

HUMAN RESOURCES ANNUAL REPORT
2010

City of
St. Joseph
Missouri

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You must contact Human Resources directly for this information.

INTRODUCTION

We have prepared this annual report to the Mayor and City Council as required by the Code of Ordinances, Section 2-1051. The following pages present a statistical perspective of the status of City employees and events that shaped our employee workforce as of December 31, 2010.

As you review the data and examine the graphic displays, there will inevitably be questions. We welcome inquiries and encourage you to contact us if you are interested in more detailed information. We will be pleased to address your inquiries, with appropriate exceptions for sensitive material.

We are proud to submit this report for your review and analysis. We strive each year to provide a report reflecting the essence of what our workforce is and the truly significant value that our employees bring to this service-oriented entity. The Human Resource staff appreciates the support we receive from the City Council and from City staff.

For additional information, or if you have any questions, please contact:

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2011 Human Resources Department Staff (l-r)

Front: Danielle Lankford, Claims Technician
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Ed Schilling, Risk Management Coordinator
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HR SUMMARY



Overview

Human Resources (HR) has primary responsibility for managing, assisting and dealing with all employee related matters including such functions as policy administration, recruitment process, benefits administration, employment and labor law, new employee orientation, labor relations, personnel records retention, wage and salary administration, employee assistance program, safety/risk compliance, workers' compensation, property and liability insurance, claims, training and development, etc. HR works closely with City Departments to support and respond to their needs. HR handles a variety of work products and creates and processes several different documents. This summary is drawn from source documents and other files that accrue simply as a result of the work products.

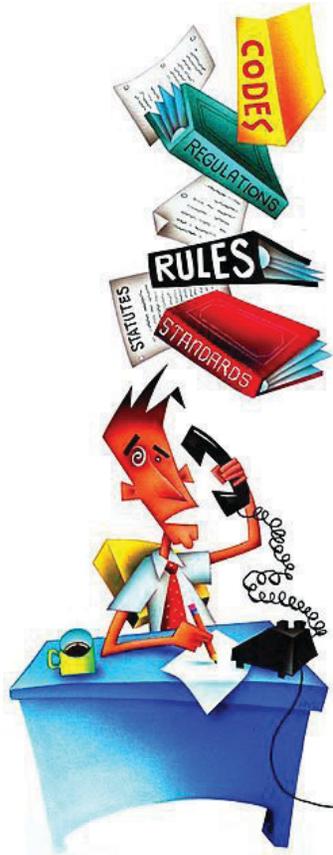
HR continues to ensure that employee evaluations are completed and processed on each employee every year. Employee evaluation notifications are sent out to Department Directors at least six weeks prior to when the evaluation is due. The process does not end until the completed evaluation is returned and administratively processed. As part of the performance evaluation process, the job descriptions are reviewed by supervisors and revised as needed.

The Human Resources Department, Legal Department and Finance Department completed the annual review of the Personnel Manual; changes received approval by the City Council. The new manual was printed in its entirety and distributed to all employees. The Personnel Manual is also accessible on our website.

Human Resources assists directors and supervisors in a number of employment related issues, including: hiring, terminating, disciplining, and other personnel related matters. Human Resources and Legal assisted Departments with 38 written and above disciplinary actions. The disciplinary actions ranged from written warnings to terminations.

We renewed our health insurance plan this year with Blue Cross Blue Shield. Our Consultants (CBIZ) worked with the carrier to negotiate an 8% increase. We continued with the same four plans as the prior year. The City still offers a plan at no premium cost for the employee only coverage. However, the City Council made the tough decision of passing on the additional premium cost for any of the buy up plans to the employee. Employees pay the full cost on all plans for dependent/family coverage. The BCBS plans continue to include a Wellness plan. As part of the Wellness plan and with the assistance of CBIZ, an Employee Health/Benefits Fair was held at the Civic Arena in June. Health screenings were offered to employees at the fair. The health screening sponsored by BCBS consists of height, weight, body mass index, blood pressure, glucose and cholesterol screening. Employees use their health screening information to voluntarily complete an on-line Health Risk Assessment. We have approximately 96% of the employees participating in the on-line Health Risk Assessment. Other employee benefit vendors took part in the fair as well, including Ameritas, EMC National Life, LAGERS, ICMA-RC, MOST/Upromise, CIGNA, Colonial, Catholic Charities and Frontline. Also participating: Hy-Vee Dietician, HearSafe, Social Security Administration, Rosenak's Optical Options & Isagenix, Plaza Fitness, Commerce Bank, Anytime Fitness, Al-Anon, YMCA and the City/County Health Department.

HR SUMMARY



BCBS rolled out a new health and wellness incentive for participants in 2010. The program is designed to reward individuals for taking control of their health and making changes to live healthier lives. The program is called "Points to Blue". Employees access the BCBS website and log points for a variety of activities such as preventive health activities, fitness and exercise activities, and participation in online webinars. At established levels the points can then be redeemed for gift cards with a choice of over 350 merchants to choose from. Participants can earn up to \$250 in gift cards per calendar year.

BCBS also offers telephonic health coaching to members of the plan. You can choose from weight or stress management, tobacco cessation, chronic disease management or general healthy lifestyle coaching.

City employees participated in the National Walk @ Lunch Day in April again this year. Several employees walked along the beautiful Riverfront Park. A flu and pneumonia shot clinic was offered again this year. The clinic was held in October for employees and spouse/dependents on the group health plan. The offer was extended to spouse/dependents who were not members of the plan for a fee. Other flu clinics were provided by the local American Red Cross in late November for those that missed the October event. As always immunization clinics provide a wonderful opportunity for employees to get immunized for the cold and flu season.

In anticipation of upcoming changes mandated by the Health Reform, BCBS voluntarily offered to make the change which extends coverage to dependent children until the end of the calendar year in which they reach their 26th birthday, prior to the mandate taking effect. This was effective with our plan renewal on 7/1/10.

As part of the Health Care Reform, the City submitted an application to began participating in a new government program referred to as ERRP (Early Retiree Reinsurance Program). If certain criteria are met, the program may provide reimbursement to participating employment-based plans for a portion of the cost of providing health benefits to early retirees and their eligible spouse, surviving spouse and dependents. Benefits of the program for the City remain to be seen.

The dental plan was marketed in February 2010. We had eight carriers submit proposals. Our current carrier, Ameritas Group, was awarded the bid with no rate increase, no plan changes and a two-year rate guarantee. Ameritas added a bonus feature to the plan called the Dental Rewards Program. This program makes it possible for a participant to increase their maximum benefit by \$250 for year two and beyond if they meet certain criteria.

The group life insurance plan was rebid in February 2010. Five carriers submitted proposals and the current carrier EMC National Life Company was awarded the bid. Their proposal contained a rate decrease with dependent and supplemental life rates remaining unchanged from current in-force rates and a three-year rate guarantee.

HR SUMMARY



Our long term disability (ltd) coverage was also marketed in February 2010. A response was received from four carriers. CIGNA, our current carrier, was awarded the bid. Their proposal included a rate decrease and a three-year rate guarantee. CIGNA also offers additional benefits to employees as a part of their ongoing efforts to promote wellness: CIGNA Healthy Rewards which provides discounts on health programs and services; Will Preparation Program; Estate planning; telephone seminars which offer a variety of topics with the option to listen to a recorded play back of the initial broadcast at a later time for a set period of time.

An RFP was sent out in September for Employee Benefits Consulting & Broker services since the Ordinance for our current arrangement was set to expire in January 2011. Eight proposals were received and services were retained with our current carrier, CBIZ Benefits & Insurance Services.

Our Employee Assistance Plan was previously locked in with multiple year rate guarantees so no renewals or bids were necessary this year.

Our ICMA-RC and Nationwide/Frontline 457 plan representatives continue to regularly make themselves available in St. Joseph for individual meetings and group presentations with employees. One of the ICMA-RC Certified Financial Planners visited to conduct a special presentation on Saving for Retirement. Presentations and meetings are coordinated through HR. ICMA also offered several financial education opportunities in the form of webinars during National Save for Retirement Week in October.

The HR Department suffered a significant loss this year due to budget constraints. Effective July 1st, the position of Training Coordinator was eliminated along with a total of 20 positions throughout the City. This loss put training needs back on the departments. HR will continue to work with departments to ensure certain training requirements are met. A Leadership Program Graduation Ceremony was held in January for eleven esteemed graduates. In February 2010, a full day course was held on Supervisory Challenges. A range of topics such as coaching & counseling, documentation, delegation, motivation, disciplining and terminating employees was covered to provide supervisors with information to help them manage their staff. The last Leadership Development Program courses were held during March. In April 2010 a Supervisor Workshop was held at the Missouri Theater. Attorneys from McAnany, Phillips and Van Cleave provided information on a variety of employment topics. The workshop was a great success and provided valuable information for supervisors/managers.

Fire promotional testing is handled by Human Resources. Fire promotional tests were conducted in January. Fire entry level testing is schedule every other year, therefore no entry level testing was conducted in 2010.

HR SUMMARY



In October the police promotional test was conducted. The police entrance exam was conducted in December 2010. A physical agility test for those police candidates who passed the written entrance exam was conducted the same day as the written exam.

HR staff participates in the physical agility testing for both fire and police. All tests involve planning several months ahead, lots of coordination, organization and correspondence. The process involves such activities as finding dates, locations, posting the positions, ordering tests, grading the tests, compiling results, assisting and or participating with interviews, computing other factors that count in the final score and sending out several different letters and memos to the candidates.

Filing other vacancies that occur throughout the City is quite an extensive process starting with posting the job opening all the way through New Employee Orientation (NEO). HR posted 88 jobs in 2010 and on average received 318 applications/month. When a vacancy occurs the applicable department reviews the job description and makes changes as needed and forwards a Job Requisition to HR. HR then posts and advertises the open position. There are several areas where postings may occur depending on the position. The bulletin board outside the HR office is the official posting site. Other places where positions may be posted include the City's website, Channel 19, the local newspaper and several different agencies and institutions around the City. HR is also involved in the screening of candidates at various levels depending on what level of service the hiring department chooses. Once a candidate is selected, has passed through the pre-employment process and starts work, they are scheduled for in-processing, generally within the first week of employment. HR ensures that new regular full-time employees complete all necessary employee paperwork and receives information on benefits and programs. This processing involves at least two to three hours of staff time per occurrence. During 2010, the Human Resource staff in-processed 42 new regular employees. During new employee in-processing the new employee completes all the necessary paperwork and forms as well as receiving the required training areas that HR covers. This prevents the employee from having to return on another date for the required training. In-processing includes enrollment in benefits, discrimination and sexual harassment training, risk management and workers' compensation training, and training on our drug and alcohol policy testing. HR also ensures that all necessary paperwork is obtained from part-time, seasonal and temporary employees and processes it accordingly. We hired 251 employees who were classified as other than full-time status.

Staff support continues through the entire period of active employment and often extends beyond in the form of benefits to retired members and continuation of benefits for employees leaving for other reasons. Examples of the wide range of staff involvement flow from the time a new employee begins work and include the following:

HR SUMMARY



- The Personnel Action Form documents any changes affecting an employee's status. HR processed 410 Personnel Action Forms during the year. Personnel Action Forms lead to a need for other internal activity, including all the tracking devices that are in place for employee benefit eligibility, evaluations, payroll, staffing controls and many others.
- Numerous benefit programs are monitored and notices are sent to supervisors and/or employees as appropriate. Included among these are year-end reports on vacation leave, reminders on use it or lose it vacation accruals, personal-use vehicle notices, medical leave conversion, Medicare Part D notices and flexible benefit programs, just to name a few.
- Certain programs require consistent involvement or intervention by staff. These intensely managed programs include health, dental, term life, deferred compensation, FLEX, FMLA, DECAF, supplemental term life, cancer and universal life programs. These programs are primarily administered by the HR Manager and the HR Technician. In addition, there is an annual open enrollment period for several of these programs which creates additional work for the HR Staff who must enter the changes in our HR/Payroll system as well as the vendor's system.
- Invoices and payments are tracked to ensure uninterrupted coverage for health, dental and life (as applicable) continuation coverage for former employees who continue coverage because of retirement or through COBRA.
- When an employee is ready to retire HR assists the employee with the required paperwork. This involves numerous stages after the initial application is received. The City administers three active defined benefit pension plans and one plan that is no longer available for membership. Pension plans require wage sheets and verification of wages and service period(s). Each employee receives notices on insurance continuation eligibility and other benefits that they may have as a result of their retirement.

Our LAGERS pension group rolled out a new web based pension administration system that will streamline their internal operations and provide web access to employers, active employees and benefit recipients. The new system has been named Eclipse (Ensuring Complete LAGERS Integrated Pension System Excellence). The project is being implemented in three phases. HR and payroll staff received training for the first phase which provides employer and wage & contribution reporting.

Negotiations continued with the FOP-Lodge #3 and IAFF-Local 77. Contracts were approved with the FOP in April and Local 77 in November. The SEIU also contacted the City to initiate the bargaining process.

There were few significant labor and employment legislative developments in 2010. However, there was a key piece of legislation signed by the President on March 23, which will reform the insurance market and require all individuals to have health insurance coverage. The Patient Protection and Affordable Care Act, known as Health Reform contains provisions that continue to be challenged.

HR SUMMARY



However, some provisions became effective for plan years beginning on or after 9/23/10: plans must allow dependent children to be covered up to age 26, even if they're married.; plans are prohibited from imposing preexisting condition exclusions on enrollees under 19; and plans can't impose lifetime limits on the dollar value of coverage. Group health plans must also provide coverage for certain maternal and preventive health services, as well as evidence-based items or services recommended by the U.S. Preventive Services Task Force, without imposing any cost sharing requirements and plans must establishing an Independent Appeals Process. Hidden in the health care reform law was a new amendment to the FLSA, Section 4207 of the Patient Protection and Affordable Care Act (PPACA) which is being referred to as the Nursing Mother Amendment. This amendment requires employers to provide breaks from work for a nursing mother to express breast milk and for the employer to provide a private place to express milk.

The Continuing Extension Act of 2010 was passed which guaranteed several extensions to government programs, including COBRA and emergency unemployment benefits. Mandatory changes to the Heroes Earnings Assistance and Relief Tax ACT (the "HEART Act") were required during 2010. Provisions include enhanced survivor benefits, vesting credit for qualified military service and new rules for military pay differential for tax-favored retirement plans.

The Genetic Information Nondiscrimination Act (GINA) went into effect on January 1. GINA prohibits discrimination based on employees' and applicants' genetic information, and that of their family members as well.

Other topics focused on hot-button issues such as financial reform and immigration.

STATISTICAL SUMMARY

Personnel Actions

	2008	2009	2010
Hiring Actions	299	268	300
Departing City Employment	201	192	225
Promotions	43	39	29
Transfers	6	8	17
Demotions	2	1	4
Suspensions	19	25	15

Note: The information listed above includes seasonal activity hiring & departures, such as recreational positions in the Parks, Recreation & Civic Facilities Department.

Years of Service

Years	# of employees	% of employees
0-9 Years	324	45.31%
10-19 Years	194	27.13%
20-29 Years	134	18.74%
30-39 Years	57	7.97%
40 + Years	6	0.84%
TOTAL	715	100.00%

Family & Medical Leave

Reported to Human Resources

2008	104
2009	135
2010	147

RISK MANAGEMENT

The Risk Management Coordinator is responsible for the Risk Management Division of the City's Human Resources Department. With support from the Claims Technician and all Human Resources staff, risk management administers several programs designed to promote safety and protect City employees and property. Specific programs include a self-insured workers' compensation program, drug and alcohol testing program, fully insured property and liability program, and contractual risk management program. Additionally, the Risk Management Division is responsible for administering the Sewer Backup Reimbursement Policy, which was enacted in November of 2007 to assist property owners and tenants with losses resulting from the backup of City sewer lines.

Workers' Compensation

The City made the decision to self-insure its workers' compensation in 1995. Based on current market trends, the City saves an estimated \$500,000 each year by self-insuring the program. The City does carry excess insurance, which covers any occurrence with costs exceeding \$450,000.

The program utilizes a Third Party Administrator (TPA) to maintain records and process claim related payments including medical bills and lost-time benefits for injured employees. Most physician and employee communications are directed through the Risk Management Coordinator, however the TPA also coordinates appointment scheduling, specialist referrals and advises the City regarding the management and direction of each work-related injury claim. The TPA further assists the City with maintaining self-insurance authority through the State of Missouri by providing statistical data and reports required on an annual basis. Meetings to discuss open claims and recommendations occur on a quarterly basis.

The total number of workers' compensation claims increased only slightly in 2010, however a significant claim in the police department accounts for a substantial increase in total claim costs. It is important to note that incurred claim costs typically change over the year following any single claim, thus the incurred costs may not accurately represent what will be paid by the City. Excess insurance coverage limits the City's exposure for catastrophic claims.

Drug and Alcohol Testing

The Risk Management Coordinator serves as the City's Drug and Alcohol Testing Coordinator. The program consists of pre-employment, random, reasonable suspicion, post-accident, return-to-duty, and follow-up testing. The program also involves coordination with the City's contracted Employee Assistance Program provider for substance abuse counseling when necessary.

Property and Liability Insurance

The City maintains fully insured property and liability insurance programs to protect its facilities, equipment, and operations. Risk Management is responsible for the processes associated with obtaining appropriate insurance coverage through various agents and insurers. Additional responsibilities include investigating and/or coordinating the investigation of all insured property damage and liability claims.

RISK MANAGEMENT

Typical liability claim processes involve contacting individual claimants to obtain initial information followed by formal investigation with assistance from various staff within involved departments and divisions. Risk Management then forwards the claim information to the appropriate insurance carrier for handling. Depending on the specifics of each claim, the insurer may request additional information, which is also coordinated through Risk Management. The City makes every effort to process claims accurately and efficiently for the benefit of all parties involved. All departments continually do a wonderful job assisting with these programs.

Contractual Risk Management

Risk Management provides assistance to all departments related to contractual risk management. The City attempts to reduce the risks associated with all contracted operations and activities by requiring contractors and event organizers to provide insurance for their activities. The process includes participation in contract negotiations and event planning to assess the associated risks and make recommendations on adequate insurance levels and indemnification requirements. Prior to executing contracts or issuance of event permits, Risk Management reviews related insurance certificates submitted by contractors and event organizers. The City's Legal and Customer Assistance Departments provide additional assistance resolving any identified discrepancies within the contracts and certificates. This process involves the review of hundreds of certificates and contracts each year.

Risk Management Online

The Risk Management Online reporting and resource system continues to be an important tool for daily use. From a single intranet site, City staff can access and submit risk management related forms and reports as well as view policy and training resources. Here are a few of the benefits:

- Centralized Database
- Increases overall efficiency
- Improves timeliness of reporting
- Provides quick verification of submissions
- Expands communication
- Adaptable and Expandable to suit changing needs
- Paperless

Risk Management is hopeful that this resource tool will continue to benefit all departments.

RISK MANAGEMENT

Workers' Compensation Claims by Department

Department	2007	2008	2009	2010
CAD	1	0	0	0
Fire	16	16	8	17
Health	2	9	4	2
Parks	11	21	15	20
Planning	0	0	0	1
Police	30	35	34	25
Property Mtc	1	1	2	0
Public Works	28	37	32	35
	89	119	95	100

Workers' Compensation Claim CO\$T by Department

Department	2007	2008	2009	2010
CAD	\$3	\$0	\$0	\$0
Fire	\$342,126	\$335,704	\$7,757	\$55,441
Health	\$1,342	\$43,798	\$945	\$26,109
Parks	\$50,370	\$114,870	\$42,039	\$29,275
Planning	\$0	\$0	\$0	\$486
Police	\$249,823	\$53,538	\$271,261	\$282,318
Property Mtc	\$8,250	\$3,100	\$909	\$0
Public Works	\$581,174	\$248,745	\$175,505	\$138,944
	\$1,233,088	\$799,755	\$498,416	\$532,573

General Liability Claims

Year	Claims	Incurred Cost
2006	66	104,901.00
2007	102	111,997.00
2008	111	214,801.00
2009	59	192,287.00
2010	107	101,920.00

City of
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Missouri

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