

# Human Resources

## Department

Mark Danaj, Director

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**T**o attract, develop and retain a quality workforce

### *City Service Area*

#### **Strategic Support**

#### *Core Services*

##### **Employee Benefits**

Provide benefit programs that best meet the needs of employees, retirees, their dependents and the City, and assist participants to utilize their plans effectively

##### **Employment Services**

Facilitate the timely hiring of excellent employees and maintain the City's classification and compensation systems

##### **Risk Management**

Provide services that ensure employee health, safety and well-being

##### **Workforce Resources and Diversity**

Provide programs that build the capacity of individual employees

**Strategic Support:** Administration, Customer Service, Personnel Management, Human Resources Systems Management, Records Management, Financial Management

# Human Resources Department

## Department Budget Summary

	2007-2008 Actual 1	2008-2009 Adopted 2	2009-2010 Forecast 3	2009-2010 Proposed 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Employee Benefits	\$ 1,646,295	\$ 2,403,939	\$ 2,461,095	\$ 2,549,200	6.0%
Employment Services	1,623,728	1,266,311	1,283,503	1,228,148	(3.0%)
Risk Management	4,087,579	4,624,185	4,814,710	4,212,184	(8.9%)
Workforce Resources and Diversity	337,698	604,201	611,643	611,643	1.2%
Strategic Support	1,003,429	965,547	1,007,383	1,003,150	3.9%
<b>Total</b>	<b>\$ 8,698,729</b>	<b>\$ 9,864,183</b>	<b>\$ 10,178,334</b>	<b>\$ 9,604,325</b>	<b>(2.6%)</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 7,302,726	\$ 8,158,255	\$ 8,580,585	\$ 7,981,170	(2.2%)
Overtime	29,998	13,000	13,195	13,195	1.5%
Subtotal	\$ 7,332,724	\$ 8,171,255	\$ 8,593,780	\$ 7,994,365	(2.2%)
Non-Personal/Equipment					
Total	1,366,005	1,692,928	1,584,554	1,609,960	(4.9%)
<b>Total</b>	<b>\$ 8,698,729</b>	<b>\$ 9,864,183</b>	<b>\$ 10,178,334</b>	<b>\$ 9,604,325</b>	<b>(2.6%)</b>
<b>Dollars by Fund</b>					
General Fund	\$ 7,175,102	\$ 7,914,135	\$ 8,204,871	\$ 7,482,421	(5.5%)
Benefit Fund	371,973	524,198	532,817	532,817	1.6%
Conv & Cultural Affairs	51,407	52,049	0	0	(100.0%)
Dental Insurance	778,755	825,478	839,155	839,155	1.7%
Federated Retirement	26,285	54,628	55,474	55,474	1.5%
Integrated Waste Mgmt	22,204	24,008	27,431	27,311	13.8%
Library Parcel Tax Fund	N/A	N/A	N/A	61,448	N/A
Life Insurance	51,244	66,858	70,388	70,388	5.3%
Low/Mod Income Hsg	N/A	N/A	N/A	30,286	N/A
Police & Fire Retirement	78,855	110,069	112,690	112,690	2.4%
Sewer Svc & Use Charge	N/A	N/A	N/A	24,228	N/A
SJ/SC Treatment Plant Oper	25,443	119,402	165,083	164,963	38.2%
Storm Sewer Operating	N/A	N/A	N/A	6,057	N/A
Unemployment Insurance	86,924	140,261	136,707	136,707	(2.5%)
Vehicle Maint & Opers	30,537	33,097	33,718	60,380	82.4%
<b>Total</b>	<b>\$ 8,698,729</b>	<b>\$ 9,864,183</b>	<b>\$ 10,178,334</b>	<b>\$ 9,604,325</b>	<b>(2.6%)</b>
<b>Authorized Positions</b>	<b>74.12</b>	<b>74.62</b>	<b>74.62</b>	<b>68.62</b>	<b>(8.0%)</b>

# Human Resources Department

## Budget Reconciliation

(2008-2009 Adopted to 2009-2010 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2008-2009):</b>	<b>74.62</b>	<b>9,864,183</b>	<b>7,914,135</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Workforce Planning		(73,207)	(73,207)
• Employee Wellness Program		(106,024)	(106,024)
• Deferred Compensation budget adjustment		(7,500)	(7,500)
• SJ/SC WPCP - Succession Planning		(1,500)	0
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(188,231)</b>	<b>(186,731)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		423,722	357,410
- 1.0 Administrative Manager to Administrative Officer			
- 1.0 Administrative Manager to Program Manager II			
- 1.0 Analyst II to Senior Analyst			
- 2.0 Office Specialist II to Senior Office Specialist			
- 2.0 Senior Account Clerk to Principal Account Clerk			
- 1.0 Staff Technician to Analyst II			
• Funding reallocation of 0.40 from Convention and Cultural Affairs Fund to the General Fund (the General Fund will be reimbursed by the Convention and Cultural Affairs Fund)		(1,197)	58,658
• Fingerprinting cost adjustment		40,000	40,000
• Changes in Overhead costs		18,458	0
• Non-Personal/Equipment COLA		12,699	12,699
• Bi-annual fiduciary training for Deferred Compensation staff reimbursed by Deferred Compensation Fund		8,700	8,700
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>502,382</b>	<b>477,467</b>
<b>2009-2010 Forecast Base Budget:</b>	<b>74.62</b>	<b>10,178,334</b>	<b>8,204,871</b>
<b>Budget Proposals Recommended</b>			
1. Workers' Compensation Claims Staffing	(2.00)	(201,083)	(201,083)
2. Risk Management Administrative Staffing	(2.00)	(190,818)	(190,818)
3. Risk Insurance Staffing	(1.00)	(156,392)	(156,152)
4. Employment Services/Employee Benefits Administrative Staffing Consolidation	(1.00)	(83,190)	(83,190)
5. Human Resources Non-Personal/Equipment Funding Efficiencies		(50,000)	(50,000)
6. Human Resources Non-Personal/Equipment Funding COLA		(12,699)	(12,699)
7. Employee Wellness Program		88,105	88,105
8. Employment Services Consolidation		32,068	(116,613)
<b>Total Budget Proposals Recommended</b>	<b>(6.00)</b>	<b>(574,009)</b>	<b>(722,450)</b>
<b>2009-2010 Proposed Budget Total</b>	<b>68.62</b>	<b>9,604,325</b>	<b>7,482,421</b>

# Human Resources Department

## Budget Changes By Department

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Workers' Compensation Claims Staffing	(2.00)	(201,083)	(201,083)

**Strategic Support CSA**  
*Risk Management*

This proposal would eliminate 2.0 filled Workers' Compensation Claims Adjuster II positions (2.0 of 14.0 Workers' Compensation Claims Adjusters) and partially rolls back 2.0 of the 5.0 Workers' Compensation Claims Adjuster positions that were added in 2007-2008. These positions assist with the administration of the Workers' Compensation Program by proactively investigating and managing claims. As a result, reduced staffing levels in this Division would increase the caseload per Workers' Compensation Adjuster; duties would be absorbed by the remaining staff to the extent possible. (Ongoing savings: \$218,568)

**Performance Results:**

**Quality, Cost** Reduction may result in increased costs as there will be less adjusters to proactively investigate and manage claims to determine their legitimacy and appropriate levels of compensation.

2. Risk Management Administrative Staffing	(2.00)	(190,818)	(190,818)
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**Strategic Support CSA**  
*Risk Management*

This action would eliminate 1.0 vacant Analyst and 1.0 filled Senior Office Specialist in the Risk Management Division. The Analyst position is 1.0 of 3.0 Analyst positions in the Risk Management Division; remaining staff in the division have absorbed the duties of this position. The elimination of 1.0 of 5.0 Senior Office Specialist positions would result in reduced capacity for staff to perform clerical duties, studies, and reports in relation to Workers' Compensation costs and injury tracking. Staff would continue, however, to ensure compliance with all State and federal laws. Staffing levels would be reduced to similar levels experienced in 2007-2008. (Ongoing savings: \$196,997)

**Performance Results:**

**Cycle Time** Delays or cancellations of studies, reports, and analysis related to Workers' Compensation and Injury reports are anticipated.

3. Risk Insurance Staffing	(1.00)	(156,392)	(156,152)
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**Strategic Support CSA**  
*Risk Management*

This proposal would eliminate 1.0 Program Manager II in the Risk Management Division. This position provides oversight of the Risk Financing program and technical advice to client departments regarding insurance and liability control. This position currently supports all departments city-wide, as well as the San Jose Redevelopment Agency, by providing professional insurance services and ensuring appropriate insurance requirements for contracts. The elimination of this position may increase the City's exposure to potential loss and liability. To the extent possible, the Division Manager and Deputy Director would absorb the duties and workload. (Ongoing savings: \$167,355)

**Performance Results:**

**Quality, Cost, Cycle Time** Turnaround time for reviewing insurance language and requirements would increase, resulting in delays for contract processing and may expose the City to unnecessary costs.

# Human Resources Department

## Budget Changes By Department (Cont'd.)

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>4. Employment Services/Employee Benefits Administrative Staff Consolidation</b>	(1.00)	(83,190)	(83,190)

**Strategic Support CSA**

*Employee Benefits*

*Employment Services*

This proposal would eliminate 1.0 filled Staff Technician position funded by three Benefit Funds (Dental Insurance Fund, Life Insurance Fund, and Benefit Fund) and reallocate a Principal Office Specialist from the General Fund to the same Benefit Funds. As a result, the Human Resources Information Systems Division and Front Desk support would be reduced from 5.0 positions to 4.0 positions. Currently the Staff Technician assists with transactions including benefits enrollment and changes. A portion of these duties would be reallocated to the Principal Office Specialist which would better align the anticipated duties with the position classification. The overall reduced staffing levels would require the remaining positions to absorb additional duties with an anticipated slight delay in transactional services. (Ongoing savings: \$93,826)

**Performance Results:**

**Cycle Time** Minimal impacts to timeliness and customer services are anticipated as a result of this proposal.

<b>5. Human Resources Non-Personal/Equipment Funding Efficiencies</b>	(50,000)	(50,000)
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**Strategic Support CSA**

*Risk Management*

This action would reduce non-personal/equipment funding by \$50,000 in the Human Resources Department. Due to the proposed level of staffing as well as realized efficiencies, savings have been identified without significant impact to service levels. (Ongoing savings: \$50,000)

**Performance Results:**

**Cost** The Department would minimize service level impacts by controlling spending in discretionary categories.

## Human Resources Department

### Budget Changes By Department (Cont'd.)

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
6. Human Resources Non-Personal/Equipment Funding COLA		(12,699)	(12,699)

**Strategic Support CSA**

*Risk Management*

*Employment Services*

*Strategic Support*

This proposal reduces the non-personal/equipment funding in the Human Resources Department, Employment Services, Strategic Support, and Risk Management Core Services totaling \$12,699 in the General Fund. As a result of this proposal, a 1.5% cost of living adjustment (COLA) applied to the Department's 2009-2010 base non-personal/equipment budget would be eliminated. The Human Resources Department will carefully manage their non-personal/equipment expenditures to ensure they stay within budgeted levels. (Ongoing savings: \$12,699)

**Performance Results:**

**Customer Satisfaction** No significant change to current service levels are expected as a result of this proposal.

7. Employee Wellness Program		88,105	88,105
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**Strategic Support CSA**

*Employee Benefits*

This proposal would provide \$88,105 in non-personal/equipment funding for the second and final year of the Wellness Pilot Program. The Wellness Pilot Program focuses on disease management, health risk assessments, as well as employee wellness events such as a health fair. The continuation of this program would promote healthy employee and retiree lifestyles and mitigate increasing health coverage costs. The cost of this addition would be offset by a reduction to the Wellness Program Earmarked Reserve. (Ongoing costs: \$0)

**Performance Results:**

**Cost** The continuation of the City-wide Wellness Program would promote healthy employee and retiree lifestyles and is anticipated to mitigate increasing health coverage costs.

# Human Resources Department

## Budget Changes By Department (Cont'd.)

Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>8. Employment Services Consolidation</b>	<b>0.00</b>	<b>32,068</b>	<b>(116,613)</b>

**Strategic Support CSA**  
*Employment Services*

This proposal would generate city-wide employment services cost savings totaling \$1.2 million (\$903,000 in the General Fund) through the creation of a new internal service delivery model in the Employment Services Core Service in the Human Resources Department. A recent study was conducted to evaluate city-wide employment service delivery and it was found that there were numerous duplications of functions performed both in departments and in the Human Resources Department. This proposal would right-size the amount of resources needed to perform recruitment, streamline all resources under direct Human Resources Department supervision, and create a more customer focused strategic support service. The additional cost in the Human Resources Department in the Employment Services Core Service is \$32,068 as a result of the employment services consolidation and the elimination of 4.0 Analyst and 2.0 Senior Analyst positions offset by the addition of 6.0 Human Resources Business Partner positions.

The Human Resources Department will work with the customer departments to create performance standards, accountability mechanisms, and a "Customer Council," made up of representatives from departments, to oversee the internal service delivery model. A portion of the workload in the positions mentioned above was dedicated to performing other administrative services in their respective departments. Therefore, although the goal of this new model is to maintain the current level of recruitment services for departments with fewer resources by realigning those resources for more efficient service delivery, the elimination of these positions may leave some administrative services that departments must absorb. (Ongoing costs \$27,274)

**Performance Results:**

**Cycle Time** The new internal service delivery model is intended to result in no increase in the amount of time needed to hire an employee.

<b>2009-2010 Proposed Budget Changes Total</b>	<b>(6.00)</b>	<b>(574,009)</b>	<b>(722,450)</b>
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# Human Resources Department

## Departmental Position Detail

Position	2008-2009 Adopted	2009-2010 Proposed	Change
Administrative Manager	2.00	0.00	(2.00)
Administrative Officer	0.00	1.00	1.00
Analyst II	13.00	8.00	(5.00)
Analyst II C PT	0.62	0.62	-
Deputy Director, Human Resources	2.00	2.00	-
Director, Human Resources	1.00	1.00	-
Division Manager	3.00	3.00	-
Human Resources Business Partner	0.00	6.00	6.00
Medical Assistant	1.00	1.00	-
Nurse Practitioner	1.00	1.00	-
Nurse Practitioner PT	0.50	0.50	-
Office Specialist II	4.00	2.00	(2.00)
Office Specialist II PT	1.00	1.00	-
Physician	1.00	1.00	-
Principal Account Clerk	0.00	2.00	2.00
Principal Office Specialist	1.00	1.00	-
Program Manager I	2.00	2.00	-
Program Manager II	0.00	0.00	-
Secretary	1.00	1.00	-
Senior Account Clerk	2.00	0.00	(2.00)
Senior Analyst	7.00	6.00	(1.00)
Senior Medical Assistant	1.00	1.00	-
Senior Office Specialist	8.00	9.00	1.00
Senior Workers' Compensation Claims Adjuster	2.00	2.00	-
Staff Technician	5.00	3.00	(2.00)
Staff Technician PT	0.50	0.50	-
Training Specialist	1.00	1.00	-
Workers' Compensation Claims Adjuster II	14.00	12.00	(2.00)
<b>Total Positions</b>	<b>74.62</b>	<b>68.62</b>	<b>(6.00)</b>