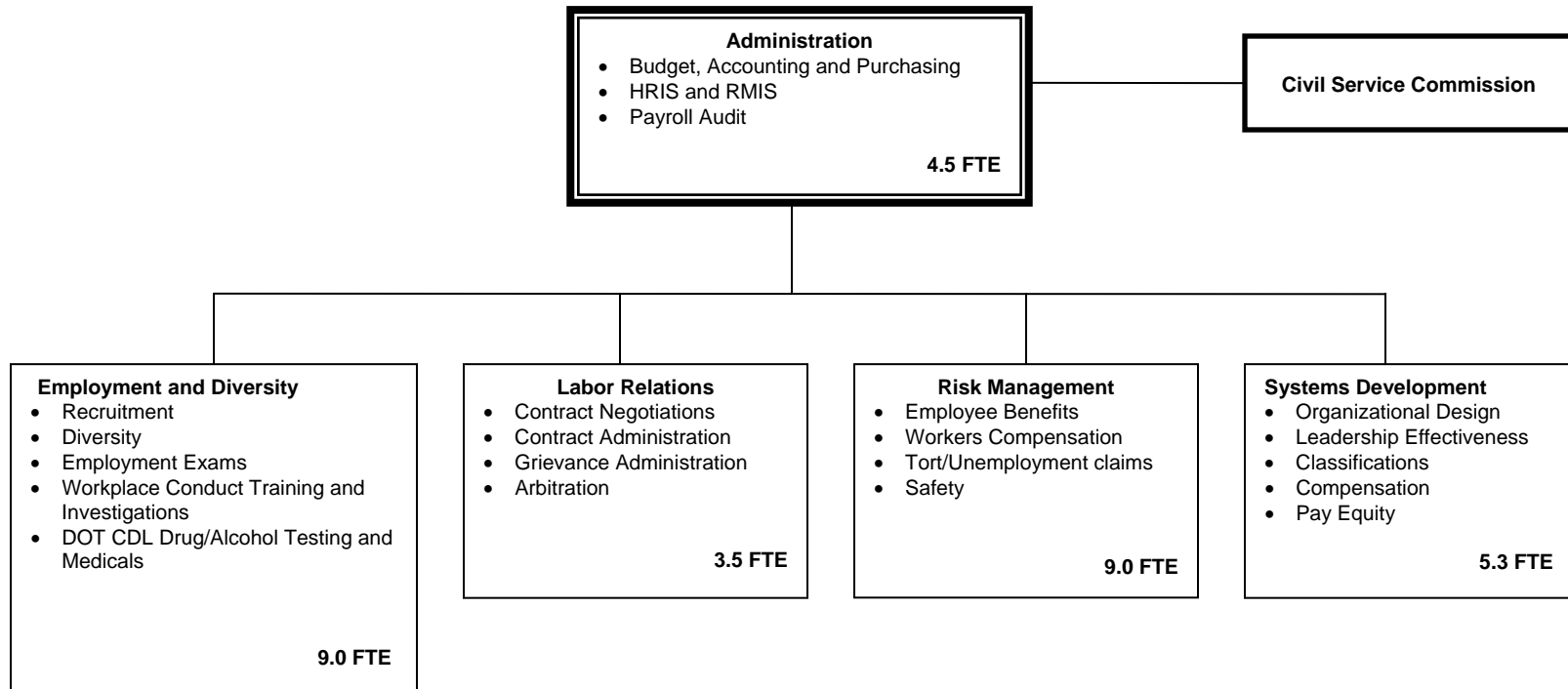


Human Resources

Be a strategic leader and partner, promoting organizational and individual effectiveness.



(Total 31.3 FTEs)

2008 Budget Plan

2008 Priorities

- Maintain high customer satisfaction ratings by providing exceptional service to our clients and customers.
- Attract, develop and maintain a diverse, professional workforce by fostering inclusive business practices and continuing to utilize aggressive recruiting strategies.
- 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 in 2008.
- Increase Organizational Development Consulting Services capacity in the City.
- Complete effort to create 100% online access to Systems Development historical files, eliminating paper files.
- Complete negotiations of all open labor agreements in a timely fashion.
- Resolve conflicts in an equitable manner.
- Maintain equitable market positions for job classes.
- Maintain favorable decision rate for arbitrations and civil service hearings.
- Continue to administer the City's workers compensation and tort liability programs in a timely, fiscally responsible manner, and in accordance with state statutes.
- Work with the LMCHI to implement a cost effective health education/wellness program.
- Continue to work with departments to reduce workers compensation expenditures.
- Contract to conduct external assessments of the value of all City properties.
- Increase the number of participants in the medical FSA.
- Practice financially sound claims handling practices.
- Provide quarterly updates to departments, offices, and Saint Paul Regional Water Services (SPRWS).
- Develop a comprehensive procedure manual for benefits.
- Maintain and administer billing of property insurance for the City and SPRWS.

2008 Budget Explanation

Base Adjustments

The 2007 adopted budget was adjusted to set the budget base for 2008. The base includes the anticipated growth in salaries and fringes for 2008 for employees related to the bargaining process. It also includes 2.5% inflation growth on services and 3% on goods and materials.

Mayor's Recommendation

The proposed general fund budget for Human Resources is \$3,161,786, which represents an increase of \$91,164 over the 2007 Adopted Budget. This growth is primarily due to step and merit increases, promotions and inflation. There are 31.3 FTEs budgeted for 2008, a decline of 1.3 FTEs from 2007's total. The department achieved its spending reduction target by eliminating one full time position, removing funding for an intern and by eliminating general fund tuition reimbursements for employees budgeted in special funds.

The special fund budget is \$2,638,000, which is \$140,500 more than the 2007 Adopted Budget. The special fund budget is for the Risk Management Retention Fund, a consolidation of citywide risk related activities including property insurance, tort claims, flexible spending accounts, and workers compensation costs. The growth in this budget is mostly due to workers compensation and property insurance costs.

The proposed budget for HR reflects the office's share of spending for the new Enterprise Technology Initiative (ETI) and includes costs associated with the revised Central Service Cost allocation methodology as described in the Special Fund Highlights.

Statistical Profile

- Number of active labor contracts: 22
- Number of organizational design studies: 333
- Total number of exams: 82
- Total number of job applicants: 3,775
- Number of tort files opened: 372
- Number of open tort files at year end: 113
- Number of work comp files opened: 848
- Number of open work comp files at year end: 503

Key Performance Measures

Performance Objective: Providing excellent customer service to city departments and offices

Performance Indicator: Customer Service Ratings (out of 5 points)

MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Employment and Diversity	4.75	4.5	4.6	4.6
Labor Relations	3.9	4.2	4.3	4.3
Risk Management	n/a	4.4	4.5	4.5
Systems Development	4.7	4.7	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:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
% of applications received by women	27%	37%	38%	38%
% of applications received by minorities	28%	28%	35%	35%

Performance Objective: Keep the yearly increased cost of retiree health insurance below national health care cost inflation.

Performance Indicator: % change per year

MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
% increase in cost of retiree health insurance	-0.26	-10.02	2.59	8.96

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 (\$) City contribution plus employee contribution cost

MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Cost per employee - City	6,393	6,321	6,658	7,485
Cost per employee - national average (govt)	6,908	n/a	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:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Total number of days lost citywide	2,902	2,535	2,600	2,600

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 3,100 employees.

- **Administration:** Interpret personnel policies and rules; audit payroll documents to ensure accuracy and compliance with policies; maintain employee service records; and 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; and 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; and administer the City's workers 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.

2006-2007 Accomplishments

We're proud of the following accomplishments for 2006 & 2007:

- Negotiated below industry average health insurance rate increases for 2009 and 2010 with no benefit reductions.
- Completed RFPs and provider selections for property broker, life insurance and health care providers, and workers compensation managed care and bill review services.
- Workers compensation medical bill review process saved \$3.08 million in 2006, 46% of the cost of all bills received.
- In 2006 the City reported 96.2% of workers compensation first report of injuries to the State, highest among all industries.
- Implemented on-line benefits and open enrollment.
- Established insurance requirements with the Risk Management Convention Group to financially protect the City for the RNC.
- Offered workers compensation and general risk management training for City managers and supervisors, increasing departmental interest in reducing injuries and costs.
- Increased flexible spending participation by 20% since 2005.
- Started a new Professional & Technical Development Series.
- Maintained the City's Pay Equity Compliance
- 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.
- Conducted a national recruitment process for Fire Chief.
- Became a national leader in the area of racial justice by removing the criminal history question from the City's employment application.
- Led New Conversations on Race & Racism for staff & DODs.
- Passed an audit of drug testing procedures and policies to determine compliance with DOT regulations.
- Spearheaded Street Services Worker trainee pilot program.
- Coordinated a summer job fair for Youth Job Corps employees.
- Successfully defended two veteran's preference termination hearings.
- Negotiated five labor contracts.

2008 Budget Plan (Continued)

2008 Budget Explanation (continued)

Council Actions

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

- Accepted technical changes to the special fund budget, which revise spending estimates for property insurance and tort claims.
- Accepted technical changes to the special fund budget, which increase property insurance revenue estimates and reduce the use of fund balance as a revenue source.

The 2008 adopted budget is \$3,161,786 for the general fund and \$2,348,000 in special funds. The adopted budget includes 31.3 general fund FTEs and no special fund FTEs.