

City of Stamford Budget Presentation FY 2018-2019

Department of Human Resources



Agenda

- Human Resources Department Overview
- Description of Services and Programs
- Resources
- Accomplishments and Highlights
- Goals
- Key Challenges
- Performance Measures
- Budget Discussion

Human Resources Department

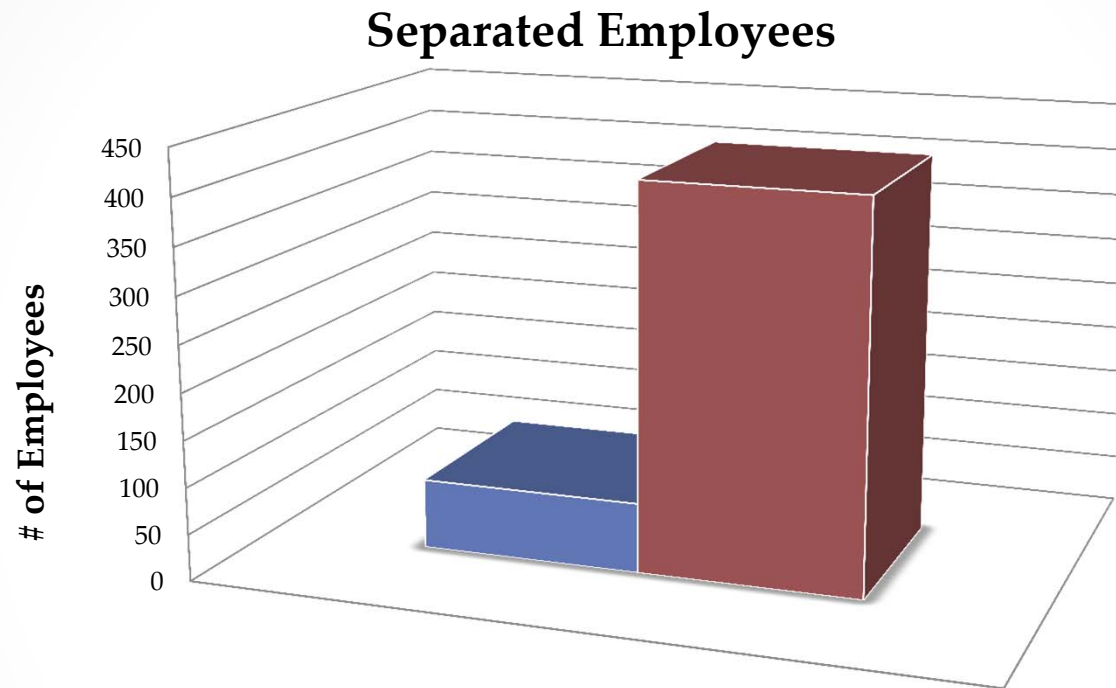
- Programs
 - Human Resources (Recruitment, Training, Payroll)
 - Labor Relations (Contract Negotiations, Contract Interpretations, Employee grievances and discipline)
 - Employee Benefits (Health, Dental, Prescription, Vision and Life Insurance)
 - Retirement Benefits (Defined Benefit, Defined Contribution and Deferred Compensation)

- Mission

The mission of the Human Resources Department is to assist City Departments with the recruitment, selection, training and retention of the best employees, so that the Departments and Programs have a diverse and capable workforce to meet their goals and missions.

In addition, the Department works to improve current employee relations and benefits practices consistent with City policies and collective bargaining agreements.

Employees separated from the City



	Total
■ Voluntary	75
■ Involuntary	413

*Involuntary includes separation of Seasonal Employees at the end of their season(402) as well as work performance separations (11).

Overview of Services Provided

- Human Resource Services
 - Recruitment
 - Payroll
 - Personnel Management
 - Administration of Employee & Retirement Provisions
- Labor and Employee Relations
- Employee/Retiree Health and Welfare Programs
- Pension Plan Administration
- Advise on Federal and State Employment Laws, Civil Service Rules and Regulations
- Personnel Record Maintenance

Services Provided

- **Recruitment**
 - Design job descriptions, post ads, read CV's
 - Interview, conduct background checks, drug screen, verify employment
 - Prepare recruiting reports
- **Payroll**
 - Manage new hires, re-hires, contract changes, leaves of absence
 - Review timesheets, vacation hours, stipends, shift differentials, overtime, etc.
 - Enter employee data into payroll system, including salary and benefits
 - Prepare necessary documentation for local authorities and respond to FOI requests
- **Personnel Management**
 - Handle all employee related paperwork, contract details, job changes, etc.
 - Manage issues and changes – attrition, sick leave, new hires, separations, etc.
- **Administration of Employee and Retiree Provisions**
 - Select plan providers and review utilization of employee benefits
 - Conduct internal and external audits of benefits
 - Review health care programs and ensure compliance
 - Prepare and revise work policies and procedures

Services Provided (cont'd)

- **Contracts**
 - 10 City Union Contracts (we are still administering retirements from 1199)
 - New Agreements Executed with MAA, Police, Fire, Nurses, Dental Hygienists
 - In Contract Negotiation with Attorneys, IUOE/WPCA (f/k/a UE), IUOE/Operation (f/k/a Teamsters), UAW, and Board of Education Custodians
- **Complaints**
 - > 29 Grievance Hearings
 - > 20 Pre-Disciplinary Hearings
 - Responded to 5 Prohibited Labor Practice Complaints
- **Arbitrations and Mediations**
 - 8 Contract Mediations or Arbitrations since July 2017
- **Investigations**
 - >12 Employee Investigations
- **Employee Issues**
 - >25 Job Description Changes
 - >15 New Job Descriptions

Services Provided (cont'd)

- Retirement Benefits Program
 - Program Expansion – converted from Defined Benefit to Defined Contribution plans (69)
 - Increased Employee contributions for Defined Contribution from 5% to 6%
 - OPEB contribution by Police 1% of top Patrolman salary

Accomplishments and Highlights

- Cost Savings Measures

- Increased Retiree Drug Rebates from Federal Government; >\$2MM/Year
- Reduced City's Vacation Time Obligations by reducing maximum vacation accruals in contracts
- Continued to reduce Medical Claims for Eligible Medicare Recipients
- Consolidated the 401 (a) and 457 vendors from three to one resulting in savings to participants of more than \$254,000
- Sought audits of bills from health care providers to ensure they are adhering to the terms of contracts

- Auditing and Compliance

- Identified and Corrected Issues
 - Reduced Number of Employees on Long Term Injured Duty
 - Improved Tracking of FMLA Absences, Vacation, Personal & Sick Days
 - Reconciled benefits on a monthly basis to insure appropriate census is maintained
 - Reconciled employee prescription programs to ensure that City is getting the correct co-pays
 - Introduced "Step Therapy" for prescription drugs

- Recruiting and Employee Relations

- Recruited over 70 different positions
- On-boarded 470 employees (Since 1/1/2017, 70 Full-time, 2 Permanent Part-time, 1 Provisional, 1 contract, 10 Part-time, and 386 Seasonals)
- As part of this we coordinated in excess of 361 criminal background checks, pre-employment drug screens, pre-employment physicals and DMV background checks
- Processed over 2,000 job applications and administered Civil Service Exams

Demographic Information

- ❖ 48% of City hires since January of 2017 have been women
- ❖ 52% of City hires since January of 2017 have been men
- ❖ 59% of the women we have hired have been minorities
- ❖ 46% of the men we have hired have been minorities
- ❖ Of the 18 new police officers we hired, 39% were minorities and 39% were women

Medical Rebates

Prescription Rebates

- We are curtailing drug expenses with new controls over vendor contracts and on-going audits

Actives & Maxor Retirees						
For Claims incurred in Rebate Period:	Rebate Check Date	Rebate Check Numer	*Total Rebates Received	1Q 17	2Q 17	3Q 17
2014			\$760,906.47			
2015			\$874,209.00			
2016			\$476,373.24			
1Q 2017	6/29/17	40020998	\$214,351.57	\$214,351.57		
2Q 2017	9/26/17	40021491	\$259,843.21		\$259,843.21	
3Q 2017	12/27/17	40021846	\$265,924.76			\$265,924.76

Recoveries from Past Liabilities resulting from Audits and Corrective Actions

FY 16-17 Report of Collections

- Pension Overpayment: \$23,762.59
- Retiree Healthcare Benefits: \$7,767.84
- Unpaid Benefit Payments due to Leave of Absences : \$10,058.76

Accomplishments and Highlights (cont'd)

- Union Negotiations
 - MAA, Police and Fire Union, Nurses, Dental Hygienists - Contracts Executed
 - Improved Contract Terms for the City
 - Increased Employee Medical Benefit Contributions
 - Increased Employee pension contributions and in the case of the police contribution to City's OPEB liabilities
 - Decreased Pension Multiplier
 - New hires for the Police and Fire
 - New Hires for UAW & IOUE
 - Developed and Implemented Negotiation Strategies and implementation of High Deductible Health Insurance Plan for medical paired with a Health Savings Account.
- Consolidation of 457 and 401 (a) vendor to Mass Mutual
 - Current total cost – 0.34% - \$332,106
 - Cost after RFP – 0.06% - \$66,361
 - Total Savings - \$265,745 for recording keeping
- Other
 - Continue to implement Employee Health Engagement programs
 - Health Weight Loss Challenge which includes counseling
 - Implementation of Weight Watchers program with no cost to City
 - Implementation of reduced cost membership for City employees with YMCA
 - Walk-a-thon commenced January 2016 with 141 Participants
 - Hosted Lunch and Learn Programs
 - Mass Mutual
 - Social Security Administration
 - Credit Union and People's Bank (understanding the new tax laws, budgeting & credit, first time home buyers)
 - Created Employee Handbook and HR Self Service Portal

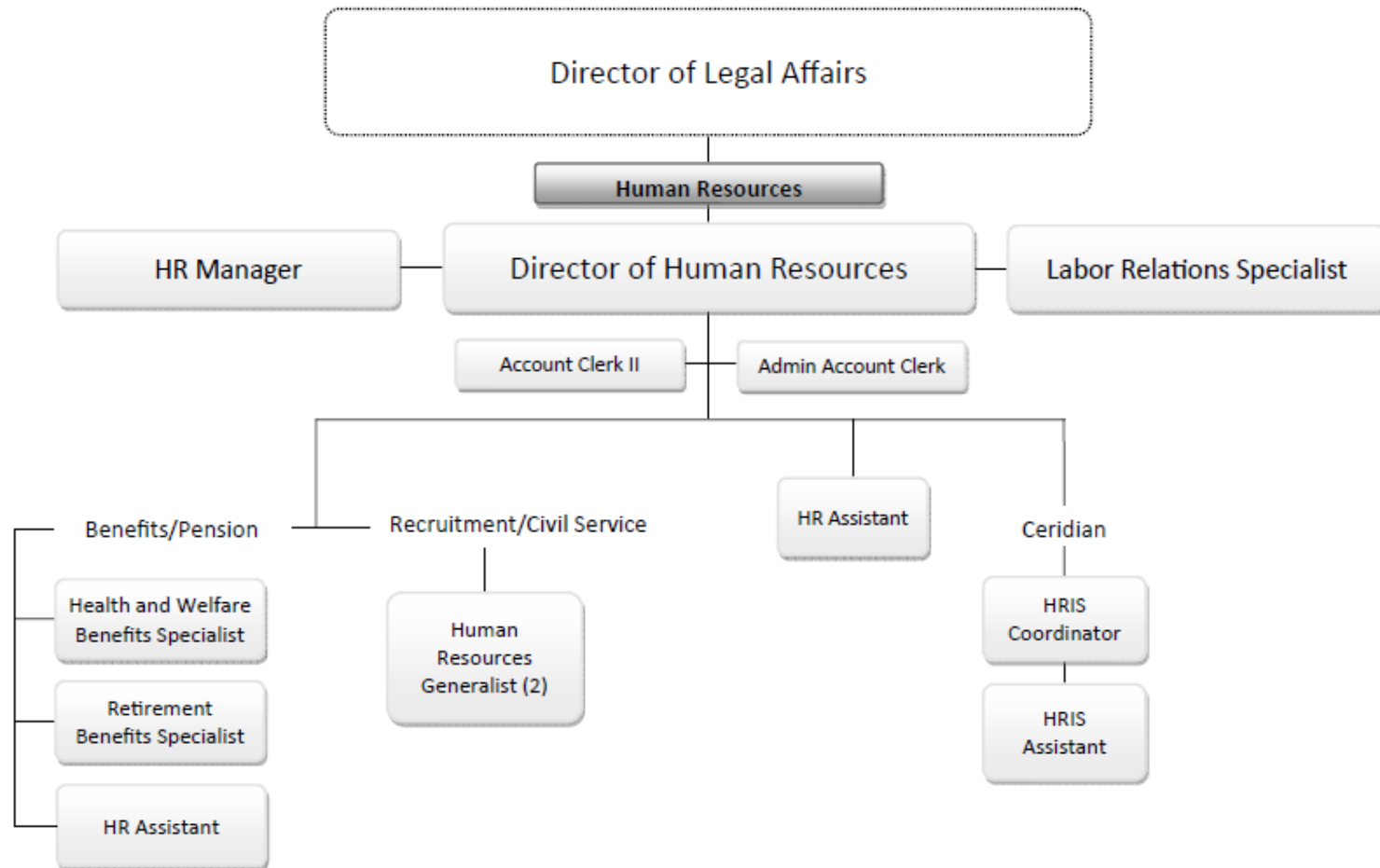
Department Goals 2018-19

- Complete electronic applicant tracking
- Continue work on Diversity Strategy for Recruitment of Applicants, particularly as it relates to public safety positions in police and fire
- Automation of Pension and Benefits administration
- Implementation of Employee Self Service
- Digitize Records
- Reduce Benefit Costs for prescriptions drugs including option to obtain maintenance drugs through an international drug program
- Negotiate Agreements on Outstanding Labor Contracts
 - Aim for Contract Consistency – particularly on health care and vacation accruals
 - Change Pension and Health care Plan Provisions to Reduce Long Term Obligations
- Review Civil Service Rules – improve and simplify process
- Seek options for outsourcing management of Seasonal Employees
- Benchmark Staffing Needs



Human Resources Organization Chart

City of Stamford
Office of Legal Affairs
Human Resources



The Complexity of Benefit Administration

- There are still 2 Defined Benefit Pension Plans administered by HR but there are significant plan design variations
- CERF plan design changes based on union and date of hire
- “Normal retirement” criteria for age/years of service for some unions
- Maximum pension benefit ranges from 60%-70%
- 3 possible Multiplier variations used in pension calculations for UAW and IOUE based on date of hire. 2 variations for Police
- Inclusion of longevity in pension calculation based on date of hire
- Application of salary increase to pension benefits when employee is promoted into or within MAA
- Reduction in sick and vacation exchange for pension rule based on date of hire
- Defined Contribution Plans created for employees hired after a certain date for various unions with differing matching % by City and employee participation. HR calculates match for union employees on a monthly basis and annually for Pay Plan employees

The Complexity of Benefit Administration (cont'd)

- Active employees have 5 different POS insurance plan designs with varying copays, deductibles and out of pocket maximums.
- A HDHP and HSA option is now offered. Two HDHP plans utilize a calendar year deductible and the other uses a fiscal year deductible. Employees ≥ 65 and retirees < 65 are moved from HSA eligible to HRA. Retirees with spouses under 65 remain on the HDHP while the retiree moves to the supplemental insurance.
- Education and daily HR interaction is required to assist employees in understanding the HDHP Plan and HSA.
- There are now 2 prescription vendors for active employees.
- There are more than 25 prescription copay and dosage variations provided by 4 different prescription vendors.
- Multiple reimbursement rate changes every year for Medicare Part B. Employees are provided with a letter reminding them that changes to their Part B premium must be submitted each year.
- Retirees > 65 are manually moved from the City's insurance plan as primary to supplemental and any premium adjustments must be made to pension payment in that month. Each employee is sent a letter explaining the meaning of this change.
- HR must track retirees who are eligible for Medicare Part B reimbursement and track retirees who are eligible for Medicare supplemental coverage.

Illustration of benefit complexities – just for Rx

GROUP #	EMPLOYERNAME
D0501A	CSTAM - 1199 RETIREES ON OR AFTER 7/1/07
D0502A	CSTAM - 1199 RETIREES PRIOR TO 7/1/07
D0500A	CSTAM - ATTORNEYS RETIREES ON OR AFTER 1/1/13
D0502B	CSTAM - CUSTODIANS RETIREE BETWEEN 1/1/08 AND 1/31
D0500B	CSTAM - CUSTODIANS RETIREES AFTER 2/1/12
D0502C	CSTAM - CUSTODIANS RETIREES PRIOR TO 1/1/08
D0500C	CSTAM - DENTAL RETIREES ON OR AFTER 1/1/13
D0501B	CSTAM - FIRE RETIREES BETWEEN 1/1/08 - 12/31/16
D0503A	CSTAM - FIRE RETIREES AFTER 12/31/16
D0502D	CSTAM - FIRE RETIREES PRIOR TO 1/1/08
D0500D	CSTAM - IPI RETIREES - CLOSED GROUP
D0501C	CSTAM - MAA RETIREES BETWEEN 7/1/08-1/1/13
D0500E	CSTAM - MAA RETIREES ON OR AFTER 1/1/13
D0501D	CSTAM - MAA RETIREES PRIOR TO 1/1/08
D0500F	CSTAM - NON UNION RETIREES ON OR AFTER 1/1/13
D0501E	CSTAM - NON UNION RETIREES PRIOR TO 1/1/13
D0500G	CSTAM - NURSE RETIREES ON OR AFTER 1/1/13
D0501M	CSTAM - NURSES RETIREES PRIOR TO 7/1/06
D0501F	CSTAM - NURSES RETIREES AFTER 7/1/06
D0501G	CSTAM - NURSES RETIREES ON OR AFTER 7/1/07
D0502F	CSTAM - NURSES RETIREES PRIOR TO 1/1/13
D0501H	CSTAM - POLICE RETIREES ON OR AFTER 7/1/08
D0500H	CSTAM - POLICE RETIREES 7/1/16 OR AFTER
D0502G	CSTAM - POLICE RETIREES PRIOR TO 7/1/08
D0501I	CSTAM - TEAMSTERS RETIREES BETWEEN 7/1/06- 6/30/12
D0500I	CSTAM - TEAMSTERS RETIREES BETWEEN 7/1/12-9/30/15
D0500J	CSTAM - TEAMSTERS RETIREES ON OR AFTER 10/1/15
D0502H	CSTAM - TEAMSTERS RETIREES PRIOR TO 7/1/06
D0500K	CSTAM - UAW RETIREES 10/1/15 OR AFTER
D0501J	CSTAM - UAW RETIREES BETWEEN 1/1/08 - 9/30/15
D0502I	CSTAM - UAW RETIREES PRIOR TO 1/1/08
D0501K	CSTAM - UAW RETIREES ON OR AFTER 1/1/08
D0500L	CSTAM - UE RETIREES ON OR AFTER 1/1/13
D0501L	CSTAM - UE RETIREES PRIOR TO 1/1/13