

# CHAPTER 11 – HUMAN RESOURCES

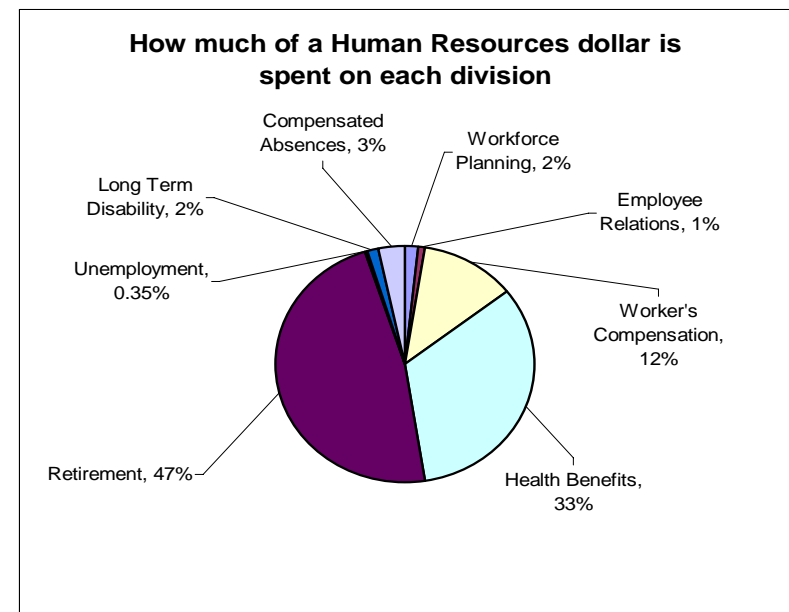
The Human Resources Department is a cohesive, collaborative team of professionals dedicated to creating partnerships by supporting all programs and departments within the City. It is the mission of Human Resources to utilize a stewardship philosophy, strategic vision, and leadership in providing quality and innovative customer-driven human resources services and programs to support organizational goals, and to create a healthy and positive work environment for City employees. Human Resources achieves their mission through internal consulting, problem resolution, and the provision of efficient, cost-effective, and customer-responsive human resources services.

The City of Stockton Human Resources Department provides a full range of services to its employees, including retirement and health services administration, workers compensation and long-term disability, employer-employee relations, recruitment, competitive examination, and training and safety. Health benefits, Worker's Compensation, unemployment, long term disability and Retirement benefits are budgeted separately as Internal Service Funds. City departments and agencies pay into the fund for their share of the costs.

The Department has four major functional areas as follows:

- Workforce Planning – works to attract, employ, and retain a skilled and diverse workforce for the City of Stockton.
- Employee Relations – administers policies, procedures, and labor agreements that support and promote workplace diversity, fairness, and equity for City employees.
- Worker's Compensation/Safety – actively pursues accident prevention and reduction, care for injured employees, improved employee performance and morale through interactive, involved, and positively focused program.
- Health Benefits – provides a comprehensive health benefit package in a cost-effective manner to active employees, retirees, and their eligible dependents, and also assists participants with enrollment, problem resolution, and accurate payments.

As shown to the right, in examining where a Human Resources dollar is spent, we noted that 47 percent is spent on retirement and 33 percent on Health Benefits.



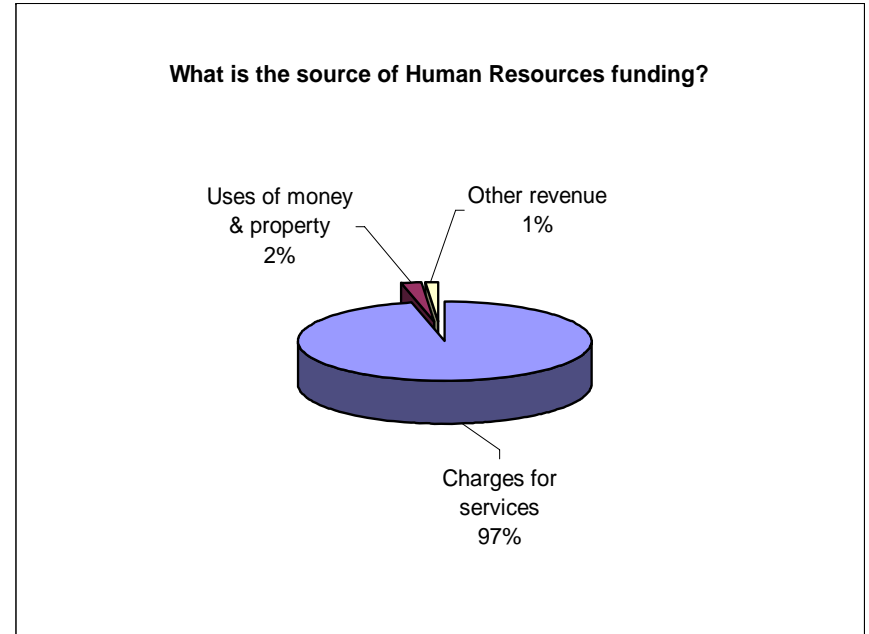
Source: FY 2007 expenditure data  
(Percentages do not total to 100 percent due to rounding.)

## FUNDING AND STAFFING

Human Resources is partially funded through the General Fund and several Internal Service Funds. As with most General Fund departments, a portion of personnel costs are allocated to other funds through the budget process. As a result, budget and actual expenditures reported by departments represent the unallocated operating cost per department. The City's financial system is not set up to easily determine total operating costs by department.

In FY 2007, as shown to the right, Human Resources' source of revenue is comprised of 97 percent from charges for services, two percent uses of money and property, and one percent for other revenue sources. Internal Service Funds' charges for services exceeded expenditures by \$10,903,521 in FY 2007.

Authorized full time staffing for Human Resources increased ten percent from 21 positions in FY 2003 to 23 positions in FY 2007. At the end of FY 2007, actual full time staffing was at 25 positions.



Source: FY 2007 revenue data

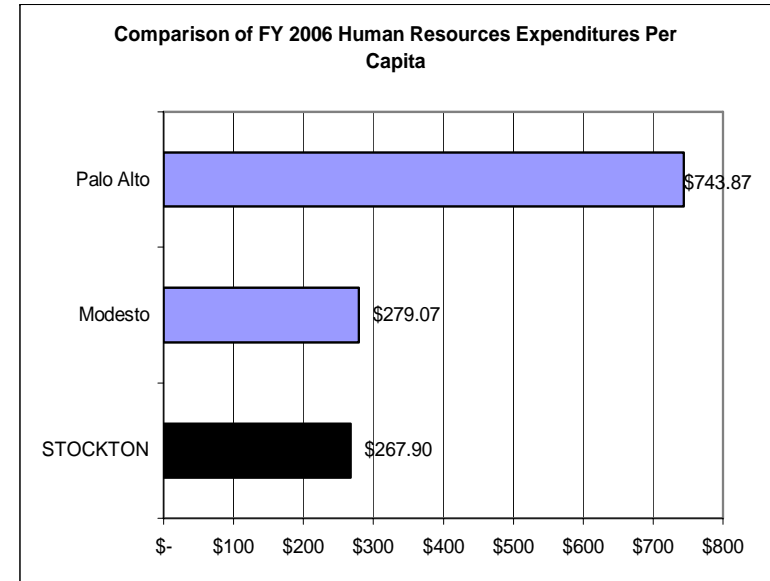
## SPENDING AND STAFFING

Overall, total operating expenditures for Human Resources has increased 12 percent compared to five years ago, while the cost per capita increased by only one percent from \$260.26 in FY 2003 to \$261.85 in FY 2007. Per capita comparisons between cities can be difficult as cities vary in population, number of departments, and offer a different mix of services than Stockton.

As shown to the right, Stockton’s FY 2006 Human Resources’ per capita of \$267.90 is comparable to Modesto, but substantially less than Palo Alto. Per capita comparisons were based solely on cities expenditures and population. We attempted to examine the types of services performed or cost allocation methods used by the respective cities’ Human Resources departments and found two comparable cities.

Expenditures for Retirement Benefits have increased 157 percent compared to five years ago. The increases can be attributed to significant increases in the City’s rate of pension contribution to the California Public Employees’ Retirement System. Between FY 2003 and 2007, the actuarially determined rate for Safety employee contributions increased by 66 percent of annual covered payroll. The rate for Miscellaneous employees increased by 234 percent for the same period.

Worker’s Compensation expenditures have decreased 64 percent compared to five years ago. In April 2004, Governor Schwarzenegger signed SB 899 into law, which overhauled the worker’s compensation system. These system reforms played a significant role in reducing the City’s Worker’s Compensation expenditures from \$25,321,212 in FY 2003 to \$9,010,500 in FY 2007.



Source: FY 2006 Cities’ Comprehensive Annual Financial Reports and Annual Budgets<sup>1</sup>

	Operating Expenditures										Authorized full time staffing <sup>3</sup>
	Workforce Planning	Employee Relations	Worker's <sup>2</sup> Compensation	Health <sup>2</sup> Benefits	Retirement Benefits	Un-employment	Long Term Disability	Compensated Absences	TOTAL	Per Capita	
FY 2003	\$917,807	\$734,161	\$25,321,212	\$22,247,131	\$13,971,712	\$200,481	\$1,165,256	\$3,448,577	\$68,006,337	\$260.26	21
FY 2004	\$843,153	\$867,745	\$9,146,540	\$24,155,874	\$18,882,321	\$194,438	\$1,072,144	\$4,465,115	\$59,627,330	\$221.58	21
FY 2005	\$999,961	\$855,547	\$8,204,493	\$24,869,385	\$30,449,007	\$229,528	\$1,106,942	\$2,221,342	\$68,936,205	\$246.63	22
FY 2006	\$1,001,656	\$711,735	\$9,504,807	\$26,902,889	\$35,435,603	\$194,687	\$1,120,355	\$1,757,676	\$76,629,408	\$267.90	22
FY 2007	\$1,227,386	\$640,513	\$9,010,500	\$25,261,762	\$35,868,467	\$267,178	\$1,166,711	\$2,437,648	\$75,880,165	\$261.85	23
Change over last 5 years	34%	-13%	-64%	14%	157%	33%	0%	-29%	12%	1%	10%

<sup>1</sup> Department expenditures were obtained from cities’ Comprehensive Annual Financial Reports. Where data was unavailable, expenditures were obtained from department’s annual budgets.

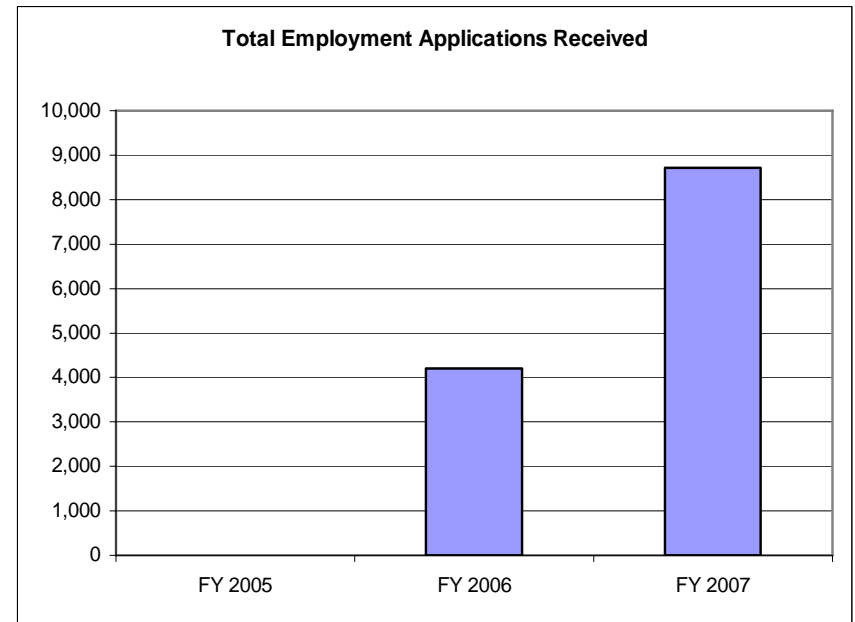
<sup>2</sup> Includes claim payments.

<sup>3</sup> Authorized full time staffing is based on approved annual fiscal year budgets.

## PERFORMANCE MEASURES

Over the past five years:

- Work days lost to work related injury have decreased by 49 percent compared to FY 2004. As previously discussed, the reduction is due to statutory changes signed into law in April 2004.
- The number of new hires and separations has decreased eight percent and 49 percent respectively compared to four years ago.
- The number of employment applications received has increased 107 percent, largely related to the implementation of application processing software that allows applications to be submitted online as shown to the right.
- Since implementation of NEOGOV in FY 2005, the percentage of online applications received has increased to 88 percent.
- The ratio of authorized Human Resources staff to citywide authorized full time positions has decreased nine percent. This ratio will decrease further in FY 2008 as four additional Human Resources positions were filled.
- Average days from requisition to fill a position to start date of the employee have decreased from 128 days to 60 days due to the implementation of process improvements.



Source: Human Resources Department

	Days lost to injury	Citywide training hours <sup>1</sup>	Citywide training participants <sup>1</sup>	Hires	Separations	Employment applications received	Percentage of applications received online	Authorized full time staffing	Citywide authorized full time positions	Ratio of authorized HR staff to citywide authorized full time positions	Average days from requisition to start date <sup>2</sup>
FY 2003								21	1,690	1 to 80	
FY 2004	18,080	252	3,780	91	217			21	1,756	1 to 84	
FY 2005	9,898	238	3,562	104	111			22	1,638	1 to 74	
FY 2006	9,179	267	4,005	97	118	4,207	80%	22	1,673	1 to 76	128
FY 2007	9,176	265	3,975	84	111	8,711	88%	23	1,671	1 to 73	60
Change over last 5 years <sup>3</sup>	-49%	5%	5%	-8%	-49%	107%	10%	10%	-1%	-9%	

<sup>1</sup> Citywide training hours and participants for the Citywide Training Program only. Data does not include IT Department specific training or offsite seminars and conferences.

<sup>2</sup> Average days from requisition to start date - 2006 is calendar year data, 2007 is partial year data after processing changes were implemented.

<sup>3</sup> Where five years of data was not available, the change was based on the first available data.