

2011

HUMAN RESOURCES ANNUAL REPORT



City of
St. Joseph
Missouri

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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, 2011.

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 Resources 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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2012 Human Resources Department Staff (l-r)

Front: Ed Schilling, Risk Manager
Diana Slater, Human Resources Director
Alicia Nolan, Human Resources Manager
Back: Jenny Brychta, Human Resources Technician
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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, 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.

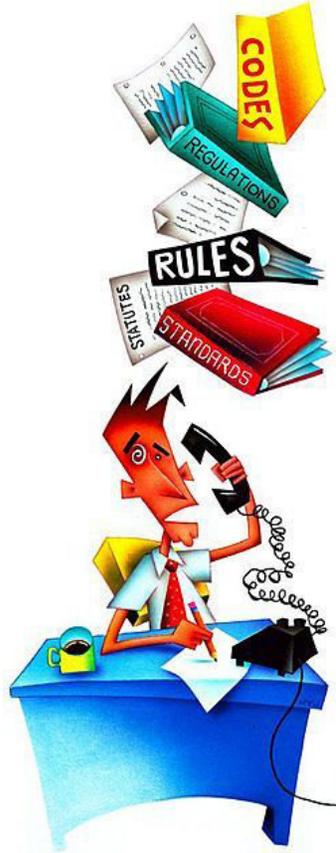
HR continues to ensure that employee evaluations are completed and processed on each employee every year. Employee evaluation notifications are sent out to Department Directors at least six weeks prior to when the evaluation is due. The process does not end until the completed evaluation is returned 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 39 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 a 3.4% 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. Employees who chose to buy up to a plan pay the additional premium cost. 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 95% 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: Carondelet Health, HearSafe, Social Security Administration, Rosenak's Optical Options & Isagenix, Commerce Bank, Performance Plus, Vatterott College, YMCA and the City Health Department.

HR SUMMARY



The “Points to Blue” health and wellness incentive program introduced by BCBS for participants in 2010 continued to be offered in 2011. The program is designed to reward individuals for taking control of their health and making changes to live healthier lives. 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. BCBS continued to offer flu and pneumonia shot clinics. 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 for those that missed the BCBS sponsored event. As always immunization clinics provide an opportunity for employees to get immunized for the cold and flu season and stay protected.

The dental plan was marketed in February 2010 with Ameritas Group (our current carrier) awarded the bid with no rate increase, and a two-year rate guarantee. A Dental Rewards program was added to the current plan design. Therefore, there were no changes in premiums or plan design during 2011.

The group life insurance plan was rebid in February 2010 with our current carrier EMC National Life Company 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. Therefore, no changes in premiums or plan design for 2011.

Our long term disability (LTD) coverage was also marketed in February 2010. CIGNA, our current carrier, was awarded the bid. Their proposal included a rate decrease and a three-year rate guarantee. Therefore, no changes in premiums or plan design during 2011. 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.

CBIZ Benefits & Insurance Services continues as our Employee Benefits Consultant & Broker and has provided great service as our broker/consultant. CBIZ also provides monthly newsletters regarding employee benefits as well as regulatory affairs.

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

HR SUMMARY



this year.

Our ICMA-RC and Nationwide/Frontline 457 plan representatives continue to make themselves available in St. Joseph for individual meetings and group presentations with employees. The ICMA-RC Certified Financial Planner visited to conduct a special presentation on "Generating Income in 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.

Our representative for the Missouri Savings for Tuition (MOST) program made a presentation in March and continues to make herself available to those interested in learning more about how the program works. MOST is a state-sponsored, tax-advantaged program for higher education expenses. Funds from a 529 plan cover qualified education expenses such as tuition and books, plus certain room and board fees for a child, grandchild, friend, or even themselves. Employees can participate through payroll deduction and use the funds for qualified higher education expenses.

Discrimination and Sexual Harassment training was conducted during 2011.

Fire promotional testing is handled by Human Resources. Fire promotional tests were conducted in January. Fire entry level testing was conducted in April with 20 showing up for the written test and 16 passing. Fire candidates are now required to have the CPAT certification in order to participate in the written test. HR also participates in entry level firefighter interviews which were conducted in May.

In October the police promotional test was conducted. The police entrance exam was conducted in December 2011. A physical agility test for those police candidates who passed the written entrance exam was conducted the same day as the written exam. We had 29 show up for the written test and 25 that passed. All 24 that participated in the physical agility test passed.

HR staff participates in the physical agility testing for 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 97 jobs in 2011 and on average received 258 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

HR SUMMARY



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 2011, the Human Resource staff in-processed 58 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 214 employees who were classified as other than full-time status. Human Resources was also intricately involved with phases of the City Manager and Public Works & Transportation Director recruitment and hiring process.

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:

- The Personnel Action Form documents any changes affecting an employee's status. HR processed 406 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.

HR SUMMARY



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. Phase 1 that deals with employer reporting is complete. Phase 2 that allows for faster turn-around on benefit calculations and retirement processing is complete. Phase 3 that provides a member web portal is scheduled for completion in 2012.

Negotiations started with SEIU, Local 1 who represent employees at the wastewater treatment plant. The Board of Mediation hearing held in January ruled Local 1 was certified as the representative after Local 1 merged members from Local 2000 to Local 1. The bargaining process continues to progress towards finalizing a contract. An election was held in October for crafts & trades employees in various departments (excluding the wastewater treatment employees) to determine if they wanted Laborers Public Service Employees Union Local 1290 to be their exclusive bargaining agent. The vote was in favor of the union 57-44. An initial negotiation session was held in December. Sessions continue in 2012.

The presentation of a new financial accounting system that integrates human resources into the program started in 2011. The new SunGard "One Solution" system is an upgraded/updated version of the current SunGard "IFAS" program we are currently using. There are many new things to learn and new processes to get accustomed to after being with IFAS for 13 years with no upgrades.

Health care remains a challenge for legislators as they continue to deal with health care reform. Mandates such as the elimination of lifetime benefit limits, restriction of annual benefit limits, elimination of preexisting condition exclusions for children under 19, new claims and appeals procedures, required coverage of preventive service and other patient protections took effect this year.

Due to the political environment and Republicans gaining more seats in Congress, there was a shift from legislation to regulation. Employers are burdened with more regulatory oversight, stricter compliance rules, more compliance reviews, and more aggressive enforcement action.

The EEOC issued regulations interpreting the Genetic Information Nondiscrimination Act (GINA) that became effective January 9, 2011. The regulations indicate that knowledge of genetic information, even unintentionally acquired, can be a violation without any discriminatory conduct. 2012 will continue to increase and expand employer obligations.

HR SUMMARY

General HR Administration



Many activities are listed here in an effort to reflect the multitude of actions initiated by the Human Resources staff to ensure that the maximum possible support is provided to City employees. Additionally Workers' Comp/Liability is covered in its own respective section.

- HR frequently assists employees and retirees (as applicable) with questions on policies, processes, insurance and benefits including changes to deferred compensation contributions, beneficiary designation, primary care physician, address, etc.
- A representative from HR attends monthly Employee Advisory Committee meetings.
- Research, study and formal classes are necessary in order to keep current on the many employment laws that impact employees (FLSA, FMLA, ADA, COBRA, Workers Comp, USEERA, and several others).
- Compensation administration continues to be challenging with the state of the economy. We regularly participate in compensation and benefit surveys from other cities and agencies.
- Coordination with outside agencies and legal counsel on complaints/lawsuits as they arise with assigned attorneys on litigated matters requires focused attention while such issues are active.
- Service on special committees/task forces and internally sponsored special events usually involve staff members in order to carry out the activities.
- Reconciliation of five monthly insurance invoices (involves 60 separate cycles each year) is vital to ensuring the accuracy of all the related benefit programs.
- HR administers the Consultant Pay for retirees of the Old Fire Pension Plan and generates quarterly reports for payroll.
- The preparation of the HR Annual Report requires a cumulative effort of approximately one week each year.
- HR offers discounted movie and amusement park tickets for our employees including Worlds of Fun, Oceans of Fun, Renaissance Festival, Silver Dollar City, and White Water. Reconciling of each of those occur monthly.
- HR plans and coordinates special Wellness Classes, flu/pneumonia shots as well as 457 plan meetings, and numerous other workshops.
- HR contributes to city-wide publications such as the City Weekly and Mayor Council Update.
- Newsletters are forwarded to employees from CBIZ, BCBS and ICMA-RC.

Finally, the Human Resource Staff knows that without the support and assistance of the City Manager and City Staff, we would not be able to successfully carry out our duties. Their support and assistance are highly appreciated. In addition, HR appreciates the support received from the City Council.

STATISTICAL SUMMARY

Personnel Actions

	2009	2010	2011
Hiring Actions	268	300	264
Departing City Employment	192	225	214
Promotions	39	29	38
Transfers	8	17	16
Demotions	1	4	4
Suspensions	25	15	16

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	321	45.08%
10-19 Years	191	26.83%
20-29 Years	128	17.98%
30-39 Years	63	8.85%
40 + Years	9	1.26%
TOTAL	712	100.00%

Family & Medical Leave

Reported to Human Resources	
2009	135
2010	147
2011	151

RISK MANAGEMENT

The Risk Manager 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, process claim related payments, assist with State requirements for self-insurance authority, and advise the City regarding the management and direction of claims. All employee injuries are reported through the Risk Management Division, which then ensures that each injury is reported to the TPA within five days as required by Missouri's Division of Workers' Compensation. The Risk Manager and Claims Technician communicate with health care providers on a daily basis to discuss treatment, referral recommendations and work status of injured employees. Risk Management works with all departments to coordinate transitional (temporary light-duty) work assignments when injured employees are able to return to work, but with restrictions until they reach maximum medical improvement and are released from care. Coordination with the City's Accounting Division is required when employees miss work due to work-related injuries.

Each year, Risk Management is required to submit an annual report to the State of Missouri. The report is comprised of statistical loss data and claim financials obtained from the TPA along with payroll and other City financial data obtained from the Financial Services Department. Annual report information is utilized by the State to evaluate the City's program and calculate the annual self-insurance tax and surcharge quarterly payments.

Both the frequency and severity of workers' compensation claims decreased in 2011. It is important to note that incurred claim costs typically increase over the year following any single claim, thus the incurred costs may not accurately represent what will be paid by the City over the next several years. Excess insurance coverage limits the City's exposure for catastrophic claims.

Employee Safety Training

In 2011 the City's Excess Workers' Compensation insurance carrier began offering free access to online training modules covering general safety topics ranging from office ergonomics to construction safety. The administrative tools of the program allow management to track the progress of employees and set various parameters such as required completion dates, quizzes and final test options. Risk Management is gradually introducing the program to all employee groups as an additional means to encourage safety communication and safe work practices.

RISK MANAGEMENT

Drug and Alcohol Testing

The Risk Manager 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.

Property insurance involves constant notifications and tracking of changes to facilities and equipment to determine appropriate coverage levels. All departments are encouraged to engage in discussions with Risk Management prior to the addition of, or alterations to, facilities in order to identify associated risks and work together with insurance providers when necessary to minimize those risks.

Liability insurance is a significant aspect of all City operations and requires frequent communication with departments to identify risks, minimize exposure, investigate incidents, and respond to claims. 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

Workers' Compensation Claims by Department

Department	2008	2009	2010	2011
CAD	0	0	0	2
Fire	16	8	19	18
Health	9	4	2	6
Parks	22	15	18	11
Planning	0	0	1	0
Police	34	34	27	21
Property Mtc	1	2	0	1
Public Works	36	32	37	28
	118	95	104	87

Workers' Compensation Claim CO\$T by Department

Department	2008	2009	2010	2011
CAD	\$0	\$0	\$0	\$923
Fire	\$341,226	\$23,511	\$259,696	\$38,548
Health	\$43,798	\$945	\$18,297	\$2,631
Parks	\$115,121	\$44,539	\$23,565	\$9,578
Planning	\$0	\$0	\$508	\$0
Police	\$53,538	\$290,856	\$1,440,508	\$40,448
Property Mtc	\$3,100	\$909	\$0	\$116
Public Works	\$246,020	\$232,817	\$172,960	\$53,934
	\$802,803	\$593,577	\$1,915,534	\$146,178

General Liability Claims

Year	Claims	Incurred Cost
2007	102	\$116,997
2008	112	\$200,761
2009	61	\$293,367
2010	111	\$116,046
2011	57	\$121,879