

2013

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, 2013.

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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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.

One of the ongoing tasks is processing employee evaluations. Notifications are sent out to Department Directors at least six weeks prior to when the evaluation is due. Reminders are sent out as well for those evaluations which are overdue. 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 Division, Legal Department and Finance Division 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 59 written and above disciplinary actions. The disciplinary actions ranged from written warnings to terminations.

Our health insurance plan was re-bid this year. Three carriers submitted proposals (Blue Cross Blue Shield, Aetna, and CIGNA). Our current carrier, Blue Cross Blue Shield (BCBS) was awarded the bid at a 12.5% increase over our current HRA/PPO plan. The bid included only offering two PPO plans, the current HRA/PPO plan and a new traditional PPO Plan. The HMO Rate Saver 2 plan was replaced with a traditional PPO plan. The City still offers a plan at no premium cost for the employee only coverage. Employees who chose to buy-up 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 (biometric) screenings were offered to employees at the fair. The biometric 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. This year BCBS utilized iPads throughout the process which worked smoothly and allowed employees to get through without the wait we have seen in the past. We had approximately 94% of the employees participate in the biometric screening and on-line Health Risk Assessment. The main reason among those that did not participate was due to being covered elsewhere. Other employee benefit vendors took part in the fair as well, including Ameritas, EMC National Life, LAGERS, ICMA-RC, MOST/Upromise, CIGNA and Frontline. Also participating: Healthy Fit, Commerce Bank, United Consumers Credit Union, Vatterott and the City Health

HR SUMMARY

Department.

The “Points to Blue” health and wellness incentive program introduced by BCBS for participants in 2010 was replaced with “My Rewards” program. The program is designed to reward individuals for taking control of their health and making changes to live healthier lives. All medically covered employees and spouses may earn up to 75 points during a program year. The new My Rewards is a point-based program similar to Points to Blue. By completing the program steps, the employee is eligible for the following rewards: Step 1 - 25 Points for Completion of a Health Screening. Step 2 - 25 Points for Completion of the Health Risk Assessment (HRA). Step 3 - 25 Points for Completion of one of the Engage in Health and Wellness Programs. The maximum number of points that can be earned is 75 points (75 points = \$75 reward). At established levels the points can then be redeemed for gift cards. BCBS also offers other 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 the upper level at the Civic Arena. Due to weather conditions, we were not able to walk along Riverfront Park. BCBS continued to offer flu and pneumonia shot clinics. A 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 January 2013. Four carriers submitted proposals (Ameritas, Blue KC, Delta Dental and MetLife). Our current carrier, Ameritas Group, was awarded the bid with no rate increase, no plan changes and a two-year rate guarantee. The Ameritas plan continues to include the bonus feature called Dental Rewards Program. This program provides a richer benefit for members. A member could increase their maximum benefit by \$250 for year two and beyond if they submitted at least one dental claim per year for a covered procedure and keep their total paid claims under \$500. Another \$100 would be added if the member utilized a preferred provider. Therefore, in year two instead of a \$1,100 calendar year max the member could build to \$1,450 (\$250 for the dental reward + \$100 PPO bonus).

The group life insurance plan was rebid in January 2013. Two carriers submitted proposals (EMC National Life and Aetna). Our current carrier, EMC National Life Company, was awarded the bid. Their proposal contained a three-year rate guarantee and no changes to the plan or current premiums.

Our long term disability (LTD) coverage was also marketed in January 2013. Two carriers submitted proposals (CIGNA and Aetna). CIGNA, our current carrier, was awarded the bid. Their proposal included a rate increase of \$0.013/\$100 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.



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

Our ICMA-RC 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 "A Roth IRA and a 457 Plan Go together." 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 February on Missouri's 529 College Savings Plan and the MOST Matching Grant Program. She continues to make herself available to those interested in learning more about how the program works and the many benefits of the program. 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 the individual themselves. Employees can participate through payroll deduction and use the funds for qualified higher education expenses.

Effective January 1, 2013 NEOGOV became our exclusive application system. Individuals interested in employment with the City must apply online to the open position to be considered. This also applies to current City employees wishing to change positions. The system has been a nice addition to our recruitment efforts and has helped streamline the process.



The Classification and Compensation Study that started at the end of 2012 continued into 2013. Our consultant, Springsted, compiled information obtained from surveys they sent out to various cities and local businesses and analyzed the data. City positions were reviewed and placed in grades with like positions. Springsted introduced a new compensation system using a Minimum-Maximum pay range rather than a Step Matrix. The City Manager held meetings with employees in July-August to discuss the compensation plan and Safety Tax initiative. Passage of the Safety Tax allowed for implementation of the new compensation plan to take effect in 2014.

Fire promotional testing is handled by Human Resources. Fire promotional tests were conducted in January. Fire entry level testing was conducted in March with 11 showing up for the written test and 11 passing. A second test was conducted this year in October with 10 candidates showing up and 9 passing. Candidates are required to already have their Firefighter 1 & 2 certifications, Hazardous Materials Awareness certification, Hazardous Materials Operations certification, Emergency Medical Technician license and CPAT certification prior to making application. HR also participates in entry level firefighter interviews which were conducted on March 21, 2013.

In October the police promotional test was conducted. The police entrance exam was conducted in July 30, 2013. 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

HR SUMMARY



46 show up for the written test and 45 passed. Out of the 45 that passed the written test, 43 participated in the physical agility test and 42 passed the physical agility test.

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.

Filling 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 145 jobs in 2013 and on average received 419 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 through NEOGOV. 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 NEO, generally within the first week of employment. HR ensures that new regular full-time employees complete all necessary employee paperwork and receive information on benefits and programs. This processing involves at least two to three hours of staff time per occurrence. During 2013, the Human Resource staff in-processed 100 new regular employees. During NEO 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 addition to completing required forms (MO and Federal tax forms, I-9, direct deposit, etc.), NEO 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 147 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:

- The Personnel Action Form documents any changes affecting an employee's status. HR processed 588 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.

HR SUMMARY



- Certain programs require consistent involvement or intervention by staff. These intensely managed programs include health, dental, term life, deferred compensation, ROTH IRA, 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 are 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.

Wage negotiations with the FOP, IAFF & LPSE union groups were conducted during 2013.

HR organized an extensive day long Supervisor Workshop in November 2013. The workshop was offered to any employee in a supervisory position as well as other employees that Directors felt would benefit. The presenter was our Labor & Employment Attorney, Ivan Schrader from the Lowenbaum Partnership firm.

The process of merging to a new version of our financial accounting system that integrates human resources into the program continues. The new SunGard "One Solution" system is an upgraded/updated version of the current SunGard "IFAS" program we are currently using. Due to several system issues, we are still in the implementation process.

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.
- 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).
- 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.
- The Joint Committee on Public Employee Retirement (JCPER) report is completed quarterly.
- GASB 45 report is completed annually which collects information about the City of St. Joseph, Missouri post-retirement medical plan.
- 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/ROTH meetings and workshops.
- HR contributes to the City Weekly.
- 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

	2010	2011	2012	2013
Hiring Actions	300	264	234	219
Departing City Employment	225	214	213	222
Promotions	29	38	27	33
Transfers	17	16	5	11
Demotions	4	4	5	7
Suspensions	15	16	22	29

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

Family & Medical Leave

Reported to Human Resources

2010	147
2011	151
2012	152
2013	120

Years of Service

Years	# of employees	% of employees
0-9 Years	367	47.91%
10-19 Years	200	26.11%
20-29 Years	125	16.32%
30-39 Years	61	7.96%
40 + Years	13	1.70%
TOTAL	766	100.00%

RISK MANAGEMENT

The Risk Manager is responsible for the Risk Management Division of Human Resources within the Administrative Services 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, Risk Management 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 \$600,000.

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 Risk Management, 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 Payroll in 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 Accounting Division. 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 2013. It is important to note that incurred claim costs typically increase over the year following any single claim, thus the current 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 and aggregate claim costs.

Employee Safety Training

In addition to job specific training provided by and through individual departments and divisions, the City continues to utilize online safety training modules provided through its workers' compensation excess insurance carrier. Third party organizations such as the St. Joseph Safety and Health Council are also utilized for specific training needs.

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. The City's liability insurance is separated into multiple lines of coverage consisting of Automobile Liability, General Liability, Employment Practices Liability, Errors & Omissions Liability, Law Enforcement Liability and Medical Malpractice Liability. 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. Good communication plays a vital role in the claims process and all departments respond promptly to Risk Management's requests for information.

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, Planning, and Administrative Services 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 Claim CO\$T by Department

Department	2010	2011	2012	2013
Admin. Svc.	\$0	\$0	\$0	\$820
Fire	\$255,335	\$42,612	\$39,509	\$63,300
Health	\$18,297	\$2,578	\$8,328	\$1,804
Parks	\$56,915	\$13,070	\$76,163	\$48,305
Planning	\$508	\$1,363	\$1,161	\$0
Police	\$1,423,591	\$95,065	\$257,987	\$36,556
Public Works	\$165,440	\$112,453	\$113,739	\$26,313
	\$1,920,086	\$267,141	\$496,887	\$177,098

Workers' Compensation Claims by Department

Department	2010	2011	2012	2013
Admin. Svc.	0	0	0	1
Fire	19	18	13	15
Health	2	6	6	4
Parks	19	11	11	10
Planning	1	4	4	0
Police	28	20	33	21
Public Works	35	30	29	33
	104	89	96	84

General Liability Claims

Year	Claims	Incurred Cost
2010	112	\$127,172
2011	62	\$122,279
2012	56	\$163,616
2013	57	\$32,020

City of
St. Joseph
Missouri

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Coordinated by: Alicia Nolan, Human Resources Manager
Designed & Produced by: Office of Public Information & Communications