HUMAN RESOURCES

Chaim Hertz, Human Resources Director   Chertz@springfield-or.gov   541.726.3787

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.

	FY21 Actuals	FY22 Actuals	FY23 Amended	FY24 Proposed
5 PERSONNEL SERVICES	911,691	1,003,744	1,147,768	1,264,646
6 MATERIALS & SERVICES	9,174,499	9,601,211	11,602,958	11,572,631
Grand Total	**$10,086,190**	**$10,604,955**	**$12,750,726**	**$12,837,277**

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

Budget Summary – FY2024

Staffing

The Department's FTE count for FY24 will increase from eight (8) to nine (9). 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, a Training Coordinator position is being added to the FY2024 budget. This position will be responsible for developing training programs and materials to support employee, leadership, and organizational development and effectiveness. Additionally, it will serve as the subject matter expert in areas of diversity, equity, and inclusion (DEI) to include supporting the design, development and implementation of City-wide DEI trainings.

Accomplishments FY2023

- **Vendor Solution for Administering Protected Leave –** The HR Department selected and reached a contract agreement to utilize a vender (Lincoln Financial) to administer statutory leaves (e.g., FMLA, OFLA, USERRA, and Paid Leave Oregon) on behalf of the City. The City is working through the implementation steps with a targeted go-live of June 2023. The cost of the agreement was roughly $12k below initial budget estimates. Additionally, by packaging the services to include life, accidental death and dismemberment, and long term disability insurance, HR was able to save the City another $35k as compared to current insurance costs.

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- **Implementation of the New Oregon Paid Family Leave Law** – The HR Department implemented the payroll tax in January as required by law, with go-live starting in September. By selecting a 3rd party solution to administer an equivalent plan, this will result in additional $14k a year savings as compared to utilizing the State plan.

- **RFP for City's Deferred Compensation** – The HR Department in partnership with an employee committee, completed an RFP process and selected a new deferred compensation vendor. The goal of the project was to (1) reduce the number of vendors that we currently use, (2) add a Roth option, (3) ensure that our employees are being charged competitive service fees, and (4) ensure our employees are receiving the best investment options possible to meet their retirement needs. At the completion of the project, we achieved all four of our initial objectives.

- **Enterprise Risk Management (ERM)** – Risks identified and discussed in the ERM Committee have brought awareness and contributed to several safety and loss-prevention projects currently underway. These include secure vehicle parking, the council chambers remodel, and the addition of security cameras and monitoring at City Hall. Liability claim costs are the lowest they have been in the last 15 years.

- **Diversity, Equity, and Inclusion (DEI)** – The HR Department has continued its positive efforts in expanding the diversity of the workforce. Statistics pulled from the FY22 annual hiring report showed that 22% of all external hires, self-identified as a person of color. This was an increase of 9% over the prior year. Overall, the City's population of minority workers increased to 11.2%, which is still significantly below the overall population (20.1%) for Springfield.

Initiatives FY2024

- **Technology** – Over the first part of the next fiscal year the HR Department will implement new software technology to enhance support for training and education, employee performance evaluations, and organizational policies and procedures.

- **Employee Wellness -** The HR Department in partnership with our benefit administrator completed an employee wellness survey during FY23. During FY24, HR will evaluate the results of the survey and recommend changes for the City to consider. HR will also transition the current Know Your Numbers campaign to a more comprehensive annual physical/exam program at the recommendation of our medical advisors. Lastly, HR will refresh its intranet website to include a wellness page that offers wellness activities, education, and resources.

- **DEI** – Over the next year the HR Department will develop interview training to include implicit bias and improve its data tracking.

Future Year Considerations FY2025-FY2028

- **Benefit Cost** – For the last ten (10) years, the City's benefit plan design has successfully kept claim 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.

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- **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.

- **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.

Financial Summary by Fund

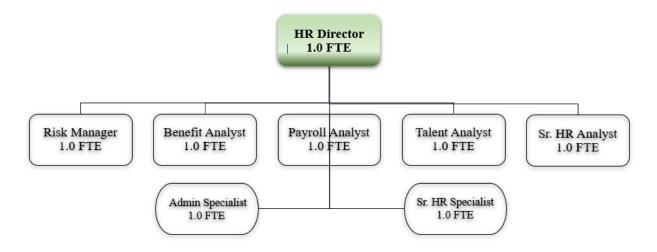|	FY21 Actuals	FY22 Actuals	FY23 Amended	FY24 Proposed
100 General Fund	624,412	715,594	750,152	969,736
204 Special Revenue Fund	-	-	103,622	104,835
707 Insurance Fund	9,458,572	9,885,944	11,896,953	11,762,705
713 Vehicle & Equipment Fund	3,206	3,417	-	-
Grand Total	**$10,086,190**	**$10,604,955**	**$12,750,726**	**$12,837,277**

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Financial Summary by Program

		FY21 Actuals	FY22 Actuals	FY23 Amended	FY24 Proposed
Active Programs	7000 Department Administration	989,248	1,386,085	1,701,644	1,607,712
	7060 Property & Liability	886,305	1,034,684	1,687,609	2,003,254
	7062 Workers Compensation	655,623	846,282	741,958	690,488
	8300 Self-Funded Medical	-	-	7,563,738	7,443,376
	8301 Self-Funded Dental	-	-	633,806	633,010
	8350 Wellness Center	-	-	391,971	459,437
Active Programs Total		**2,531,176**	**3,267,051**	**12,720,726**	**12,837,277**
Inactive Programs	_ Not Available	-	-	-	-
	7000 Department Administration	27,002	23,141	-	-
	7005 City-Wide Mgmt. & Oversight	300	-	-	-
	7051 Class and Compensation	291	-	-	-
	7052 Employee and Labor Relations	351	-	-	-
	7053 Talent Acquisition	8,885	5,736	-	-
	7059 Leave Administration	(0)	-	-	-
	7060 Property & Liability	185,458	-	-	-
	7062 Workers Compensation	184,327	16,757	30,000	-
	7065 Payroll Administration	1,203	-	-	-
	8301 Self-Funded Dental	611,532	600,120	-	-
	8350 Wellness Center	378,181	384,696	-	-
	9000 Non-Program	3,206	3,417	-	-
Inactive Programs Total		**7,555,013**	**7,337,904**	**30,000**	**-**
Grand Total		**$10,086,190**	**$10,604,955**	**$12,750,726**	**$12,837,277**

Organizational Structure

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Summary of Full-Time Equivalent by Position

	FY21 FTE	FY22 FTE	FY23 FTE	FY24 FTE
Human Resources Analyst II	2.00	2.00	2.00	3.00
Human Resources Analyst, Sr	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
Human Resources Specialist, Senior	-	-	-	1.00
Payroll Analyst	1.00	1.00	1.00	1.00
Risk Manager	1.00	1.00	1.00	1.00
Grand Total	**7.00**	**7.00**	**8.00**	**9.00**

Summary of Full-Time Equivalent by Fund

	FY21 FTE	FY22	FY23	FY24
100 General Fund	4.00	4.00	4.00	5.00
707 Insurance Fund	3.00	3.00	3.00	3.00
204 Special Revenue Fund	-	-	1.00	1.00
Grand Total	**7.00**	**7.00**	**8.00**	**9.00**

Summary of Full-Time Equivalent by Program

		FY21 FTE	FY22 FTE	FY23 FTE	FY24 FTE
Active Programs	7000 Department Administration	5.50	7.00	8.00	9.00
Active Programs Total		**5.50**	**7.00**	**8.00**	**9.00**
Inactive Programs	7062 Workers Compensation	0.75	-	-	-
	7060 Property & Liability	0.75	-	-	-
Inactive Programs Total		**1.50**	**-**	**-**	**-**
Grand Total		**7.00**	**7.00**	**8.00**	**9.00**

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Performance Measures

Measure	FY23 Target	FY23 Est. Actual	FY24 Target
1.) Percent of turnover, excluding limited duration, temp positions, and retirements	5%	11.95%	5%
Why this measure is important: Turnover is a common data point used to evaluate employee culture and business health. **Why was this target not met:** 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.			
2.) General Liability Loss Ratio	<60%	208%	<60%
Why this measure is important: 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. **Why was this target not met:** Claims in the last five years have been significantly high but recent changes have resulted in noticeable reduction in claim frequency and cost.			
3.) Workers' Compensation Mod Factor	<1.0	.94	<1.0
Why this measure is important: This measures how much the City pays in WC premiums compared to similar organizations. Industry average is reflected by 1.0			
4.) Percent of minorities employed at the City	13.5%	11.2%	20.1%
Why this measure is important: The City is committed to fostering an environment that values diversity and inclusion. The target of 20.1% is reflective of the diverse community that we are here to serve. **Why was this target not met:** This is an on-going process, and the 11.2% 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.			