



The Human Resources Department provides a wide range of services to the organization and its employees in the areas of personnel services, labor relations, benefits administration, workers' compensation, tort liability, and property/casualty insurance. The department strives to support the missions of the varied City departments and to serve the needs of the City's diverse workforce. Fullerton has approximately 800 full-time equivalent positions in a variety of fields, many of which have unique personnel needs. The majority of City employees are represented by one of seven bargaining units recognized under state law. The City's personnel system is merit based and is conducted in accordance with federal, state, and local laws which govern the relationship between the City and its employees.

The Human Resources Department operates four programs, serving both internal and external customers:

- Personnel Services, responsible for recruitment, classification, pay, and labor relations.
- Liability, responsible for the self-insured liability claims program and the property/casualty insurance program.
- Group Insurance, responsible for employee benefit programs.
- Workers' Compensation, responsible for the self-insured workers' compensation program.

Goals

The mission of the Human Resources Department is to operate effective and efficient personnel and risk management systems consistent with current law and professional practices, administered in a fair and equitable manner, and to provide superior customer service to employees, departments, potential employees, and members of the community.

DEPARTMENT: Human Resources

DEPARTMENT SUMMARY							
	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed		
Regular Employees Nonregular Hours	9.7 435	9.2	8.7 300	8.7 500	8.7 500		
Salaries & Benefits Maintenance & Support Capital Outlay	\$957,417 26,711,045	\$985,770 14,055,960	\$920,856 13,756,090	\$948,130 14,745,665	\$967,810 15,967,629		
Subtotal Less Allocations Total Operating Budget	27,668,462 (13,138,190) \$14,530,272	15,041,730 (13,848,590) \$1,193,140	14,676,946 (14,326,996) \$349,950	15,693,795 (15,281,955) \$411,840	16,935,439 (16,515,268 \$420,171		
	DEPART	MENT FUND AN	ALYSIS				
Fund No. and Title				2011-12 Proposed	2012-13 Proposed		
10 - General				\$378,209	\$385,480		
44 - Water47 - Sewer Enterprise62 - Liability Insurance65 - Workers' Compensation66 - Group Insurance				46,381 2,135,252 3,757,204 9,376,749	47,441 2,155,462 3,762,199 10,584,857		
Subtotal				15,693,795	16,935,439		
Less Allocations: 10 - General 62 - Liability Insurance 65 - Workers' Compensation 66 - Group Insurance				(12,750) (2,135,252) (3,757,204) (9,376,749)	(12,750 (2,155,462 (3,762,199 (10,584,857		
Total City				411,840	420,17		
Total				\$411,840	\$420,17°		

DEPARTMENT: Human Resources

DEPARTMENT PERSONNEL SUMMARY								
	2009-10	2010-11	2011-12	2012-13				
Position Classification	<u>Authorized</u>	<u>Authorized</u>	Proposed	<u>Proposed</u>				
	Regular	Employees - Full-	Time Equivalent P	ositions				
Director of Human Resources	1.0	1.0	1.0	1.0				
Risk Manager	1.0	1.0	1.0	1.0				
Personnel Services Manager	1.0	1.0	1.0	1.0				
Risk Management Analyst	1.0	1.0	1.0	1.0				
Personnel Analyst	1.0	1.0	1.0	1.0				
Employee Benefits Specialist	1.0	1.0	1.0	1.0				
Risk Management								
Specialist	0.7	0.7	0.7	0.7				
Personnel Technician Administrative Assistant/Human	1.0	1.0	1.0	1.0				
Resources	1.0	0.5						
Clerical Assistant III	1.8	1.0	1.0	1.0				
Total Regular Employees	10.5	9.2	8.7	8.7				
	-	Nonregular Em	ployees - Hours					
Total Nonregular Hours	0	0	500	500				

DEPARTMENT: Human Resources PROGRAM: 2171 Personnel Services

PROGRAM DESCRIPTION/GOALS

This program has two major components. Personnel Services performs the functions of recruitment, testing, selection, classification, pay and retirement administration, training, and policy development. Employee Relations provides services in the areas of collective bargaining, the Employee Recognition Program, and consultation on personnel issues.

Goals

Operate a recruitment/retention program designed to attract high-quality applicants and meet the needs of current employees.

In accordance with Council direction, establish and maintain compensation packages which fairly compensate employees, are competitive in the marketplace, and are fiscally responsible.

Provide for a fair and responsible system of personnel management to all City employees.

PROGRAM SUMMARY							
	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed		
Regular Employees	4.1	5.1	4.1	3.6	3.6		
Nonregular Hours	344		200	500	500		
Salaries & Benefits	\$445,552	\$441,170	\$412,620	\$435,038	\$444,848		
Maintenance & Support Capital Outlay	238,019	409,250	325,440	406,005	411,836		
Subtotal	683,571	850,420	738,060	841,043	856,684		
Less Allocations	(215,127)	(326,200)	(312,660)	(429,203)	(436,513)		
Total Operating Budget	\$468,444	\$524,220	\$425,400	\$411,840	\$420,171		
*Includes .2 unfunded position.							
	PRO	GRAM REVENU	ES				
	2009-10	2010-11	2010-11	2011-12	2012-13		
Revenue Source	<u>Actual</u>	<u>Budget</u>	Estimated	Proposed	Proposed		
General Fund Contrib.	\$368,143	\$333,280	\$333,280	\$365,459	\$372,730		
Water Fund Contrib.	49,999	44,940	44,940				
Sewer Enterprise Fund Contrib.	49,999	47,180	47,180	46,381	47,441		
Group Insurance Costs	192,177	409,240	328,440	416,453	423,763		
Costs Allocated to	(400 477)	(240,420)	(229.440)	(446.453)	(400.700)		
Various Departments CIP Costs	(192,177) 10,000	(310,420)	(328,440)	(416,453)	(423,763)		
CIP Costs CIP Allocated Various Depts.	(10,000)						
Redev. Fund Contrib.	(10,000)						
Total	\$468,444	\$524,220	\$425,400	\$411,840	\$420,171		

DEPARTMENT: Human Resources PROGRAM: 2171 Personnel Services

PROGRAM OBJECTIVES

Create a social media policy by September 2011 to address the rapid growth of this technology and its use by the public and employees.

Implement the Department of Homeland Security E-Verify program by July 2011.

Establish an eligibility list within one month of application deadline for 80 percent of all recruitments.

Notify 90 percent of applicants of their examination results within ten days of examination administration.

Create, review, revise, and update class specifications as needed to ensure that operational needs are met.

Resolve employee grievances at the lowest possible level.

Using a consultant, negotiate agreements with bargaining units in accordance with Council direction.

Ensure that at least 80 percent of objectives are attained.

Present informational meetings on topics of interest to employees at least twice a year.

Achieve at least an 80 percent customer satisfaction rate and respond to all suggestions for improvement within five business days of receipt.

PROGRAM PERFORMANCE MEASURES							
Performance/ Workload Measures	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed		
Eligibility lists established							
(within 1 month - single phase)	92%	80%	80%	80%	80%		
Eligibility lists established							
(within 2 months - multiphase)	67%	80%	80%	80%	80%		
Applicant notifications							
(within 10 days)	93%	90%	90%	90%	90%		
Applications processed	1,073	500	100	1,000	100		
Recruitments	15	30	25	25	30		
Separations	26	50	75	70	50		
Turnover rate	3.7%	7.0%	11.6%	11.0%	8.0%		
Job descriptions							
Created	0	2	4	2	2		
Revised	0	3	0	1	1		
Updated	0	3	6	1	1		
Special Projects	NA	NA	4	2	2		
Complaints filed with - DFEH,							
EEOC, EDD/ALJ	2	2	2	2	2		

DEPARTMENT: Human Resources PROGRAM: 2178 Employee Group Insurance

PROGRAM DESCRIPTION/GOALS

The Employee Group Insurance Program is responsible for administration of various employee benefit plans, including medical, dental, vision, long-term disability, and life insurance plans; the employee assistance program; and the CalPERS retirement plan.

Goals

Administer medical, dental, and vision insurance plans and the employee assistance program for employees, retirees, and their dependents, which emphasize good health practices and responsible utilization, and provide quality, cost-effective coverage.

Maintain ancillary benefit plans that provide valuable coverage in the event of serious health problems.

Provide competent and reliable assistance with insurance and retirement issues to employees and retirees.

PROGRAM SUMMARY						
	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 <u>Estimated</u>	2011-12 <u>Proposed</u>	2012-13 Proposed	
Regular Employees Nonregular Hours	2.0 27	2.0	1.7 100	1.7	1.7	
Salaries & Benefits Maintenance & Support Capital Outlay Subtotal	\$146,571 7,132,521 	\$157,400 8,168,700 8,326,100	\$157,400 7,732,330 7,889,730	\$147,176 8,813,120 8,960,296	\$148,706 10,012,388 	
Less Allocations Total Operating Budget	(7,382,193) (\$103,101)	(7,657,180) \$668,920	(7,993,730) (\$104,000)	(8,960,296)	(10,161,094)	
	PRO	OGRAM REVENU	JES			
Revenue Source	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed	
Group Insurance Costs Costs Allocated to	\$7,279,092	\$8,326,100	\$7,889,730	\$8,960,296	\$10,161,094	
Various Departments	(7,382,193)	(7,657,180)	(7,993,730)	(8,960,296)	(10,161,094)	
Total	(\$103,101)	\$668,920	(\$104,000)	\$0	\$0	

DEPARTMENT: Human Resources PROGRAM: 2178 Employee Group Insurance

PROGRAM OBJECTIVES

Complete the GASB 45 Other Post Employment Benefits study by December 2011.

Conduct an Employee Health and Benefit Fair in fall 2012.

Implement health plan changes required by the Federal Affordable Care Act by specified compliance dates.

As needed, conduct annual presentations to the various departments on the employee benefit programs.

PROGRAM PERFORMANCE MEASURES								
Performance/ Workload Measures	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed			
MEDICAL INSURANCE Average annual cost per:								
Active employee	\$10,020	\$9,510	\$11,410	\$12,720	\$14,420			
Retiree under 65	\$6,410	\$5,380	\$6,380	\$7,070	\$7,940			
Premium expenditure distribution: PPO HMO	27.9% 72.1%	30.0% 70.0%	24.4% 75.6%	23.2% 73.8%	22.5% 77.5%			
Opt-out savings	\$653,300	\$540,000	\$700,000	\$700,000	\$700,000			
Health and Benefit Fair participants	N/A	250	235	N/A	250			
Retirements processed	21	20	30	30	25			

DEPARTMENT: Human Resources PROGRAM: 2177 Risk Management - Liability

PROGRAM DESCRIPTION/GOALS

This program operates as an "insurance company" for the City. Funding for the three subprograms (Administration, Public Liability, and Property Insurance) is provided by allocations or "premiums" to departments based upon their loss histories, exposure to loss, and insurance needs. Staff is responsible for self-administration of the liability claims program, including claims that fall within the self-insured retention level; directing and monitoring the activities of legal counsel; insurance review and consulting services for departments; and purchasing commercial insurance, including excess liability, airport liability, and property and auto insurance.

Goals

Operate the self-funded, self-administered liability claims program in compliance with applicable laws and in a fiscally responsible manner to control claim settlement, investigation, and legal costs while providing reasonable and prompt resolution of claims and litigated matters. Provide prompt and reliable contract and insurance review service to departments to ensure appropriate insurance requirements are established and met, thereby controlling risk exposure. Conduct ongoing evaluation of risk financing needs and secure appropriate insurance coverage at the lowest possible cost.

PROGRAM SUMMARY							
	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed		
Regular Employees Nonregular Hours	1.6 59	2.1	2.1	2	2.0		
Salaries & Benefits Maintenance & Support Capital Outlay Subtotal Less Allocations	\$202,590 6,722,591 6,925,181 (2,030,550)	\$214,670 1,876,030 2,090,700 (2,090,700)	\$149,756 3,341,720 3,491,476 (2,090,700)	\$205,702 1,929,550 2,135,252 (2,135,252)	\$210,392 1,945,070 2,155,462 (2,155,462)		
Total Operating Budget	\$4,894,631	\$0	\$1,400,776	<u>\$0</u>	<u>\$0</u>		
	PRO	GRAM REVENU	ES				
Revenue Source	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed		
Risk Management Premiums Costs Allocated to	\$2,030,550	\$2,090,700	\$2,090,700	\$2,135,252	\$2,155,462		
Various Departments Interest Income Contrib. (to) from Liability	(2,030,550) 40,631	(2,090,700) 58,300	(2,090,700) 15,633	(2,135,252) 43,200	(2,155,462) 47,500		
Insurance Fund	4,854,000	(58,300)	1,385,143	(43,200)	(47,500)		
Total	\$4,894,631	\$0	\$1,400,776	<u>\$0</u>	\$0		

DEPARTMENT: Human Resources PROGRAM: 2177 Risk Management - Liability

PROGRAM OBJECTIVES

Ensure program compliance with Medicare, Medicaid, and SCHIP Extension Act (MMSEA).

Resolve liability claims in a fair, timely, and cost-effective manner.

Complete annual actuarial study of the Liability Program to ensure cash reserves are adequate to meet outstanding and expected liabilities.

Monitor commercial insurance availability and cost to ensure that appropriate coverages are secured at the best cost to the City.

Respond to requests for insurance review within three working days, 80 percent of the time, except for requests related to purchase orders.

PROGRAM PERFORMANCE MEASURES							
Performance/ Workload Measures	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 <u>Proposed</u>		
MMSEA	N/A	N/A	N/A	4	4		
Claims	106	140	116	130	130		
Claims expenditures							
(settlement and legal costs)	\$1,523,566	\$1,349,165	\$1,486,660	\$1,659,900	\$1,446,570		
Incurred claims (expenditures and							
reserves on new claims)	\$1,086,800	\$1,242,010	\$1,083,000	\$1,132,000	\$1,184,000		
Claims closed without							
payment	57	50	49	50	50		
Claims closed with total incurred in \$1 - \$20,000							
range	46	60	51	55	55		
Claims closed with total incurred greater than							
\$20,000	4	6	7	7	7		
Insurance review requests	969	550	872	900	900		
Self-insured retention/							
excess liability limit	\$2M/\$20M	\$2M/\$20M	\$2M/\$30M	\$2M/\$30M	\$2M/\$30M		

DEPARTMENT: Human Resources PROGRAM: 2179 Risk Management - Workers' Compensation

PROGRAM DESCRIPTION/GOALS

This program operates as an "insurance company" for the City. Funding for this program is provided by allocations or "premiums" to departments based upon total incurred for the last five years. The City is self-insured for most losses but purchases excess insurance for catastrophic losses.

Staff directs and monitors the activities of outside legal counsel and a third-party claims administrator. This program also provides safety and loss control services to the organization.

Goals

Operate the Workers' Compensation Program in compliance with state law and in a fiscally responsible manner. Ensure the claims of injured employees are handled in a fair and timely manner to facilitate their return to work where indicated.

Operate the safety program in compliance with Occupational Safety and Health Agency (OSHA) regulations to reduce risk of injury to employees.

	PRO	OGRAM SUMMA	RY		
	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 Proposed
Regular Employees Nonregular Hours	1.5 5	1.5	1.5	1.5	1.5
Salaries & Benefits	\$162,705	\$172,530	\$172,530	\$160,214	\$163,864
Maintenance & Support Capital Outlay	12,617,914	3,601,980	3,601,980	3,596,990	3,598,335
Subtotal	12,780,619	3,774,510	3,774,510	3,757,204	3,762,199
Less Allocations	(3,510,320)	(3,774,510)	(3,774,510)	(3,757,204)	(3,762,199
Total Operating Budget	\$9,270,299	\$0	. \$0	\$0	\$0
	PRO	GRAM REVENU	ES		
	2009-10	2010-11	2010-11	2011-12	2012-13
Revenue Source	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	Proposed	Proposed
Workers' Comp. Premiums Costs Allocated to	\$3,510,320	\$3,774,510	\$3,774,510	\$3,757,204	\$3,762,199
Various Departments	(3,510,320)	(3,774,510)	(3,774,510)	(3,757,204)	(3,762,199
Interest Income	206,627	202,300	51,373	171,900	189,100
Reinsurance Recovery Benefits Reimbursement	25,263	15,000	1,192		
4850/TTD Contrib. (to) from	67,299	150,000	21,179	150,000	150,000
Workers' Comp. Fund	8,971,110	(367,300)	(73,744)	(321,900)	(339,100
Total	\$9,270,299	\$0	\$0	\$0	\$0

DEPARTMENT: Human Resources PROGRAM: 2179 Risk Management - Workers' Compensation

PROGRAM OBJECTIVES

Ensure program compliance with Medicare, Medicaid, and SCHIP Extension Act (MMSEA).

Ensure that claims are processed in accordance with statutory requirements.

Minimize the number of claims handled by legal counsel through a proactive and fair claims administrative process.

Complete annual actuarial study of the Risk Management Program to ensure cash reserves are adequate to meet outstanding and expected liabilities.

Complete an audit of the self-administered claims program by June 2013.

Review and negotiate the Workers' Compensation Third Party Administrators contract by March 2012.

	PROGRAM	PERFORMANCE	MEASURES		
Performance/ Workload Measures	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2010-11 Estimated	2011-12 Proposed	2012-13 <u>Proposed</u>
MMSEA	N/A	N/A	52	50	60
Reported claims	136	120	120	120	120
Workers' Compensation Appeals Board filings	16	12	10	12	12
Claims referred to legal counsel	4	8	6	8	8
Loss rates per \$100 of payroll	\$4.69	\$4.93	\$4.93	\$5.29	\$5.69
Self insured retention/ excess insurance	\$1M/\$75M	\$1M/\$75M	\$1M/\$75M	\$1M/\$75M	\$1M/\$75M
Claims expenditures (medical, indemnity, and expenses)	\$1.87 M	\$2.8M	\$2.4M	\$2.3M	\$2.3M
Incurred claims (expenditures and reserves on new claims)	\$1.73M	\$2.8M	\$2.54M	\$2.79M	\$3.07 M

