

**FY 2015-2016
Budget Presentation to
Board of Representatives**

DEPARTMENT

Director

PRESENTATION DATE

Department Highlights

- What major services does the department provide to citizens and other City departments?
- As a full service human resources department for the City, the Department is involved in:
 - employee recruitment,
 - compensation, salary plan administration,
 - contract negotiation and administration (including cost analysis),
 - labor and employee relations,
 - the maintenance of personnel records, and advisement on federal and state laws relating to employment, including Civil Service Law,
 - coordinating background checks, employment verifications, and responding to queries on employees, and
 - administering, reviewing, monitoring and selecting health and welfare programs for City employees and retirees.

2014-2015 Mayor department accomplishments and highlights

- Reached Agreement with UAW that resulted in increased employee contributions for medical and systemic changes in pension benefit accruals;
- Established and implemented procedures for auditing vacation accrual balances;
 - ❖ By adjusting the vacation balances, in accordance with collective bargaining agreement, we reduced the City's accrued liability for vacation time in excess of \$300,000. In addition, we have establish procedures for an ongoing review of all payouts for accrued vacation time to ensure accuracy and compliance with contractual terms.
- Audit all payouts for vacation accruals that are managed by various systems;
- Successfully moved and continue to move post 65 retirees from Retired Drug Subsidy ("RDS") program to an Employer Group Waiver Plan which increases the City's rebate from the Federal Government's Center for Medicare and Medicaid Services. Received rebates over \$383,524 for FY 14/15 for EGWP; Rebates of \$1,192,630 for Commercial Plans;
- Since December 2013, successfully rebutted Medicare claims in excess of \$400,000 (in one case the savings was over \$140,000 for a pre-65 retiree who is disabled but has Medicare Part A & B);
- Since July 1, 2014, the Department has on-boarded over 219 employees;

2014-2015 Mayor department accomplishments and highlights

- Developed and implemented union negotiation strategies, particularly as they relate to wages, benefits and work rules that might benefit the City;
- Evaluate and analyze employee contributions to the pension plans;
- By the end of March 2015 we will have recruited for more than 60 separate positions this Fiscal Year.
- Total number of applicants processed since January 1, 2014 is in excess of 2,000; for the entry level police position we have processed in excess of 882 applications and for entry level firefighter we processed over 770 applications. This number does not include jobs posted since August (CNA, LPN, Staff Nurse, HIV Prevention Worker, Tax Assessor, and Grant Analyst).
- Continued to work with Risk Management to ensure that all quarterly random drug testing for all CDL license holders that drive City vehicles and compliant;
- Standardized billing for pre-employment physicals and drug tests.

2014-2015 Mayor department accomplishments and highlights

Time and Attendance

- Evaluated current user population to ensure that the appropriate number of licenses is being utilized. Continue to monitor and manage the licenses in hopes of reducing future licensing costs.
- Currently testing self-service functionality via Tele-time in one of the City's department for managing accrual balances and if the potential exists for future functionality. If successful, we will be able to reduce manual work for time keepers;
- Continue to provide support during the implementation and configuring of Tele-staff. Once the Kronos system is upgraded, it will also be able to interface with the City's payroll system and significantly reduce the amount of manual processing; and
- Created and currently testing an infrastructure to streamline the process based on departmental needs and structure for pay codes, work rules and comments. Ultimate goal is to eliminate incorrectly coded hours.

Specific Labor Relation Issues

- Since July 1, 2013 HR has been involved in 6 contract arbitrations, 28 pre-disciplinary hearings, 20 grievance hearings, 10 Prohibited Labor Practice Conferences, 11 mediation/arbitrations, 10 employee investigations, 6 briefs, 15 job description changes and more than 20 Sick Banks claims.

- **Types of issues:**

- ❖ Fire Protection Service Agreement;
- ❖ Memorandum of Understanding on Fire Marshall;
- ❖ Unit Clarification for the recognition of Local 786 as bargaining representative for Long Ridge Paid Fire Department;
- ❖ Inclusion of all uniformed investigatory positions of Long Ridge to be included in Local 786.
- ❖ Improper distribution of overtime, and
- ❖ Allowing City to temporarily assign employees different tasks at managers reasonable discretion;

Specific Labor Relation Issues - continued

- ❖ Suspensions for insubordination;
- ❖ Payment of shift differential on OT worked by 911 Dispatchers;
- ❖ Affirmed City's ability to have employees use vacation or personal time during emergency when City was open and employees were unable to get to the building;
- ❖ Allowed City to work employees out of classification for brief period without additional compensation.
- ❖ Written Warning for poor job performance;
- ❖ Retirement calculation for early retirement; and
- ❖ Changes in Fire Mechanic promotion examination.
- ❖ Upholding suspensions for insubordination ;
- ❖ Termination for destruction of City property;
- ❖ Improper calculation of promotion salary;
- ❖ Improper calculation of retiree pension;
- ❖ Terminations for failure to follow City's policies and procedures.

Specific Labor Relation Issues - continued

Computation of Acting Shift Pay; and

Disputing all unemployment claims where the person is terminated for just cause or resigns

Department Overview

- Department Goals for 2015-16
 1. Working with outside counsel on labor negotiations;
 2. Strive for consistency in union contracts specifically as they relate to:
 - a) Calculation of over-time – move toward contracts that provide for overtime only after 40 hours in a week, rather than daily;
 - b) Implementation of bi-weekly payroll;
 - c) Elimination, or at least significant reduction in paper-check advices;
 - d) Standardization of vacation carryover provisions;
 - e) Standardization and curtailment of salary continuation for injury on duty pay;
 - f) Increase in employee contribution for health care and mandatory use for maintenance drugs;
 - g) Move to align our salaries with the relevant labor market.
 3. Change in Pension Plans:
 - a. Continue to move toward defined contribution plans and/or reduction in pension multiplier;
 - b. here we do not have defined contribution plans, move to reduce the pension credit per years of service; and
 - c. change basis use to calculate pension from the employees final salary to average salary for highest three years of the last ten years of eligible City employment.

Continuation

1. Training - Continue to role out training for employees on Ethics and Compliance, as well as Harassment and Discrimination;
2. Job description – Continue to review and revise job descriptions to ensure that the job descriptions match the job and contain relevant information on job duties, responsibilities and ADA compliance;
3. Revise and streamline “On-Boarding” process for all City employees and managers;
4. Develop management training program;
5. Review work rules in every union contract to look for ways to maximize efficiencies and reduce cost;
6. Review and bench-mark City job pay grades and salaries with the relevant labor market;
7. Review, and where necessary revise City’s Employment Policies;
8. Continue to digitize records whenever possible;
9. Develop a standard nomenclature for filing HR records and documents;
10. Develop a diversity strategy for recruitment of applicants;
11. Develop programs to work with City Departments to address staffing needs and establish succession planning that takes into consideration restrictions imposed by Charter, union contracts and other know restriction(s).

Department Overview

- Performance Metrics - Measuring Department Results
(What will the department track / measure to know your department is performing well – Provide Examples)
 - Turnover tracking (see attached);
 - Time to hire – from posting to filling position;
 - Compensation/Benefits comparisons;
 - Gender and racial diversity of workforce;
 - Training classes (Kronos, Diversity and Harassment and customer service); &
 - Legal compliance
- Benchmarks
 - Other Municipalities;
 - Private sectors;

Summary of Operating Budget

Fiscal Year 2015/2016 - Department/Division Summary by Category

Fund: 0001 General Fund
 Office: 004 Legal Affairs
 Dept/Div: 0402 Human Resources

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Category	FY 13/14 Actual	FY 14/15			FY 15/16					FY 16/17 Estimate	FY 17/18 Estimate
		Adopted Budget	Revised Budget	Projected Exp & Enc	Department Request	Mayor's Proposed	% of Total	\$ Var Adopted	% Var Adopted		
Expense											
Full Time Salary	946,501	958,226	1,040,025	1,014,207	1,148,102	1,148,102	51.36%	189,876	19.8%	1,182,545	1,218,021
Other Salary	39,441	15,000	25,000	35,000	25,000	25,000	1.12%	10,000	66.7%	25,750	26,523
Overtime	2,989	0	0	10,000	10,000	2,500	0.11%	2,500	100.0%	2,575	2,652
Employee Benefits	541,201	466,856	473,878	473,434	486,368	485,794	21.73%	18,938	4.1%	507,625	531,351
Retiree Benefits	13,334,803	271,007	271,007	271,007	244,179	244,179	10.92%	-26,828	-9.9%	275,583	311,385
Payments to Insurance Fund	4,831	4,903	4,903	4,903	4,532	4,532	0.20%	-371	-7.6%	4,713	4,902
Purchased Other Services	12,942	5,145	5,145	4,852	5,145	5,145	0.23%	0	0.0%	5,248	5,353
Purchased Professional Services	186,582	188,000	195,000	195,185	195,000	190,000	8.50%	2,000	1.1%	193,800	197,676
Purchased Property Services	60,837	62,400	61,400	61,400	62,400	62,400	2.79%	0	0.0%	63,648	64,921
Professional Development	228	0	0	2,402	0	0	0.00%	0	0.0%	0	0
Utilities & Commodities	5,910	5,836	5,836	6,660	5,836	5,836	0.26%	0	0.0%	5,953	6,072
Supplies	11,392	19,000	17,000	17,720	17,000	17,000	0.76%	-2,000	-10.5%	17,340	17,687
Other	40,492	50,000	45,000	45,000	45,000	45,000	2.01%	-5,000	-10.0%	45,900	46,818
Total Expense	15,188,149	2,046,373	2,144,194	2,141,770	2,248,562	2,235,488	100.00%	189,115	9.2%	2,330,680	2,433,361
Revenue											
Human Resources	1,830	31,500	31,500	45,537	31,500	31,500	100.00%	0	0.0%	31,500	31,500
Net Operating Cost	15,186,319	2,014,873	2,112,694	2,096,233	2,217,062	2,203,988		189,115	9.4%	2,299,180	2,401,861

Cost and Revenue Summary

- **Costs**

- Headcount Changes
- Salary
- Health Care Benefits
- Current Pension/OPEB Funding
- Risk Management
- Outside Services Costs
- Other
- TOTAL \$_____

- **Revenue**

- Examination fees and
- Rebates from drug companies \$901,091.92: EGWP (\$304,297.72 from January 2014 – February 2015) and Commercial Plan (\$596,794.20 since the 1st Quarter in calendar year 2014)

Department Operating Plans and Budget Highlights

- Explanation of Budget Request-- explain the impact and benefit(s) of the budget request
- Key Department challenges
 - Union negotiations;
 - Finding time and resources to conduct training;
 - Explaining the impact of the change in the pension multiplier for defined benefit plans;
 - Incentivizing employees to move toward generic prescriptions;
 - Issuing RFP's for health and welfare vendors and reviewing RFP's;
 - Reducing 457 vendors to lower charges;
 - Implementing procedures to insure that the City is in compliance with HIPPA; and
 - Implementing Kronos for both the Fire and Police Departments.