HUMAN RESOURCES

FY11	Strategic Operating Plan

Human Resources
FY11 STRATEGIC OPERATING PLAN

EXECUTIVE SUMMARY

Introduction

The FY11 Human Resources Strategic Operating Plan focuses on cost containment and creating organizational efficiency in the daily operations of attracting, developing and retaining a skilled and diverse workforce. With these strategies, Human Resources supports the organization in its vision of being a city of choice for living, working and leisure.

Health care cost issues are always on the list of challenges, needs, and accomplishments. This complex issue is never solved, but managed. Both the City and employees are impacted financially by the issue. In FY11 Human Resources will launch a wellness program that provides for reduced insurance premiums for employees participating in the wellness program. This program is another step in a long term cost containment strategy. The launch and success of this program is an important initiative on the balanced scorecard.

Other key Human Resources Balanced Scorecard objectives are aimed at helping the citywide organization become more efficient through metrics and building capacity through employee development.

Human Resources FY11 Balanced Scorecard is very challenging. A successful year will help the City be a stronger organization to meet the challenges of a new economy.

Excerpt from the City of Charlotte's Human Resources Philosophy

The City's Benefits Plan will provide a moderate level of income protection to employees against unexpected health, life and disability risks. Employees will be expected to share fairly in the cost of their benefits. The City will aggressively manage health care costs and actively support employee safety and wellness programs to reduce future health care costs.

Approved by City Council 1993, revised 1995

Vision and Mission

Vision: The Human Resources Key Business Unit will be "centers of excellence" for the delivery of corporate human resources services.

Mission: We provide organizational leadership supporting the City's human resources philosophy to attract, develop and retain a skilled and diverse workforce.

Financial Summary

Cost Centers: 11500, 11501, 10800 & 53043	FY09 Revised	FY10 Budget	FY11 Budget
Budget	$4,022,816	$3,886,835	$3,792,766
Positions	32.75*	32.75*	32.75*

*Includes frozen position

KEY ISSUES AND CHALLENGES

Human Resources expects a number of challenges in FY11, many similar to those in FY10. These include:

Cost Containment - Cost containment in general is a concern, but cost containment for health care is of particular concern. Health insurance costs rise each year, but due to consistent work to contain costs, the City continues providing a moderate level of income protection to employees against unexpected health, life, and disability risks. This aligns with the City Council approved *Human Resources Philosophy*.

Claims experience is the primary driver of health insurance costs. The numbers of high cost events have increased and are driving high claim costs. The combination of normal health cost inflation and a negative claims experience highlights the importance of cost containment efforts.

Compensation Market Data Program Funding - With no merit increases funded for the City's workforce in FY10, it seemed appropriate to cut the compensation program funding in the HR budget. This funding was also not provided for the FY11 budget.

Human Resources staff administers compensation programs in accordance with City Council approved philosophy that pay will be based on performance while considering market conditions. Base pay is the primary type of pay used to maintain market competitiveness. To determine the Council approved measure of market competitiveness, internal salary surveys are conducted and external salary surveys are purchased. In addition, market trends are studied each year to develop annual pay recommendations.

Technology Funding - Maintenance fees for Human Resources' three enterprise software systems (PeopleSoft, Plateau, and PRISM) increase each year. Where possible, Human Resources tries to cover the increases from the operating budget. If the increases are too large, additional funds must be requested during the budget process. These software programs:

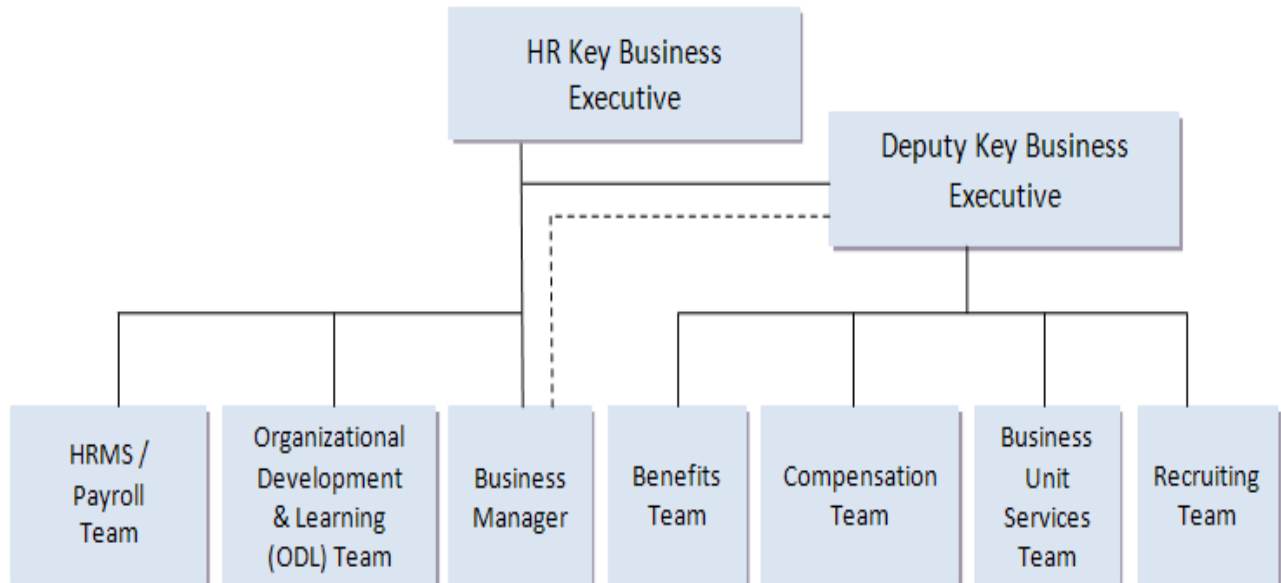- Produce more than 6,500 weekly payroll checks with the correct deductions for taxes and benefits
- Collect over 47,000 online job applications annually, which used to require additional staff to key them manually
- Administer and track employee development and training across the City workforce
- Maintain required employee records
- Maintain the Broadbanding and Public Safety compensation programs

Without the enterprise software programs, staff time would be required in Human Resources and key businesses to complete the core functions of payroll production, compensation management, and workforce training administration. Funding to maintain these software investments the City has made was not included in the FY11 budget.

Compliance - In 2009, employers saw the beginning of the expected escalation in employment regulation and enforcement. Even more regulation is expected in the next two years and public safety unionization is a possibility. A challenge is complying with additional regulations while keeping the City organization sufficiently agile to meet the changing needs of our customers. The increase in regulation happens incrementally, but the sum of the whole has a large effect in the amount of City resources needed to achieve compliance. Because the increases are incremental, it is easy to underestimate the cumulative impact additional regulation has on an organization.

Positive Employee Climate - Reduced revenues required many budget cuts for FY11. Among the cuts was the employee service award program. This program provided a modest gift to employees attaining service milestones. Human Resources staff estimated eliminating the program would not have an unacceptable impact on the City's employee climate, but the situation needs to be monitored. The employee service award pin program will continue, but full funding for the program was not available. The difference will be absorbed in the Human Resources' operating budget.

Human Resources Organizational Chart

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                    ┌──────────────────┐
                    │  HR Key Business │
                    │     Executive    │        ┌──────────────────┐
                    └──────────────────┘        │ Deputy Key Business│
                                                │     Executive     │
                                                └──────────────────┘
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| HRMS / Payroll Team | Organizational Development & Learning (ODL) Team | Business Manager | Benefits Team | Compensation Team | Business Unit Services Team | Recruiting Team |

KBU STRATEGY AND PLANNING

Accomplishments

Cost Containment

Beginning in FY01 the City began a series of health care plan changes focusing on two principles from the Human Resources philosophy: (1) aggressively manage costs, and (2) employees will share fairly in the costs of benefits. To determine the effectiveness of the strategies, the City worked with an actuary to place a value on the cost containment strategies. The actuary determined the City's FY11 health and wellness budget would likely be $11.7 million higher than if the cost containment strategies had not been implemented.[1] In FY11, Human Resources will continue implementing strategies to contain health care costs, including:

Wellness Incentive Premium Program - Human Resources will launch a wellness program that provides for reduced insurance premiums for employees participating in the wellness program. Employees will complete a health assessment, undergo biometric screens, and engage with a health coach to qualify for the reduced premium. This program provides a very valuable benefit to employees who commit to improving their health. The launch and success of this program is an important initiative on the balanced scorecard.

myCARE - Human Resources launched the myCARE program for diabetes management with two goals in mind: better health for those with the chronic condition and lower costs associated with the condition. The program provides:

- Face-to-face consultation with a pharmacist care manager (16 community pharmacy locations and eight worksite locations are available)
- Reduced co-pays on diabetes related medications and supplies, resulting in up to $500 in savings for the insured
- Diabetes education, nutrition counseling, healthy lifestyle coaching

The *myCARE* program will be expanded in FY11 to include another chronic condition.

Efficiency Achievements

Self Service Time Entry – Over half of the City's workforce now uses self service time entry. This PeopleSoft technology provides the capability to track and monitor overtime and project usage more accurately and efficiently. Other self service efficiencies include a large drop in the number of prior period adjustments and elimination of paper for printed direct deposit vouchers and tax forms.

Electronic Document Management – Eleven key businesses now have the ability to view their employees' electronic personnel files in the electronic document management system (EDMS). This new capability eliminates the need for key business units to travel to the Human Resources offices to view paper or electronic personnel files and eliminates the need for duplicate files and their storage in the key businesses.

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[1] If the City had not made any changes since FY01, the FY11 health and wellness budget could have been $88.8 million in gross cost and $66.7 million in net cost. Since the City managed the underlying cost and employee cost share aggressively, the FY11 baseline health and wellness budget is $80.4 million in gross cost and $55.0 million in net cost. This is a result of $8.4 million reduction in plan design and $3.3 million reduction through cost share changes. This savings does not reflect new initiatives implemented for FY11. Source: Tom Chong, Towers Watson, May 5, 2010.

The Metrics Initiative - In FY10 the Human Resources' Business Unit Services consultants and Compensation Unit began a data based analysis to help the citywide organization be more efficient. While still early in the multi-year project, the emphasis on business process improvement to support and improve performance generated ideas and approaches designed to support efficiency in the organization.
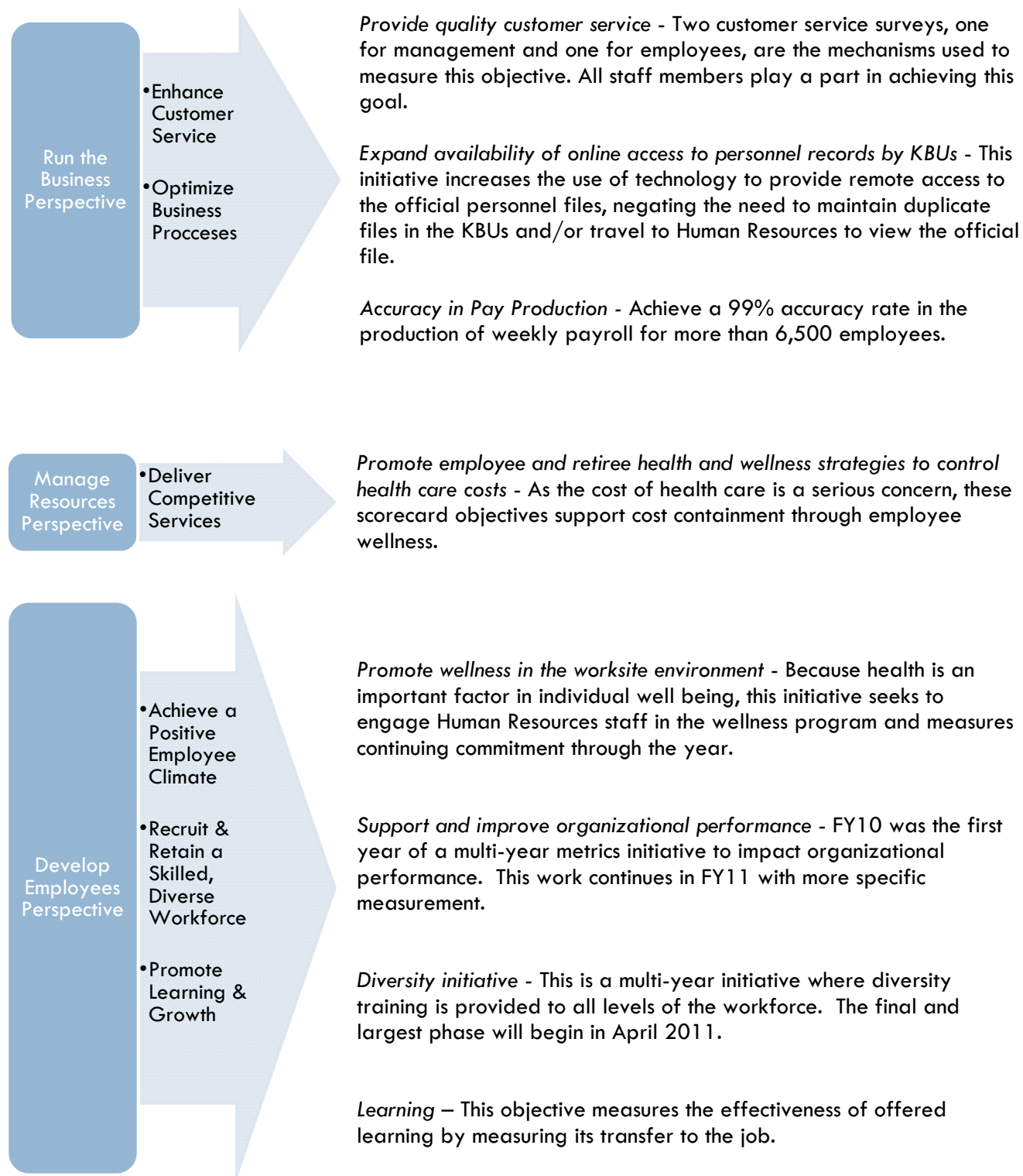
Developing Employees

The Learning and Development Community - This approach to employee development offers structured group learning for 24 participants for six months. A goal is continuation of the groups as an informal learning community after the structured learning ends. The target audience includes functional/project managers, administrative officers (III, IV and V), supervisors, managers of supervisors, division managers and other members of a key business unit leadership team.

Each fiscal year focuses on a specific leadership competency area. Participants developed their knowledge and skills through classroom assignments with peers and out of class assignments with their supervisors. Participants who complete this experience are eligible for further development with a learning coach.

Shared Leadership Learning – FY10 saw the completion of the second class of Shared Leadership Learning. This experience is open to up-and-coming leaders of the organization who wish to develop their professional and personal skills. Any City employee may nominate himself or herself for Shared Leadership Learning based on meeting the selection criteria – which include being a proactive learner who assumes responsibility for his or her own development.

Links to Corporate Strategy

As a support business unit, Human Resources has identified strategic initiatives that align with the City's corporate objectives. Human Resources FY11 strategic initiatives include:

Run the Business Perspective

- Enhance Customer Service
- Optimize Business Procceses

Provide quality customer service - Two customer service surveys, one for management and one for employees, are the mechanisms used to measure this objective. All staff members play a part in achieving this goal.

Expand availability of online access to personnel records by KBUs - This initiative increases the use of technology to provide remote access to the official personnel files, negating the need to maintain duplicate files in the KBUs and/or travel to Human Resources to view the official file.

Accuracy in Pay Production - Achieve a 99% accuracy rate in the production of weekly payroll for more than 6,500 employees.

Manage Resources Perspective

- Deliver Competitive Services

Promote employee and retiree health and wellness strategies to control health care costs - As the cost of health care is a serious concern, these scorecard objectives support cost containment through employee wellness.

Develop Employees Perspective

- Achieve a Positive Employee Climate
- Recruit & Retain a Skilled, Diverse Workforce
- Promote Learning & Growth

Promote wellness in the worksite environment - Because health is an important factor in individual well being, this initiative seeks to engage Human Resources staff in the wellness program and measures continuing commitment through the year.

Support and improve organizational performance - FY10 was the first year of a multi-year metrics initiative to impact organizational performance. This work continues in FY11 with more specific measurement.

Diversity initiative - This is a multi-year initiative where diversity training is provided to all levels of the workforce. The final and largest phase will begin in April 2011.

Learning – This objective measures the effectiveness of offered learning by measuring its transfer to the job.

SERVICE DELIVERY

Human Resources supports the City's key businesses in their operations. With the core service areas described below, key businesses are provided support to make the City competitive in recruitment and retention of a skilled and diverse workforce, learning and growth, and achieving a positive employee climate.

Core Service Areas

Benefits

Health insurance. wellness and defined contribution programs: investigate, select, implement, administer and evaluate programs

Contract governance: monitor and enforce contracts with third party partners for health, dental, disability, prescription drug, life, vision, employee assistance program, and health management programs

Cost containment/cost avoidance: develop and implement strategies for cost containment or avoidance for all programs

Education/communication: provide employees and retirees information on best use of benefits, changes to programs, and upcoming events

Consulting services: assist employees/retirees to resolve various benefits issues

Retirement services: assist employees with the retirement process, including explanation of benefits and application processing

Compliance: ensure compliance with federal laws, such as HIPAA and COBRA

Data management: coordinate benefits data transfers and reconciliations with various vendors in PeopleSoft human resources management system

Business Unit Services

Recruitment: source talent, particularly for hard to fill positions; develop internship programs to supplement departments with vacancies; provide relocation sourcing assistance; develop recruitment strategies to hire the workforce with the skills to achieve the City's goals

Selection: design selection processes and tools; assist key businesses with the selection process

Retention: in conjunction with business units, develop strategies and programs to encourage employee engagement

Performance Management: design and manage City's performance management and employee development system

Diverse workforce: administer the City's Affirmative Action Plan

KBU consulting services: serve as primary point of contact for human resources management issues

Compliance: serve as expert; develop, implement, and train key businesses/employees on City policy designed to comply with federal, state, and local employment laws/regulations; investigate and prepare responses to employment discrimination charges

Policy administration: serve as expert and provide compliance and administrative support for the City's human resources policies

Education: enhance manager and employee understanding of human resources-related policies and practices

Compensation

Compensation program: manage compensation programs in accordance with City Council-approved pay philosophy to ensure the City is in a competitive position to recruit and retain a skilled and diverse workforce

Pay Plan Management: maintain market competitiveness by computing market rates and setting band minimum and maximum ranges in Broadbanding Pay Plan; calculate steps in Public Safety Pay Plan

Salary surveys: gather median salaries which are used in computing market rates (the City Council-approved measure of market competitiveness for base pay) by conducting internal and purchasing external salary surveys

Annual pay recommendations: develop annual pay recommendations through analysis of market trend data

Job classification system: manage and maintains the City's benchmark job classification system

Pay program management: manage the incentive, gainsharing, and longevity pay programs

Benchmarking: calculate internal benchmarking statistics for the City, including annual turnover, average pay and employee pay in relation to the market rate and employee demographics

Compliance: interpret the Fair Labor Standards Act as it applies to City employees

Human Resources Management System

Payroll: produce weekly pay for over 6,500 employees

PeopleSoft Human Resources Management System: manage the integrated human resources and payroll system

Records management: maintain employment-related records for pay, taxes, benefits, and leave for all City employees; track medical coverage for approximately 1,800 covered retirees

Creates efficiencies: create and improve technology efficiencies with self service enhancements to the system

Organizational Development and Learning (ODL)

Performance management: provide consultation, coaching, facilitation, and training services to improve organizational and individual performance

Subject matter expert: serve as organizational experts for change management, team development, and group dynamics

Management consultation/group facilitation services: provide business planning, collaborative problem-solving, and team building services

Employee skill development: design and implement diversity initiatives, leadership development initiatives, business skill development and technology training

eLearning: provide program development, consulting, and coaching

Service History and Trends

Applications Received - The City has received more than 40,000 job applications in each of the past five years. A spike in applications occurred in FY08 when eRecruitment launched. With eRecruitment, applicants can apply for City jobs online rather than using a paper process. In FY10 Human Resources stopped accepting paper applications.

Since the recession began, the trend has been toward fewer job postings with more people applying for each available position. In FY10, the number of applications received climbed toward pre-recession levels.

Employment Applications Received

FY06	FY07	FY08	FY09	FY10
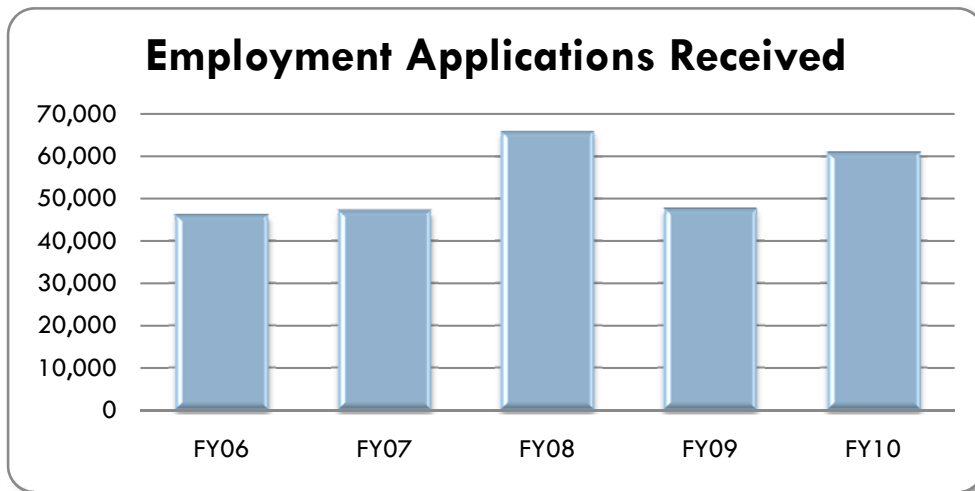
Cost of Human Resources - The School of Government (SOG) Benchmarking Study analyzes the cost of human resources services per employee in an organization. For the City of Charlotte Human Resources Business Unit, the average cost of services per City employee is less than the study average. *Note: As with most benchmarking studies, the differences in the inputs of participating organizations cannot be eliminated, providing for only general comparisons.*

Cost of HR Per Employee

Charlotte	SOG Average
$688	$1,090
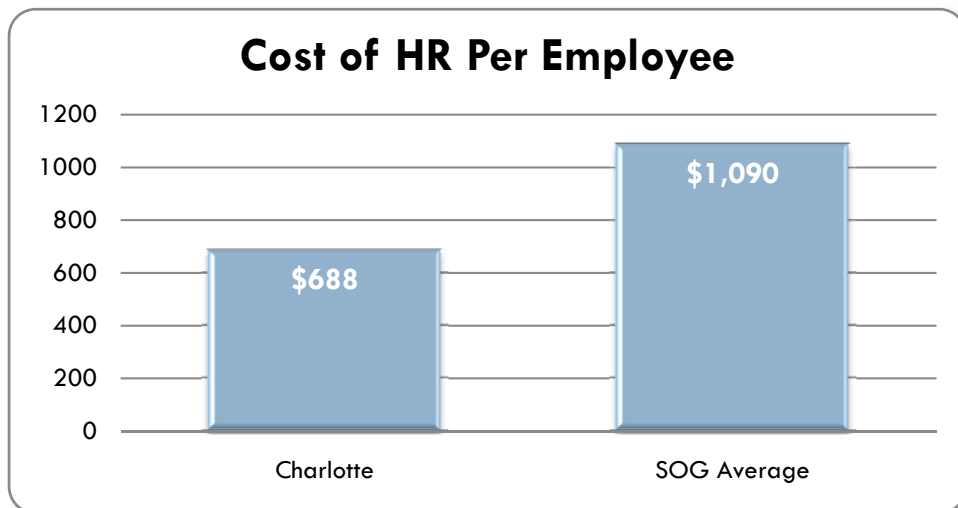
HR FY11 Balanced Scorecard Report

$$ = Incentive Target

Perspective	Corporate Objective	KBU Initiative	Measure	Prior Year Actual for FY10	Lead Or Lag	PERFORMANCE DATA FY11 Target	PERFORMANCE DATA YTD	PERFORMANCE DATA Status "+" or "-"	Comments/ Explanation
Run the Business	Enhance Customer Service	Provide quality customer service.	Survey Assistant City Managers and Key Business Executives about HR's customer service.	Total average survey score = 4.5	Lag	Total average survey score of 4.3 out of 5.0. $$	To be measured in June of 2011.		
Run the Business	Enhance Customer Service	Provide quality customer service.	Survey 1,000 randomly selected City employees about HR's customer service.	Total average survey score = 4.5	Lag	Total average survey score of 4.3 out of 5.0. $$	To be measured in June of 2011.		
Run The Business	Optimize Business Processes	Enhance the electronic document management system for personnel records.	Extend viewing access to KBU primary administrative staff.	As of June 30, 2010, eleven KBUs have been provided viewing access.	Lead	Provide viewing access to the remaining KBU primary administrative staffs by June 30, 2011.			This program provides efficiencies by reducing paper, trips by staff to HR offices, and redundant record-keeping.

Perspective	Corporate Objective	KBU Initiative	Measure	Prior Year Actual for FY10	Lead Or Lag	PERFORMANCE DATA FY11 Target	PERFORMANCE DATA YTD	PERFORMANCE DATA Status "+" or "-"	Comments/ Explanation
Run The Business	Optimize Business Processes	Achieve high accuracy rate in the production of weekly payroll for more than 6,500 employees.	Measure accuracy rate in on time production of weekly paychecks and direct deposit vouchers for employees, including required reporting and vendor remittances, based on information submitted.	This is a new measure.	Lead	Achieve 99% accuracy rate in on time production of: • weekly paychecks • employee direct deposit vouchers based on information submitted.			
Manage Resources	Deliver Competitive Services	Promote employee and retiree health and wellness strategies to control health care costs.	Expand the *myCARE* program by adding a chronic condition.	This is a new initiative.	Lag	Expand the *myCARE* program by adding a chronic condition to the program by June 30, 2011. $$			
Manage Resources	Deliver Competitive Services	Promote employee wellness strategies through incentives to control health care costs.	Percentage of employees electing medical coverage will elect the wellness incentive premium option.	This is a new initiative.	Lag	60% of employees electing medical coverage will elect the wellness incentive premium option.			

Perspective	Corporate Objective	KBU Initiative	Measure	Prior Year Actual for FY10	Lead Or Lag	PERFORMANCE DATA FY11 Target	PERFORMANCE DATA YTD	PERFORMANCE DATA Status "+" or "-"	Comments/ Explanation
Develop Employees	Achieve a Positive Employee Climate	Promote Wellness in the Worksite Environment.	Wellness Plan engagement by HR staff.	This is a new initiative.	Lead	80% of HR staff electing medical insurance will enroll in the wellness incentive premium option. $$			
Develop Employees	Achieve a Positive Employee Climate	Promote Wellness in the Worksite Environment.	Wellness Plan engagement by HR staff.	This is a new initiative.	Lag	80% of HR staff enrolling in the wellness incentive premium option remains engaged in the plan until June 2011. $$			This item is the stretch target.
Develop Employees	Recruit and Retain a Skilled and Diverse Workforce	Create a framework for collecting decision-level data to support/improve organizational performance.	HR will partner with KBUs to maintain or reduce involuntary turnover in the Service Maintenance Job category.	Completed framework by June 30, 2010 and several attributes were identified. Service Maintenance calendar year 2009 involuntary turnover rate: 8.6%. Broad-banding Plan involuntary turnover rate was: 2.9%.	Lead	HR will partner with KBUs to maintain or reduce involuntary turnover in the Service Maintenance Job category.			

Perspective	Corporate Objective	KBU Initiative	Measure	Prior Year Actual for FY10	Lead Or Lag	PERFORMANCE DATA FY11 Target	PERFORMANCE DATA YTD	PERFORMANCE DATA Status "+" or "-"	Comments/ Explanation
Develop Employees	Recruit and Retain a Skilled and Diverse Workforce	Begin delivery of Phase IV of the strategic diversity initiative	Delivery of Phase IV diversity training begins. Phase IV covers the remainder of the workforce not trained in Phase I – III, which is new and frontline employees.	The HR key business unit developed a revised strategy for the diversity initiative based on feedback from the Develop Employees Work Team and new learning stemming from the *Charlotte 2020 Leadership Conference*.	Lag	Delivery of Phase IV diversity training will begin by April 2011.			
Develop Employees	Learning and Growth	Continue implementation of revised leadership development strategy, focused on expanded audience and current organizational challenges.	Continue to implement higher level of evaluation by surveying attendees of targeted, intact leadership development classes. Survey results will indicate 80% transfer of learning from the classroom to the workplace.	14 of 24 attendees completed surveys for a completion rate of 58%. However, these 14 attendees reported a transfer of learning in 8 of the 10 areas surveyed resulting in a transfer of learning rate of 80%.	Lead	Using pre and post learning evaluations, 80% of learning objectives surveyed for will indicate transfer of learning from classroom to the workplace.			

Measure Validation

Human Resources Assistant City Managers / Key Business Executive Customer Service Measure Validation		
Corporate Objective: Enhance Customer Service **KBU Initiative:** Provide quality customer service		
Measure and Target: Survey Assistant City Managers and Key Business Executives about HR's customer service. The target is a total average survey score of 4.3 out of a possible 5.0.		
Units of Measure: Points on a scale of one to five.		**Frequency of Update:** Annually.
Measurement Intent: To provide quality customer service for the City's needs.		
Measurement Formula: Total average survey score of 4.3 out of a possible 5.0. Participants rank each survey question between one and five. The score for each question is averaged, and then the score for all questions is averaged. The total average must be at least 4.3 to meet the target.		
Data Elements and Sources: Data sources will be the completed, on time survey responses of the participants.		
Source For and Approach to Setting Targets: This is a standard survey calculation.		
Data Contact: Teresa Curlin.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Teresa Curlin.

Human Resources Employee Customer Service Measure Validation		
Corporate Objectives: Enhance Customer Service **KBU Initiative:** Provide quality customer service		
Measure and Target: Survey 1,000 randomly selected employees about HR's customer service. The target is a total average survey score of 4.3 out of a possible 5.0.		
Units of Measure: Points on a scale of one to five.		**Frequency of Update:** Annually.
Measurement Intent: To provide quality customer service for employee needs.		
Measurement Formula: Participants rank each survey question between one and five. The score for each question is averaged, and then the score for all questions is averaged. The total average must be at least 4.3 to meet the target.		
Data Elements and Sources: Data sources will be the completed, on time survey responses of the participants.		
Source For and Approach to Setting Targets: This is a standard survey calculation.		
Data Contact: Teresa Curlin.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Teresa Curlin.

Human Resources Electronic Document Management Efficiency Measure Validation		
Corporate Objective: Optimize Business Processes **KBU Initiative:** Enhance the electronic document management system for personnel records		
Measure and Target: Extend viewing access to KBU primary administrative staff.		
Units of Measure: Number of KBUs provided access.		**Frequency of Update:** Quarterly.
Measurement Intent: More efficient records maintenance, reduced paper usage, better use of staff time by eliminating trips to HR KBU to view files.		
Measurement Formula: Number of KBUs provided access.		
Data Elements and Sources: Number of KBUs provided access.		
Source For and Approach to Setting Targets: Extending efficient process throughout the citywide organization.		
Data Contact: Adela Castellino.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Adela Castellino.

Human Resources Payroll Accuracy Measure Validation		
Corporate Objective: Optimize Business Processes **KBU Initiative:** Achieve high accuracy rate in the production of weekly payroll for more than 6,500 employees		
Measure and Target: Measure accuracy rate for timely production of weekly paychecks and direct deposit vouchers for employees, including required reporting and vendor remittances, based on information submitted. The target is a 99% accuracy rate.		
Units of Measure: Number of manual checks cut against total city checks cut.	**Frequency of Update:** Excel spreadsheet is updated weekly but reported at mid-year and year-end.	
Measurement Intent: Based on information submitted, achieve 99% accuracy rate in on time production of: • weekly paychecks • employee direct deposit vouchers • required reporting and vendor remittance		
Measurement Formula: Number of manual checks produced due to an error by the HRMS Staff divided by number of total checks.		
Data Elements and Sources: Number of manual checks and number of total city checks produced in PeopleSoft.		
Source For and Approach to Setting Targets: An excel spreadsheet list of every manual check that is produced and reason it is being produced.		
Data Contact: Tammy Boyles.		
Target Setting Responsibility: Tammy Boyles.	**Accountability for Meeting Target:** HRMS Team.	**Tracking/Reporting Responsibility:** HRMS Team.

Human Resources Promote Wellness Strategies to Contain Health Care Costs Measure Validation		
Corporate Objective: Deliver Competitive Services **KBU Initiative:** Promote employee and retiree health and wellness strategies to contain health care costs		
Measure and Target: Expand the *myCARE* program by adding a chronic condition.		
Units of Measure: Expand the *myCARE* program by adding a chronic condition to the program by June 30, 2011.		**Frequency of Update:** Annually.
Measurement Intent: Promote employee and retiree health and wellness strategies to contain health care costs.		
Measurement Formula: Expand the *myCARE* program by adding a chronic condition to the program by June 30, 2011.		
Data Elements and Sources: Human Resources Benefits staff.		
Source For and Approach to Setting Targets: Human Resources Benefits staff.		
Data Contact: Anna Ellis.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Anna Ellis.

Human Resources Promote Wellness Strategies to Contain Health Care Costs Measure Validation		
Corporate Objective: Deliver Competitive Services **KBU Initiative:** Promote employee and retiree health and wellness strategies to contain health care costs		
Measure and Target: Of City employees electing medical coverage, 60% will elect the wellness incentive premium option.		
Units of Measure: Percentage of employee electing medical coverage.	**Frequency of Update:** Annually.	
Measurement Intent: Promote employees wellness strategies to contain health care costs.		
Measurement Formula: Number of employees electing the wellness incentive premium option / number of employees opting for medical insurance x 100 = 60%.		
Data Elements and Sources: Medical insurance partners and data from open enrollment process.		
Source For and Approach to Setting Targets: Human Resources Benefits staff.		
Data Contact: Anna Ellis.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Anna Ellis.

Human Resources HR Staff Wellness in the Work Place Measure Validation		
Corporate Objective: Positive Employee Climate **KBU Initiative:** Promote Wellness in the Work Environment		
Measure and Target: 80% of HR staff electing medical insurance will enroll in the wellness incentive premium option.		
Units of Measure: Percentage	**Frequency of Update:** Annually.	
Measurement Intent: Set a high standard for wellness participation.		
Measurement Formula: Number of HR employees electing medical insurance who enroll in the wellness incentive premium option / number of HR employees electing medical insurance X 100 = 80%.		
Data Elements and Sources: Data elements are the numbers of employees enrolling for medical insurance and the sources are enrollment data supplied by business partners.		
Source For and Approach to Setting Targets: This is a standard survey calculation.		
Data Contact: Christina Fath.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Christina Fath.

Human Resources
HR Staff Wellness Engagement Measure Validation

Corporate Objective: Positive Employee Climate **KBU Initiative:** Promote Wellness in the Work Environment
Measure and Target: 80% of HR staff enrolling in the wellness incentive premium option remains engaged in the plan until June 2011.

Units of Measure: Percentage	Frequency of Update: Annually.

Measurement Intent: Set a high standard for wellness engagement.
Measurement Formula: Number of HR employees engaged in the wellness incentive premium option until June 2011 / number of HR employees enrolling in the wellness incentive premium option X 100 = 80%.
Data Elements and Sources: Data elements are the numbers of employees enrolling in the wellness incentive premium option and the sources are enrollment data supplied by business partners.
Source For and Approach to Setting Targets: This is a standard survey calculation.
Data Contact: Christina Fath.

Target Setting Responsibility: HR Leadership.	Accountability for Meeting Target: Human Resources.	Tracking/Reporting Responsibility: Christina Fath.

**Human Resources
Service Maintenance Job Category Turnover Measure Validation**

Corporate Objective: Recruit and Retain a Skilled and Diverse Workforce
KBU Initiative: Partner with the KBUs to maintain or reduce the percent of involuntary turnover in the Service Maintenance job category

Measure and Target: In calendar year 2010, the percent of involuntary turnover in the Service Maintenance job category will = or < 8.6%.

Units of Measure: In 2009, the involuntary turnover in the Service Maintenance job category was 8.6%.	**Frequency of Update:** Annually by calendar year.

Measurement Intent: This measure is a component of employee retention and skill. The intent is to identify key contributors to the reasons for the involuntary turnover and to proactively work with the KBUs where those employees work to address those issues, with the goal being to improve retention in those jobs. Demographics ten to show potentially insufficient numbers of these skilled workers in the generations following the Baby Boom generation.

Measurement Formula: Number of employees who involuntarily terminate in the Service Maintenance job category divided by total number of active employees in the Service Maintenance job category.

Data Elements and Sources: 1) KBUs with employees in job classes that are in the Service Maintenance Job Category, 2) databases containing the reasons of the involuntary terminations in this job category.

Source For and Approach to Setting Targets: Annual City workforce turnover data.

Data Contact: Sheila Simpson.

Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** HR Business Unit Services.

Notes/Assumptions: This goal is a collaboration goal between HR and KBUs that have Service Maintenance jobs. HR is taking the lead to proactively identify the trend and to contact the KBUs to partner with them to address the issues that appear to lead to the involuntary terminations.

Human Resources **Strategic Diversity Initiative Measure Validation**		
Corporate Objective: Recruit and Retain a Skilled and Diverse Workforce **KBU Initiative:** Begin delivery of Phase IV of the strategic diversity initiative		
Measure and Target: Delivery of Phase IV diversity training begins. Phase IV covers the remainder of the workforce not trained in Phase I – III, which is new and frontline employees.		
Units of Measure: Begin delivery of Phase IV diversity initiative training.		**Frequency of Update:** Annually.
Measurement Intent: Marks the beginning of diversity training for the largest portion of the workforce.		
Measurement Formula: Launch the largest portion of this multi-year initiative.		
Data Elements and Sources: Diversity Destination Document.		
Source For and Approach to Setting Targets: Analyzed trends identified during training Phases 1-3, solicited feedback from Develop Employees Work team and Manager's Cabinet.		
Data Contact: Candy Phillips.		
Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Candy Phillips / Deywon Arant-McAdoo.

Human Resources
Leadership Development Initiative Measure Validation

Corporate Objective: Learning and Growth
KBU Initiative: Continue to focus on revised leadership development strategy, particularly expanded audience and current organizational changes

Measure and Target: Continue to implement higher level of evaluation by surveying attendees of targeted, intact leadership development classes. Survey results will indicate 80% transfer of learning from the classroom to the workplace. Using pre and post learning evaluations, 80% of learning objectives surveyed for will indicate transfer of learning.

Units of Measure: Percentage.	**Frequency of Update:** Annually.

Measurement Intent: To track level of learning transferred from classroom to workplace.

Measurement Formula: Using pre and post learning evaluations, 80% of learning objectives surveyed for will indicate transfer of learning.

Data Elements and Sources: Learning evaluations for intact leadership development classes such as QUEST, and the Learning and Development Community.

Source For and Approach to Setting Targets: Pre and post learning evaluations from QUEST and Learning and Development Community attendees.

Data Contact: Candy Phillips.

Target Setting Responsibility: HR Leadership.	**Accountability for Meeting Target:** Human Resources.	**Tracking/Reporting Responsibility:** Candy Phillips / Deywon Arant-McAdoo.

RESOURCES

Human Resources requested two Current Level Changes for FY11. The requests and outcomes are summarized below.

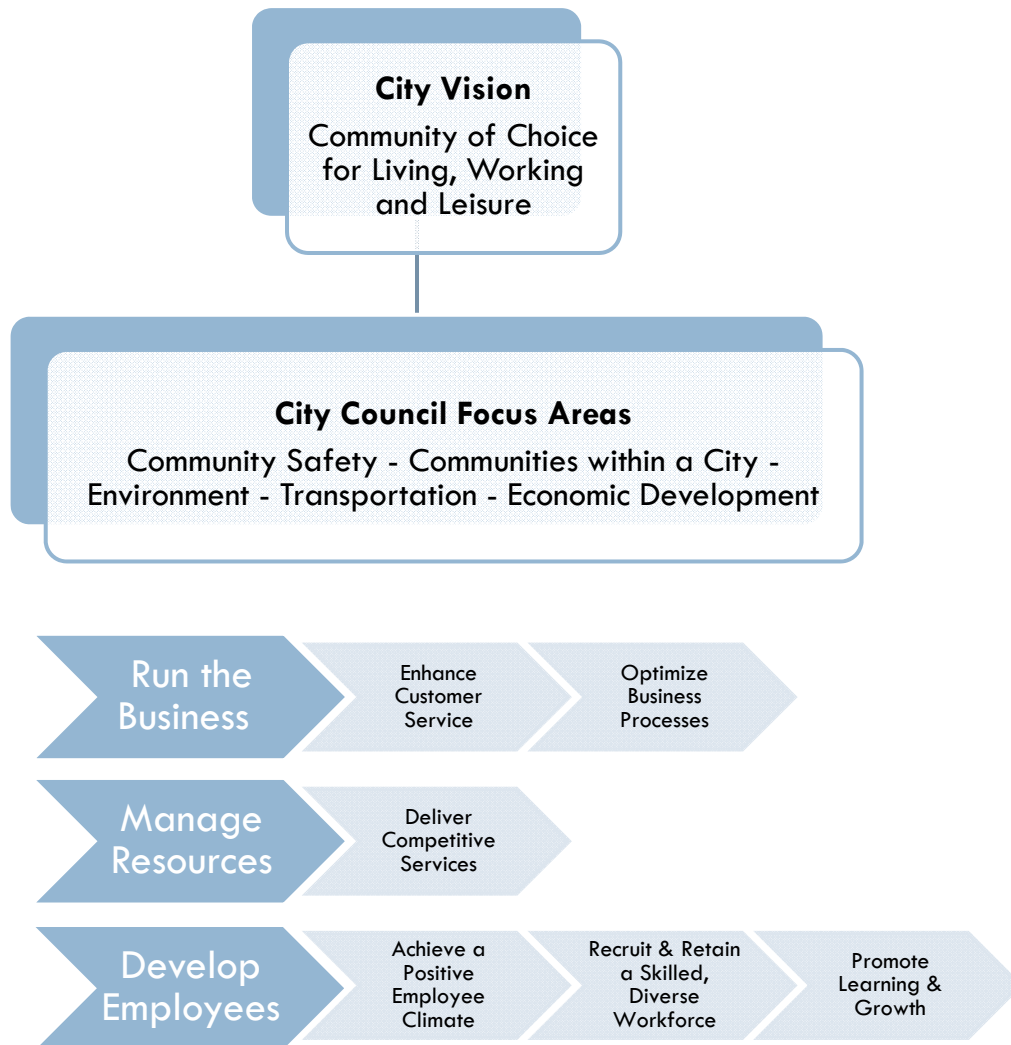| FY11CCL	Cost Center	FY11 Amount	KBU Rank	Funding
PeopleSoft Maintenance Increase	11501	$23,760	1	Not Funded
Compensation Market Data Program	11500	$24,380	2	Not Funded
Total		$48,140		

CONCLUSION

Human Resources is committed to helping the City thrive through cost containment, efficiency gains, and workforce development. The Human Resources FY11 Strategic Operating Plan and Balanced Scorecard contain strategies and initiatives to meet these goals.

APPENDICES

A. Human Resources' Link to Corporate Scorecard

B. Page for Council Budget Book

Appendix A – HR Link to Corporate Scorecard

City Vision

Community of Choice for Living, Working and Leisure

City Council Focus Areas

Community Safety - Communities within a City - Environment - Transportation - Economic Development

Run the Business → Enhance Customer Service → Optimize Business Processes

Manage Resources → Deliver Competitive Services

Develop Employees → Achieve a Positive Employee Climate → Recruit & Retain a Skilled, Diverse Workforce → Promote Learning & Growth

Appendix B – Page for Council Budget Book

Human Resources

Summary		FY09	FY10	FY11

Summary

Human Resources (HR) provides human resources strategies and core human resources services through collaboration with its KBU partners. Key strategies include recruiting and retaining a skilled and diverse workforce, while seeking efficiencies and cost containment. Human Resources core services include: recruitment, compensation, employee relations, benefits enrollment and management, business unit services, training, development, payroll services, and managing the human resources management system.

	FY09	FY10	FY11
Budget	$4,022,816	$3,886,835	$3,792,766
Positions	32.75	32.75	32.75

Accomplishments

- Estimates indicate the City's health and wellness budget would likely be $11.7 million higher if cost containment strategies had not been implemented over the last ten years.

- Implemented changes to the retiree medical plan. The objectives in changing the coverage from a self insured plan to a fully insured plan were to generate savings, achieve a reduction in the annual required contribution for the City's GASB liability, and maintain a comparable level of coverage.

Vital Statistics

- Supports over 6,500 employees and over 1,800 retirees.
- Comprised of 32.75 FTEs (one frozen) and five divisions: Benefits, Compensation, HR Management Systems, KBU Services, and Organizational Development and Learning.

Service Delivery Challenges

Cost Containment
The City has worked for years to control health insurance costs through programming, pricing, and wellness initiatives. Health insurance costs rise each year, but due to early work to contain costs, the City continues providing a moderate level of income protection to employees against unexpected health, life, and disability risks. This aligns with the City Council approved *Human Resources Philosophy*.

Creating Efficiencies
Human Resources is searching for new efficiencies to help maintain fiscal health. In recent years Human Resources has helped create efficiencies through expanding self service technology. Over half of the City's workforce now uses self service time entry. The online job application process, eRecruitment, eliminated the need for hiring managers to review over 46,000 paper applications per year. Additional efficiencies are being sought in order to make the most of current resources.

Compliance
In 2009, employers saw the beginning of the expected escalation in employment regulation and enforcement. Even more regulation is expected in the next few years and public safety unionization is a possibility. A challenge is complying with additional regulations while keeping the City organization sufficiently agile to meet the changing needs of our customers. The increase in regulation happens incrementally, but the sum of the whole has a large effect in the amount of City resources needed to achieve compliance. Because increased regulation does not normally cause disruptive change, it is easy to underestimate the impact to the organization.

Workforce Development
A key to doing more with less is investing in the skills and abilities of the workforce. The current employee development and training programming is flexible, yet aligned with the City's strategies.