

HUMAN RESOURCES DEPARTMENT

MISSION

The mission of the Human Resources (HR) Department is to strategically partner with City departments to hire, develop and retain an excellent workforce so that the City of Minneapolis delivers high-quality, cost-effective services to its customers.

BUSINESS LINES

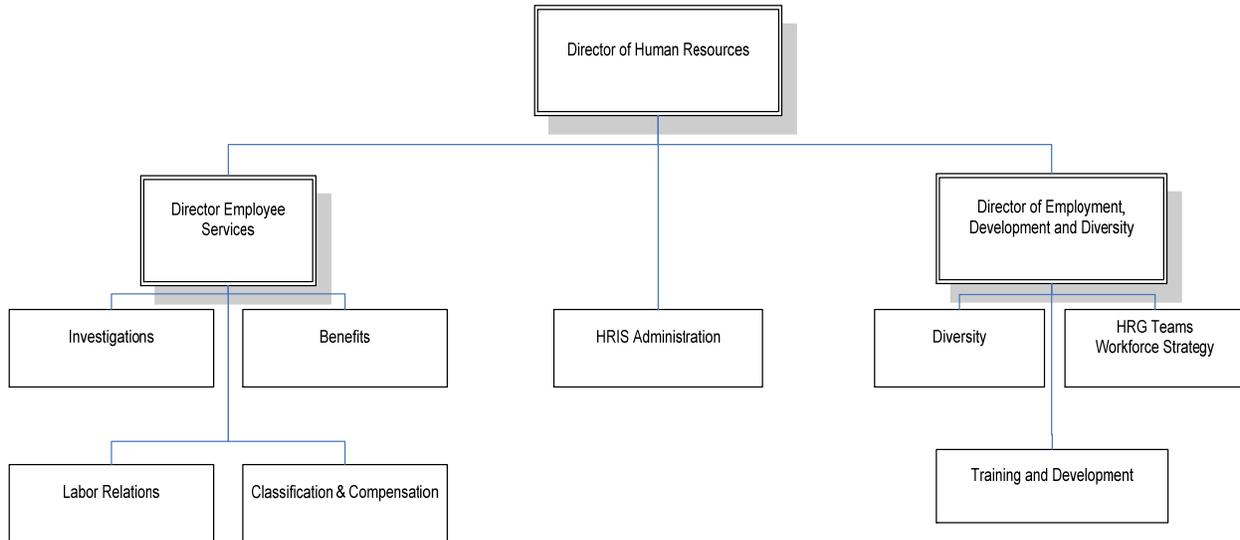
The HR Department has three primary business lines – Employee Services, Diversity and Workforce Strategy Services, and Administration/HRIS. Because the work of the HR Department involves more than just one business line, it is necessary that the employees of each division engage in cross-divisional cooperation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

- ❖ **Administration/ HRIS:** The key services associated with this business line are twofold. Key activities include administration of the department to include policy development and implementation, business planning and strategic direction, and Civil Service Commission oversight. Also important to this business line are services provided by the HRIS Team, which include assuring employees are paid correctly, enterprise employment information management, managing and providing information to City, Independent Boards and Agencies for decision-making purposes, and supporting Enterprise Learning Management (ELM) and Enterprise Resource Planning (ERP) related efforts and initiatives.
- ❖ **Employment, Development and Diversity:** Designs and implements enterprise-focused diversity initiatives to include developing and implementing an Affirmative Action Plan, integrating diversity values, targeted recruitment efforts, and strategic direction for workforce strategies. Also important to this business line are the services provided by the HR Generalist teams, which include customer-focused strategic and operational advice, staffing, and performance management consultation. This business line also provides learning opportunities for managers, supervisors and employees to maximize their development and to minimize organizational risk.
- ❖ **Employee Services:** Provides strategic and operational leadership for all of the City's collective bargaining. In addition to the collective bargaining responsibilities, the key activities essential to this business line are contract administration, compensation administration, classification administration, complaint investigation, and designing, negotiating, and implementing employee healthcare and wellness programs.

VISION

HR leads with strategic and innovative HR solutions that create partnerships for developing and maintaining a diverse, results-driven organization focused on continuous learning and improvement.

ORGANIZATION CHART



OVERVIEW OF SERVICES

Below is a summary of the services provided by HR to City Council Departments as well as other Independent Boards and Agencies (MPHA, MPRB, MBC, YCB, NRP, and BET). The Services below are divided by those which are required by law, statutes, ordinances and “discretionary services” – those that are critical to the overall health of the organization and can best be provided in a cost-effective, centralized manner.

Required and Discretionary Services

Services Required by Federal Law, State Statute, and City Charter or Ordinance?	Service Delivered to City Departments?	Service Delivered to Other Agencies?
Advertising	Yes	Yes
Testing and Selection	Yes	Yes
Job Classification	Yes	No
Civil Service Commission Appeals	Yes	Yes
HRIS (Payroll and Records Management)	Yes	Yes
Administer Benefits	Yes	Yes (Fee Based)
Administer Compensation	Yes	No
Negotiate and Administer Labor Agreements	Yes	No
Compliance Investigations	Yes	No
Policy Training (Respect in the Workplace, Ethics)	Yes	No
Return to Work Program (Transition to Finance in 2009)	Yes	No
Job Bank	Yes	No
Discretionary Services	Service Delivered to City Departments?	Service Delivered to Other Agencies?
Training & Development	Yes	No
Management Consultation	Yes	No
Affirmative Action Support	Yes	Limited
Recruiting	Yes	No

RESULTS MINNEAPOLIS CHARTS

HR Results Minneapolis Measures, Data and Targets Table

Measure Name	2004	2005	2006	2007	2008	2009 Target	2011 Target
% Female Applicants	36.5	46.9	38.3	43.1	48.5	45.0	45.0
# of Female Applicants	2382	3654	4417	4691	5616	2700	4500
% Female Eligibles	35.3	42.2	45.3	41.1	48.4	45.0	45.0
# of Female Eligibles	1016	1444	2202	1992	2339	1242	2070
% Female Hires	34.8	32.9	35.7	43.3	34.1	40.0	40.0
# of Female Hires	98	118	153	123	112	60	120
% People of Color Applicants	35.5	34.7	31.7	30.9	29.1	31.0	33.0
# of People of Color Applicants	2316	2704	3607	3367	3371	1860	3300
% People of Color Eligibles	34.6	31.0	25.0	29.4	26.6	30.0	32.0
# of People of Color Eligibles	995	1061	1216	1426	1285	828	1472
% People of Color Hires	32.3	34.0	28.7	28.2	27.7	30.0	30.0
# of People of Color Hires	91	122	123	80	91	45	90
Females by EEO-4 Category (%)							
1. Officials & Administrators	NA	NA	NA	45.2	44.0	NA	NA
2. Professionals	NA	NA	NA	47.7	48.6	50.0	52.0
3. Technicians	NA	NA	NA	20.4	19.8	20.5	22.0
4. Protective Service (Sworn)	NA	NA	NA	16.9	15.6	16.5	17.6
5. Protective Service (Non-Sworn)	NA	NA	NA	NA	36.3	37.5	40.0
6. Administrative Support	NA	NA	NA	80.5	80.1	NA	NA
7. Skilled Craft	NA	NA	NA	2.9	2.5	NA	NA
8. Service Maintenance	NA	NA	NA	10.6	13.8	NA	NA
Employees of Color by EEO-4 Category (%)							
1. Officials & Administrators	NA	NA	NA	15.4	16.5	17.5	18.5
2. Professionals	NA	NA	NA	19.6	19.4	NA	NA
3. Technicians	NA	NA	NA	16.3	15.8	NA	NA
4. Protective Service (Sworn)	NA	NA	NA	25.0	25.1	NA	NA
5. Protective Service (Non-Sworn)	NA	NA	NA	NA	36.3	NA	NA
6. Administrative Support	NA	NA	NA	27.9	27.3	NA	NA
7. Skilled Craft	NA	NA	NA	11.5	11.1	NA	NA
8. Service Maintenance	NA	NA	NA	30.4	29.7	NA	NA
# of Days to Fill a Vacant Position	122	113	108	115	96	90	90
Hard to Fill Positions (% Deemed Hard to Fill)	17.0	29.0	21.0	18.0	24.0	20.0	TBD
Hard to Keep Filled Positions	NA	NA	NA	NA	NA	TBD	TBD
% of Employees with Completed Performance Review in HRIS	5.6	6.7	10.1	34.6	41.0	45.0	65.0
Training & Development (# participants by dept)	NA	NA	NA	1991	3550	TBD	TBD
T&D number of activities (training sessions) offered	NA	NA	NA	82	214	TBD	TBD
Training & Devlpmnt 90 day post training reported performance improvement by participants (aggregate)	NA	NA	NA	NA	36%	TBD	TBD
Training & Devlpmnt 90 day post training reported improvement of participants by supervisors (aggregate)	NA	NA	NA	NA	27%	TBD	TBD
Health Insurance Cost Growth to City & Employee	\$6,848	\$7,939	\$9,118	\$9,938	10.88	\$11,392	\$14,720

Note: In the 2009 & 2011 Targets, "NA" means that "underutilization" did not exist in these high level categories.

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

Through the Business Planning process starting in 2003, Human Resources set forth a vision to create a department that would be in the best position to provide strategic, operational and transactional services to City departments. The department's vision and work evolved into the development of a talent management strategy for the City of Minneapolis that is competency-based and integrates diversity, learning and development, and performance management through all elements of the employment cycle, enabling managers to hire, develop, and retain a diverse, highly-qualified, results-driven workforce. The strategy is a work in progress and is reflected in the current business plan.

The department is aware of the trends in the field of Human Resources – talent management, employee engagement, performance management, leadership development, and strategic partnerships – and to the degree possible, the department has plans in place to address these for the City of Minneapolis. The department's success in some of the areas has been marred by the ongoing demands for service (sometimes creating conflict of priorities), the need to build in-house expertise in the most critical areas (because outside expertise is expensive and transitory in some cases), and creating true culture change to make HR's efforts systemic and sustainable while reducing the operating budget.

The strategy represented in the HR Business Plan is based on the current 5-year Financial Direction. It has taken time to build and implement, focusing first on diversity, committing resources to training and development while reducing other parts of the department, and now turning the department's attention to performance management and a 5-year learning and development plan. The current HR Workforce Plan demonstrates how the department intends to balance resources so that it is able to provide operational services and build staff capacity in an effort to truly become strategic partners with customer departments.

Still unresolved are the costs of future upgrades to the HRIS/COMPASS enterprise system. Historically, funding for upgrades has been through annual departmental savings which are unpredictable – in 2007 there were no savings to realize, but in 2008 the department was able to secure over \$300,000 to apply to the future debt. In 2013, upgrade costs will be approximately \$1.4 million for the HRIS, and unless there is a new model for funding these initiatives there will not be resources available for the upgrade.

In the 5% reduction scenario for reductions to all funds, HR and the City of Minneapolis will lose a significant number of resources that support diversity initiatives, employee development, performance management, management consultation and overall customer service. If this scenario is implemented, the department will have to create a new business plan for HR based on the resources it has, the services it provides, and what critical enterprise services the department will be *able* to provide. It is expected that in some cases this will result in individual departments contracting for these services, thus minimizing both economies of investments and consistency of enterprise messages.

Increases in health care cost also continue to be both a trend and a challenge. The department is addressing these challenges by conducting an "eligible-dependent audit" of healthcare plans, and through the Benefits Labor Management Committee, the department is considering plan-design changes which should help to manage annual healthcare increases. The department's

health and wellness initiatives are resulting in a lower experience trend and soon should influence its overall healthcare consumption in a measurable way.

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

The HR Director has met with the Director of Strategic Partnerships to explore possible relationships with the Bush Foundation for public sector leadership initiatives. Discussions with HR representatives from Hennepin and Ramsey counties and the City of St. Paul have started to determine if there are areas where HR can share resources and/or programs, but right now it is unknown if these would result in cost savings.

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

HR is conducting functional audits of its work groups to determine where there is redundancy of operations for the purpose of identifying vulnerability and potential process improvements. While the department has significantly improved delivery of training opportunities, it needs to make sure that it is focused on the 'right' things for the enterprise and that its offerings build competencies (knowledge, skills, abilities and characteristics) that support enterprise and department goals and initiatives. To that end, the department is developing a 5-year Learning & Development Plan to address employee development at all levels of the organization. While HR does not have the resources to implement such a plan, employee development is a key component to effectively managing the talent that the department has and wants to keep. Preliminary talks with other departments to gauge common interest in paying for development opportunities that are arranged through HR have been positive.

To ensure that benefits are extended only to eligible individuals and as a cost containment strategy, Human Resources will conduct a dependent eligibility audit. The audit is intended to educate employees on the importance of adhering to established eligibility rules and to realize immediate and recurring savings for the medical and dental plans by removing ineligible users from the plans. Additionally, collective bargaining agreements have consistently been negotiated at or below the City's financial parameters.

What actions will the department take to meet the current financial projections (a 5% reduction from all funding sources)?

This projection eliminates 4.5 FTEs from the HR Department, reduces professional service and staff development resources, and takes advantage of savings realized through realignment of technology resources. The impact of this scenario is that HR will be less responsive to its customers overall. The department will have to reassess its business plan to determine what actual services it will no longer perform and the impact that it will have on City departments. It may lessen the department's ability to realize some efficiencies due to the reduction of staff needed to implement them.

FINANCIAL ANALYSIS

EXPENDITURE

The 2010 budget for this department is \$7.4 million, a 1.7% decrease from the 2009 revised budget. Personnel expenditures are 61% of the total department budget. Contractual services make up 30% of the department's budget.

REVENUE

The department's revenue budget of \$1.4 million reflects a 1.4%, or \$19,080, increase from 2009 to 2010, attributable to the benefits administration fee that is charged to customer departments through the self-insurance fund rate model. The self insurance fund is the only source of revenue for the Human Resources Department which is primarily supported by the general fund.

FUND ALLOCATION

The Human Resources Department is funded from the General Fund, the Self Insurance Fund, and the Intergovernmental Services Fund. 78% of the department's budget is derived from the General Fund totaling \$5.8 million. The department operates the benefits administration function out of the Self Insurance Fund using an expenditure budget of \$1.4 million. The department also provides enterprise training through the Intergovernmental Services Fund where it is budgeted at \$259,000.

ORIGINAL BUDGET

The Mayor recommended and the Council approved a reduction of \$364,000 and 4 positions from the current service level for this department. This reduction will be achieved through personnel and non-personnel reductions. A further reduction of \$29,000 in the self-insurance fund was also approved, which shall be achieved through non-personnel reductions.

MAYOR'S REVISED BUDGET

The Mayor includes no reduction to this department. However, the Mayor encouraged the department to implement the Enterprise Performance Management System Software within existing resources.

COUNCIL REVISED BUDGET

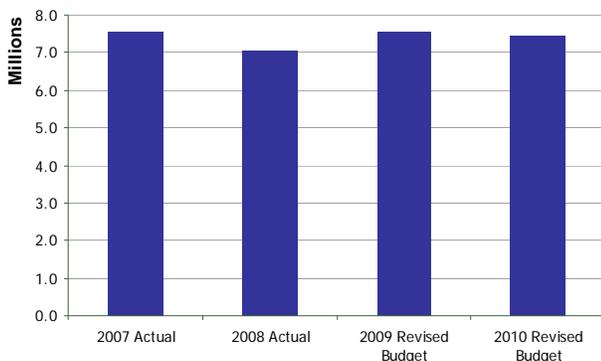
Council adopted the Mayor's recommendations.

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

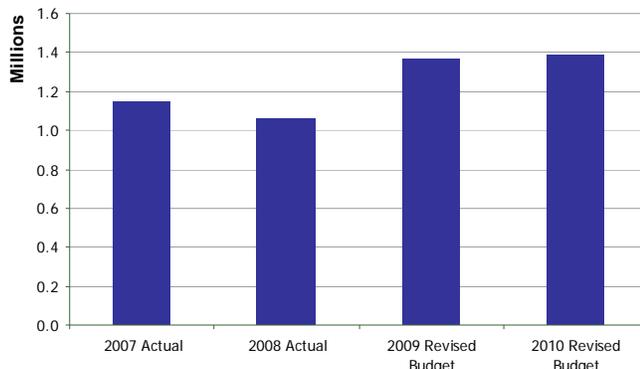
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
GENERAL						
Salaries and Wages	2,803,567	2,831,944	2,830,179	2,856,604	0.9%	26,425
Fringe Benefits	714,918	758,226	882,305	901,274	2.1%	18,969
Contractual Services	2,013,295	1,682,827	1,693,297	1,498,519	-11.5%	(194,779)
Operating Costs	498,836	445,651	542,070	532,103	-1.8%	(9,967)
Capital	0				0.0%	0
TOTAL GENERAL	6,030,616	5,718,648	5,947,851	5,788,499	-2.7%	(159,353)
SPECIAL REVENUE						
Salaries and Wages	45,980				0.0%	0
Fringe Benefits	19,632	(1)			0.0%	0
Contractual Services	120,117	12,674			0.0%	0
Operating Costs	13,808	401			0.0%	0
TOTAL SPECIAL REVENUE	199,537	13,074				0
INTERNAL SERVICE						
Salaries and Wages	503,571	538,072	602,471	576,988	-4.2%	(25,482)
Fringe Benefits	146,817	198,855	201,422	198,502	-1.4%	(2,920)
Contractual Services	631,378	494,572	679,111	744,770	9.7%	65,659
Operating Costs	31,914	74,016	140,504	134,172	-4.5%	(6,332)
TOTAL INTERNAL SERVICE	1,313,680	1,305,515	1,623,507	1,654,432	1.9%	30,925
TOTAL EXPENSE	7,543,833	7,037,237	7,571,359	7,442,931	-1.7%	(128,428)

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
GENERAL						
Charges for Service	0	4,195			0.0%	0
Other Misc Revenues	15,139	1,161	5,000		-100.0%	(5,000)
TOTAL GENERAL	15,139	5,355	5,000		-100.0%	(5,000)
SPECIAL REVENUE						
Other Misc Revenues	13,925	13,075			0.0%	0
TOTAL SPECIAL REVENUE	13,925	13,075			0.0%	0
INTERNAL SERVICE						
Charges for Service	1,116,895	1,037,375	1,365,863	1,389,943	1.8%	24,080
Other Misc Revenues	0	150			0.0%	0
TOTAL INTERNAL SERVICE	1,116,895	1,037,525	1,365,863	1,389,943	1.8%	24,080
TOTAL REVENUE	1,145,959	1,055,956	1,370,863	1,389,943	1.4%	19,080

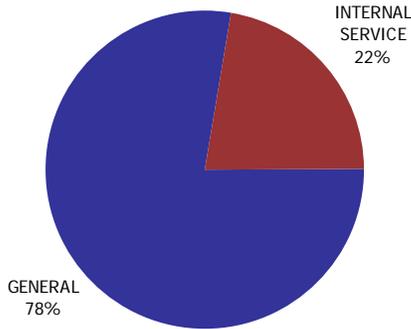
Expense 2007 - 2010



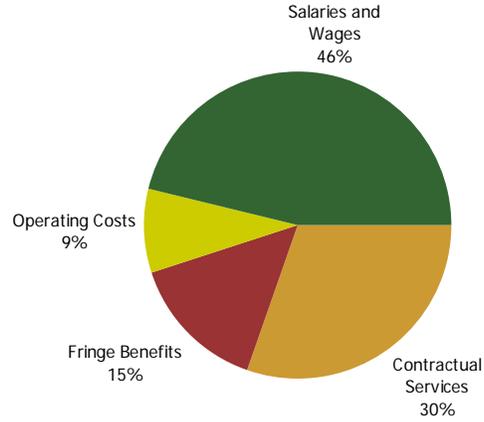
Revenue 2007 - 2010



Expense by Fund



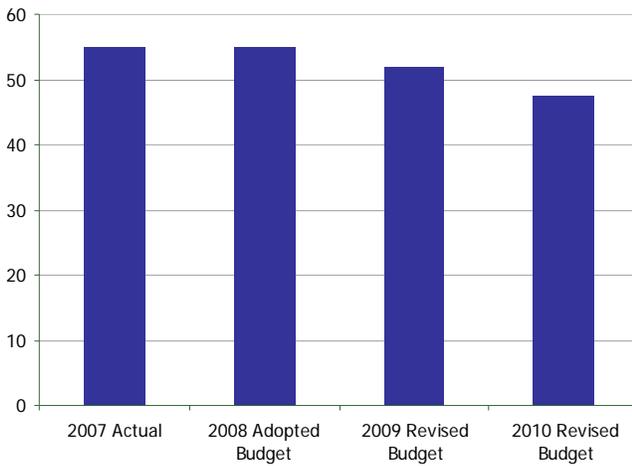
Expense by Category



**HUMAN RESOURCES
Staffing Information**

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
HR ADMINISTRATION	2.00	2.00	10.05	9.00	-10.4%	(1.05)
HR EMPLOYEE SERVICES	9.00	9.00	11.95	10.00	-16.3%	(1.95)
HR EMPLOYMENT SERVICES	27.00	27.00	30.00	28.60	-4.7%	(1.40)
HR ENTERPRISE SERVICES	17.00	17.00				
TOTAL	55.00	55.00	52.00	47.60	-8.5%	(4.40)

Positions 2007-2010



Positions by Division

