

PROGRAM BUDGET SUMMARY

DEPARTMENT OF HUMAN RESOURCES – PERSONNEL/PAYROLL DIVISION

MISSION/Program Description

THE MISSION OF THE PERSONNEL/PAYROLL DIVISION IS TO PROVIDE PROFESSIONAL SERVICES TO THE BOROUGH AND TO ENSURE ADEQUATE LEVELS OF HUMAN CAPITAL ARE AVAILABLE WHEN NEEDED. The division delivers human resources support to all Borough Departments, manages all personnel and payroll activities, ensuring full compliance with all federal and state laws.

Major Long-Term Issues and Concerns

- Implement and maintain a quality personnel/payroll resource management system and maintain legal employment practices that support strategic Borough goals and fulfill workforce needs. Provide and coordinate meaningful employee training programs. Serve as liaison between management and the various unions. Upgrade and maintain Internet web site and continue development of Intranet and Internet self-service programs.

Objectives for FY 2005

- Provide human resource services for the Borough and its employees. Maintain current personnel and payroll policies and employment and financial practices to ensure compliance with changing federal and state law, including implementing the new FLSA regulations.
- Provide employee training to Borough employees on HR and payroll topics.
- Maintain and continue development of HR TRIAD, and IFAS Payroll system. Implement and enhance employee self-service features and maintain web site.
- Develop and implement required certification tracking and notification system for all Borough positions.
- Conduct detailed new-hire orientation including casual and summer employees; enroll eligible employees in benefit programs. Conduct exit interviews and maintain checkout procedures.
- Manage grievances and contract interpretation. Respond to Labor Relations Agency's and other Government Agency requests.
- Coordinate EEO service function, ensuring that the Borough's Affirmative Action Program provides fair and equitable treatment regarding all aspects of the employment process. Respond to ADA reasonable accommodation requests and manage ADA program.
- Expand high school student educational programs for recruitment.
- Continue support to the Policy Review Committee by reviewing and updating policies and procedures, including maintaining hard copy and electronic versions for easy access.

Significant Budget Changes

The FY 2005 budget reflects a net increase in personnel costs due to cost of living adjustments and normal longevity and for additional temporary support. Reduction of consulting services proposed.

Previous Year's Accomplishments

- Coordinated Borough wide Policy Review, serve as team leader and clerical support to the committee.
- Expanded HR Web site that includes supervisory resources, job descriptions, policies, and forms.
- Updated the Drug Testing Policy. Provided mandatory DOT training to employees.
- Coordinated with School District officials to provide effective EEO service for Borough.
- Attended several job fairs and provided other outreach services.
- Successful testing and implementation of IFAS HFS 7.0 upgrade to TRIAD and Payroll subsystems.
- Implemented new union contract changes and incorporated those changes in the Employee Handbook and the Timekeeper Manual. Revised Personnel Ordinance for consistency.
- Conducted timekeeper training to include contract changes and comp time tracking implementation.
- Developed and implemented exit survey to be analyzed for employee turnover.
- Developed and implemented "pay stubs online" employee self service feature.

**Dept: Human Resources
Div: Personnel/Payroll
Measures & Statistical Accomplishments**

The FNSB intends to measure the success of this section by the use of the following measures, over time.

<u>Measures</u>	<u>2000/01 Actual</u>	<u>2001/02 Actual</u>	<u>2002/03 Actual</u>	<u>2003/04 Budget</u>	<u>2004/05 Budget</u>
Measure 1. Rate of turnover for regular employees	15.60%	12.10%	17.00%	12.70%	15.00%
Measure 2. Number of posted vacancies not filled, requiring reposting (FT/PT external only)	n/a	n/a	n/a	13	15
Measure 3. Percentage of payroll checks reissued due to processing errors.	n/a	n/a	n/a	0.0003%	0%
Measure 4. Percentage of disciplinary actions leading to grievance and/or arbitration	23%	0%	16%	0%	0%
Measure 5. Percentage of grievances successfully defended by the Borough in arbitration	100%	n/a	100%	n/a	100%

Additional Statistical Accomplishments

PERSONNEL

Number of applications screened	1,381	1,389	1,400	1,772	1,700
Number of applicants interviewed	431	436	450	341	400
Percentage of applicants given an interview	31.2%	31.4%	32.1%	19.2%	23.5%
Number of internal job postings	58	23	30	34	35
Number of total external job postings	96	107	115	156	125
Number of full-time external job postings	76	53	60	68	65
Number of part time postings	39	8	15	18	15
Number of casual postings	30	63	75	70	75
Number of seasonal postings	3	6	5	2	5
Number of grant funded postings	6	7	11	7	5
Total number of terminations	190	190	200	180	190
Number of full and part time hires	60	58	65	38	40
Number of full and part time promos/transfers	25	18	20	24	25
Terminations for full and part time only	58	47	50	46	55
Number of New Hire Orientations Conducted	n/a	n/a	n/a	32	50
Turn over percentage	15.6%	12.21%	12.50%	12.74%	15%
Number of hits on our Intranet site	n/a	606	800	2,845	3,000

PAYROLL

Number of elections held	3	7	5	5	5
Number of election workers checks processed	210	409	450	209	225
Number of Assembly checks processed	38	40	40	40	40
Number of Assembly EFTs processed	96	92	96	92	96
Number of checks processed	4,167	4,067	3,900	2,627	2,500
Number of EFTs processed	7,282	7,668	7,700	8,328	8,500
Number of hand pays checks processed		261	268	186	200
Percentage of employees on direct deposit	n/a	n/a	75%	79%	82%
Percentage of employee's with multiple direct deposits	n/a	n/a	22%	20%	25%
Number of W-2's processed	n/a	802	868	795	800
Number of payroll runs per year	n/a	157	163	145	140
Percentage of hand pay runs per year	n/a	76%	77%	74%	72%
Number of participants in United Way	91	83	85	61	70
Number of employees utilizing Deferred Comp	190	163	150	135	150
Number of employees utilizing Supplemental Life (*)	75	67	67	59	65
Annual dollar election by employees for Med Flex & Dep Care	n/a	\$127,746	\$132,681	\$157,283	\$165,000

NOTE: All figures are based on calendar year

(*) Spouses were deducted from previously reported figured

Dept: Human Resources
Div: Personnel/Payroll

	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
PERSONNEL SERVICES						
Permanent Salaries	251,734	301,146	317,130	317,130	322,350	322,350
Overtime Wages	1,954	88	4,000	4,000	4,110	4,110
Temporary Salaries	8,614	3,580	6,000	6,000	6,160	6,160
Benefits	122,260	135,025	142,840	142,840	173,940	168,390
Subtotal:	<u>384,562</u>	<u>439,839</u>	<u>469,970</u>	<u>469,970</u>	<u>506,560</u>	<u>501,010</u>
COMMODITIES						
Office Supplies	6,150	5,427	6,500	6,500	6,500	6,500
Computer Supplies	991	818	1,500	1,500	1,000	1,000
Operating Supplies	315	-	-	-	-	-
Books and Periodicals	5,821	5,815	5,500	5,500	5,500	5,500
Repair and Maint. Supplies	-	3,556	-	-	-	-
Clothing Supplies	-	-	-	-	-	-
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	<u>13,277</u>	<u>15,616</u>	<u>13,500</u>	<u>13,500</u>	<u>13,000</u>	<u>13,000</u>
CONTRACTUAL SERVICES						
Professional Services	23,110	19,692	50,500	50,500	40,500	40,500
Communications	2,413	-	2,500	2,500	2,500	2,500
Travel	286	14	-	-	100	100
Professional Dues/Meetings	635	979	1,350	1,350	1,500	1,500
Training	16,658	17,280	22,700	22,700	25,400	25,400
Advertising, Printing & Binding	10,215	13,990	15,000	15,000	18,000	18,000
Insurance and Bonding	94	-	-	-	-	-
Repairs & Maint. -Bldg. & Grounds	-	-	-	-	-	-
Repairs & Maint. -Office Equipment	-	-	-	98	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	5,315	793	2,000	3,902	3,500	3,500
Subtotal:	<u>58,726</u>	<u>52,748</u>	<u>94,050</u>	<u>96,050</u>	<u>91,500</u>	<u>91,500</u>
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	-	-	-	-	-
Buildings & Structures	20,000	-	-	-	-	-
Office Furniture	652	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	<u>20,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GRAND TOTAL:	<u><u>477,217</u></u>	<u><u>508,203</u></u>	<u><u>577,520</u></u>	<u><u>579,520</u></u>	<u><u>611,060</u></u>	<u><u>605,510</u></u>
FUNDING SOURCE:						
General Fund Revenues						

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FY 2004–2005 Budget
Fairbanks North Star Borough

PROGRAM BUDGET SUMMARY

DEPARTMENT OF HUMAN RESOURCES – RISK MANAGEMENT DIVISION

MISSION/Program Description

THE MISSION OF THE RISK MANAGEMENT DIVISION IS TO PROTECT FROM AND MITIGATE THE EFFECTS OF UNPREDICTABLE CASUALTY LOSSES ON THE PERSONNEL, PHYSICAL AND FINANCIAL ASSETS OF THE BOROUGH AND SCHOOL DISTRICT AND TO COORDINATE, PROMOTE AND MONITOR EMPLOYEE BENEFIT PLANS. The Division manages the Borough and School District's self-insured programs for employee health, property, general and auto liability and workers' compensation; obtains insurance coverage for the Borough, School District, Fire, Emergency Medical and Road Service Districts; maintains databases for employee health benefits, self-insured claims, student injuries, facility incidents and for contractor insurance certificates; and administers Borough employee benefit programs (deferred compensation, flexible spending accounts, employee assistance program, employment-related medical exams, etc.).

Major Long-Term Issues and Concerns

- This year's insurance premiums are expected to increase by 10 to 30 percent, depending on type of coverage. Our review of insurance and self-insurance options led to a decision to move the excess insurance from the AML/JIA municipal pool to the commercial insurance market. We believe the "hard" insurance market is improving, but will continue for at least two more budget cycles. The greatest premium increases this year are for workers' compensation excess and the Fire Departments' first dollar work comp policy. We will monitor regulatory and statutory efforts to address the cost and availability of workers' comp in Alaska. We continue to comply with and monitor developing federal HIPAA regulations for privacy of medical information related to the self-insured health plan.

Objectives for FY 2005

- In coordination with the Accounting Division, evaluate the need for and benefits of establishing a fund which provides a mechanism for tracking costs by line of coverage and allows unexpended insurance appropriations to be retained from year-to-year to offset future increases.
- Promote employee wellness to reduce health costs by coordinating existing preventive provisions.
- Continue to work with the Borough Labor Management Health Care Committee and the School District Joint Committee on Health Benefits to control employee health claim costs.
- Utilize the in house claims adjuster to improve claims handling and reduce lost time from injuries.
- Improve and increase utilization of School District's return to work program for injured employees.

Significant Budget Changes

The FY 2005 budget reflects an increase in personnel costs due to normal cost of living and longevity factors. Costs within the Insurance and Bonding line have increased overall to reflect the higher costs of insurance, reflecting national insurance market conditions. Approximately \$80,000 has been moved from professional services to salaries and benefits line items for the inhouse adjuster position.

Previous Year's Accomplishments

- Moved responsibility for workers' compensation claims adjusting from outside adjuster to borough staff.
- Continued staff cross training with personnel and payroll to integrate human resource functions.
- Provided each benefit eligible Borough employee with a monthly health and safety newsletter.
- Implemented training functions with Employee Assistance Program (EAP).
- Provided supervisor training to comply with revised substance abuse testing policy.
- Provided risk consulting to School District Integrated Safety Management team.
- Traveled to California to market excess insurance directly to carriers.
- Implemented negotiated health plan design changes.
- Implemented procedures for HIPAA-compliant document management.
- Added administrator and investment choices to deferred compensation program.

**Dept: Human Resources
Div: Risk Management
Measures & Statistical Accomplishments**

The FNSB intends to measure the success of this section by the use of the following measures, over time.

Measures	2000/01 <u>Actual</u>	2001/02 <u>Actual</u>	2002/03 <u>Actual</u>	2003/04 <u>Budget</u>	2004/05 <u>Budget</u>
Measure 1. Workers' Compensation as a percentage of payroll, compared to benchmark of 2%	1.43%	2.11%	1.33%	1.11%	1.33%
Measure 2. Number of Workers' Compensation medical only claims closed within six months	NA	NA	NA	75%	80%
Measure 3a. Cost of Borough Health Plan compared to trended national average of 10-13% per year over four years	NA	NA	11.5%	15.0%	13.0%
Measure 3b. Cost of School District Health Plan compared to trended national average of 10-13% per year over four years	NA	NA	12.3%	15.0%	13.0%
Measure 4. Ratio of plan administrative charges to claims paid for the Health Plan	4%	5%	4%	5%	5%
Measure 5. Cost of Risk compared to overall budget	1.45%	1.36%	1.43%	1.09%	1.40%

Additional Statistical Accomplishments

Number of insurance policies purchased	17	17	19	21	25
Number of insurance certificates reviewed	211	299	303	350	360
Number of Contracts reviewed for insurance purposes	155	187	222	240	260
Number of employee first aid injuries	184	202	220	220	220
Number of workers' compensation injuries/claims	184	143	150	165	160
Number of employees eligible for health plans	2,159	2,163	2,180	2,111	2,000
Number of student injuries	830	873	1,004	1,050	1,050
Number of General and Auto Liability claims	23	31	30	30	30
Number of property damage claims	41	61	42	50	50
Amount collected from third parties for property damage	\$11,435	\$49,573	\$5,883	\$40,000	\$30,000
Number of facility injury reports	220	288	346	250	250
Number of Flexible Spending Account Participants	95	78	81	91	100

**Dept: Human Resources
Div: Risk Management**

	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
PERSONNEL SERVICES						
Permanent Salaries	196,647	216,298	224,800	224,800	282,300	282,300
Overtime Wages	303	721	2,030	2,030	2,080	2,080
Temporary Salaries	6,460	232	-	-	-	-
Benefits	84,633	80,314	100,490	100,490	151,010	146,170
Subtotal:	<u>288,043</u>	<u>297,565</u>	<u>327,320</u>	<u>327,320</u>	<u>435,390</u>	<u>430,550</u>
COMMODITIES						
Office Supplies	1,750	1,959	3,500	3,500	3,500	3,500
Computer Supplies	80	37	500	500	500	500
Operating Supplies	1,702	1,685	2,000	2,000	1,500	1,500
Books and Periodicals	3,099	3,249	3,000	3,000	3,000	3,000
Repair and Maint. Supplies	-	-	100	100	100	100
Clothing Supplies	-	-	100	100	100	100
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	<u>6,631</u>	<u>6,930</u>	<u>9,200</u>	<u>9,200</u>	<u>8,700</u>	<u>8,700</u>
CONTRACTUAL SERVICES						
Professional Services	89,470	108,832	97,630	95,630	16,520	16,520
Communications	275	120	200	200	200	200
Travel	33	294	1,070	1,070	1,250	1,250
Professional Dues/Meetings	1,015	555	570	570	610	610
Training	8,678	4,074	4,560	4,560	4,700	4,700
Advertising, Printing & Binding	990	972	1,200	1,200	950	950
Insurance and Bonding	676,570	902,216	1,071,660	1,257,810	1,357,430	1,357,430
Repairs & Maint. -Bldg. & Grounds	-	-	-	-	-	-
Repairs & Maint. -Office Equipment	-	-	-	-	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	19,013	20,368	21,150	21,150	22,800	22,800
Subtotal:	<u>796,044</u>	<u>1,037,431</u>	<u>1,198,040</u>	<u>1,382,190</u>	<u>1,404,460</u>	<u>1,404,460</u>
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	-	2,500	2,500	-	-
Buildings & Structures	-	-	-	-	-	-
Office Furniture	505	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	<u>505</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
GRAND TOTAL:	<u><u>1,091,223</u></u>	<u><u>1,341,926</u></u>	<u><u>1,537,060</u></u>	<u><u>1,721,210</u></u>	<u><u>1,848,550</u></u>	<u><u>1,843,710</u></u>

FUNDING SOURCE:
General Fund Revenues

Prior to FY2002 Risk Management was budgeted in the Financial Services Department

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**Dept: Human Resources
Departmental Summary**

	2001/02 Actual	2002/03 Actual	2003/04 Approved	2003/04 Revised	2004/05 Recommended	2004/05 Approved
PERSONNEL SERVICES						
Permanent Salaries	448,381	517,444	541,930	541,930	604,650	604,650
Overtime Wages	2,257	809	6,030	6,030	6,190	6,190
Temporary Salaries	15,074	3,812	6,000	6,000	6,160	6,160
Benefits	206,893	215,339	243,330	243,330	324,950	314,560
Subtotal:	672,605	737,404	797,290	797,290	941,950	931,560
COMMODITIES						
Office Supplies	7,900	7,386	10,000	10,000	10,000	10,000
Computer Supplies	1,071	855	2,000	2,000	1,500	1,500
Operating Supplies	2,017	1,685	2,000	2,000	1,500	1,500
Books and Periodicals	8,920	9,064	8,500	8,500	8,500	8,500
Repair and Maint. Supplies	-	3,556	100	100	100	100
Clothing Supplies	-	-	100	100	100	100
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	19,908	22,546	22,700	22,700	21,700	21,700
CONTRACTUAL SERVICES						
Professional Services	112,580	128,524	148,130	146,130	57,020	57,020
Communications	2,688	120	2,700	2,700	2,700	2,700
Travel	319	308	1,070	1,070	1,350	1,350
Professional Dues/Meetings	1,650	1,534	1,920	1,920	2,110	2,110
Training	25,336	21,354	27,260	27,260	30,100	30,100
Advertising, Printing & Binding	11,205	14,962	16,200	16,200	18,950	18,950
Insurance and Bonding	676,664	902,216	1,071,660	1,257,810	1,357,430	1,357,430
Repairs & Maint. -Bldg. & Grounds	-	-	-	-	-	-
Repairs & Maint. -Office Equipment	-	-	-	98	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	24,328	21,161	23,150	25,052	26,300	26,300
Subtotal:	854,770	1,090,179	1,292,090	1,478,240	1,495,960	1,495,960
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	-	2,500	2,500	-	-
Buildings & Structures	20,000	-	-	-	-	-
Office Furniture	1,157	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	21,157	-	2,500	2,500	-	-
GRAND TOTAL:	1,568,440	1,850,129	2,114,580	2,300,730	2,459,610	2,449,220
FUNDING SOURCES:						
General Fund Revenues						