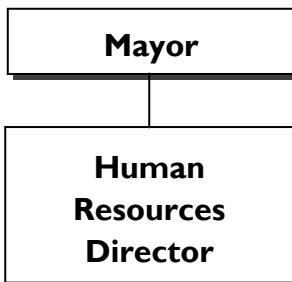


Section 10: Shared Expenses

Human Resources & Employee Benefits

MISSION STATEMENT

The mission of the Human Resources Department is to provide quality customer service to City employees, City retirees and the general public for all Human Resources needs in the areas of: recruitment, hiring, benefits, compensation, classification, labor relations, employee relations, and worker's compensation. The Human Resources Department administers the City's compensation and benefit programs in compliance with Federal and State Labor Laws along with local collective bargaining agreements. The City, through its Human Resources Department, is committed to attracting and retaining a knowledgeable and diverse workforce, to fostering professional development, to promoting a harmonious work environment, and to assisting employees of the City in their professional goals through education, training, and awareness. The Department negotiates and manages employee benefits, and establishes and monitors policies and procedures related to personnel. The Department participates in collective bargaining sessions. The Department provides quality customer service in a friendly atmosphere while administering effective processes and practices for a positive working environment. The Department will provide information, resources, support, and counsel to all City Departments with a high level of professionalism, integrity, confidentiality, and sensitivity to the needs of the employees and the general public.



FY 2013 ACCOMPLISHMENTS

- Processed all changes/new enrollments for employees and retirees for dental, medical, and life insurance
- Issued RFQ for Medical and Dental resulting in approximately \$350,000 savings for FY 2014
- Conducted analysis of Newburyport's current plan vs. GIC for FY 2014 (the City would have paid approx. \$300,000 more if moved to the GIC vs. staying with MIIA)
- Designed, prepared, distribute all materials associated with open Enrollment and managed

open enrollment process

- Key negotiator with Public Employee Committee
- Served as point of contact for personnel issues with employees and Department Heads
- Successful recruitment of a key positions (e.g., Director of Policy & Administration, Planner, Fire Chief)

FY 2014 Goals

Goal 1: Continue to conduct general Human Resource functions providing quality customer service to City employees and retirees

Objectives:

- Continually improve customer service to employees, retirees, operating departments, and job applicants
- Manage the employment process, recruitment through selection and hiring of hiring key personnel and providing orientation to the City
- Conduct exit interviews, using feedback to improve current processes
- Provide guidance and support in personnel matters related to discipline
- Ensure payroll changes including retirements and resignations are processed appropriately
- Provide annual update to Employee Handbook

Goal 2: Manage costs associated with benefits while continuing to provide quality benefits for employees and retirees

Objectives:

- Develop and manage budget for City-supported benefits and Human Resources functions
- Determine, procure, and administer all department and City-wide benefits and programs
- Negotiate with PEC, ensuring employees obtain the best benefits possible while controlling the cost to the City
- Manage all vendors associated with Human Resource functions and benefits ensuring the best possible performance
- Use results of Health Plan audits to ensure on-going savings and cost-avoidance.
- Provide regular information/updates to employees/retirees concerning benefits (postcards,

Human Resources (cont.)

sessions with MIIA, BC/BS, Altus).

Goal 3: Administer City compensation and benefit programs in compliance with Federal and State labor laws along with Collective Bargaining Agreements

Objectives:

- Manage COBRA, OBRA, FMLA plans/processes
- Participate in Union Negotiations
- Complete an extensive review/clean-up of personnel records ensuring the correct information is filed appropriately
- Use results of Personnel File audits to ensure cost-avoidance
- Learn the new on-line civil service system and work with the Fire Chief to determine roles and responsibilities vis-à-vis civil service

Goal 4: Ensure compensation, benefit, and classification systems are clearly defined and understood by the City and its employees

Objectives:

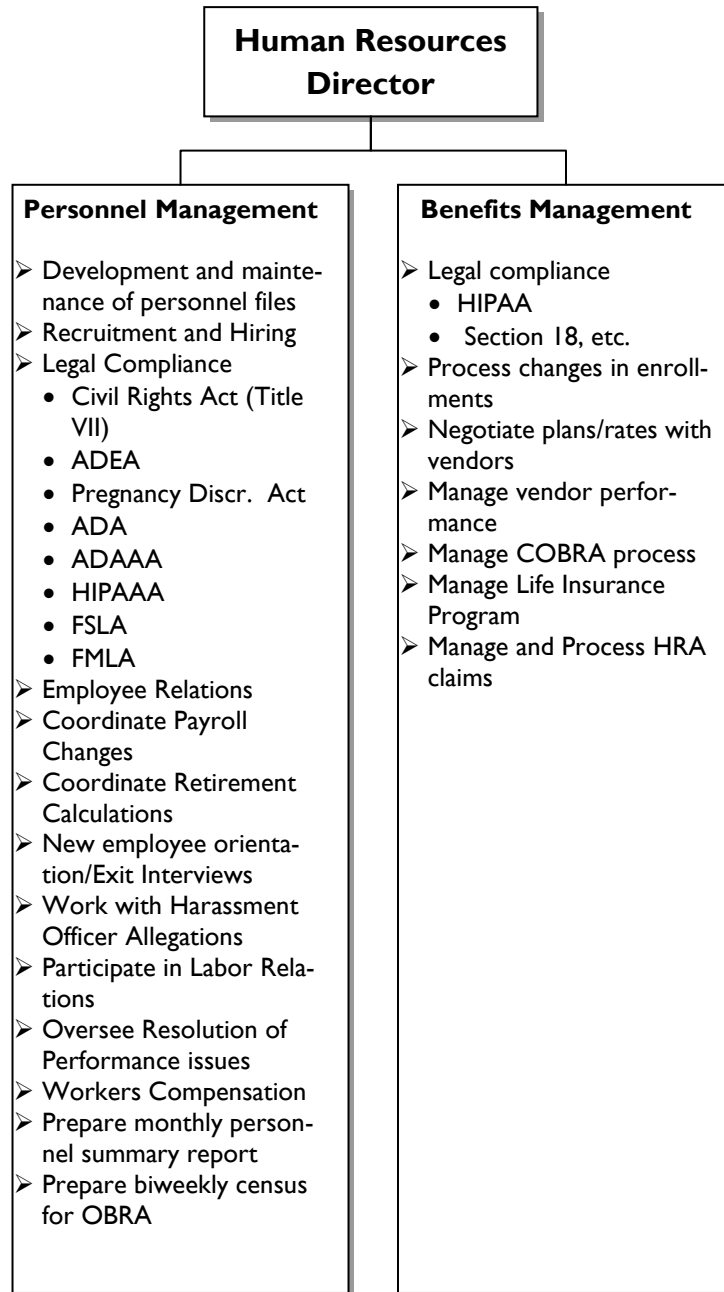
- Develop compensation and classification system for non-union employees
- Develop job descriptions for all non-union employees
- Work with unions and ensure every position has a job description

Goal 5: Produce reports in a timely, accurate, and easy-to-understand manner that provide a clear understanding of employee status and benefit changes

Objectives:

- Provide **Monthly Personnel Change Report** including data related to changes in classification for current employees; new hires (full-time and part-time); retirements; terminations; resignations; employees on workers compensation; ILLIF; FMLA; and a list of open positions
- Provide a **Monthly Benefits Change Report** including changes and additions to medical, dental, and life insurance programs
- Assess the functions associated with the Human Resources module of the payroll system, develop and implement a plan for bringing certain Human Resources functions on-line

PROGRAMS & SERVICES



PERSONNEL SUMMARY

HUMAN RESOURCES & BENEFITS			
	FY 2012	FY 2013	FY 2014
<u>Position</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Human Resources Director	0.7	1	1
Total Full-Time Equivalents:	0.7	1	1

HUMAN RESOURCES DEPARTMENT

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
001 - PERSONAL SERVICES						
51101 HR SAL HUMAN RESOURCES & BEN	0	0	0	0	63,360	63,360.36
001 - PERSONAL SERVICES Total	0	0	0	0	63,360	63,360.36
002 - PURCHASE OF SERVICES						
53001 HR ENROLLMENT AUDIT	0	0	0	0	12,000	12,000.00
53002 HR PERS RECORDS AUDIT/COMPLI	0	0	0	0	5,000	5,000.00
53003 HR COBRA ADMIN	0	0	0	0	5,500	5,500.00
53004 HR GIC ANALYSIS	0	0	0	0	2,500	2,500.00
002 - PURCHASE OF SERVICES Total	0	0	0	0	25,000	25,000.00
004 - SUPPLIES						
54200 HR SUPPLIES	0	0	0	0	10,000	10,000.00
004 - SUPPLIES Total	0	0	0	0	10,000	10,000.00
007 - OTHER CHARGES & EXPENSES						
57300 HR MEMBERSHIP DUES	0	0	0	0	600	600.00
007 - OTHER CHARGES & EXPENSES Total	0	0	0	0	600	600.00
Grand Total	0	0	0	0	98,960	98,960.36

INSURANCE GROUP

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
001 - PERSONAL SERVICES						
51101 INS SAL HUMAN RESOURCES&BEN	0	0	0	60,000	-	0.00
51166 CH 32B PART TIME SUPPORT	12,980	21,668	40,000	0	-	0.00
51700 INS PREMIUMS FOR MEDICAL INSR	0	0	0	7,107,277	7,406,486	7,406,486.00
51701 INS DENTAL CONTRIBUTION	0	0	0	50,400	52,000	52,000.00
51702 INS FSA/HRA	0	0	0	75,000	75,000	75,000.00
51703 INS MEDICARE REIMB	0	0	0	76,800	87,250	87,250.00
51704 INS LIFE INSURANCE	0	0	0	54,724	50,000	50,000.00
51705 INS MEDICARE PENALTIES	0	0	0	80,000	65,000	65,000.00
51760 INS-CH 32B-CITY	2,115,442	2,313,823	2,503,385	0	-	0.00
51761 INS-CH 32B-SCHOOL	3,757,087	4,220,196	4,520,871	0	-	0.00
001 - PERSONAL SERVICES Total	5,885,509	6,555,687	7,064,257	7,504,201	7,735,736	7,735,736.00
002 - PURCHASE OF SERVICES						
53001 INS ENROLLMENT AUDIT	0	0	0	15,000	-	0.00
002 - PURCHASE OF SERVICES Total	0	0	0	15,000	-	0.00
004 - SUPPLIES						
54200 INS SUPPLIES	0	0	0	20,000	-	0.00
004 - SUPPLIES Total	0	0	0	20,000	-	0.00
Grand Total	5,885,509	6,555,687	7,064,257	7,539,201	7,735,736	7,735,736.00

UNEMPLOYMENT CLAIMS

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
001 - PERSONAL SERVICES						
51780 UNEMPLOYMENT COMPENSATION	18,854	32,823	38,200	30,000	40,000	30,000.00
001 - PERSONAL SERVICES Total	18,854	32,823	38,200	30,000	40,000	30,000.00
Grand Total	18,854	32,823	38,200	30,000	40,000	30,000.00

WORKER'S COMPENSATION INSURANCE

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
001 - PERSONAL SERVICES						
51750 INSURANCE-WORKERS COMP	53,272	20,669	54,604	54,604	57,334	57,334.00
001 - PERSONAL SERVICES Total	53,272	20,669	54,604	54,604	57,334	57,334.00
Grand Total	53,272	20,669	54,604	54,604	57,334	57,334.00

Retirement Board

The Newburyport Retirement System is funded through members' deductions, investments and annual appropriations from the City of Newburyport. Pension Funds are invested with the Public Retirement Investment Trust or PRIT, a state run agency that pools pension contributions from around the state in order to maximize returns and reduce management fees.

The annual assessment is determined by the Public Employees Retirement Administration Commission (PERAC) and is based on salaries, age, and service time of unit participants that comprise the Newburyport Retirement System. These units include the Newburyport Housing Authority, Harbormaster Office, DPS Water Division, DPS Sewer Division, School workers (non-teaching personnel), and City employees. A portion of the unfunded liability is also a factor in determining the annual assessment.

The net asset value for Newburyport was \$52,220,592 as of December 31, 2012. The Newburyport Retirement Board adopted a new funding schedule on January 30, 2013, which extends the funding schedule to 2039. This reduces the annual increase in the assessment and spreads out the liability over a longer period of time. The total FY 2014 assessment for the Newburyport Retirement Board, and all of its units, is \$4,064,210. The City and schools' share of that assessment is \$3,417,099, which represents a year-over-year increase of \$60,866, or 1.8%.

RETIREMENT BOARD

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
001 - PERSONAL SERVICES						
51740 RET APPROP CITY/SCH	3,130,847	3,206,462	3,242,404	3,356,233	3,417,099	3,417,099.00
001 - PERSONAL SERVICES Total	3,130,847	3,206,462	3,242,404	3,356,233	3,417,099	3,417,099.00
Grand Total	3,130,847	3,206,462	3,242,404	3,356,233	3,417,099	3,417,099.00

Stabilization Outlay

The Stabilization Fund is designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of City Council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund.

STABILIZATION OUTLAY

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
007 - OTHER CHARGES & EXPENSES						
57805 STABILIZATION OUTLAY	5,000	5,000	5,000	5,000	5,000	5,000.00
007 - OTHER CHARGES & EXPENSES Total	5,000	5,000	5,000	5,000	5,000	5,000.00
Grand Total	5,000	5,000	5,000	5,000	5,000	5,000.00

Debt Service

Debt Service appropriations provide for the payment of principal and interest costs for long and short term bonds issued by the City for capital projects for General Fund purposes. The debt service appropriations for the Water, Sewer, and Harbormaster Enterprise Funds appear in their respective budgets (Section II of this budget document).

For FY2014, the total budget for Excluded Debt Service within the General Fund is \$2,666,654, while the budget for Non-Excluded Debt Service is \$1,004,527.

Excluded Debt Service

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
009 - DEBT SERVICE						
59100 LONG TERM DEBT PRINCIPAL	915,000	940,940	906,050	905,000	875,300	875,300.00
59150 LONG TERM DEBT INTEREST	263,489	223,346	190,075	162,681	129,227	129,227.12
009 - DEBT SERVICE Total	1,178,489	1,164,286	1,096,125	1,067,681	1,004,527	1,004,527.12
Grand Total	1,178,489	1,164,286	1,096,125	1,067,681	1,004,527	1,004,527.12

Ordinary (Non-Excluded) Debt Service

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 APPROVED	FY2014 PROPOSED	FY2014 APPROVED
009 - DEBT SERVICE						
59101 DBX LIB-L/T DEBT PRIN	245,000	249,060	273,950	265,000	260,000	260,000.00
59102 HIGH SCH L/T DEBT PRI	440,000	445,000	445,000	435,000	419,700	419,700.00
59103 BRESNAHAN SCHOOL PRINCIPAL	0	0	0	0	397,000	397,000.00
59104 NOCK MOLIN PRINCIPAL	0	0	0	0	362,000	362,000.00
59151 DBX LIB-L/T DEBT INT	66,810	63,087	48,601	43,122	36,497	36,496.76
59152 HIGH SCH L/T DEBT INT	272,619	257,859	242,684	226,984	189,032	189,032.37
59153 BRESNAHAN SCHOOL INTEREST	0	0	0	0	590,059	590,058.58
59154 NOCK MOLIN INTEREST	0	0	0	0	412,366	412,366.28
009 - DEBT SERVICE Total	1,024,429	1,015,005	1,010,235	970,106	2,666,654	2,666,653.99
Grand Total	1,024,429	1,015,005	1,010,235	970,106	2,666,654	2,666,653.99