increase in health insurance metro-wide for 2006 and 2007.
- Conducted a health insurance eligibility audit which eliminated 108 ineligible dependents saving approximately \$395,000 a year.
- Implemented a worker's compensation cost allocation system and conducted training for all City managers and supervisors, yielding increased departmental interest in reducing injuries and costs.
- Negotiated a zero increase in retiree health ins. premium for 2005.
- Implemented a worker's comp medical bill review. The city saved \$1,788,178 (48%) on \$3,680,090 of workers compensation medical provider charges in 2004. First quarter savings in 2005 is \$518,026 on \$1,079,220 provider charges.

Office of Human Resources Key Performance Measures

Performance Objective: Providing excellent customer service to city departments and offices				
Performance Indicator: Customer Service Ratings (out of 5 points)				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Employment & Affirmative Action	4.7	4.9	4.9	4.9
Labor Relations	4.4	4.1	4.3	4.3
Systems Development	4.6	4.8	4.8	4.8

Performance Objective: Aggressively recruit for City job openings to ensure hiring reflects the diversity of the City of Saint Paul				
Performance Indicator: % of applications received by women and minorities				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
% of applications received by women	27%	39%	35%	35%
% of applications received by minorities	30%	31%	35%	35%

Performance Objective: Keep the yearly increased cost of retiree health insurance below national health care cost inflation.				
Performance Indicator: % change per year in City cost per retiree				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
% increase in cost of retiree health insurance	7.47	8.60	7.24	6.05

Performance Objective: Keep the cost of employee health insurance at or below the national health care cost. (MN State law requires early retirees to be placed in same pool as active employees, which increases the City's average cost, comparatively.)				
Performance Indicator: Cost per employee (\$)				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Cost per employee - City	5,658	6,566	7,708	8,300
Cost per employee - City percent change		16%	17.4%	7.7%
Cost per employee - national average (govt)	5,616	6,000	n/a	n/a

Performance Objective: Reduce the number of worker's compensation lost time days to reduce costs & increase productivity.				
Performance Indicator: Total number of days lost.				
MEASURES:	2003	2004	2005	2006
	Actual	Actual	Estimated	Projected
Total number of days lost citywide	2,951	3,233	2,800	2,550

Human Resources

Department/Office Director: **ANGELA S NALEZNY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,419,574	2,877,736	3,123,503	3,064,556	3,043,864	-20,692	-79,639
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND			50,000	0	0		-50,000
060 RISK MANAGEMENT RETENTION FUND				1,862,742	1,862,742		1,862,742
Total Spending by Unit	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
<u>Spending By Major Object</u>							
SALARIES	1,421,525	1,727,365	1,807,181	1,829,581	1,829,581		22,400
SERVICES	462,403	477,229	738,912	1,171,979	1,171,979		433,067
MATERIALS AND SUPPLIES	40,270	72,350	54,495	49,812	49,812		-4,683
EMPLOYER FRINGE BENEFITS	477,136	593,335	566,305	1,469,316	1,448,624	-20,692	882,319
MISC TRANSFER CONTINGENCY ETC	808	187	1,000	401,000	401,000		400,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	17,432	7,270	5,610	5,610	5,610		
Total Spending by Object	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
Percent Change from Previous Year		18.9%	10.3%	55.3%	-0.4%	-0.4%	54.6%
<u>Financing By Major Object</u>							
GENERAL FUND	2,419,574	2,877,736	3,123,503	3,064,556	3,043,864	-20,692	-79,639
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE				1,487,742	1,487,742		1,487,742
TRANSFERS							
FUND BALANCES			50,000	375,000	375,000		325,000
Total Financing by Object	2,419,574	2,877,736	3,173,503	4,927,298	4,906,606	-20,692	1,733,103
Percent Change from Previous Year		18.9%	10.3%	55.3%	-0.4%	-0.4%	54.6%

2006 Budget Plan

2006 Priorities

- Increase diversity by continuing to utilize aggressive recruiting strategies.
- Ensure customer satisfaction and superior results by becoming process owners of EAA consulting services.
- Continue implementing a competency-based HR system for the City, providing education, practical applications, and streamlined processes as components of the system.
- Provide development opportunities for all levels of the organization by specifically developing technical, professional, and blue collar opportunities in 2006.
- Achieve an 80% favorable decision rate for arbitrations and civil service hearings.
- Renew or purchase a new property insurance policy in a fiscally responsible manner.
- Accurately maintain the value of property for the City and the Saint Paul Regional Water Services.
- Implement the CMS Medicare Part D program for the retiree health insurance program and consolidate and reduce the number of plans to reduce costs
- Continue to manage and administer the worker's compensation and tort liability programs on behalf of the City's departments, offices and the Saint Paul Regional Water Services in a timely manner, a fiscally responsible manner, and in accordance with State Statues.
- Increase the number of participants in the medical flexible spending account.
- Consider the implementation of a Health Savings Account Plan.
- Implement a Long Term Care Insurance Program
- Maintain premium increases in single digits for the employees and early retirees.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process. It also includes 2% inflation growth applied to utilities. For Human Resources, the base budget was adjusted down for the one time cost of the 2005 fire fighter test, and also included a spending reduction target.

Mayor's Recommendation

The proposed budget for Human Resources is \$3,064,556 in the general fund, and \$1,862,742 in special funds. This continues the level of services as in the recent past. For 2006, there is a reduction in personnel (.5 FTE), and some anticipated vacancy savings. 2006 total FTEs at 32.4 is above the 2004 budget level of 31.9. The Department's spending reduction target plus inflationary increases was achieved through a replacement hiring at the entry level salary, and the reallocation of work to a lesser paying title. The large increase in special funds is due to the creation of the Risk Management Retention Fund. This fund consolidates risk related activities from other budgets, and establishes the new accounting for workers' compensation costs, set up by the adopted 2005 budget.

Statistical Profile (2004)

• Number of active labor contracts:	22
• Number of organizational design studies:	118
• Total number of exams:	79
• Total number of job applicants:	2,694
• Number of tort files opened:	357
• Number of open tort files at year end:	242
• Number of work comp files opened:	823
• Number of open work comp files at year end:	651

2006 Budget Plan (continued)

2006 Budget Explanation (continued)

Council Actions

The City Council adopted the Human Resources Office budget and recommendations as proposed by the Mayor, and approved the following changes:

- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is \$3,043,864 for the general fund, and \$1,862,742 in special funds.