

HUMAN RESOURCES

MISSION

The mission of the Human Resources (HR) Department is to strategically partner with departments to implement a comprehensive, competency-based talent management strategy so that the City of Minneapolis is able to hire, develop and retain an excellent workforce that contributes to the achievement of City goals through the delivery of high quality, cost-effective services.

BUSINESS LINES

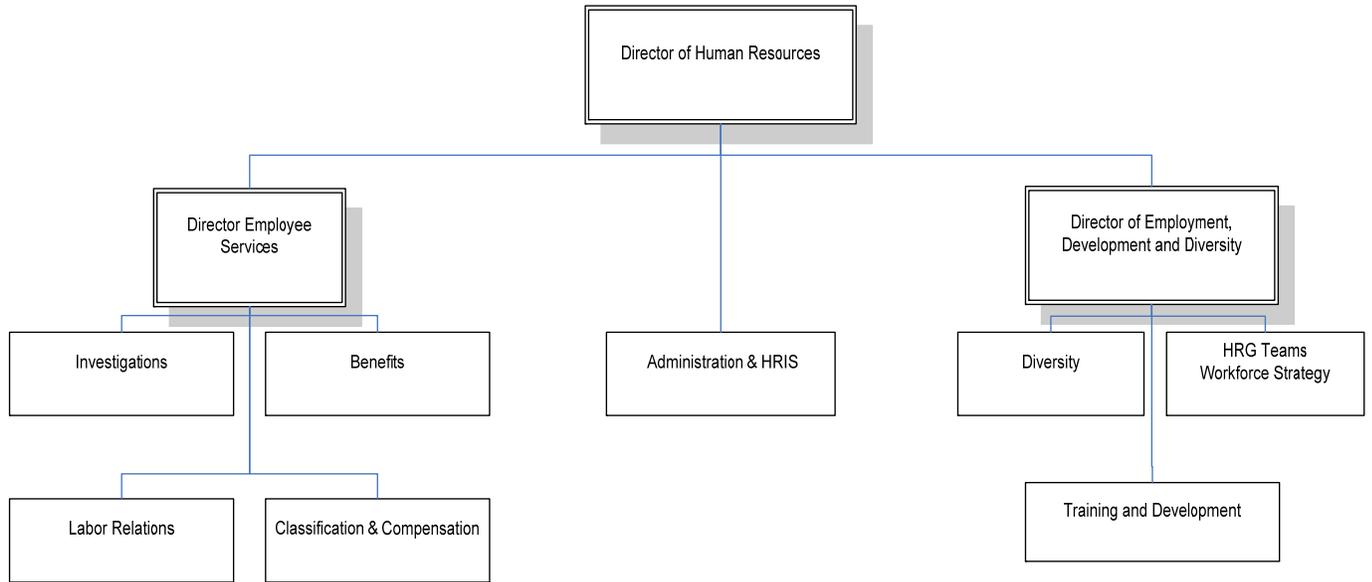
The HR Department has three primary business lines – Administration/HRIS, Employment, Development and Diversity, and Employee Services. Because the work of the department involves more than just one business line, it is necessary that the employees of each division engage in cross-divisional cooperation so that the department can accomplish its goals and eliminate the existence of ‘silo-mentality’ across the department.

- ❖ **Administration & HRIS:** The key services associated with this business line are twofold.
 - 1) Department Administration: Administration of the department to include policy development and implementation, business planning and strategic direction, and Civil Service Commission oversight.
 - 2) HRIS: Also important to this business line are services provided by the HRIS Team which include enterprise employment information management, managing and providing information to other City departments and Independent Boards and Agencies for decision making purposes and supporting Enterprise Learning Management (ELM) and Enterprise Resource Planning (ERP) related efforts and initiatives.

- ❖ **Employment, Development and Diversity** designs and implements enterprise-focused diversity initiatives to include developing and implementing an Affirmative Action Plan, targeted recruitment efforts, and strategic direction for workforce strategies. Also important to this business line are the services provided by the HR Generalist teams, which include customer-focused strategic and operational advice, staffing, and performance management consultation. This business line provides learning opportunities for managers, supervisors and employees to maximize their development and to minimize organizational risk.

- ❖ **Employee Services** provides strategic and operational leadership for all of the City’s collective bargaining. In addition to the collective bargaining responsibilities, the key activities essential to this business line are contract administration, compensation administration, classification administration, complaint investigation, the implementation of the Return-to-Work Program; and designing, negotiating and implementing employee healthcare and wellness programs.

ORGANIZATION CHART



OVERVIEW OF SERVICES

Following is a summary of the services provided by HR to City Council Departments as well as other Independent Boards and Agencies. The services are broken down by those required by law, statutes, ordinances and those that are not required but best serve the City when they are centralized because they are more cost-effective and enterprise-focused.

Human Resource Department Services

| Services Required by Federal Law, State Statute, and City Charter or Ordinance | Service Delivered to City Departments? | Service Delivered to Other Agencies? |
|--|--|--------------------------------------|
| Administer Benefits | Yes | Yes (Fee Based) |
| Administer Compensation | Yes | No |
| Advertising | Yes | Yes |
| Affirmative Action Plan Development and Administration | Yes | No |
| Civil Service Commission Appeals | Yes | Yes |
| Compliance Investigations | Yes | No |
| HRIS (Payroll and Records Management) | Yes | Yes |
| Job Bank | Yes | No |
| Job Classification | Yes | Yes |
| Negotiate and Administer Labor Agreements | Yes | No |
| Policy Development & Training (Respect in the Workplace, Ethics) | Yes | No |
| Testing and Selection | Yes | Yes |

| Services Not Required by Federal Law, State Statute, and City Charter or Ordinance | Service Delivered to City Departments? | Service Delivered to Other Agencies? |
|--|--|--------------------------------------|
| Diversity Management and Affirmative Action Support | Yes | Limited |
| Management Consultation | Yes | No |
| Recruiting | Yes | No |
| Training & Development | Yes | No |

RESULTS MINNEAPOLIS CHARTS

| Measure Name | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 Target | 2011 Target |
|---|-------|-------|-------|-------|-------|-------|-------------|-------------|
| % Female Applicants | 36.5% | 46.9% | 38.3% | 43.1% | 48.5% | 47.0% | 45.0% | 45.0% |
| # of Female Applicants | 2382 | 3654 | 4417 | 4691 | 5616 | 2184 | 2700 | 3600 |
| % Female Eligibles | 35.3% | 42.2% | 45.3% | 41.1% | 48.4% | 47.0% | 45.0% | 45.0% |
| # of Female Eligibles | 1016 | 1444 | 2202 | 1992 | 2339 | 802 | 1134 | 1512 |
| % Female Hires | 34.8% | 32.9% | 35.7% | 43.3% | 34.1% | 43.0% | 40.0% | 40.0% |
| # of Female Hires | 98 | 118 | 153 | 123 | 112 | 34 | 40 | 50 |
| % People of Color Applicants | 35.5% | 34.7% | 31.7% | 30.9% | 29.1% | 30.7% | 31.0% | 33.0% |
| # of People of Color Applicants | 2316 | 2704 | 3607 | 3367 | 3371 | 1422 | 1860 | 2640 |
| % People of Color Eligibles | 34.6% | 31.0% | 25.0% | 29.4% | 26.6% | 28.5% | 30.0% | 32.0% |
| # of People of Color Eligibles | 995 | 1061 | 1216 | 1426 | 1285 | 471 | 756 | 1075 |
| % People of Color Hires | 32.3% | 34.0% | 28.7% | 28.2% | 27.7% | 26.0% | 28.0% | 30.0% |
| # of People of Color Hires | 91 | 122 | 123 | 80 | 91 | 21 | 28 | 37 |
| Females by EEO-4 Category (%) | | | | | | | | |
| 1. Officials & Administrators | NA | NA | NA | 45.2% | 44.0% | 41.9% | NA | NA |
| 2. Professionals | NA | NA | NA | 47.7% | 48.6% | 48.7% | 49.0% | 50.0% |
| 3. Technicians | NA | NA | NA | 20.4% | 19.8% | 19.5% | 19.5% | 20.0% |
| 4. Protective Service (Sworn) | NA | NA | NA | 16.9% | 15.6% | 15.8% | 16.2% | 17.6% |
| 4. Protective Service (Non-Sworn) | NA | NA | NA | NA | 36.3% | 38.6% | 38.6% | 40.0% |
| 6. Administrative Support | NA | NA | NA | 80.5% | 80.1% | 80.3% | NA | NA |
| 7. Skilled Craft | NA | NA | NA | 2.9% | 2.5% | 3.0% | 3.0% | 3.5% |
| 8. Service Maintenance | NA | NA | NA | 10.6% | 13.8% | 13.7% | 14.0% | 14.2% |
| Employees of Color by EEO-4 Category (%) | | | | | | | | |
| 1. Officials & Administrators | NA | NA | NA | 15.4% | 16.5% | 16.2% | 16.2% | 17.5% |
| 2. Professionals | NA | NA | NA | 19.6% | 19.4% | 19.2% | NA | NA |
| 3. Technicians | NA | NA | NA | 16.3% | 15.8% | 16.1% | NA | NA |
| 4. Protective Service (Sworn) | NA | NA | NA | 25.0% | 25.1% | 25.6% | NA | NA |
| 4. Protective Service (Non-Sworn) | NA | NA | NA | NA | 36.3% | 30.1% | NA | NA |
| 6. Administrative Support | NA | NA | NA | 27.9% | 27.3% | 28.6% | NA | NA |
| 7. Skilled Craft | NA | NA | NA | 11.5% | 11.1% | 11.4% | NA | NA |
| 8. Service Maintenance | NA | NA | NA | 30.4% | 29.7% | 30.0% | NA | NA |
| # of Days to Fill a Vacant Position | 122 | 113 | 108 | 115 | 96 | 82 | 90 | 90 |
| Hard to Fill Positions (% Deemed Hard to Fill) | 26.0% | 40.0% | 31.0% | 26.0% | 33.0% | 35.0% | 31.0% | 30.0% |
| Hard to Keep Filled | NA | NA | NA | NA | NA | NA | TBD | TBD |

| Measure Name | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 Target | 2011 Target |
|--|---------|---------|---------|---------|----------|----------|-------------|-------------|
| Positions | | | | | | | | |
| % of Employees with Completed Performance Review in HRIS | 5.6% | 6.7% | 10.1% | 34.6% | 41.0% | 46.0% | 50.0% | 55.0% |
| Health Insurance Cost Growth to City & Employee | \$6,848 | \$7,939 | \$9,118 | \$9,938 | \$10,040 | \$11,160 | \$12,760 | \$14,370 |

Note: In the 2010 & 2011 Targets, "NA" means that underutilization did not exist in these categories.

What two or three key trends and challenges does the department face and how will each be addressed?

The HR Department continues to face the challenges of meeting enterprise needs with diminishing resources. Challenges include:

1. Full funding for future upgrades to the HRIS/COMPASS enterprise system.
2. Items identified in the 2009 employee survey including overall decreases in employee engagement and concerns about employee trust. HR plans to work with City Leadership to identify ways to respond to these concerns and work to integrate employee engagement into department business planning, *Results Minneapolis* and performance management systems.
3. Aging workforce and loss of institutional knowledge as employees retire and leave the organization.
4. Implementing the Talent Management Strategy – assisting the organization with the hiring, training & development, and retention of a highly qualified, diverse workforce – is a key challenge for the HR Department and for the City of Minneapolis.
5. Increases in health care cost also continue to be both a trend and a challenge. The department is working in partnership with the Benefits Labor Management Committee and healthcare providers to identify cost-savings solutions.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

HR has identified a number of tactics in its Business Plan in terms of developing partnerships including:

1. Develop relationships and learn from other companies that have strong diversity programs including Best Buy, Target, General Mills, 3M and Medtronic.
2. Partner with the Minneapolis Public Schools and the Minneapolis Employment and Training Program (METP) to recruit candidates for positions and internships with the City.

HR will also pursue and establish closer relationships with HR representatives from Hennepin and Ramsey Counties and the City of St. Paul to determine if there are areas where the department can share resources and/or programs.

How is the department evaluating programs or services for cost effectiveness?

The HR Department plans to:

1. Explore HR Shared Service delivery models that may be able to provide HR Services in a more cost effective manner via self-service, call centers and via technology (HR Portals).
2. Review, amend or remove laws, systems, rules, etc. that hinder efficient HR processes and recommend improvements.
3. Compare the City’s compensation package to the packages of other jurisdictions in the metro area.
4. Explore opportunities to reduce the cost of administering the City’s benefit plans.
5. Monitor and respond to the impacts of the Health Care Reform Act.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

- A. **General Fund** – HR plans to take the following reductions to meet the current service level. This is being done in conjunction with eliminating a position in the General Fund and funding the position out of existing resources and realized cost savings in the 6900 Fund. Listed below are the cuts HR is proposing:

| Division | Account Code | Amount |
|-----------------------|---------------------------|------------------|
| All | 782901 - Health Insurance | \$43,000 |
| Administration | HR Senior Associate | \$78,532 |
| Total of Above | | \$121,532 |

Note: The total of the above cuts exceeds the CSL cut of \$116,748. HR would like the excess dollars be reallocated to Professional Services in Administration.

Impact statement: Funding the above position from the 6900 Fund is possible because of cost savings realized from other efforts in the last several years and reflects activities performed by this employee. Further reductions in the 6900 Fund will be possible, lowering overall costs within the fund resulting in projected savings to all departments. In addition, in the last two years some of the funds that have remained in the 6900 Fund have been saved and rolled over to help fund the future upgrade of HRIS.

- B. **6400 Fund** – To meet the current service level reduction of \$3,579 in the 6400 Fund, HR is proposing a reduction in the Professional Services Account (507000).

Impact statement: These funds are used to support the delivery of training and development programs and services to City employees. This reduction will decrease the amount of resources available to fund ongoing efforts and also reduce the potential to save and roll over unexpended funds for future initiatives including the HRIS upgrade.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for the Human Resource department is \$7.3 million, a 1.7% decrease from the 2010 revised adopted budget. Personnel expenditures are 60% of the total department budget. Contractual services make up 29% of the department's budget.

REVENUE

The department's revenue budget of \$1.4 million reflects a 3.4% or \$47,300 increase from 2010 to 2011, attributable to the benefits administration fee that is charged to customer departments through the Self Insurance Fund rate model. The Self Insurance Fund is the only source of revenue for the Human Resources Department.

FUND ALLOCATION

The Human Resources Department is funded from the General Fund, the Self Insurance Fund, and the Intergovernmental Services Fund. An appropriation of \$5.7 million from the General Fund provides 78% of the department's budget. The department operates the benefits administration function out of the Self Insurance Fund using an expenditure budget of \$1.4 million. The department also provides enterprise services through the Intergovernmental Services Fund where it is budgeted at \$257,000.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$154,000 to the General Fund, which is partially offset by health care savings.

COUNCIL ADOPTED BUDGET

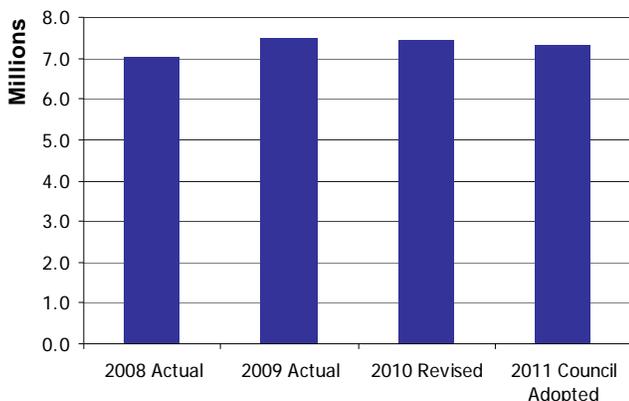
The Council adopted the Mayor's recommendations and directed the Department to work with the Finance and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

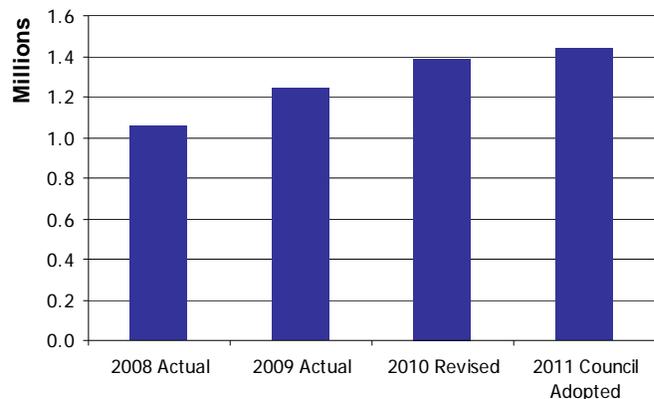
| EXPENSE | 2008 Actual | 2009 Actual | 2010 Revised Budget | 2011 Council Adopted | Percent Change | Change |
|-------------------------------|------------------|------------------|---------------------|----------------------|----------------|------------------|
| GENERAL | | | | | | |
| SALARIES AND WAGES | 2,831,944 | 2,916,523 | 2,856,604 | 2,776,303 | -2.8% | (80,301) |
| FRINGE BENEFITS | 758,226 | 856,089 | 901,274 | 848,887 | -5.8% | (52,387) |
| CONTRACTUAL SERVICES | 1,682,827 | 1,951,260 | 1,498,519 | 1,458,373 | -2.7% | (40,145) |
| OPERATING COSTS | 445,651 | 466,409 | 532,103 | 600,054 | 12.8% | 67,951 |
| TOTAL GENERAL | 5,718,648 | 6,190,281 | 5,788,499 | 5,683,617 | -1.8% | (104,881) |
| SPECIAL REVENUE | | | | | | |
| FRINGE BENEFITS | (1) | | | | 0.0% | 0 |
| CONTRACTUAL SERVICES | 12,674 | 18,534 | | | 0.0% | 0 |
| OPERATING COSTS | 401 | | | | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 13,074 | 18,534 | | | | 0 |
| INTERNAL SERVICE | | | | | | |
| SALARIES AND WAGES | 538,072 | 526,377 | 576,988 | 623,772 | 8.1% | 46,784 |
| FRINGE BENEFITS | 198,855 | 186,014 | 198,502 | 201,057 | 1.3% | 2,555 |
| CONTRACTUAL SERVICES | 494,572 | 544,626 | 744,770 | 676,035 | -9.2% | (68,735) |
| OPERATING COSTS | 74,016 | 29,756 | 134,172 | 135,514 | 1.0% | 1,342 |
| TOTAL INTERNAL SERVICE | 1,305,515 | 1,286,773 | 1,654,432 | 1,636,378 | -1.1% | (18,054) |
| TOTAL EXPENSE | 7,037,237 | 7,495,587 | 7,442,931 | 7,319,995 | -1.7% | (122,935) |

| REVENUE | 2008 Actual | 2009 Actual | 2010 Revised Budget | 2011 Council Adopted | Percent Change | Change |
|-------------------------------|------------------|------------------|---------------------|----------------------|----------------|---------------|
| GENERAL | | | | | | |
| CHARGES FOR SERVICES | 4,195 | | | | 0.0% | 0 |
| OTHER MISC REVENUES | 1,161 | 522 | | | 0.0% | 0 |
| TOTAL GENERAL | 5,355 | 522 | | | 0.0% | 0 |
| SPECIAL REVENUE | | | | | | |
| OTHER MISC REVENUES | 13,075 | 18,533 | | | 0.0% | 0 |
| TOTAL SPECIAL REVENUE | 13,075 | 18,533 | | | 0.0% | 0 |
| INTERNAL SERVICE | | | | | | |
| CHARGES FOR SERVICES | 1,037,375 | 1,219,595 | 1,389,943 | 1,437,199 | 3.4% | 47,256 |
| OTHER MISC REVENUES | 150 | 150 | | | 0.0% | 0 |
| TOTAL INTERNAL SERVICE | 1,037,525 | 1,219,745 | 1,389,943 | 1,437,199 | 3.4% | 47,256 |
| TOTAL REVENUE | 1,055,956 | 1,238,800 | 1,389,943 | 1,437,199 | 3.4% | 47,256 |

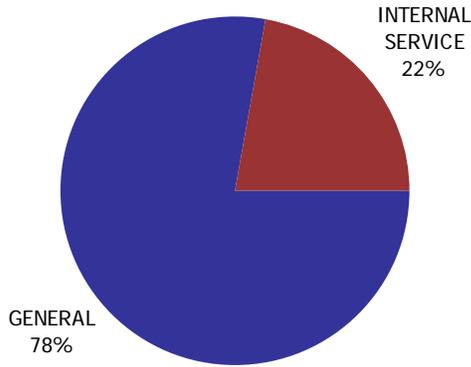
Expense 2008 - 2011



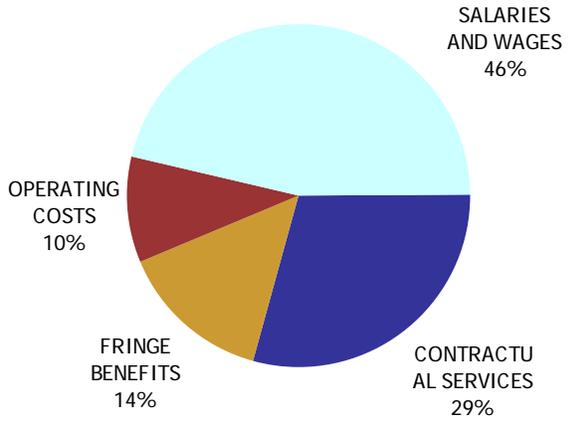
Revenue 2008 - 2011



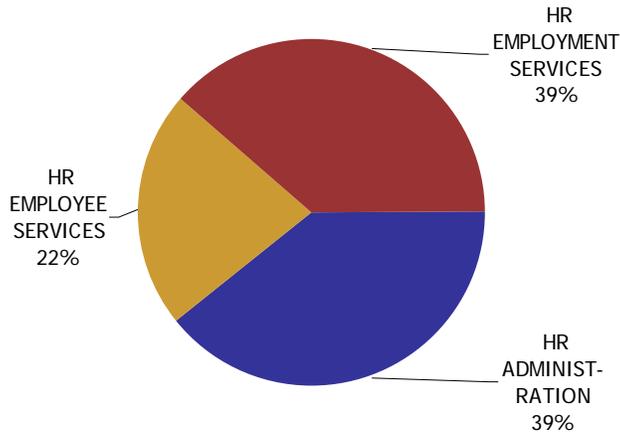
Expense by Fund



Expense by Category



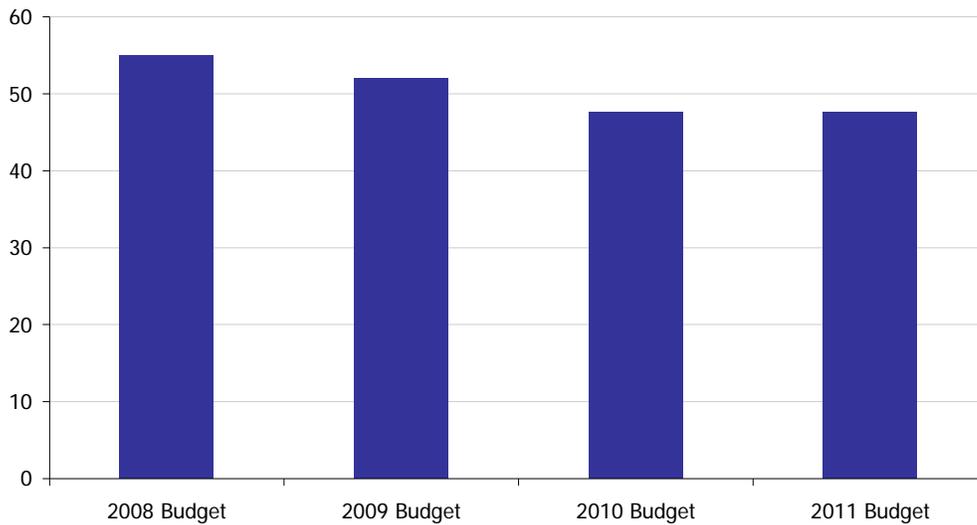
Expense by Division



HUMAN RESOURCES Staffing Information

| Expense | 2008 Budget | 2009 Budget | 2010 Budget | 2011 Budget | % Change | Change |
|------------------------|--------------|--------------|--------------|--------------|-------------|--------|
| HR EMPLOYEE SERVICES | 9.00 | 11.95 | 10.00 | 10.00 | 0.0% | |
| HR ADMINISTRATION | 2.00 | 10.05 | 9.00 | 9.00 | 0.0% | |
| HR ENTERPRISE SERVICES | 17.00 | | | | | |
| HR EMPLOYMENT SERVICES | 27.00 | 30.00 | 28.60 | 28.60 | 0.0% | |
| TOTAL | 55.00 | 52.00 | 47.60 | 47.60 | 0.0% | |

Positions 2008-2011



Positions by Division

