

Human Resources Department

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To 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 in effectively utilizing their plans

Employment Services

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

Health and Safety

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

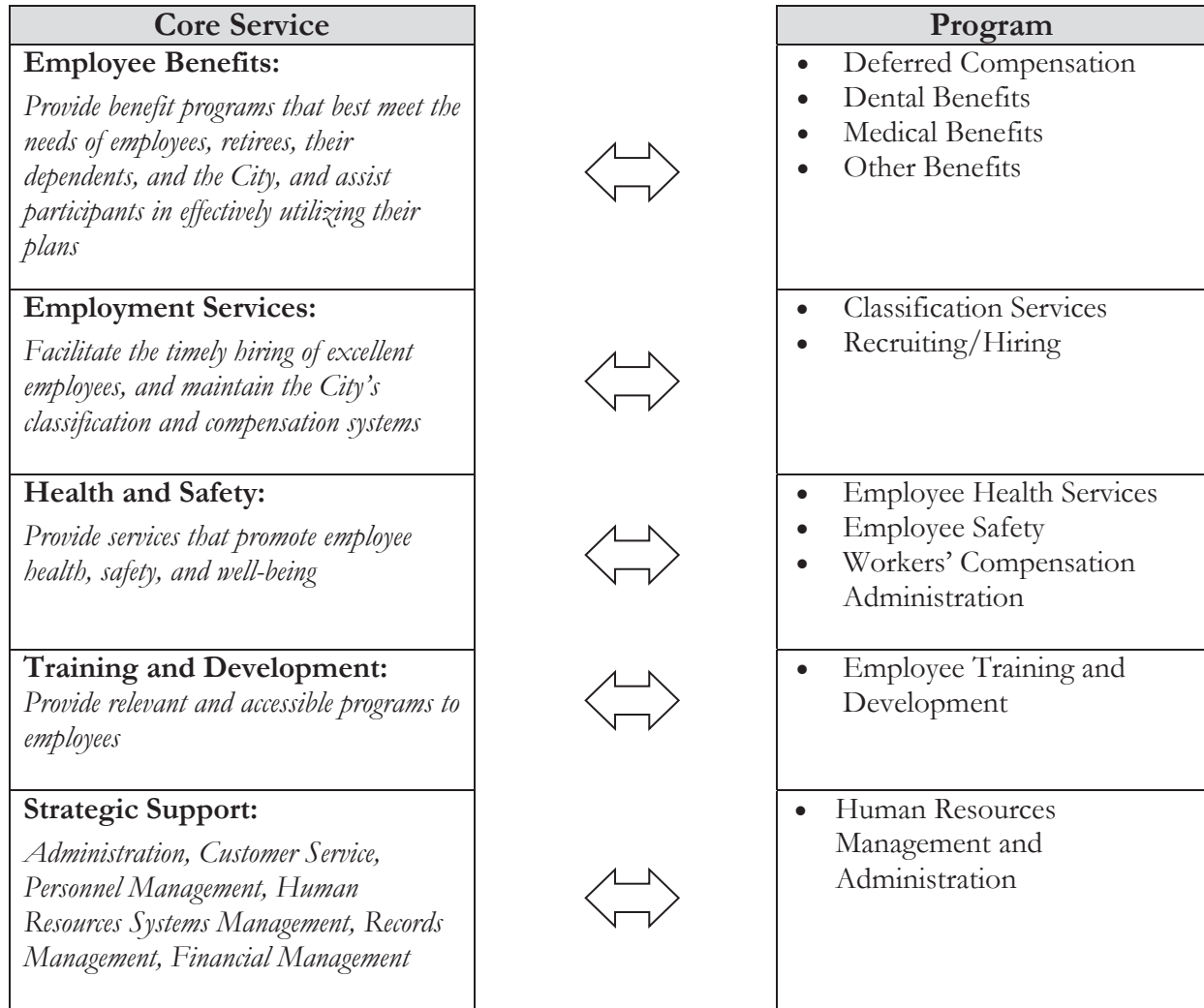
Training and Development

Provide relevant and accessible programs to employees

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

Human Resources Department

Service Delivery Framework



Human Resources Department

Department Budget Summary

Expected 2017-2018 Service Delivery

- Facilitate recruitments and manage effective, efficient, and defensible hiring processes, in concert with departments, to attract and retain qualified employees.
- Maintain a safe and healthy work environment in compliance with all applicable state and federal regulations related to employee health and safety, and continue to minimize liability and loss to the City. Health and Safety programs will continue to ensure injured employees receive adequate and appropriate treatment; promote a culture of safety through the injury, illness, and prevention programs; and ensure employee medical exams and testing are completed as mandated.
- Provide a wide range of benefit programs that meet the needs of the employees, retirees, their dependents, and the City, and assist participants in effectively using their plans.

2017-2018 Key Budget Actions

- Adds one-time funding of \$330,720 to continue 3.0 Workers' Compensation Adjuster II temporary positions in the Workers' Compensation Unit through June 30, 2018 to manage caseloads and allow staff to focus on program compliance issues in response to 2016 State Audit findings.
- Adds 1.0 Senior Analyst to oversee technical upgrades, changes, and new implementation projects for Human Resources-related modules and Taleo hiring system employment modules as part of the recently implemented Human Resources/Payroll/Budget Systems upgrade project.
- Eliminates a part-time Physician in the Employee Health Services Program and reallocates the related funding to make permanent contractual physician services.
- Continues \$200,000 in Talent Recruitment Initiative funding as described in the City-Wide Expenses section of this document. Under the leadership of the City Manager's Office, this funding will directly support implementation of improved recruiting processes and methods to fill vacancies with high performers.

Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Self Insured Medical Fund
- Benefit Fund – Unemployment Insurance Fund

Human Resources Department

Department Budget Summary

	2015-2016 ¹ Actual 1	2016-2017 ¹ Adopted 2	2017-2018 ¹ Forecast 3	2017-2018 Adopted 4
Dollars by Core Service				
Employee Benefits	n/a	n/a	n/a	\$ 92,680,415
Employment Services	n/a	n/a	n/a	2,636,286
Health and Safety	n/a	n/a	n/a	5,799,708
Training & Development	n/a	n/a	n/a	178,000
Strategic Support	n/a	n/a	n/a	1,348,935
Strategic Support - Other	n/a	n/a	n/a	1,299,538
Total	n/a	n/a	n/a	\$ 103,942,882
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	\$ 5,693,094	\$ 6,934,762	\$ 6,902,911	\$ 6,931,863
Overtime	11,987	13,018	13,018	13,018
Subtotal Personal Services	\$ 5,705,081	\$ 6,947,780	\$ 6,915,929	\$ 6,944,881
Non-Personal/Equipment	3,080,882	3,417,091	3,776,743	4,272,463
Total Personal Services & Non-Personal/Equipment	\$ 8,785,963	\$ 10,364,871	\$ 10,692,672	\$ 11,217,344
Other Costs ²				
HR Funds Workers' Comp	n/a	n/a	n/a	\$ 1,000,000
HR Overhead	n/a	n/a	n/a	299,538
HR Other Departmental - City-Wide	n/a	n/a	n/a	1,203,000
HR Other Departmental - Employee/Retiree Benefits	n/a	n/a	n/a	90,223,000
Total Other Costs	n/a	n/a	n/a	\$ 92,725,538
Total	n/a	n/a	n/a	\$ 103,942,882
Dollars by Fund				
General Fund	n/a	n/a	n/a	\$ 10,943,208
Benefit Fund	n/a	n/a	n/a	64,299,206
Dental Insurance	n/a	n/a	n/a	12,205,088
Integrated Waste Mgmt	n/a	n/a	n/a	25,904
Library Parcel Tax	n/a	n/a	n/a	78,187
Life Insurance	n/a	n/a	n/a	1,335,488
Low/Mod Income Hsg Asset	n/a	n/a	n/a	24,881
PW Program Support	n/a	n/a	n/a	121,051
Self Insured Medical Fund	n/a	n/a	n/a	13,761,221
Sewer Svc & Use Charge	n/a	n/a	n/a	27,548
SJ/SC Treatment Plant Oper	n/a	n/a	n/a	294,250
Storm Sewer Operating	n/a	n/a	n/a	49,185
Unemployment Insurance	n/a	n/a	n/a	689,861
Water Utility Fund	n/a	n/a	n/a	14,396
Vehicle Maint & Opers	n/a	n/a	n/a	73,408
Total	n/a	n/a	n/a	\$ 103,942,882

Human Resources Department

Department Budget Summary

	2015-2016 ¹ Actual 1	2016-2017 ¹ Adopted 2	2017-2018 ¹ Forecast 3	2017-2018 Adopted 4
Authorized Positions by Core Service				
Employee Benefits	n/a	n/a	n/a	11.50
Employment Services	n/a	n/a	n/a	16.00
Health and Safety	n/a	n/a	n/a	15.00
Training & Development	n/a	n/a	n/a	0.00
Strategic Support	n/a	n/a	n/a	8.00
Strategic Support - Other	n/a	n/a	n/a	0.00
Total	n/a	n/a	n/a	50.50

¹ Some data for the 2015-2016 Actual, 2016-2017 Adopted, and 2017-2018 Forecast columns are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods. Beginning with the 2018-2019 Proposed Budget, data by program and core service will be provided for all budget periods.

² Fund Balance, Transfers, and Reserves for funds managed by the Human Resources Department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

Human Resources Department

Department Budget Summary

	2015-2016 ¹ Actual	2016-2017 ¹ Adopted	2017-2018 ¹ Forecast	2017-2018 Adopted	2017-2018 Adopted FTE
Dollars by Program					
Employee Benefits					
Deferred Compensation	n/a	n/a	n/a	\$ 1,958,577	3.00
Dental Benefits	n/a	n/a	n/a	12,131,510	1.80
Medical Benefits	n/a	n/a	n/a	66,139,957	4.30
Other Benefits	n/a	n/a	n/a	12,450,371	2.40
Sub-Total	n/a	n/a	n/a	\$ 92,680,415	11.50
Employment Services					
Recruiting/Hiring	n/a	n/a	n/a	\$ 2,636,286	16.00
Sub-Total	n/a	n/a	n/a	\$ 2,636,286	16.00
Health and Safety					
Employee Health Services	n/a	n/a	n/a	\$ 635,093	3.00
Employee Safety	n/a	n/a	n/a	305,214	2.00
Workers' Compensation Administration	n/a	n/a	n/a	4,859,401	10.00
Sub-Total	n/a	n/a	n/a	\$ 5,799,708	15.00
Training and Development					
Employee Training and Development	n/a	n/a	n/a	\$ 178,000	0.00
Sub-Total	n/a	n/a	n/a	\$ 178,000	0.00
Strategic Support (Strategic Support CSA)					
Human Resources Management and Administration	n/a	n/a	n/a	\$ 1,348,935	8.00
Sub-Total	n/a	n/a	n/a	\$ 1,348,935	8.00

Human Resources Department

Department Budget Summary

	2015-2016 ¹ Actual	2016-2017 ¹ Adopted	2017-2018 ¹ Forecast	2017-2018 Adopted	2017-2018 Adopted FTE
Dollars by Program					
Strategic Support - Other (Strategic Support CSA) ²					
Human Resources Overhead	n/a	n/a	n/a	\$ 299,538	0
Workers Compensation					
Claims - Other Departments	n/a	n/a	n/a	1,000,000	0.00
Sub-Total	n/a	n/a	n/a	\$ 1,299,538	0.00
Total	n/a	n/a	n/a	\$ 103,942,882	50.50

¹ Data for the 2015-2016 Actual, 2016-2017 Adopted, and 2017-2018 Forecast columns are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods. Beginning with the 2018-2019 Proposed Budget, data by program and core service will be provided for all budget periods.

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Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2016-2017):	53.90	10,364,871	7,999,815
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Classification and Compensation Study		(58,000)	(58,000)
• Rebudget: Employment Analyst		(46,000)	(46,000)
• Rebudget: Taleo Project Implementation		(46,000)	(46,000)
• Rebudget: Human Resources/Payroll Stabilization		(35,000)	(35,000)
• Workers' Compensation Claims Administration Backlog		(393,000)	(393,000)
• Employment Services Division Recruitment Staffing (1.0 Analyst II and 1.0 Senior Office Specialist)	(2.00)	(164,203)	(164,203)
• Human Resources Department Service Delivery and Strategic Analysis Staffing		(132,871)	(132,871)
• Benefits Division New Medical Plans Temporary Staffing (1.0 Senior Analyst)	(1.00)	(104,098)	0
• Employment Services Division Job Class Specification Updates (1.0 Analyst I)	(1.00)	(100,000)	(100,000)
• Employment Services Division Management Succession Planning		(85,000)	(85,000)
• Medical Benefits Software Purchase and Customization		(82,000)	0
• Career Fair		(25,000)	(25,000)
One-time Prior Year Expenditures Subtotal:	(4.00)	(1,271,172)	(1,085,074)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		391,202	332,798
• Workers' Compensation Third Party Administrator		1,093,000	1,093,000
• Workers' Compensation System		115,000	115,000
• Employment Services - Professional and Consultant Svcs (Fingerprinting)		40,200	22,000
• Employee Benefits - Professional and Consultant Services (Medical Actuary)		15,000	0
• Employee Benefits - Deferred Compensation		2,350	2,350
• Employment Services - Professional and Consultant Svcs (Exit Interviews)		(50,000)	(50,000)
• Strategic Support - Adjustments to offset Communications, Rent-Equipment, and Employment Services Fingerprinting		(3,000)	(3,000)
• Employee Benefits - Decrease Supplies/Materials, Print/ Advertising, and Personal Benefits and increase Training		(2,979)	(2,979)
• Professional development program		(1,800)	(1,800)
Technical Adjustments Subtotal:	0.00	1,598,973	1,507,369
2017-2018 Forecast Base Budget:	49.90	10,692,672	8,422,110

Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2016-2017 Adopted to 2017-2018 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Budget Proposals Approved			
1. Workers' Compensation Program Temporary Staffing		330,720	330,720
2. Human Resources Department Information Systems Staffing	1.00	102,904	102,904
3. Alternative Pension Reform Measure F Implementation		26,048	21,445
4. Employee Health Services Physician Staffing	(0.40)	0	0
5. Rebudget: Affordable Care Act Reporting/Programming		65,000	0
Total Budget Proposals Approved	0.60	524,672	455,069
2017-2018 Adopted Budget Total	50.50	11,217,344	8,877,179

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2017-2018 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<p>1. Workers' Compensation Program Temporary Staffing</p> <p><i>Strategic Support CSA</i> <i>Health and Safety Core Service</i> <i>Workers' Compensation Administration Program</i></p> <p>This action adds one-time funding of \$330,720 to continue 3.0 Workers' Compensation Adjuster II temporary positions. This funding is partially offset by the carryover of \$90,000 in anticipated 2016-2017 savings from third-party administrator (TPA) contractual services. Continuation of these resources will assist the Workers' Compensation Program in achieving a reduction in adjuster caseloads by enabling current in-house staff to focus on compliance issues in response to 2016 State Audit findings as the program is subject to re-audit in December 2018. It should be noted that the Workers' Compensation Program is currently administered through a hybrid service delivery model that uses a combination of in-house staff for Police Department cases and a TPA for all other department cases. This hybrid service delivery model is subject to evaluation by June 2018, and a permanent service delivery recommendation should be brought forward in the 2018-2019 Proposed Operating Budget for City Council consideration. (Ongoing costs: \$0)</p>		330,720	330,720
<p>2. Human Resources Department Information Systems Staffing</p> <p><i>Strategic Support CSA</i> <i>Strategic Support Core Service</i> <i>Human Resources Management and Administration Program</i></p> <p>This action adds 1.0 Senior Analyst position to support the newly upgraded PeopleSoft payroll, time and labor, and absence management modules of the recently implemented Human Resources/Payroll/Budget Systems Upgrade project, and the employment modules of the new Taleo hiring system. The position, starting September 1, 2017, will develop, implement, and maintain system configurations and rules for benefit plan and workforce administration, and troubleshoot and fix issues in the payroll, time and labor, and absence management modules. This position will also ensure system compliance with local, state, and federal policies and reporting requirements. (Ongoing costs: \$123,485)</p>	1.00	102,904	102,904

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Alternative Pension Reform Measure F Implementation		26,048	21,445

Strategic Support CSA

Core Service: Department-Wide

Program: Department-Wide

This action increases the Personal Services appropriation in various funds to account for additional retirement costs associated with the implementation of the Alternative Pension Reform Framework Settlement Agreement and the corresponding ballot measure, also known as Measure F, which was approved by the voters in November 2016. In 2015, the City entered into Alternative Pension Reform Framework Agreements with the eleven (11) bargaining units that represent City employees. The changes impact Tier 2 employees in the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plan. As part of these Agreements, the City and the bargaining units agreed to enhance the Tier 2 pension benefits so that Tier 2 would be comparable to the CalPERS benefits at surrounding agencies. These revised pension benefits will assist with the recruitment and retention of City employees by making the City more competitive with other public agencies. The revised pension benefit structures have resulted in increased pension contribution rate costs for the City and employees. In addition, the revised pension contribution rates contain the unfunded liability associated with enhancing the Tier 2 benefit retroactively as each current employee's Tier 2 pension will be changed to the new formula retroactive to their date of hire. This cost is split on a 50/50 basis between the City and the Tier 2 employees. The Boards for the Federated City Employees Retirement System and the Police and Fire Department Retirement Plan approved the revised pension contribution rates factoring in Measure F on May 18, 2017 and June 1, 2017. (Ongoing costs: \$26,048)

4. Employee Health Services Physician Staffing	(0.40)	0	0
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Strategic Support CSA

Health and Safety Core Service

Employee Health Services Program

This action eliminates a 0.4 Physician PT position in the Employee Health Services Division and reallocates the position savings of \$100,000 to contractual physician services. The 2017-2018 Base Budget for this program includes 3.4 positions (1.0 Senior Medical Assistant, 1.0 Nurse Practitioner, 1.0 Medical Assistant, and 0.4 Physician PT) and non-personal/equipment funding for the medical clinic lease costs, supplies, and contractual medical services. In 2016-2017, \$283,000 was reallocated from personal services to non-personal/equipment to fund 2.40 temporary positions (1.0 Nurse Practitioner, 1.0 Medical Assistant, and 0.4 Physician,), pending a service delivery evaluation. The Human Resources Department evaluated this service and determined that a hybrid model best meets the needs of the City. Under this permanent hybrid model, the budgeted positions except the Physician PT would be filled with City staff and contractual services would replace the services previously provided by the Physician based on the hours of coverage needed. Under this model, no change to the services provided to City employees would occur, with employees continuing to receive services at the City's clinic located on Blossom Hill Road. (Ongoing costs: \$0)

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Rebudget: Affordable Care Act Reporting/Programming		65,000	0
<i>Strategic Support CSA</i>			
<i>Employee Benefits Core Service</i>			
<i>Medical Benefits Program</i>			
This action rebudgets unexpended 2016-2017 non-personal/equipment funding for the purchase and customization of software to ensure compliance with the Affordable Care Act, which requires that employers issue Employer-Provide Health Insurance Offer and Coverage forms (Form 1095-C) for transmission to the Internal Revenue Service. (Ongoing costs: \$0)			
2017-2018 Adopted Budget Changes Total	0.60	524,672	455,069

Human Resources Department

Performance Summary

Employee Benefits

Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
\$ Cost of benefits administration per FTE	\$318	\$340	\$385 ¹	\$370

¹ 2016-2017 estimated increased from 2016-2017 target due to new Senior Analyst position created in 2016-2017, an overstrength Senior Analyst from September 2016 - June 2017, salary increases, and a Tier 1 hire in March 2017.

Activity and Workload Highlights




	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
Annual contributions to Deferred Compensation	\$26.9M	\$27M	\$26.4M	\$27.1M
% of employees contributing to Deferred Compensation	68.2%	69%	69%	69.5%
# of Human Resources Information Systems Transactions	25.1K	30K	28.3K	30K

Human Resources Department

Performance Summary

Employment Services

Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 % of employee performance reviews completed on schedule	77%	78%	77%	80%
 Average # of business days for recruitment ¹	53	54	50	47
 Average # of working days to reclassify an occupied position	136	150	135	100

¹ Includes standard and expedited recruitments. Non-standard recruitments (e.g. positions requiring backgrounding, specialized testing, and executive recruitments) are not captured here.

Activity and Workload Highlights





	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of positions filled from recruitments:				
- Full-time	1050	850	1071	1200
- Part-time	787	400	452	600

Human Resources Department

Performance Summary

Health and Safety

Performance Measures

	2015-2016 Actual	2016-2017 Target	2016-2017 Estimated	2017-2018 Target
 # of Workers' Compensation claims per 100 FTEs ¹	18.0	14.0	14.0	14.0
 # of Workers' Compensation disability hours	129,174	150,000	179,000	150,000
 # of Workers' Compensation disability hours per claim ²	118	120	207	188
 Expenditures for Workers' Compensation per \$100 of total City salaries, benefits, and retirement ³	\$3.93	\$4.50	\$3.59	\$3.65

¹ Injuries increased to 1,097 during 2015-2016, including "Information Only" type injuries not requiring medical treatment or significant cost.

² The estimated 2016-2017 increase in Workers' Compensation disability hours per claim is representative of out-of-work hours for reasonable and necessary medical treatment and recuperation. Analysis of claims trends indicates a reduction in disability hours for 2017-2018.

³ The methodology for calculating 2016-2017 Estimated and 2017-2018 Target expenditures per \$100 of total City salaries, benefits, and retirement was updated to account for all applicable benefits. Prior estimates included only health benefits.

Activity and Workload Highlights

	2015-2016 Actual	2016-2017 Forecast	2016-2017 Estimated	2017-2018 Forecast
# of open Workers' Compensation claims	3,565	3,300	3,500	3,300
# of new Workers' Compensation claims	1,097	800	865	800
# of employees trained in safety	1,323	1,000	1,295	1,000
Total Workers' Compensation claims costs	\$19.5M	\$23.3M	\$20.0M	\$22.6M

Human Resources Department

Departmental Position Detail

Position	2016-2017 Adopted	2017-2018 Adopted	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	16.00	14.00	(2.00)
Assistant Director	1.00	1.00	-
Director, Human Resources	1.00	1.00	-
Division Manager	3.00	3.00	-
Medical Assistant	1.00	1.00	-
Nurse Practitioner	1.00	1.00	-
Nurse Practitioner PT	0.00	0.00	-
Office Specialist II	1.00	1.00	-
Office Specialist II PT	0.50	0.50	-
Physician	0.40	0.00	(0.40)
Physician PT	0.00	0.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Senior Analyst	11.00	11.00	-
Senior Medical Assistant	1.00	1.00	-
Senior Office Specialist	6.00	5.00	(1.00)
Staff Technician	3.00	3.00	-
Workers' Compensation Claims Adjuster II	4.00	4.00	-
Total Positions	53.90	50.50	(3.40)