

Section 10: Shared Expenses

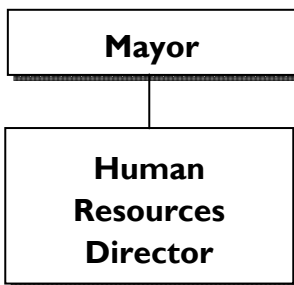
Human Resources & Employee Benefits

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 2014 ACCOMPLISHMENTS

- Negotiated with Public Employee Committee to ensure medical rates increased overall only 4.3% for FY2015
 - Negotiated significant MEDEX rates decrease (15.5% +) counteracting the 7.4% increase in active plan rates. Active plan experience warranted a 10%+ rate increase. Negotiations with MIIA ultimately resulted in a 7.4% increase for 2 years and included the establishment of wellness program designed to ultimately lead to better “experience” for employees/retirees on the active plan.

- Completed Review of Personnel Files, Created Personnel Database
 - The personnel file review revealed areas where required documentation was missing and an Employee Database was created which enables easier look-up of employee data and easier generation of reports. In addition, the review revealed inconsistencies with Union contracts as well as pay discrepancies.
- Completed contracts for all Department Head level positions
 - With the exception of 13 “Free Agents”, all City employees are now covered by either a Union contract or an individual contract with the City.
- Outsourced COBRA Administration and Billing for Over-the-Counter Employees/Retirees
 - COBRA Administration is now being done consistently across the City and Schools. We are meeting the legal requirements associated with COBRA administration. Employees/retirees who pay for their benefits over-the-counter because they cannot pay for their benefits via pay/pension are being billed by an outside company. They are terminated when payments are not made.

FY2015 TRENDS

The Human Resources Department was newly created with the most recent City Charter changes. As a result, there are still many processes to establish and refine. Filing systems have been established which separate medical files from personnel files. Personnel files have been reviewed and created and, where files existed, they have been audited. Separate filing systems for part-time, seasonal employees have been established. Separate filing systems for I-9s and CORI checks have been established. An employee database for City employees has been created. Consistent practices have been established around advertising for positions, reviewing, and interviewing candidates. Processes continue to be refined around employee changes and ensuring those changes are reflected appropriately in their pay. Medical audits have “cleaned-up” the medical census and helped to ensure everyone who is receiving benefits should be receiving benefits.

One of the major challenges has been to retain health benefits for employees and retirees while working to keeping health costs down. A strong relationship has been forged with the Public Employee Committee where they work together, with the Human Resources Department, on specific goals. They meet at least twice monthly, with regular agendas. They develop project plans, follow timelines and maintain issues lists. This is an extremely productive working group which ensures the City is getting the best possible Health benefit they can for the lowest possible cost.

There are still many processes to establish and refinements to be made to existing processes. Each year, a few “strategic goals” have to be prioritized as much time is taken up with the handling of day-to-day personnel issues, enrollment changes, required filings, etc.

Human Resources (cont.)

FY 2015 GOALS & OBJECTIVES

Goal 1: Deliver a comprehensive wellness program designed to positively impact employee health, mitigate absenteeism, and reduce health care costs to the City

Objectives:

- Establish and track the following performance measures (average health plan cost per employee per year; participants in wellness activities and events; number and type of employee Wellness Activities; change in appropriate experience reports from MIIA)

Goal 2: Establish mechanism for easily tracking and monitoring workers compensation and unemployment claims. Establish reports that will trigger possible action of required

Objectives:

- A monthly report will be established indicating type of claim, how long the claim has been active, total expenses incurred by City, and path forward. Claims will be monitored to ensure each case reaches closure as quickly as possible. I will work with MIIA Risk Management to devise potential strategies designed to lower certain types of claims

Goal 3: Complete job descriptions for all full-time employees. During Fiscal Year 2014, job descriptions were created/refined for over 60% of the employees

Objectives:

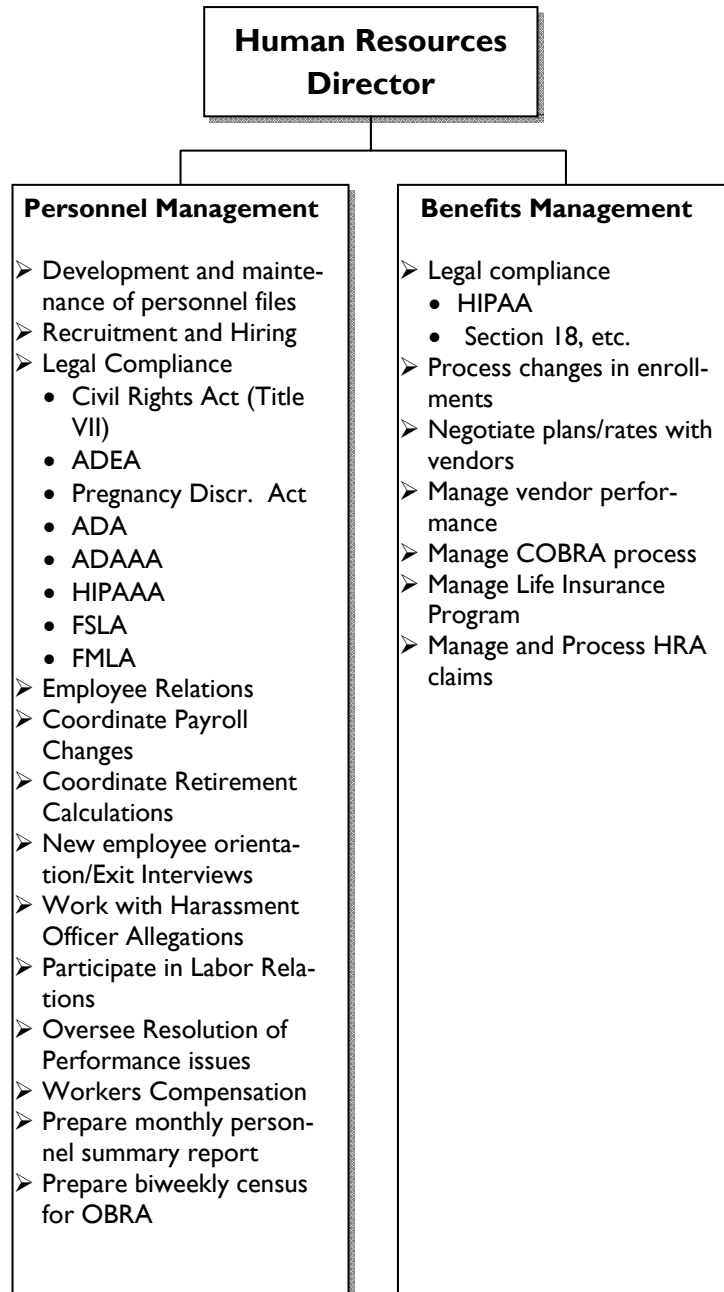
- In Fiscal Year 2015, the remainder of the job descriptions should be created and/or refined. Individual job descriptions should be revisited on an annual basis to ensure there have been not significant changes

Goal 4: Continue to conduct general Human Resources functions providing quality customer service to City employees and retirees

Objectives:

- Benefit changes (Health, Dental, Life, and FSA) processed within 2 business days of receipt.
- Requests for employment verifications processed within 2 business days of receipt.
- Health Reimbursement Requests processed within 2 business days of receipt.
- ING Account changes processed within 2 business days of receipt.
- Establish regular office hours (during which meetings cannot be scheduled) for “walk-in” traffic
- Establish a report which tracks the number and types or requests as well as the time to process.

PROGRAMS & SERVICES



PERSONNEL SUMMARY

HUMAN RESOURCES & BENEFITS			
<u>Position</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Budget</u>
Human Resources Director			
Total Full-Time Equivalents:	 	 	

HUMAN RESOURCES DEPARTMENT (01-152)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
001 - PERSONAL SERVICES						
51101 HR SAL HUMAN RESOURCES & BEN	0	0	0	63,360	73,498.11	73,498.11
001 - PERSONAL SERVICES Total	0	0	0	63,360	73,498.11	73,498.11
002 - PURCHASE OF SERVICES						
53001 HR ENROLLMENT AUDIT	0	0	0	12,000	0.00	0.00
53002 HR PERS RECORDS AUDIT/COMPLI	0	0	0	5,000	0.00	0.00
53003 HR COBRA ADMIN	0	0	0	5,500	6,000.00	6,000.00
53004 HR GIC ANALYSIS	0	0	0	2,500	2,750.00	2,750.00
53005 HR HRA ADMINISTRATION	0	0	0	0	3,900.00	3,900.00
53006 HR FSA ADMINISTRATION	0	0	0	0	9,220.00	9,220.00
53007 HR UNEMPLOYMENT CLAIMS	0	0	0	0	30,000.00	30,000.00
53008 HR WORKER'S COMPENSATION	0	0	0	0	58,767.35	58,767.35
002 - PURCHASE OF SERVICES Total	0	0	0	25,000	110,637.35	110,637.35
004 - SUPPLIES						
54200 HR SUPPLIES	0	0	0	10,000	10,000.00	10,000.00
004 - SUPPLIES Total	0	0	0	10,000	10,000.00	10,000.00
007 - OTHER CHARGES & EXPENSES						
57300 HR MEMBERSHIP DUES	0	0	0	600	600.00	600.00
007 - OTHER CHARGES & EXPENSES Total	0	0	0	600	600.00	600.00
Grand Total	0	0	0	98,960	194,735.46	194,735.46

INSURANCE GROUP (01-914)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
001 - PERSONAL SERVICES						
51101 INS SAL HUMAN RESOURCES&BEN	0	0	60,600	0	0.00	0.00
51166 CH 32B PART TIME SUPPORT	21,668	40,000	0	0	0.00	0.00
51700 INS PREMIUMS FOR MEDICAL INSR	0	0	6,546,639	7,406,486	7,728,171.00	7,728,171.00
51701 INS DENTAL CONTRIBUTION	0	0	45,320	52,000	52,000.00	52,000.00
51702 INS FSA/HRA	0	0	144,713	75,000	30,000.00	30,000.00
51703 INS MEDICARE REIMB	0	0	74,549	87,250	45,625.00	45,625.00
51704 INS LIFE INSURANCE	0	0	47,191	50,000	61,000.00	61,000.00
51705 INS MEDICARE PENALTIES	0	0	57,565	65,000	58,000.00	58,000.00
51706 INS WELLNESS PROGRAM	0	0	0	0	15,600.00	15,600.00
51760 INS-CH 32B-CITY	2,313,823	2,503,385	0	0	0.00	0.00
51761 INS-CH 32B-SCHOOL	4,220,196	4,520,871	0	0	0.00	0.00
001 - PERSONAL SERVICES Total	6,555,687	7,064,257	6,976,577	7,735,736	7,990,396.00	7,990,396.00
002 - PURCHASE OF SERVICES						
53001 INS ENROLLMENT AUDIT	0	0	13,865	0	0.00	0.00
002 - PURCHASE OF SERVICES Total	0	0	13,865	0	0.00	0.00
004 - SUPPLIES						
54200 INS SUPPLIES	0	0	16,501	0	0.00	0.00
004 - SUPPLIES Total	0	0	16,501	0	0.00	0.00
Grand Total	6,555,687	7,064,257	7,006,943	7,735,736	7,990,396.00	7,990,396.00

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.

RETIREMENT BOARD (01-911)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
001 - PERSONAL SERVICES						
51740 RET APPROP CITY/SCH	3,206,462	3,242,404	3,356,233	3,417,099	3,428,009.09	3,428,009.09
001 - PERSONAL SERVICES Total	3,206,462	3,242,404	3,356,233	3,417,099	3,428,009.09	3,428,009.09
Grand Total	3,206,462	3,242,404	3,356,233	3,417,099	3,428,009.09	3,428,009.09

Stabilization Outlay

STABILIZATION OUTLAY (01-942)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
007 - OTHER CHARGES & EXPENSES						
57805 STABILIZATION OUTLAY	5,000	5,000	5,000	5,000	5,000.00	5,000.00
007 - OTHER CHARGES & EXPENSES Total	5,000	5,000	5,000	5,000	5,000.00	5,000.00
Grand Total	5,000	5,000	5,000	5,000	5,000.00	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 FY 2015, the total budget for Excluded Debt Service within the General Fund is \$2,520,695, while the budget for Non-Excluded Debt Service is \$855,202.

Excluded Debt Service (01-710)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
009 - DEBT SERVICE						
59101 DBX LIB-L/T DEBT PRIN	249,060	273,950	265,000	260,000	259,300.00	259,300.00
59102 HIGH SCH L/T DEBT PRI	445,000	445,000	435,000	419,700	420,700.00	420,700.00
59103 BRESNAHAN SCHOOL PRINCIPAL	0	0	0	397,000	325,000.00	325,000.00
59104 NOCK MOLIN PRINCIPAL	0	0	0	362,000	20,000.00	20,000.00
59151 DBX LIB-L/T DEBT INT	63,087	48,601	43,122	36,497	31,296.76	31,296.76
59152 HIGH SCH L/T DEBT INT	257,859	242,684	226,984	189,032	175,348.00	175,348.00
59153 BRESNAHAN SCHOOL INTEREST	0	0	0	590,059	733,430.00	733,430.00
59154 NOCK MOLIN INTEREST	0	0	0	412,366	555,620.00	555,620.00
009 - DEBT SERVICE Total	1,015,005	1,010,235	970,106	2,666,654	2,520,694.76	2,520,694.76
Grand Total	1,015,005	1,010,235	970,106	2,666,654	2,520,694.76	2,520,694.76

Ordinary (Non-Excluded) Debt Service (01-720)

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 APPROVED	FY2015 PROPOSED	FY2015 APPROVED
009 - DEBT SERVICE						
59100 LONG TERM DEBT PRINCIPAL	940,940	906,050	905,000	875,300	725,275.00	725,275.00
59150 LONG TERM DEBT INTEREST	223,346	190,075	154,038	129,227	129,926.94	129,926.94
009 - DEBT SERVICE Total	1,164,286	1,096,125	1,059,038	1,004,527	855,201.94	855,201.94
Grand Total	1,164,286	1,096,125	1,059,038	1,004,527	855,201.94	855,201.94