

# HUMAN RESOURCES

## Department Overview

The Human Resources Department (HR) serves as a support system and strategic partner with other City departments by providing all major employment, risk, and benefit services for the City. These services are delivered through ten service areas: Human Resources Administration, Class and Compensation, Employee and Labor Relation, Talent Acquisition, Employee Training, Benefit Administration, Leave Administration, Risk Administration, Workers' Compensation Administration, and Payroll Administration.

	FY20 Actuals	FY21 Actuals	FY22 Amended	FY23 Proposed
5 PERSONNEL SERVICES	890,023	911,691	974,859	1,147,768
6 MATERIALS & SERVICES	10,092,721	9,174,499	11,822,290	11,602,958
<b>Grand Total</b>	<b>\$ 10,982,744</b>	<b>\$ 10,086,190</b>	<b>\$ 12,797,149</b>	<b>\$ 12,750,726</b>

\*5,6 & 7 indicated in table above are the numeric categories used in the general ledger to represent the different expense types.

## Budget Summary – FY2023

### Staffing

The Department's FTE count for FY23 will increase from seven (7) to eight (8) FTE. The Department's day-to-day activities are performed by staff with a reliance on technology support to handle the daily work volume.

### Department Funding

The resources necessary to support the Department are primarily either tax supported (subsidized) or internal service charges levied against the City's enterprise and special revenue funds for services provided.

### Service Level Changes

At the request of the City Manager an additional Human Resources Specialist was added in March of 2022. This new position will focus on recruitment support and the onboarding of new hires. Hiring within the City has increased by more than 20% over the last 3 years as a result of increased turnover and employee retirements. The added position will increase capacity within the department to support the implementation and administration of statutory leaves, including Oregon's new paid family leave law, which takes effect in 2023.

### Accomplishments FY2022

- **Increased the Diversity of the City's Workforce** – The diversity of the City's workforce does not reflect the community it services. Roughly 15% of the community members within the City of Springfield identify themselves as non-white. The City's workforce diversity has ranged between 7-9% dating back to 2017. The HR Department, in partnership with City departments, implemented changes in training and hiring processes as well as improvements to the City's careers webpage. These changes have resulted in the City's workforce diversity rising to 10.7%.

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- **Incentivized COVID-19 Vaccinations** – To promote better community health during the COVID-19 pandemic, the HR Department developed an incentive program to encourage City employees to get vaccinated. The HR Department offered City employees a \$250.00 contribution to their medical Health Reimbursement Arrangement (HRA) account upon proof of full vaccination. This incentive was funded through the City’s benefit reserve account and resulted in a City-wide vaccination rate of 83%. Fortunately, no benefit plan members were hospitalized due to COVID.
- **Workers Compensation Transition to SAIF** – The Department successfully transitioned from CIS who had previously provided Workers Compensation Insurance for the City over to SAIF on July 1, 2021. As part of this transition, the City successfully negotiated agreements with all five of its collective bargaining contracts and put in place a transition budget strategy and workflow process to support the administration of employee time loss claims. Long term, it is anticipated that this change will result in a financial savings to the City.
- **Implementation of a Risk Management Information System (RMIS)** – The Department has implemented the incident intake portion of the new Risk Management Information System (RMIS) with the City’s DPW Operations team to improve the efficiency of managing incidents and claims. Foundational groundwork regarding vehicles and properties has been completed and centralized into the City’s database. These initiatives as well as the new RMIS system will help the City ensure compliance with required federal and state reporting and potentially increase the City’s ability to collect reimbursements related to damage of City-owned property.
- **Implemented a New Background Check Vendor** –The HR Department received funding approval to outsource pre-employment background checks. HR completed the RFP process, negotiated a contract, and implemented the new technology solution. Due to Criminal Justice Information System (CJIS) requirements the Police Department criminal background checks could not meet regulatory requirements related to third-party reporting. The transition not only complies with regulatory requirements but has allowed for a more thorough nationwide search that includes E-Verify, Social Security Trace, and Sex Offender Registry. With increased turnover, the criminal background check process was placing additional strain on the Police Department which is now resolved.

## Initiatives FY2023

- **Vendor Solution for Administering Protected Leave** – The HR Department needs to ensure compliance with its administration of protected leaves including Oregon’s new paid leave law. The Department has requested additional budget dollars to acquire technology to keep up with regulatory compliance.
- **Implementation of the New Oregon Paid Family Leave Law** – Starting on January 1, 2023, a 1% payroll tax will take effect to fund Oregon’s new paid family leave law. The impact of the tax is approximately \$325,000 per year. The HR Department will be tasked with negotiating the effects of the tax and administration of the protected leave with its collective bargaining groups before the law is implemented. Additionally, the Department will need to design and implement the new paid leave program by September of 2023 as required by the State of Oregon.
- **Enterprise Risk Management (ERM)**. The Department plans to implement the ERM module of the RMIS system which will help the ERM team’s work in identifying, ranking, prioritizing, and mitigating City-wide risks. This work supports the executive strategic planning effort by allowing executives to compare widely different risks from all departments.

- **Diversity and Inclusion** – The HR Department will continue to make efforts to change and improve hiring process to promote inclusiveness. Over the next year the HR Department will develop interview training to include adverse impact and improve its data tracking.

## Future Year Considerations FY2024-FY2027

- **Benefit Cost** – For the last eight (8) years, the City’s benefit design plan has successfully kept costs flat with no rate increases to employees. Future work to continue to keep cost increases under control will include looking for opportunities to reduce administrative expenses, exploring lower cost health care options for retirees, managing prescription costs, mental health care, and on-going wellness initiatives.
- **Turnover & Recruitment** – The City has seen continual increases in both voluntary and retirement turnover which puts more strain on the City’s recruitment efforts. Maintaining competitive wages is important for both recruitment and retention. HR is working to improve the classification system which will include staff/leader education, redesign of the job descriptions, and working with department leadership to create both development opportunities to support hard-to-fill positions and develop future City leaders. Additionally, HR will develop education programs to develop and strengthen competencies.
- **Insurance** – As part of the effort to ensure the City is making informed decisions, the HR Department needs to complete an evaluation of workers compensation funding, review the property insurance program to determine if the City should purchase excess coverage outside of the region, evaluate cyber security readiness, and partner with Emergency Management on a business continuity plan with regards to major disaster events. Additionally, the Department will need to develop a proposal to increase City funding for ergonomic workstations.
- **Administration of Leaves** – Management of protected leaves, coordination of short and long term disability plans, and management of return to work initiatives is an administrative challenge that will continue to grow in complexity. The passing of HB 2005, Oregon Paid Family Leave Law, will add additional administrative burden and economic costs. It is critical for HR to implement operational changes which may include an outsource option to meet compliance with current and upcoming regulatory requirements.
- **Technology** – The HR Department will continue to rely heavily on technology solutions to continue its work. This includes solutions to track and monitor protected leaves, recruitment, benefit administration, payroll, time keeping, and risk management. Additionally, the HR Department needs to assess the feasibility and cost/benefit analysis of requesting and implementing a learning management system and a software product for performance evaluations.
- **City-wide Employee Development and Training** – Training and employee development are vital to the long term sustainable success of City services. In addition to both regulatory requirements and risk management strategies, many City positions are hard-to-fill and require certifications by state statute. The addition of a City program dedicated to development and training will afford the City the opportunity to ensure compliance requirements, support department succession planning needs, and to develop programs to improve employee competencies.

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## Financial Summary by Fund

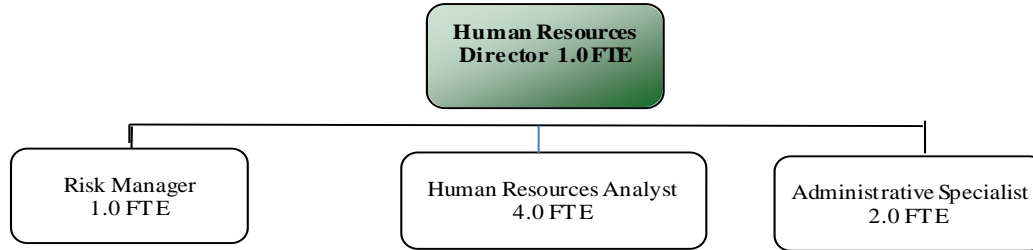
	FY20 Actuals	FY21 Actuals	FY22 Amended	FY23 Proposed
100 General Fund	548,797	624,412	713,820	750,152
204 Special Revenue Fund	-	-	-	103,622
707 Insurance Fund	10,433,946	9,458,572	12,079,329	11,896,953
713 Vehicle & Equipment Fund	-	3,206	4,000	-
<b>Grand Total</b>	<b>\$ 10,982,744</b>	<b>\$ 10,086,190</b>	<b>\$ 12,797,149</b>	<b>\$ 12,750,726</b>

## Financial Summary by Program

		FY20 Actuals	FY21 Actuals	FY22 Amended	FY23 Proposed
Active Programs	7000 Department Administration	498,865	1,016,250	1,450,839	1,701,644
	7060 Property & Liability	1,206,045	1,071,763	1,058,895	1,687,609
	7062 Workers Compensation	854,999	839,950	950,180	771,958
	8300 Self-Funded Medical	6,992,098	6,154,279	8,199,567	7,563,738
	8301 Self-Funded Dental	557,533	611,532	711,145	633,806
	8350 Wellness Center	366,858	378,181	396,773	391,971
	9000 Non-Program	-	3,206	4,000	-
<b>Active Programs Total</b>		<b>10,476,398</b>	<b>10,075,161</b>	<b>12,771,399</b>	<b>12,750,726</b>
Inactive Programs	7005 City-Wide Mgmt. & Oversight	-	300	-	-
	7022 City Facilities Operations, Maint	-	-	25,750	-
	7050 Organizational Development	485	-	-	-
	7051 Class and Compensation	58,910	291	-	-
	7052 Employee and Labor Relations	62,222	351	-	-
	7053 Talent Acquisition	122,304	8,885	-	-
	7056 Employee Training	912	-	-	-
	7057 Benefit Administration	68,936	-	-	-
	7059 Leave Administration	63,327	(0)	-	-
	7065 Payroll Administration	129,250	1,203	-	-
<b>Inactive Programs Total</b>		<b>506,345</b>	<b>11,029</b>	<b>25,750</b>	<b>-</b>
<b>Grand Total</b>		<b>\$ 10,982,744</b>	<b>\$ 10,086,190</b>	<b>\$ 12,797,149</b>	<b>\$ 12,750,726</b>

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## Organizational Structure



## Summary of Full-Time Equivalent by Position

	FY20 FTE	FY21 FTE	FY22 FTE	FY23 FTE
Human Resources Analyst	2.00	2.00	2.00	2.00
Human Resources Analyst II	1.00	1.00	1.00	1.00
Human Resources Director	1.00	1.00	1.00	1.00
Human Resources Specialist	-	-	-	1.00
Human Resources Specialist II	1.00	1.00	1.00	1.00
Payroll Analyst	1.00	1.00	1.00	1.00
Risk Manager	1.00	1.00	1.00	1.00
<b>Grand Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>8.00</b>

## Summary of Full-Time Equivalent by Fund

	FY20 FTE	FY21 FTE	FY22 FTE	FY23 FTE
100 General Fund	4.00	4.00	4.00	4.00
707 Insurance Fund	3.00	3.00	3.00	3.00
204 Special Revenue Fund	-	-	-	1.00
<b>Grand Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>8.00</b>

## Summary of Full-Time Equivalent by Program

		FY20 FTE	FY21 FTE	FY22 FTE	FY23 FTE
Active Programs	7000 Department Administration	2.00	5.50	7.00	8.00
<b>Active Programs Total</b>		<b>2.00</b>	<b>5.50</b>	<b>7.00</b>	<b>8.00</b>
Inactive Programs	7051 Class and Compensation	0.50	-	-	-
	7052 Emp. and Labor Relations	0.50	-	-	-
	7053 Talent Acquisition	1.00	-	-	-
	7057 Benefit Administration	0.50	-	-	-
	7059 Leave Administration	0.50	-	-	-
	7062 Workers Compensation	-	0.75	-	-
	7065 Payroll Administration	1.00	-	-	-
	7060 Property & Liability	1.00	0.75	-	-
<b>Inactive Programs Total</b>		<b>5.00</b>	<b>1.50</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>8.00</b>

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## Performance Measures

Measure	FY22 Target	FY22 Est. Actual	FY23 Target
1.) Percent of turnover, excluding limited duration, temp positions, and retirements	4%	10.26%	5%
<p><b>Why this measure is important:</b> Turnover is a common data point used to evaluate employee culture and business health.</p> <p><b>Why was this target not met:</b> The City’s unusually high turnover is similar to what is being seen nationally with a high number of retirements and what has been labeled as the “great resignation” with individuals re-evaluating their career choices as a result of the pandemic.</p>			
2.) General Liability Loss Ratio	<60%	202%	<60%
<p><b>Why this measure is important:</b> This measures the ratio of claim costs to premiums paid over the last five years. Anything over 100% means that the carrier is paying more in claims than they are receiving in premiums. The 60% mark is usually the threshold where carriers evaluate future insurability.</p> <p><b>Why was this target not met:</b> Claims in the last five years have been significantly high but recent changes have resulted in noticeable reduction in claim frequency and cost.</p>			
3.) Workers’ Compensation Mod Factor	<1.0	.95	<1.0
<p><b>Why this measure is important:</b> This measures how much the City pays in WC premiums compared to similar organizations. Industry average is reflected by 1.0</p>			
4.) Percent of minorities employed at the City	N/A	10.7%	14.8%
<p><b>Why this measure is important:</b> The City is committed to fostering an environment that values diversity and inclusion. The target of 14.8% is reflective of the diverse community that we are here to serve.</p> <p><b>Why was this target not met:</b> This is an on-going process, and the 10.7% workforce diversity is an improvement from prior years. The City is making efforts to improve diversity, equity, and inclusion in such areas as hiring, retention, workplace culture, and community outreach.</p>			