



# 2012

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, 2012.

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.



2012 Human Resources Department Staff (l-r)

Front: Phyllis Marqui, Claims Technician  
Annette Lanham, Human Resources Technician  
Back: Ed Schilling, Risk Manager  
Alicia Nolan, Human Resources Manager  
Diana Slater, Human Resources Division Director

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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.

In May 2012, the City Manager reorganized several departments to downsize the number of departments he had as direct reports. Human Resources was combined with Financial Services as well as Technology Services to create a new Administrative Services Department. However, except for the designation nothing else changed in Human Resources.

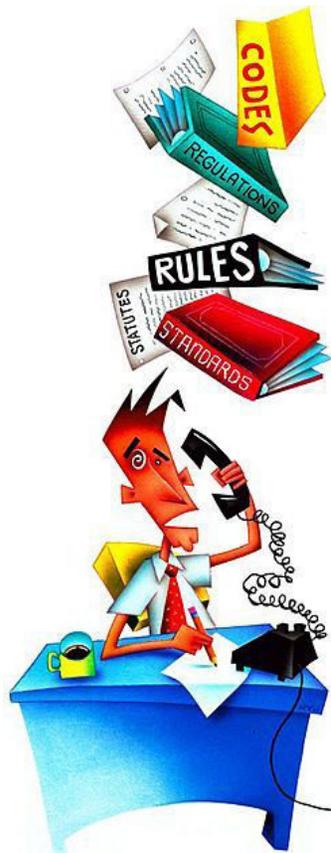
HR continues to ensure that employee evaluations are completed and processed on each employee every year. Employee evaluation notifications are sent out to Department Directors at least six weeks prior to when the evaluation is due. The process does not end until the completed evaluation is returned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

The Human Resources 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 48 written and above disciplinary actions. The disciplinary actions ranged from written warnings to terminations.

Our health insurance plan was re-bid this year. Four carriers submitted proposals (Blue Cross Blue Shield, Aetna, Midwest Public Risk and United Healthcare). However, Midwest Public Risk & United Healthcare were either not competitive or could not meet the bid specifications. Our current carrier, Blue Cross Blue Shield was awarded the bid at a 6.9% increase. The bid included only offering two of the four plans we had previously. The PPO/PCA and HMO RS1 Plans were continued and the HMO RS2 and traditional PPO were eliminated. The two plans that were eliminated had very few participants. The City still offers a plan at no premium cost for the employee only coverage. Employees who choose 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 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 89% of the employees participating in the on-line Health Risk Assessment. This year a Health Coach call was included in the Wellness

# HR SUMMARY



package. Health Coaches were on-site at the Benefits Fair. Employees also had the option to make the Coach call at a later date. 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, HyVee Dietician, Ideal Weight Loss, Rosenak's Optical Options & Isagenix, Commerce Bank, YWCA, YMCA and the City Health Department.

The "Points to Blue" health and wellness incentive program introduced by BCBS for participants in 2010 continued to be offered through the end of 2012. 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 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 and damage caused by the flood, we were not able to walk along 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.

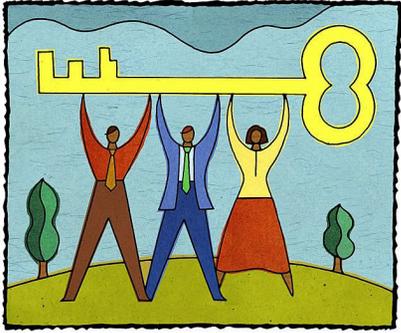
The dental plan was marketed in February 2010 with Ameritas Group (our current carrier) awarded the bid with no rate increase, no plan changes and a two-year rate guarantee. July 1st began our third year of the bid. There were no changes in plan design during 2012, however, we did experience a 12% rate increase effective on July 1st.

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 2012.

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 2012. 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.

# HR SUMMARY



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 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 "Strategies to Help You Save for Retirement". ICMA-RC also conducted a presentation and introduced ROTH IRAs through payroll deduction this year. 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 themselves. Employees can participate through payroll deduction and use the funds for qualified higher education expenses.

In order to streamline the hiring process, HR sent out an RFP for an Applicant Tracking System in June. Interviews and presentations were conducted in August. NEOGOV was awarded the contract and implementation for HR staff began in September. Supervisory staff was trained in November and we went live with the system in December. We are looking forward to using this new system.

Another major project that was initiated in 2012 was a comprehensive Compensation and Classification Study. This began with an RFP sent out in July for a Classification & Compensation consulting firm to conduct the study. Nine proposals were received and interviews/presentations conducted in August. The interview team consisted of members from HR, Legal & Finance. Springsted, Inc. was ultimately awarded the contract. Employee meetings were scheduled in September to introduce Springsted and inform employees of the study. A Position Analysis Questionnaire was also distributed to employees so that input on their position could be gathered. Springsted then sent out a survey to 26 other cities and 9 local private employers. The study will continue into 2013.

Fire promotional testing is handled by Human Resources. Fire promotional tests were conducted in January. Fire entry level testing was conducted in March with 12 showing up for the written test and 11 passing. Candidates are required to already have their Hazardous Materials Operations Awareness certification, Hazardous Materials Operations certification, Firefighter 1 & 2 certifications, Emergency Medical Technician license and CPAT certification prior to making application. HR also participates in entry level firefighter interviews which were conducted in March, 2012.

In October the police promotional test was conducted. The police entrance exam was conducted in September, 2012. A physical agility test for those police candidates who passed the written entrance exam was conducted the same day as the

# HR SUMMARY



written exam. We had 44 show up for the written test and 39 that passed. All 39 that passed the written test participated in the physical agility test and 38 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, gathering equipment, setting up the physical agility course, ordering tests, grading the tests, compiling results, 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 110 jobs in 2012 and on average received 266 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 2012, the Human Resource staff in-processed 80 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 155 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 507 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, 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 in 2011. 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 for member to log in and view information regarding their retirement benefit was completed in 2012.

Contract negotiations continued with SEIU, Local 1 who represent employees at the wastewater treatment plant. However, despite several meetings and two attempts at approving a contract, a contract was not ratified in 2012.

Contract negotiations started in January with our newest union, Laborers Public Service Employees Union Local 1290. A contract was ratified in June 2012.

The process of merging to a new version of our financial accounting system that integrates finance and human resources 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.

Health care remains a challenge with the new Affordable Care Act (ACA). The U.S. Supreme Court's historic decision on healthcare reform will be dissected and argued for many years to come. The Court essentially upheld all the key elements of the healthcare reform law – most notably the so-called "individual mandate," which will require that individuals purchase



# STATISTICAL SUMMARY

## Personnel Actions

	2009	2010	2011	2012
Hiring Actions	268	300	264	235
Departing City Employment	192	225	214	213
Promotions	39	29	38	27
Transfers	8	17	16	5
Demotions	1	4	4	5
Suspensions	25	15	16	22

*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

2009	135
2010	147
2011	151
2012	152

## Years of Service

Years	# of employees	% of employees
0-9 Years	337	46.04%
10-19 Years	201	27.46%
20-29 Years	119	16.26%
30-39 Years	63	8.61%
40 + Years	12	1.64%
<b>TOTAL</b>	<b>712</b>	<b>100.00%</b>

# 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 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 increased in 2012. 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 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. During 2012 Risk Management began introducing the program to all employee groups as an additional means to encourage safety communication and safe work practices.

# RISK MANAGEMENT

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## **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. During 2012, specialized training was provided to supervisory staff from all departments on the recognition of signs and symptoms of alcohol misuse and controlled substance abuse.

## **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. Property insurance is separated into multiple lines of coverage consisting of General Property (buildings and contents), Equipment Breakdown, Inland Marine (construction equipment), Electronic Data Processing Equipment, Fine Arts, Business Income, and Crime coverage. 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	2009	2010	2011	2012
Admin. Svc.	\$0	\$0	\$0	\$923
Fire	\$27,575	\$262,842	\$46,577	\$32,798
Health	\$945	\$18,297	\$2,578	\$3,751
Parks	\$38,785	\$56,197	\$13,138	\$71,639
Planning	\$604	\$508	\$1,363	\$2,204
Police	\$296,975	\$1,432,495	\$90,503	\$249,534
Public Works	\$253,602	\$149,973	\$117,041	\$85,112
	\$618,486	\$1,920,312	\$271,200	\$445,961

## *Workers' Compensation* Claims by Department

Department	2009	2010	2011	2012
Admin. Svc.	0	0	0	0
Fire	8	19	18	13
Health	4	2	6	5
Parks	15	19	11	10
Planning	2	1	4	4
Police	34	28	20	32
Public Works	32	35	29	27
	95	104	88	91

## *General Liability Claims*

Year	Claims	Incurred Cost
2009	61	\$315,912
2010	112	\$127,172
2011	60	\$106,198
2012	54	\$105,527

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