

# HUMAN RESOURCES

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## ***Mission Statement:***

**The mission of the Human Resources Department is to enable the City make the best decisions about its human capital investments.**

### **Primary Businesses:**

*Employment Services: Provide employment services so that operating departments have diverse competent employees in the positions they need at the right time*

*Employee Services: Provide employee services so that employees receive competitive compensation, working conditions, supervision and challenging assignments to remain high performing employees*

*Enterprise Services: Provide enterprise services so that the expectations of elected officials, department heads and citizens for organizational improvement can be realized*

### **Key Trends and Challenges Impacting the Department:**

1. The ongoing budget constraints on the general fund will cause some departments to layoff employees. The HR Department must carefully manage the Job Bank to assure expected savings and fair treatment of employees.
2. Even with the slowed economy and budget constraints, the City will continue to have difficulty filling some positions as experienced employees retire (engineers, IT professionals, forensic scientists, etc.). HR must continue its aggressive recruiting campaigns for these positions, focusing on the creation of a diverse workforce.
3. The remaining employees will need to be more productive and more creative in providing City services. HR will need to expand its role in employee training and development. Supervisory and managerial training are most critical.
4. Eleven collective bargaining agreements will be open for renegotiations. Employees will expect increases in salary and benefits.

### **Key Enterprise Outcome Measures Influenced by the: Human Resources Department**

1. Direct all HR functions so that each department can make the best decisions about their human capital investments.
2. Increase the percentage of departments utilizing a performance appraisal system for determining the training and development of employees
3. Stay within original budget

### **Performance Data for Key Enterprise Outcome Measures:**

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
Survey results from customer departments about quality of services provided by HR.	NA	NA	60% satisfaction		
% departments using the standard performance appraisal system	NA	45%	50%		
% of annual budget spent	96.3%	98.3%	100%	100%	100%

**Primary Business: Employment Services**

(Service activities and performance measures sorted by business)

**Service Activity: Help departments increase the racial, gender and disabled diversity within a respectful work environment.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
% of protected class applicants on eligible list	66%*	70%*	51%**	55%	55%
% City workforce that are women, people with disabilities, & people of color	Women 32.4% Disabled 7.1% POC 17.4%	Women 32.9% Disabled 6.2% POC 18.4%	Women 34% Disabled 6% POC 20%	Women 50% Disabled 7% POC 24%	Women 50% Disabled 7% POC 24%

*Explanation of Key Performance Measures:* \* Includes total population of applicants, and counts women and people of color separately. So an African American female would be counted twice. \*\* Includes only those applicants that were placed on the eligible lists, and does not double count women of color.

**Service Activity: Provide highly qualified, diverse candidates for employment in City departments, Park Board, and Library Board in a timely manner.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
% of managers expressing satisfaction with support received from HR generalists	90%	NA	80%	80%	80%
Avg. # of days to create an eligible list (sorted by types).	60 days	48.5 days	37 days	35 days	35 days
Avg. score on customer satisfaction surveys re: staffing function.	3.81 (of 5.0)	4.08 (of 5.0)	4.5 (of 5.0)	4.5 (of 5.0)	4.5 (of 5.0)

**Primary Business: Employee Services**

(Service activities and performance measures sorted by business)

**Service Activity: Negotiate and administer fair and affordable collective bargaining agreements.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
# of collective bargaining agreements within the operational and financial parameters established by the Executive Committee.	12	8	9	12	12

**Service Activity: Administer compensation and classification programs that provide for fair and equitable salaries.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
% of reclass requests completed within 60 days or less	84%	92%	96%	95%	95%
% of job titles reviewed for proper classification and compensation	N/A	N/A	10%	20%	20%
% salary new schedules within 4% of the City's internal pay equity line	N/A	100%	100%	95%	95%

**Service Activity: Design and manage employee benefit plans, and assure compliance with all applicable laws.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
Scope and cost of City benefit packages compared to similar public jurisdictions.	N/A	Monthly premium for City single and family contracts are less than those for comparable plans at Hennepin County and the State of Minnesota. \$70 - \$200 = single \$75 - \$314 = family	Vastly similar to 2001	Similar to 2002	Similar to 2002
Number of sustained complaints regarding compliance with federal and state IRS regulations regarding benefits	0	0	0	0	0
% employees expressing satisfaction with choice of benefits	N/A	93%	85%	85%	85%

**Service Activity: Administer programs (ADR, RTW/Job Bank) and investigate complaints in order to assure fair & equitable treatment for all employees.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
% of employees placed in a transitional job within 3 days of release to return to work with restrictions	N/A	76%	90%	90%	90%
% of arbitration hearings won	85%	92%	90%	85%	85%
# referrals/request for ADR services	11	9	6	5	5
% discrimination complaints investigated and resolved within 60 days	N/A	N/A	80%	90%	90%

**Primary Business: Enterprise Services**

(Service activities and performance measures sorted by business)

**Service Activity: Conduct workforce action planning with each operating department.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
% of City Council Departments with a current Workforce Action Plan completed within the last 3 years	41%	77%	94%	100%	100%
% of City Council Departments using their WFAP six months after its completion	92%	94%	93%	100%	100%

**Service Activity: Provide employees and supervisors with training that teaches them the enterprise competencies they need to perform their jobs.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
Avg. # of hours of training per full time employee	3	4	3	4	4

*Explanation of Key Performance Measures:* The hiring freeze impacted 2002.

**Service Activity: Use information technology to insure ease of access for up-to-date applicant and employment records and management reports.**

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Adopted
Accuracy of standard HRIS management reports, biweekly paychecks, mostly PM report, etc...	98%	98%	99%	99%	99%
Timeliness of data available within HRIS	98%	98%	99%	99%	99%

**Financial Analysis:**

The Human Resources 2003 Adopted Budget increased 0.5% to \$5,627,513 across all funds compared to the 2002 Adopted Budget of \$5,600,593. Relative to the 2002 Modified Budget of \$5,494,593, the increase is 3% because of the additional 2002 target reductions, which included the elimination of 2.50 FTEs. Health insurance is the largest contributor of the increase, with fringe benefits 10% higher than the previous year.



**Describe how the proposal impacts your service activities and performance measures:** In estimating the FICA and PERA savings from the new Employee Health Care Savings Program, we assumed half of the unions will participate in the plan and will contribute at a rate of \$500 per year, per member. We assumed participating members will contribute half of the value of their Annual Sick Leave Credit. We assumed appointed employees will contribute \$800 per year per member, and non-represented members will contribute \$600 per year per member.

**Title:** Various Program Reductions

**Fund #** 0100

**Agency #** 815

**Organization #** 8155,8156,8160

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<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100	(\$5,000)			Discontinue merit pay for special projects
0100	(\$20,000)			Eliminate Upward Mobility Program
0100	(\$10,000)			Insource training and reduce Professional Services expenditures

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**Mayor's Recommendation:**

The Mayor recommends this strategy.

**Expense:** (\$35,000)

**Revenue:**

**Council Adopted:**

The Council concurs with the Mayor's recommendation, but directs the Department to continue the Upward Mobility Program within current resources.

**Expense:** (\$35,000)

**Revenue:**

**Proposal Description:** Discontinue merit pay for special projects - \$5,000  
 Eliminate Upward Mobility Program, only 1% of employees participate - \$20,000  
 Insource training and reduce Professional Services - \$10,000

**Describe how the proposal impacts your service activities and performance measures:** The projects that warranted the merit pay will be completed in 2002, so the salary reductions would occur regardless.

The elimination of the Upward Mobility Program will cause some employees to spend more of their own money on their career development.

The insourcing of some of our employee training will require the current city staff to spend more time designing curriculum and delivering classes.

**Title:** Allocate General Fund Expenditures to Enterprise Funds

**Fund #** 0100

**Agency #** 815

**Organization #** 815

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<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100	(\$900,000)			
7300	\$225,000			
7400	\$225,000			
7500	\$225,000			
7700	\$225,000			

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**Mayor's Recommendation:**

The Mayor recommends this strategy.

**Expense:** -\$0-

**Revenue:** -\$0-

**Council Adopted:**

The Council concurs with the Mayor's recommendation.

**Expense:** -\$0-

**Revenue:** -\$0-

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**Proposal Description:** Redistribute HR overhead costs to Enterprise Funds that use HR services (20% of workforce) - \$900,00

**Describe how the proposal impacts your service activities and performance measures:** This strategy is similar to how Finance Services have been funded since 1996. Pending rate modeling for many City services, these allocations may change in 2004 and beyond.

## HUMAN RESOURCES Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
<b>Enterprise Funds</b>						
Operating Costs	0	0	0	900,000	0.0%	900,000
<b>Total for Enterprise Funds</b>	0	0	0	900,000		900,000
<b>General Fund - City</b>						
Contractual Services	815,828	1,050,427	760,417	738,810	-2.8%	-21,607
Equipment	99,805	22,733	5,500	5,610	2.0%	110
Fringe Benefits	537,837	516,031	676,105	735,089	8.7%	58,984
Operating Costs	281,111	360,632	316,983	-646,318	-303.9%	-963,301
Salaries and Wages	2,597,272	2,562,415	3,010,234	3,070,024	2.0%	59,790
<b>Total for General Fund - City</b>	4,331,853	4,512,238	4,769,239	3,903,215	-18.2%	-866,024
<b>Internal Service Funds</b>						
Contractual Services	76,001	207,181	370,868	362,985	-2.1%	-7,883
Equipment	0	0	3,600	3,672	2.0%	72
Fringe Benefits	66,843	98,759	74,714	80,263	7.4%	5,549
Operating Costs	6,674	7,705	13,493	13,821	2.4%	328
Salaries and Wages	312,807	490,770	302,699	296,316	-2.1%	-6,383
<b>Total for Internal Service Funds</b>	462,324	804,414	765,374	757,057	-1.1%	-8,317
<b>Special Revenue Funds</b>						
Contractual Services	0	675	0	0	0.0%	0
Fringe Benefits	11,270	9,781	13,178	14,565	10.5%	1,387
Operating Costs	6,266	3,137	10,984	11,023	0.4%	39
Salaries and Wages	38,252	34,264	41,818	41,653	-0.4%	-165
<b>Total for Special Revenue Funds</b>	55,788	47,857	65,980	67,241	1.9%	1,261
<b>Total for HUMAN RESOURCES</b>	4,849,965	5,364,509	5,600,593	5,627,513	0.5%	26,920

## HUMAN RESOURCES Revenue Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
<b>General Fund - City</b>						
Charges for Sales	243	38	300	0	-100.0%	-300
Charges for Service	394,000	128,518	96,550	0	-100.0%	-96,550
Other Misc Revenues	5,469	4,586	7,250	7,000	-3.4%	-250
<b>Total for General Fund - City</b>	399,712	133,141	104,100	7,000	-93.3%	-97,100
<b>Internal Service Funds</b>						
Charges for Service	103,093	148,963	0	23,817	0.0%	23,817
Other Misc Revenues	-217	31	0	0	0.0%	0
<b>Total for Internal Service Funds</b>	102,876	148,994	0	23,817	0.0%	23,817
<b>Special Revenue Funds</b>						
Charges for Sales	140	0	0	0	0.0%	0
Contributions	2,250	0	2,250	0	-100.0%	-2,250
Other Misc Revenues	6,215	4,664	10,000	10,000	0.0%	0
<b>Total for Special Revenue Funds</b>	8,605	4,664	12,250	10,000	-18.4%	-2,250
<b>Total for HUMAN RESOURCES</b>	511,193	286,799	116,350	40,817	-64.9%	-75,533

**HUMAN RESOURCES**  
**Business Line Expense Information**

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
<b>HR ADMINISTRATION</b>						
<b>Enterprise Funds</b>						
Operating Costs	0	0	0	121,532	0.0%	121,532
<b>Total for Enterprise Funds</b>	0	0	0	121,532		121,532
<b>General Fund - City</b>						
Contractual Services	350,513	292,800	283,790	283,050	-0.3%	-740
Equipment	17,765	8,053	0	0	0.0%	0
Fringe Benefits	199,932	32,942	25,877	31,425	21.4%	5,548
Operating Costs	136,679	106,728	161,503	45,579	-71.8%	-115,924
Salaries and Wages	995,269	167,408	173,195	166,992	-3.6%	-6,203
<b>Total for General Fund - City</b>	1,700,158	607,932	644,365	527,046	-18.2%	-117,319
<b>Special Revenue Funds</b>						
Operating Costs	2,250	0	0	0	0.0%	0
<b>Total for Special Revenue Funds</b>	2,250	0	0	0		0
<b>Total for HR ADMINISTRATION</b>	1,702,408	607,932	644,365	648,578	0.7%	4,213
<b>HR EMPLOYEE SERVICES</b>						
<b>Enterprise Funds</b>						
Operating Costs	0	0	0	139,048	0.0%	139,048
<b>Total for Enterprise Funds</b>	0	0	0	139,048		139,048
<b>General Fund - City</b>						
Contractual Services	31,203	43,752	47,385	50,373	6.3%	2,988
Fringe Benefits	77,189	86,915	113,640	122,431	7.7%	8,791
Operating Costs	21,388	37,550	35,635	-127,800	-458.6%	-163,435
Salaries and Wages	408,338	454,001	544,173	573,217	5.3%	29,044
<b>Total for General Fund - City</b>	538,118	622,217	740,833	618,221	-16.6%	-122,612
<b>Internal Service Funds</b>						
Contractual Services	76,001	146,236	190,868	179,385	-6.0%	-11,483
Equipment	0	0	3,600	3,672	2.0%	72
Fringe Benefits	65,804	91,358	48,878	52,011	6.4%	3,133
Operating Costs	6,674	7,705	13,493	13,821	2.4%	328
Salaries and Wages	304,690	445,695	185,503	175,316	-5.5%	-10,187
<b>Total for Internal Service Funds</b>	453,169	690,994	442,342	424,205	-4.1%	-18,137
<b>Total for HR EMPLOYEE SERVICES</b>	991,287	1,313,211	1,183,175	1,181,474	-0.1%	-1,701
<b>HR EMPLOYMENT SERVICES</b>						
<b>Enterprise Funds</b>						
Operating Costs	0	0	0	423,882	0.0%	423,882
<b>Total for Enterprise Funds</b>	0	0	0	423,882		423,882
<b>General Fund - City</b>						
Contractual Services	265,994	342,081	204,411	175,860	-14.0%	-28,551
Equipment	30,160	13,929	5,500	5,610	2.0%	110

**HUMAN RESOURCES**  
**Business Line Expense Information**

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
<b>HR EMPLOYMENT SERVICES</b>						
<b>General Fund - City</b>						
Fringe Benefits	178,222	331,386	355,236	388,753	9.4%	33,517
Operating Costs	86,715	169,207	80,910	-388,273	-579.9%	-469,183
Salaries and Wages	820,823	1,598,569	1,456,381	1,503,454	3.2%	47,073
<b>Total for General Fund - City</b>	<b>1,381,915</b>	<b>2,455,172</b>	<b>2,102,438</b>	<b>1,685,404</b>	<b>-19.8%</b>	<b>-417,034</b>
<b>Internal Service Funds</b>						
Fringe Benefits	1,039	0	0	0	0.0%	0
Salaries and Wages	8,117	0	0	0	0.0%	0
<b>Total for Internal Service Funds</b>	<b>9,156</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Special Revenue Funds</b>						
Contractual Services	0	675	0	0	0.0%	0
Fringe Benefits	11,270	9,781	13,178	14,565	10.5%	1,387
Operating Costs	4,016	3,137	10,984	1,023	-90.7%	-9,961
Salaries and Wages	38,252	34,264	41,818	41,653	-0.4%	-165
<b>Total for Special Revenue Funds</b>	<b>53,538</b>	<b>47,857</b>	<b>65,980</b>	<b>57,241</b>	<b>-13.2%</b>	<b>-8,739</b>
<b>Total for HR EMPLOYMENT SERVICES</b>	<b>1,444,608</b>	<b>2,503,028</b>	<b>2,168,418</b>	<b>2,166,527</b>	<b>-0.1%</b>	<b>-1,891</b>
<b>HR ENTERPRISE SERVICES</b>						
<b>Enterprise Funds</b>						
Operating Costs	0	0	0	215,538	0.0%	215,538
<b>Total for Enterprise Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215,538</b>		<b>215,538</b>
<b>General Fund - City</b>						
Contractual Services	164,374	371,795	224,831	229,527	2.1%	4,696
Equipment	5,075	751	0	0	0.0%	0
Fringe Benefits	39,340	64,787	181,352	192,480	6.1%	11,128
Operating Costs	35,439	47,110	38,935	-175,824	-551.6%	-214,759
Salaries and Wages	165,803	342,437	836,485	826,361	-1.2%	-10,124
<b>Total for General Fund - City</b>	<b>410,032</b>	<b>826,880</b>	<b>1,281,603</b>	<b>1,072,544</b>	<b>-16.3%</b>	<b>-209,059</b>
<b>Internal Service Funds</b>						
Contractual Services	0	60,945	180,000	183,600	2.0%	3,600
Fringe Benefits	0	7,400	25,836	28,252	9.4%	2,416
Salaries and Wages	0	45,075	117,196	121,000	3.2%	3,804
<b>Total for Internal Service Funds</b>	<b>0</b>	<b>113,420</b>	<b>323,032</b>	<b>332,852</b>	<b>3.0%</b>	<b>9,820</b>
<b>Special Revenue Funds</b>						
Operating Costs	0	0	0	10,000	0.0%	10,000
<b>Total for Special Revenue Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>		<b>10,000</b>
<b>Total for HR ENTERPRISE SERVICES</b>	<b>410,032</b>	<b>940,301</b>	<b>1,604,635</b>	<b>1,630,934</b>	<b>1.6%</b>	<b>26,299</b>
<b>HRIS</b>						
<b>General Fund - City</b>						
Contractual Services	3,744	0	0	0	0.0%	0

**HUMAN RESOURCES**  
**Business Line Expense Information**

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
<b>HRIS</b>						
<b>General Fund - City</b>						
Equipment	46,804	0	0	0	0.0%	0
Fringe Benefits	43,153	0	0	0	0.0%	0
Operating Costs	890	0	0	0	0.0%	0
Salaries and Wages	207,039	0	0	0	0.0%	0
<b>Total for General Fund - City</b>	301,631	0	0	0		0
<b>Total for HRIS</b>	301,631	0	0	0		0
<b>HUMAN RESOURCES</b>						
<b>General Fund - City</b>						
Operating Costs	0	37	0	0	0.0%	0
<b>Total for General Fund - City</b>	0	37	0	0		0
<b>Total for HUMAN RESOURCES</b>	0	37	0	0		0
<b>Total for HUMAN RESOURCES</b>	4,849,965	5,364,509	5,600,593	5,627,513	0.5%	26,920

**HUMAN RESOURCES  
Staffing Information**

	<b>2000</b>	<b>2001</b>	<b>2002 Adopted Budget</b>	<b>2003 Adopted Budget</b>	<b>% Change 2002 to 2003</b>	<b>Change 2002 to 2003</b>
<b>FTE's by Division</b>						
Administration	3.00	3.00	2.00	2.00	0.00%	-
Employment Services	33.50	34.50	30.00	28.00	-6.67%	(2.00)
Enterprise Services	7.00	8.00	15.50	15.00	-3.23%	(0.50)
Employee Services	13.00	13.00	12.00	12.00	0.00%	-
<b>Total FTE's</b>	<b>56.50</b>	<b>58.50</b>	<b>59.50</b>	<b>57.00</b>	<b>-4.20%</b>	<b>(2.50)</b>