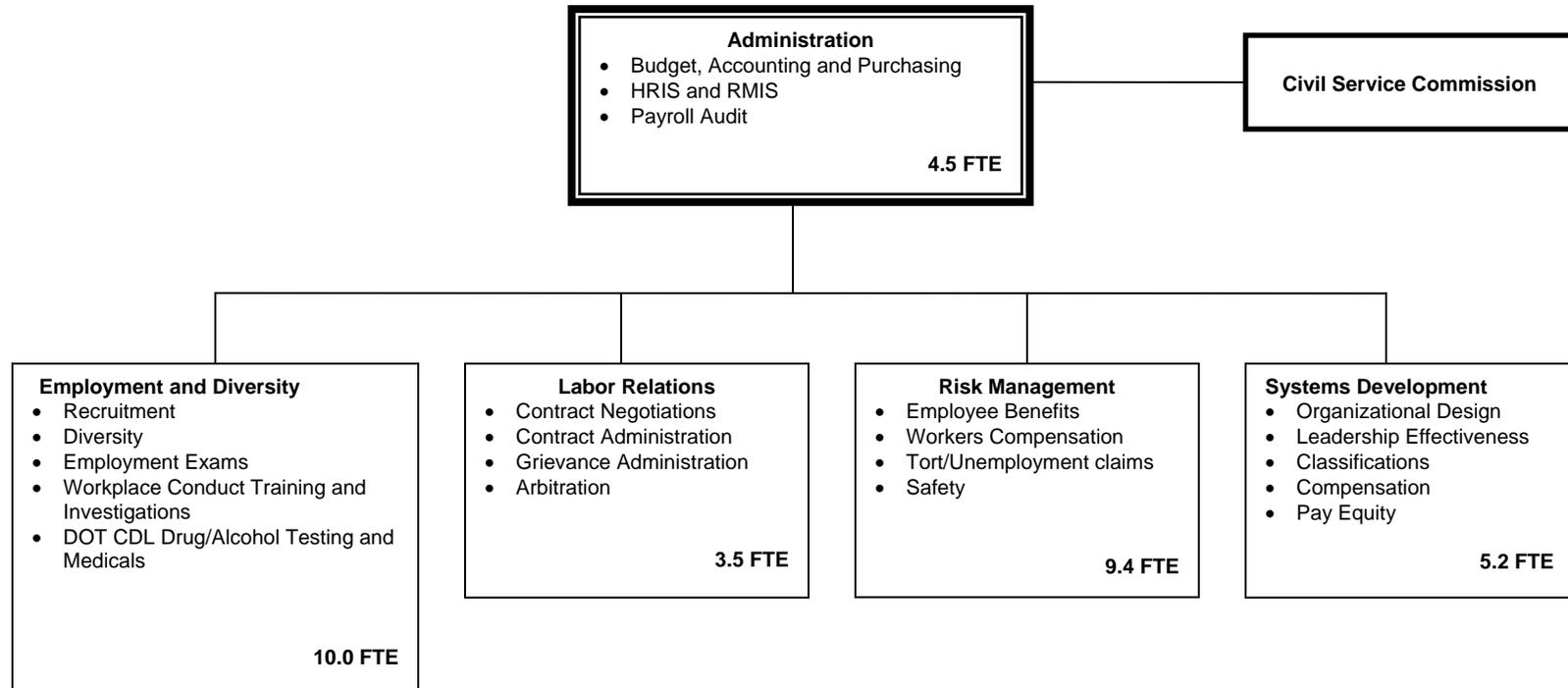


# Human Resources

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



(Total 32.6 FTEs)

## About the Office of Human Resources

### What We Do (Description of Services)

Human Resources provides essential and comprehensive 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 Diversity:** 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. Determine appropriate compensation based on principles of comparable worth.

### 2005-2006 Accomplishments

We're proud of the following 2005-2006 accomplishments:

- Increased and energized diversity recruitment efforts, traditional and non-traditional, for all open City jobs.
- Successfully administered the employment exam for Firefighter, the biggest and most complicated selection process the City undertakes.
- Conducted national recruitment/hiring processes for the directors of Library, PED and Public Works.
- Adopted a new Affirmative Action plan.
- Implemented NetWork Saint Paul and a new Administrative Professional Academy (APA).
- Offered a wide array of citywide classroom opportunities throughout the year, e.g., "Project Management," "Verbal Judo" and "Organized Audrey."
- Conducted extensive analysis and project management to achieve compliance for the City's Pay Equity Plan. The report was submitted to the State at 86% compliance, coming in higher than the State's 80% compliance benchmark.
- 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.
- Introduced and taught a systems-thinking approach to organizational strategies and business planning.
- Provided effective, competency-based tools to better meet the City's needs in the areas of classification and structural design, performance management and problem solving.
- Negotiated two of the lowest rates of increase in health insurance compared to other jurisdictions for 2006 and 2007. Data from the City's health care provider projected a 30% cost increase based on recent health care usage. Therefore, by negotiating renewal caps of 8.5% (for 2006) and 9% (for 2007), the City will avoid an estimated \$4.7 million in potential costs.
- The 2005 workers compensation bill review process resulted in annual savings for the City of \$2,253,742 or 46% of billed charges.
- Selected a new third party administrator for our benefits system.

## Key Performance Measures

<b>Performance Objective:</b> Providing excellent customer service to City departments and offices				
<b>Performance Indicator:</b> Customer Service Ratings (out of 5 points)				
<b>MEASURES:</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Projected</b>
Employment and Diversity	4.9	4.75	4.9	4.9
Labor Relations	4.1	3.9	4.3	4.3
Systems Development	4.8	4.7	4.8	4.8

<b>Performance Objective:</b> Aggressively recruit for City job openings to ensure hiring reflects the diversity of the City of Saint Paul				
<b>Performance Indicator:</b> % of applications received by women and minorities				
<b>MEASURES:</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Projected</b>
% of applications received by women	39%	27%	35%	35%
% of applications received by minorities	31%	28%	35%	35%

<b>Performance Objective:</b> Keep the yearly increased cost of retiree health insurance below national health care cost inflation				
<b>Performance Indicator:</b> % change per year				
<b>MEASURES:</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Projected</b>
% increase in cost of retiree health insurance	8.60	-8.04	7.24	6.05

<b>Performance Objective:</b> 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)				
<b>Performance Indicator:</b> Cost per employee (\$)				
<b>MEASURES:</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Projected</b>
Cost per employee - City	6,566	7,393	7,435	8,261
Cost per employee - national average (govt)	6,000	6,908	n/a	n/a

<b>Performance Objective:</b> Reduce the number of worker's compensation lost time days to reduce costs & increase productivity				
<b>Performance Indicator:</b> Total number of days lost				
<b>MEASURES:</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Projected</b>
Total number of days lost citywide	3,233	2,966	2,600	2,600

# Human Resources

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

	2004 2nd Prior Exp. & Enc.	2005 Last Year Exp. & Enc.	2006 Adopted	2007 Mayor's Proposed	2007 Council Adopted	Change from Mayor's Proposed	2006 Adopted
<b><u>Spending By Unit</u></b>							
001 GENERAL FUND	2,877,735	3,071,328	3,043,864	3,070,622	3,070,622		26,758
060 RISK MANAGEMENT RETENTION FUND		1,082,166	1,862,742	2,497,500	2,497,500		634,758
Total Spending by Unit	<b>2,877,735</b>	<b>4,153,494</b>	<b>4,906,606</b>	<b>5,568,122</b>	<b>5,568,122</b>	<b>0</b>	<b>661,516</b>
<b><u>Spending By Major Object</u></b>							
SALARIES	1,727,366	1,712,385	1,829,581	1,919,582	1,919,582		90,001
SERVICES	477,230	935,932	1,171,979	1,068,465	1,068,465		-103,514
MATERIALS AND SUPPLIES	72,348	55,471	49,812	57,623	57,623		7,811
EMPLOYER FRINGE BENEFITS	593,335	1,396,110	1,448,624	2,071,452	2,071,452		622,828
MISC TRANSFER CONTINGENCY ETC	187	943	401,000	451,000	451,000		50,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	7,270	52,653	5,610	0	0		-5,610
Total Spending by Object	<b>2,877,735</b>	<b>4,153,494</b>	<b>4,906,606</b>	<b>5,568,122</b>	<b>5,568,122</b>	<b>0</b>	<b>661,516</b>
Percent Change from Previous Year		<b>44.3%</b>	<b>18.1%</b>	<b>13.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>13.5%</b>
<b><u>Financing By Major Object</u></b>							
GENERAL FUND	2,877,735	3,071,328	3,043,864	3,070,622	3,070,622		26,758
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE				532,000	532,000		532,000
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE		1,444,476	1,487,742	1,582,500	1,582,500		94,758
TRANSFERS		432,734					
FUND BALANCES			375,000	383,000	383,000		8,000
Total Financing by Object	<b>2,877,735</b>	<b>4,948,538</b>	<b>4,906,606</b>	<b>5,568,122</b>	<b>5,568,122</b>	<b>0</b>	<b>661,516</b>
Percent Change from Previous Year		<b>72.0%</b>	<b>-0.8%</b>	<b>13.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>13.5%</b>

# 2007 Budget Plan

## 2007 Priorities

- Increase diversity through aggressive recruiting strategies.
- Ensure customer satisfaction and superior results by becoming process owners of Employment and Diversity consulting services.
- Continue implementing 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 in 2007.
- Resolve conflicts in an equitable manner.
- Maintain equitable market positions for job classes.
- Maintain favorable decision rate for arbitrations and civil service hearings.
- Accurately maintain value of property for the City and Saint Paul Regional Water Services.
- Continue to manage and administer worker's compensation and tort liability programs on behalf of the City's departments and offices, and Saint Paul Regional Water Services in a timely, fiscally responsible manner, and in accordance with State Statutes.
- Implement contract with third party benefit administrator.
- Develop request for employee and retiree health benefits proposal for 2008 and release to market.
- Provide workers compensation training for all employees in Public Works Department.
- Increase number of participants in medical flexible spending account.
- Practice financially sound claims handling practices.
- Provide quarterly updates to departments, offices, and Saint Paul Regional Water Services.
- Maintain Surety Bond Premium coverage.
- Provide employee benefits services.
- Develop a comprehensive procedure manual for benefits.
- Provide retiree benefit services.
- Provide and maintain database of all properties.
- Maintain and administer billing of property insurance for departments, offices, and Saint Paul Regional Water Services.
- Pay monthly FSA costs in a timely manner.

## 2007 Budget Explanation

### Base Adjustments

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth for 2007 in employee salaries and fringes related to the bargaining process.

### Mayor's Recommendation

The proposed general fund budget for Human Resources is \$3,070,622, which represents an increase of \$26,758 from the 2006 adopted budget. This spending growth is largely attributable to step and merit increases, promotions and position upgrades. There are 32.6 FTEs budgeted for 2007, up from 32.4 in 2006. The Department's spending reduction target was achieved through cutting civil service testing costs, conducting arbitrations in-house, eliminating the Mayor's Leadership Academy, reducing Labor Management Council dues, reducing overtime, cutting the appreciation breakfast for the Mayor's Committee on Persons with Disabilities, eliminating the donation to the Multi-Cultural Forum, cutting out of state travel, eliminating interns, reducing parking costs, and by cutting the budget for cell phones by 10%.

The special fund budget is \$2,497,500, which is \$634,758 more than the 2006 adopted budget. The special fund budget represents the Risk Management Retention Fund, a consolidation of citywide risk related activities including property insurance, tort claims, flexible spending account and workers' compensation costs. The increase in special funds is mostly due to workers' compensation costs.

### Statistical Profile

- Number of active labor contracts: 22
- Number of organizational design studies (including classification and compensation studies, class revisions, organizational design services, etc): 200
- Total number of exams: 101
- Total number of job applicants: 5291
- Number of tort files opened: 340
- Number of open tort files at year end: 187
- Number of work comp files opened: 926
- Number of open work comp files at year end: 495

## **2007 Budget Plan (continued)**

### **2007 Budget Explanation (continued)**

#### **Council Actions**

The City Council adopted the Office of Human Resources budget and recommendations as proposed by the Mayor.

The 2007 adopted budget is \$3,070,622 for the general fund, and \$2,497,500 in special funds. The general fund includes 32.6 FTEs.