

Human Resources

The Human Resources Department is comprised of the Risk Management Division and Human Resources Division. On behalf of the City, employees, and volunteers, the Department is primarily responsible for the development and compliance of City-wide functions including, but not limited to, recruiting and selection, compensation, benefits/wellness programs, legal compliance, employee engagement, performance management, safety and environmental program development and administration, workers' compensation, claims management and loss control programs. The Department is responsible for providing guidance to City departments and is responsible for the development of internal programs and policies to assist in the achievement of the City's short and long term strategic goals.

| Outcome | Performance Measure | 2014 Actual | 2015 Revised | 2016 Projected |
|---|---|-------------|--------------|----------------|
| Provide quality service and effective guidance | | | | |
| Departments view Risk as a resource to comply with laws / regulations and reduce losses due to accidents, fines, lawsuits, etc. | % of employees scoring safety as top priority. | 44% | N/A | 55% |
| | % of compliance with environmental audits. | N/A | 74% | 74% |
| Remain competitive in attracting and retaining a high quality, motivated, and committed workforce. | % offers rejected versus offers tendered. | 4.5% | 5% | 4% |
| | # of involuntary separations during probationary period. | 3 | 6 | 3 |
| | % of turnover from 6 months to 3 years of service. | 1.5% | 2.7% | 1% |
| | % of turnover from 3 to 5 years of service. | .5% | 1% | 1% |
| | % of turnover from 5 years or more. | 3% | 6% | 4% |
| | % of overall turnover (annual total). | 6% | 11% | 6% |
| Fiscal Responsibility | | | | |
| To provide cost effective insurance coverage. | Cost of workers' compensation premium as a % of payroll. | .83% | .83% | .83% |
| | Cost of liability premium as a % of payroll. | .86% | .88% | .89% |
| | Property rate per \$100 of insured value. | .0784 | .0879 | .0879 |
| Cost effective pursuit financial recoveries of available to the City. | % of property damage recoveries amount available compared to amount received. | 47% | 50% | 50% |
| Limit employment liability in the work environment. | # of contested unemployment claims lost by the City. | 1 | 1 | 1 |
| | % participation in City-wide compliance trainings. | 93.68% | 95% | 97% |
| Operational Efficiency | | | | |
| Claims are managed efficiently. | % closed within 3 months of reporting to carrier. | 73% | 85% | 85% |
| | % reported to carrier within 1 business day. | 97% | 98% | 98% |
| Information is provided in a timely basis. | 95% of contract insurance certificates reviewed within 1 business day. | 99% | 98% | 98% |
| | 95% of environmental audits completed in timely manner. | N/A | 75% | 75% |
| Maintain and improve the accountability of the City's workforce. | % compliance with HR designated supervisor trainings. | N/A | 98% | 98% |
| | # of total separations. | 45 | 79 | 40 |
| | % of involuntary separations from total separations (excluding layoffs). | 8% | 12.7% | 7% |
| | % compliance with performance evaluation process and timelines. | 93.5% | 95% | 95% |

| Outcome | Performance Measure | 2014 Actual | 2015 Revised | 2016 Projected |
|--|--|-------------|--------------|----------------|
| Sustainable Results | | | | |
| Provide a safe work environment for employees reduce damage to City property and citizens' property. | Workers' compensation experience rating. | .78 | .78 | .78 |
| | # of claims per FTE. | .12 | .12 | .11 |
| | Average cost of claims. | \$5,750 | \$4,800 | \$4,500 |
| Compliance with Environmental Regulations. | % of issues resolved at follow-up. | N/A | 75% | 75% |

Human Resources Department Summary

| | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget | '16 Budget / '15 Adopted % Change | '15 FTE | '16 FTE |
|-------------------------------------|----------------------|----------------------|-------------------------------|----------------------|-----------------------------------|--------------|--------------|
| General Fund | | | | | | | |
| HR ADMINISTRATION | 907,046 | 1,002,980 | 1,002,980 | 1,023,624 | 2.1% | 8.00 | 8.00 |
| COMPENSATION & BENEFITS | 106,931 | 120,780 | 120,780 | 121,565 | 0.6% | 1.00 | 1.00 |
| PERFORMANCE MANAGEMENT | 94,024 | 146,050 | 146,050 | 143,750 | -1.6% | 0.00 | 0.00 |
| Total General Fund | \$ 1,108,001 | \$ 1,269,810 | \$ 1,269,810 | \$ 1,288,939 | 1.5% | 9.00 | 9.00 |
| Internal Service Funds | | | | | | | |
| EMPLOYEE BENEFITS | 12,037,400 | 11,914,380 | 11,914,380 | 14,435,830 | 21.2% | 0.00 | 0.00 |
| RISK & INSURANCE | 2,043,563 | 3,069,950 | 3,114,190 | 3,238,210 | 5.5% | 4.00 | 4.00 |
| Total Internal Service Funds | \$ 14,080,963 | \$ 14,984,330 | \$ 15,028,570 | \$ 17,674,040 | 18.0% | 4.00 | 4.00 |
| Total Expense | \$ 15,188,964 | \$ 16,254,140 | \$ 16,298,380 | \$ 18,962,979 | 16.7% | 13.00 | 13.00 |
| REVENUE | | | | | | | |
| General Fund | | | | | | | |
| OTHER | 26 | - | - | - | - | - | - |
| ADMINISTRATIVE OVERHEAD | 830,617 | 953,980 | 953,980 | 1,009,684 | 5.8% | | |
| GENERAL FUND SUBSIDY | 277,358 | 315,830 | 315,830 | 279,255 | -11.6% | | |
| Total General Fund Revenue | \$ 1,108,001 | \$ 1,269,810 | \$ 1,269,810 | \$ 1,288,939 | 1.5% | | |
| Internal Service Funds | | | | | | | |
| CHARGES FOR SERVICE | 11,826,841 | 11,818,170 | 11,818,170 | 13,294,414 | 12.5% | | |
| INTEREST | 210,945 | 100,740 | 100,740 | 58,181 | -42.2% | | |
| OTHER | 17,957 | - | - | - | - | | |
| GENERAL FUND CONTRIBUTION | - | - | - | 5,342,782 | - | | |
| Total Internal Service Funds | \$ 12,055,743 | \$ 11,918,910 | \$ 11,918,910 | \$ 18,695,377 | 56.9% | | |
| Total Revenue | \$ 13,163,744 | \$ 13,188,720 | \$ 13,188,720 | \$ 19,984,316 | 51.5% | | |
| EXPENSES BY CATEGORY | | | | | | | |
| PERSONNEL SERVICES | 1,109,951 | 1,185,630 | 1,185,630 | 1,217,177 | 2.7% | | |
| SUPPLIES | 143,390 | 177,910 | 177,910 | 184,930 | 3.9% | | |
| PURCHASED SERVICES | 13,696,431 | 14,637,830 | 14,682,070 | 17,314,642 | 18.3% | | |
| ADMINISTRATIVE OVERHEAD | 239,192 | 252,770 | 252,770 | 246,230 | -2.6% | | |
| Total Expense | \$ 15,188,964 | \$ 16,254,140 | \$ 16,298,380 | \$ 18,962,979 | 16.7% | | |

Human Resources Administration

Human Resources Administration is responsible for the development and compliance of City-wide functions as well as the development of internal City-wide policies and programs to assist in the achievement of the City of Loveland's strategic goals.

| ACTIVITY | DEPARTMENT | | | |
|-----------------------------|-----------------|--------------------|-------------------------------|--------------|
| Administration | Human Resources | | | |
| EXPENSE BY Division/Program | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget |
| General Fund | | | | |
| HR ADMINISTRATION | \$ 907,046 | \$ 1,002,980 | \$ 1,002,980 | \$ 1,023,624 |
| REVENUE | | | | |
| OTHER | 26 | - | - | - |
| ADMINISTRATIVE OVERHEAD | 830,617 | 953,980 | 953,980 | 1,009,684 |
| GENERAL FUND SUBSIDY | 76,403 | 49,000 | 49,000 | 13,940 |
| Total Revenue | \$ 907,020 | \$ 1,002,980 | \$ 1,002,980 | \$ 1,023,624 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 648,337 | 682,550 | 682,550 | 712,739 |
| SUPPLIES | 14,765 | 21,410 | 21,410 | 19,410 |
| PURCHASED SERVICES | 46,297 | 92,040 | 92,040 | 91,302 |
| ADMINISTRATIVE OVERHEAD | 197,647 | 206,980 | 206,980 | 200,173 |
| Total Expense | \$ 907,046 | \$ 1,002,980 | \$ 1,002,980 | \$ 1,023,624 |
| FTE | 8.00 | 8.00 | 8.00 | 8.00 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|---|
| 19,570 | Increase in personnel services for Insurance Benefits due to historical enrollment. |
| (500) | Decrease in purchased services for printing. |
| (1,000) | Decrease in supplies for food purchases for employees attending training or wellness programs per the City Manager's directed reductions. |
| (3,463) | Decrease in administrative overhead for costs allocated by Finance based on the allocation methodology. |
| (3,647) | Decrease in administrative overhead for costs allocated by Facilities Management based on the allocation methodology. |
| | |
| 9,684 | <u>Core Changes</u> |
| | 10,619 Personnel Services |
| | (1,000) Supplies |
| | (238) Purchased Services |
| | 303 Administrative Overhead |
| | |
| \$ | 20,644 |
| | TOTAL CHANGE |

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Employee Compensation & Benefits

Employee compensation and benefits is responsible for maintaining a balanced total compensation plan, offering competitive pay and benefits that are fair and reasonable to both employees and citizens, while supporting organizational goals and business objectives. The compensation system and benefit programs for City of Loveland employees are market based and strictly adhere to operational and budgetary constraints. These programs are designed to attract, retain and motivate qualified candidates and employees.

| ACTIVITY | DEPARTMENT | | | |
|----------------------------------|-------------------|--------------------|-------------------------------|-------------------|
| Employee Compensation & Benefits | Human Resources | | | |
| EXPENSE BY Division/Program | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget |
| General Fund | | | | |
| EMPLOYEE COMPENSATION & BENEFITS | \$ 106,931 | \$ 120,780 | \$ 120,780 | \$ 121,565 |
| REVENUE | | | | |
| GENERAL FUND SUBSIDY | 106,931 | 120,780 | 120,780 | 121,565 |
| Total Revenue | \$ 106,931 | \$ 120,780 | \$ 120,780 | \$ 121,565 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 97,691 | 100,780 | 100,780 | 101,565 |
| PURCHASED SERVICES | 9,240 | 20,000 | 20,000 | 20,000 |
| Total Expense | \$ 106,931 | \$ 120,780 | \$ 120,780 | \$ 121,565 |
| FTE | 1.00 | 1.00 | 1.00 | 1.00 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

1,430 Increase in personnel services for Insurance Benefits due to historical enrollment.

(645) Core Changes

(645) Personnel Services

\$ 785 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements

- There are no unfunded supplements in this division.

- Equipment Replacement

- No equipment is scheduled for replacement in this division.

- Capital Projects

- There are no capital projects anticipated for this division.

Performance Management

Performance management is responsible for creating and sustaining a high performing workforce by aligning individual performance with organizational objectives. The City of Loveland is committed to hiring and retaining the most qualified people. Selection and hiring decisions are made based on individual qualifications, without regard to age, sex, race, color, religion, national origin, creed, ancestry, sexual orientation (including transgender status), mental or physical disability, genetic information, or marital status. The City is also committed to providing continued learning and development opportunities to drive innovation and provide our employees with the knowledge and skills necessary for success.

| ACTIVITY | DEPARTMENT | | | |
|-----------------------------|------------------|--------------------|-------------------------------|-------------------|
| Performance Management | Human Resources | | | |
| EXPENSE BY Division/Program | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget |
| General Fund | | | | |
| PERFORMANCE MANAGEMENT | \$ 94,024 | \$ 146,050 | \$ 146,050 | \$ 143,750 |
| REVENUE | | | | |
| GENERAL FUND SUBSIDY | 94,024 | 146,050 | 146,050 | 143,750 |
| Total Revenue | \$ 94,024 | \$ 146,050 | \$ 146,050 | \$ 143,750 |
| EXPENSE BY CATEGORY | | | | |
| SUPPLIES | 11,841 | 22,300 | 22,300 | 22,300 |
| PURCHASED SERVICES | 82,183 | 123,750 | 123,750 | 121,450 |
| Total Expense | \$ 94,024 | \$ 146,050 | \$ 146,050 | \$ 143,750 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

(1,700) Decrease in purchased services for reduced citizen volunteer recognition awards & gifts per the City Manager's directed reductions.

(600) Core Changes

(600) Purchased Services

\$ (2,300) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Employee Benefit Fund

The Human Resources Department is responsible for the administration of the Employee Benefit Fund. This Fund provides a competitive benefit package to employees. For medical and dental insurance, the City is self-insured, with external insurance protection beyond a certain limit for individual cases and total claims. The City subsidizes a portion of the medical and dental plan with cost-share responsibilities from employees.

The City's overall medical liability continues to increase slightly below industry trend, with prescription claims continuing to increase slightly above industry trend. Due to the volatility of the medical plan, we are committed to maintaining a healthy fund balance and revenues in order to stabilize premium increases and plan design changes that impact employees and the City.

The benefits focus for 2015 will continue to be on educating employees on consumer driven health care and utilization of the Employee Health Clinic in an effort to reduce medical costs and emphasize wellness initiatives for preventive care. 2015 strategies will also focus on the implementation of Healthcare Reform requirements.

In 2011, the City implemented the Employee Health Clinic for employees participating in the City's medical benefit plan. The Clinic offers a variety of basic primary care services intended for minor illnesses, wellness, and disease management. The clinic will control the costs of office visits, lab work, and other primary healthcare expenses. Statistical data indicates the clinic will cover its costs within three to five years by reducing the amount of medical inflation the City will face, keeping claims cost lower than they would otherwise be, saving both the City and employees on health care expenses. The City will continue to research and implement changes to the medical benefits plan in an effort ensure sustainable and quality programs that are competitive in the marketplace.

I In 2014, City Council authorized the City to extend the Retiree Health Plan through 2018. The plan will accept participants for five years, after which the continuation of the Plan is required to be reauthorized by Council through the 2018 budget process. To be eligible for the Plan, an employee must be 60 years of age with 20 years of service. Sworn Police and Fire personnel must reach 55 years of age and have 25 years of service. This is a high deductible Plan, with the retiree paying the full premium cost. The Plan is designed to be a bridge to Medicare eligibility at age 65. As of 2014, there are three active participants in the Plan.

| ACTIVITY | DEPARTMENT | | | |
|------------------------------------|----------------------|----------------------|-------------------------------|----------------------|
| Employee Benefits | Human Resources | | | |
| | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget |
| EXPENSE BY Division/Program | | | | |
| Internal Service Fund | | | | |
| EMPLOYEE COMPENSATION & BENEFITS | | | | |
| GENERAL OPERATIONS | 765,140 | 629,500 | 629,500 | 687,000 |
| HEALTH - OAP | 8,218,685 | 7,129,000 | 7,129,000 | 8,800,000 |
| HEALTH - HRA | 2,458,580 | 1,766,000 | 1,766,000 | 2,247,000 |
| HEALTH - RETIREE | 14,760 | 48,000 | 48,000 | 103,000 |
| DENTAL | 592,738 | 655,000 | 655,000 | 657,000 |
| DISABILITY | 207,054 | 201,500 | 201,500 | 232,000 |
| WELLNESS CLINIC | 504,443 | 547,380 | 547,380 | 590,830 |
| STOPP LOSS | (806,643) | 927,000 | 927,000 | 1,108,000 |
| COBRA PROGRAM | 4,705 | 11,000 | 11,000 | 11,000 |
| EMPLOYEE RETIREMENT ADMIN | 36,034 | - | - | - |
| POLICE RETIREMENT ADMIN | 12,080 | - | - | - |
| FIRE RETIREMENT ADMIN | 29,824 | - | - | - |
| Total Internal Service Fund | \$ 12,037,400 | \$ 11,914,380 | \$ 11,914,380 | \$ 14,435,830 |
| REVENUE | | | | |
| REFUNDS/REBATES | 110,937 | - | - | - |
| CITY CONTRIBUTION | | | | |
| LIFE INSURANCE | 116,014 | - | - | - |
| HEALTH - HRA | 1,577,482 | 1,421,000 | 1,421,000 | 1,844,675 |
| HEALTH - OAP | 5,354,185 | 5,379,500 | 5,379,500 | 6,261,073 |
| DENTAL | 345,696 | 335,000 | 335,000 | 404,250 |
| EMPLOYEE CONTRIBUTION | | | | |
| HEALTH - HRA | 393,288 | 355,250 | 355,250 | 452,281 |
| HEALTH - OAP | 1,221,220 | 1,344,880 | 1,344,880 | 1,306,706 |
| DENTAL | 236,127 | 232,720 | 232,720 | 250,295 |
| VISION | 84,589 | 90,000 | 90,000 | 90,000 |
| COBRA | | | | |
| HEALTH - HRA | 16,049 | 10,000 | 10,000 | 18,456 |
| HEALTH - OAP | 10,255 | 23,500 | 23,500 | 10,973 |
| DENTAL | 5,602 | 1,200 | 1,200 | 5,938 |
| RETIREE HEALTH CONTRIBUTION | 21,803 | 20,000 | 20,000 | 39,902 |
| VOLUNTARY LIFE PREMIUMS | 110,864 | 110,000 | 110,000 | 114,745 |
| INTEREST | 119,125 | 63,400 | 63,400 | 36,616 |
| GENERAL FUND CONTRIBUTION | - | - | - | 5,342,782 |
| Total Revenue | \$ 9,723,236 | \$ 9,386,450 | \$ 9,386,450 | \$ 16,178,692 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 3,992 | - | - | - |
| SUPPLIES | 112,613 | 125,700 | 125,700 | 133,000 |
| PURCHASED SERVICES | 11,920,795 | 11,788,680 | 11,788,680 | 14,302,830 |
| Total Expense | \$ 12,037,400 | \$ 11,914,380 | \$ 11,914,380 | \$ 14,435,830 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|---|
| 2,142,000 | Increase in purchased services for benefit claims. |
| 165,000 | Increase in purchased services for Specific Stop Loss. |
| 67,000 | Increase in purchased services for Benefit ASO Fees. |
| 45,000 | Increase in purchased services for professional services. |
| 35,000 | Increase in purchased services for Employee Vision Premiums. |
| 35,000 | Increase in purchased services for Voluntary Life Premiums. |
| 30,000 | Increase in purchased services for Long Term Disability. |
| 12,000 | Increase in purchased services for Stop Loss Interface Fees. |
| 10,000 | Increase in purchased services for benefit premiums. |
| 10,000 | Increase in purchased services for HCR Reporting Compliance. |
| 8,000 | Increase in supplies for laboratory supplies. |
| 4,000 | Increase in purchased services for Aggregate Stop Loss. |
| (1,200) | Decrease in supplies for medical supplies. |
| (44,500) | Decrease in purchased services for HRC - PCORF Reinsurance Fee. |

4,150 Core Changes

| | |
|-------|--------------------|
| 500 | Supplies |
| 3,650 | Purchased Services |

\$ 2,521,450 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Risk Management

The Risk Management Division is responsible for protecting the operating effectiveness of the City by minimizing the costs associated with the City's property, liability, workers' compensation and environmental exposures. This is accomplished through identification and evaluation of the City's risks, implementation of appropriate safety, environmental and loss control programs, risk financing measures and claims management.

| ACTIVITY | DEPARTMENT |
|-----------------|-----------------|
| Risk Management | Human Resources |

| | '14 Actual | '15 Adopted Budget | '15 Revised Budget as of June | '16 Budget |
|------------------------------------|---------------------|---------------------|-------------------------------|---------------------|
| EXPENSE BY Division/Program | | | | |
| Internal Service Fund | | | | |
| RISK & INSURANCE | | | | |
| ADMINISTRATION | 4,843 | 91,370 | 91,370 | 91,370 |
| RISK MANAGEMENT | 1,745,136 | 2,610,420 | 2,632,420 | 2,776,660 |
| ENVIRONMENTAL | 190,689 | 256,410 | 278,650 | 261,720 |
| SAFETY | 102,895 | 111,750 | 111,750 | 108,460 |
| Total Internal Service Fund | \$ 2,043,563 | \$ 3,069,950 | \$ 3,114,190 | \$ 3,238,210 |
| REVENUE | | | | |
| CHARGES FOR SERVICE | 2,222,730 | 2,495,120 | 2,495,120 | 2,495,120 |
| INTEREST | 91,820 | 37,340 | 37,340 | 21,565 |
| OTHER | 17,957 | - | - | - |
| Total Revenue | \$ 2,332,507 | \$ 2,532,460 | \$ 2,532,460 | \$ 2,516,685 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 359,931 | 402,300 | 402,300 | 402,873 |
| SUPPLIES | 4,171 | 8,500 | 8,500 | 10,220 |
| PURCHASED SERVICES | 1,637,916 | 2,613,360 | 2,657,600 | 2,779,060 |
| ADMINISTRATIVE OVERHEAD | 41,545 | 45,790 | 45,790 | 46,057 |
| Total Expense | \$ 2,043,563 | \$ 3,069,950 | \$ 3,114,190 | \$ 3,238,210 |
| FTE | 4.00 | 4.00 | 4.00 | 4.00 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|----------|---|
| 94,560 | Increase in purchased services for Workers Compensation premiums. |
| 40,280 | Increase in purchased services for Insurance, Probability, and Liability insurance. |
| 30,000 | Increase in purchased services for Workers Compensation deductibles. |
| 11,738 | Increase in personnel services for current vacancy budgeted at the mid-point of the salary range. |
| 1,820 | Increase in supplies for safety supplies. |
| (17,780) | Decrease in personnel services for Insurance Benefits due to historical enrollment. |

7,642 Core Changes

| | |
|-------|-------------------------|
| 6,615 | Personnel Services |
| (100) | Supplies |
| 860 | Purchased Services |
| 267 | Administrative Overhead |

\$ 168,260 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.