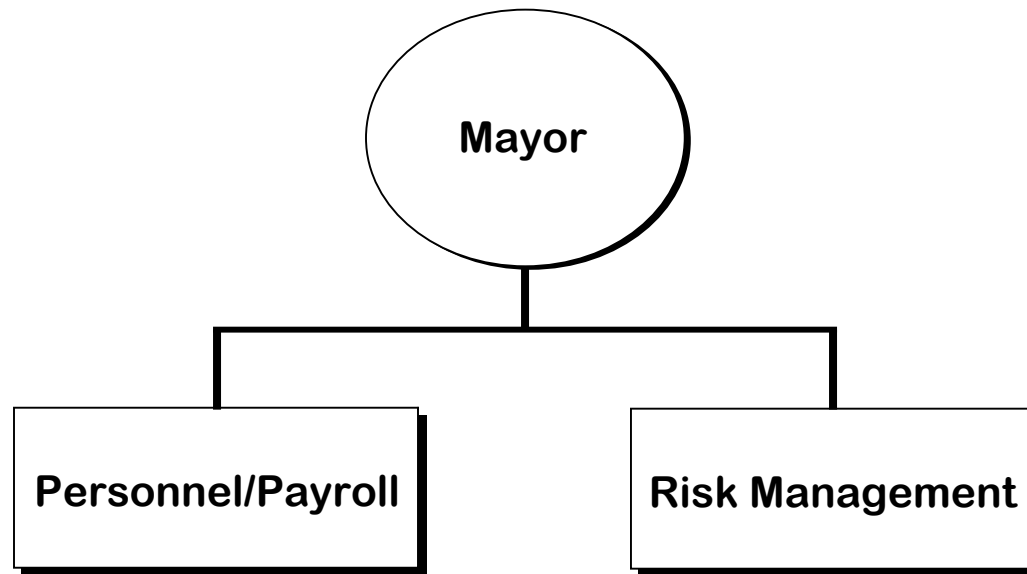


Department of Human Resources



FY 2005-2006 Budget
Fairbanks North Star Borough

PROGRAM BUDGET SUMMARY

DEPARTMENT OF HUMAN RESOURCES – PERSONNEL/PAYROLL DIVISION

MISSION/Program Description

THE MISSION OF THE PERSONNEL/PAYROLL DIVISION IS TO PROVIDE PROFESSIONAL SERVICES TO THE BOROUGH AND TO ENSURE ADEQUATE LEVELS OF HUMAN CAPITAL ARE AVAILABLE WHEN NEEDED. The division delivers human resources support to all Borough Departments, manages all personnel and payroll activities, ensuring full compliance with all federal and state laws.

Major Long-Term Issues and Concerns

Implement and maintain a quality personnel/payroll resource management system and maintain legal employment practices that support strategic Borough goals and fulfill workforce needs. Provide and coordinate meaningful employee training programs. Serve as liaison between management and the various unions. Upgrade and maintain Internet web site and continue development of Intranet and Internet self-service programs.

Objectives for FY 2006

- Provide human resource services for the Borough and its employees. Maintain current personnel and payroll policies and employment and financial practices to ensure compliance with changing federal and state law, including implementing the new FLSA regulations.
- Provide employee training to Borough employees on HR and payroll topics.
- Maintain and continue development of HR TRIAD, and IFAS Payroll system. Enhance employee and manager self-service features and maintain web site.
- Expand required certification tracking and notification system for all Borough positions by utilizing system resources. Develop and implement evaluation tracking and notification system utilizing system resources.
- Expand high school educational programs for recruitment. Provide pilot plan for summer casual hire program.
- Conduct detailed new-hire orientation including casual and summer employees; enroll eligible employees in benefit programs. Conduct exit interviews and maintain checkout procedures.
- Manage grievances and contract interpretation. Respond to Labor Relations Agency's and other Government Agency requests. Respond to ethics complaints.
- Coordinate EEO service function, ensuring that the Borough's Affirmative Action Program provides fair and equitable treatment regarding all aspects of the employment process. Respond to Family Medical Leave (FML) and ADA reasonable accommodation requests and manage both programs.
- Continue support to the Policy Review Committee by reviewing and updating policies and procedures, including maintaining hard copy and electronic versions for easy access.

Significant Budget Changes

The FY 2006 budget reflects a net increase in personnel costs due to cost of living adjustments and normal longevity and for additional temporary support. Increase professional services for expansion of the background investigation program. Increase in recruitment advertising to draw qualified pools of applicants.

Previous Year's Accomplishments

- Coordinated Borough wide Policy Review, serve as team leader and clerical support to the committee.
- Negotiated health care cost containment measures with unions for FY05.
- Expanded HR Web site that includes supervisory resources, job descriptions, policies, and forms.
- Coordinated with School District officials to provide effective EEO service, including training, for Borough.
- Attended several job fairs and provided other outreach services.
- Successful testing and implementation of IFAS HFS 7.3 upgrade to TRIAD and Payroll subsystems.
- Revised Personnel Ordinance for consistency with new FLSA regulations.
- Conducted timekeeper training to include review of contract changes and comp time tracking implementation.
- Continued to monitor exit survey data to be analyzed for employee turnover.
- Expanded "pay stubs online" employee self services to include W-2's online. Implemented manager online.
- Continued updates to computerized family and medical leave tracking and notification system.
- Continued staff cross training to integrate HR functions.
- Expanded Position Control (PCN) system resources to accommodate tracking of employee supervisors and actual FTE to budget control.
- Completed initial setup and testing of ICMA deduction within IFAS for implementation on January 1, 2005.

**Dept: Human Resources
Div: Personnel/Payroll
Measures & Statistical Accomplishments**

The FNSB intends to measure the success of this section by the use of the following measures, over time.

<u>Measures</u>	<u>2001/02 Actual</u>	<u>2002/03 Actual</u>	<u>2003/04 Actual</u>	<u>2004/05 Actual</u>	<u>2005/06 Budget</u>
Measure 1. Rate of turnover for regular employees	12.10%	17.00%	12.70%	12.85%	15.00%
Measure 2. Number of posted vacancies not filled, requiring reposting (FT/PT external only)	n/a	n/a	13	28	15
Measure 3. Percentage of payroll checks reissued due to processing errors.	n/a	n/a	0.0003%	0.0009%	0.0000%
Measure 4. Percentage of disciplinary actions leading to grievance and/or arbitration	0%	16%	0%	20%	15%
Measure 5. Percentage of grievances successfully defended by the Borough in arbitration	n/a	100%	n/a	100%	100%

Additional Statistical Accomplishments

PERSONNEL

Number of applications screened	1,389	1,400	1,772	2,051	2,000
Number of applicants interviewed	436	450	341	506	500
Percentage of applicants given an interview	31.4%	32.1%	19.2%	24.7%	25.0%
Number of internal job postings	23	30	34	23	30
Number of total external job postings	107	115	156	123	125
Number of full-time external job postings	53	60	68	62	65
Number of part time postings	8	15	18	8	10
Number of casual postings	63	75	70	100	75
Number of seasonal postings	6	5	2	5	5
Number of grant funded postings	7	11	7	5	5
Total number of terminations	190	200	180	186	190
Number of full and part time hires	58	65	38	70	50
Number of full and part time promos/transfers	18	20	24	32	30
Terminations for full and part time only	47	50	46	48	50
Number of New Hire Orientations Conducted	n/a	n/a	32	76	80
Turn over percentage	12.21%	12.50%	12.74%	12.85%	15.00%
Number of hits on our Intranet site	606	800	2,845	12,875	15,000

PAYROLL

Number of elections held	7	5	5	5	5
Number of election workers checks processed	409	450	209	410	400
Number of Assembly checks processed	40	40	40	59	32
Number of Assembly EFTs processed	92	96	92	69	76
Number of checks processed	4,067	3,900	2,627	2,340	2,100
Number of EFTs processed	7,668	7,700	8,328	8,726	9,200
Number of hand pays checks processed	261	268	186	169	170
Percentage of employees on direct deposit	n/a	75%	79%	79%	85%
Percentage of employee's with multiple direct deposits	n/a	22%	20%	19%	25%
Number of W-2's processed	802	868	795	883	900
Number of payroll runs per year	157	163	145	127	130
Percentage of hand pay runs per year	76%	77%	74%	52%	50%
Number of participants in United Way	83	85	61	68	75
Number of employees utilizing Deferred Comp	163	150	135	123	123
Number of employees utilizing Supplemental Life (*)	67	67	59	58	63
Annual dollar election by employees for Med Flex & Dep Care	\$127,746	\$132,681	\$157,283	\$157,593	\$160,000

NOTE: All figures are based on calendar year

(*) Spouses were deducted from previously reported figured

Dept: Human Resources
Div: Personnel/Payroll

	2002/03 Actual	2003/04 Actual	2004/05 Approved	2004/05 Revised	2005/06 Recommended	2005/06 Approved
PERSONNEL SERVICES						
Permanent Salaries	301,146	309,092	322,350	322,350	333,570	333,570
Overtime Wages	88	801	4,110	4,110	4,240	4,240
Temporary Salaries	3,580	6,616	6,160	6,160	9,160	9,160
Benefits	135,025	132,171	168,390	168,390	191,050	191,050
Subtotal:	439,839	448,680	501,010	501,010	538,020	538,020
COMMODITIES						
Office Supplies	5,427	4,136	6,500	6,500	6,500	6,500
Computer Supplies	818	69	1,000	1,000	1,000	1,000
Operating Supplies	-	-	-	-	-	-
Books and Periodicals	5,815	7,009	5,500	5,500	5,500	5,500
Repair and Maint. Supplies	3,556	-	-	-	-	-
Clothing Supplies	-	-	-	-	-	-
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	15,616	11,214	13,000	13,000	13,000	13,000
CONTRACTUAL SERVICES						
Professional Services	19,692	19,074	40,500	40,500	40,500	40,500
Communications	-	-	2,500	2,500	2,500	2,500
Travel	14	12	100	100	100	100
Professional Dues/Meetings	979	1,031	1,500	1,500	1,500	1,500
Training	17,280	20,126	25,400	25,400	25,400	25,400
Advertising, Printing & Binding	13,990	14,147	18,000	18,000	20,000	20,000
Insurance and Bonding	-	-	-	-	-	-
Repairs & Maint. -Bldg. & Grounds	-	-	-	-	-	-
Repairs & Maint. -Office Equipment	-	98	-	-	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	793	2,973	3,500	3,500	4,000	4,000
Subtotal:	52,748	57,461	91,500	91,500	94,000	94,000
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	-	-	-	-	-
Buildings & Structures	-	-	-	-	-	-
Office Furniture	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-
GRAND TOTAL:	508,203	517,355	605,510	605,510	645,020	645,020
FUNDING SOURCE:						
General Fund Revenues						

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PROGRAM BUDGET SUMMARY

DEPARTMENT OF HUMAN RESOURCES – RISK MANAGEMENT DIVISION

MISSION/Program Description

THE MISSION OF THE RISK MANAGEMENT DIVISION IS TO PROTECT FROM AND MITIGATE THE EFFECTS OF UNPREDICTABLE CASUALTY LOSSES ON THE PERSONNEL, PHYSICAL AND FINANCIAL ASSETS OF THE BOROUGH AND SCHOOL DISTRICT AND TO COORDINATE, PROMOTE AND MONITOR EMPLOYEE BENEFIT PLANS. The Division manages the Borough and School District's self-insured programs for employee health, property, general and auto liability and workers' compensation; obtains insurance coverage for the Borough, School District, Fire, Emergency Medical and Road Service Districts; maintains databases for employee health benefits, self-insured claims, student injuries, facility incidents and for contractor insurance certificates; and administers Borough employee benefit programs (deferred compensation, flexible spending accounts, employee assistance program, employment-related medical exams, etc.).

Major Long-Term Issues and Concerns

The Borough is an active consumer in the commercial excess insurance market. This requires particular attention to market conditions and the regulatory environment. It will require longer term planning and periodic adjustments in budget and self-insurance levels and staff ability to adjust claims. The price of insurance has stabilized with Workers' Compensation coverage as the exception. Employee benefits are a focus of federal regulation and legislation. Monitoring and complying with the changes will require on-going effort.

Objectives for FY 2006

- In coordination with the Accounting Division, evaluate the need for and benefits of establishing a fund which provides a mechanism for tracking costs by line of coverage and allows unexpended insurance appropriations to be retained from year-to-year to offset future increases.
- Promote employee wellness to reduce health plan costs by providing staff support and guidance to the "Partners in Wellness" committee.
- Continue to work with the Borough Labor Management Health Care Committee and the School District Joint Committee on Health Benefits to control employee health claim costs.
- Refine and document procedures for the in-house claims adjusting function to control claim costs.
- Identify and implement health care purchasing agreements to offset higher medical costs for self-insured health and workers' compensation claims.

Significant Budget Changes

The FY 2006 budget reflects an increase in personnel costs due to normal cost of living and longevity factors. Costs within the Insurance and Bonding line have been aligned with actual costs after purchasing coverage via the open market rather than using the AML/JIA Insurance Pool, a change made in FY2004-2005. Increase in property casualty claims, based upon recent experience. Increase in staff development training.

Previous Year's Accomplishments

- Continued to develop and improve all in-house claims adjusting functions.
- Improved utilization of return to work program to lower workers' comp costs for school district.
- Implemented ICMA as a deferred compensation option for employees.
- Continued staff cross training with personnel and payroll to integrate human resource functions.
- Provided each benefit eligible Borough employee with a monthly health and safety newsletter.
- Provided supervisor training to comply with revised substance abuse testing policy.
- Provided risk consulting to School District Integrated Safety Management team.
- Marketed excess insurance directly to carriers.
- Implemented negotiated health plan changes including two preferred provider discount agreements.
- Implemented HIPAA electronic document security measures.
- Introduced "Partners in Wellness" program in concert with labor groups and employee committee.

**Dept: Human Resources
Div: Risk Management
Measures & Statistical Accomplishments**

The FNSB intends to measure the success of this section by the use of the following measures, over time.

<u>Measures</u>	<u>2001/02</u> <u>Actual</u>	<u>2002/03</u> <u>Actual</u>	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Budget</u>	<u>2005/06</u> <u>Budget</u>
Measure 1. Workers' Compensation as a percentage of payroll, compared to benchmark of 2%	2.11%	1.33%	1.19%	1.00%	1.00%
Measure 2. Number of Workers' Compensation medical only claims closed within six months	NA	NA	72%	80%	80%
Measure 3a. Cost of Borough Health Plan compared to trended national average of 10-13% per year over four years	NA	11.5%	11.5%	9.0%	10.0%
Measure 3b. Cost of School District Health Plan compared to trended national average of 10-13% per year over four years	NA	12.3%	11.5%	9.0%	10.0%
Measure 4. Ratio of plan administrative charges to claims paid for the Health Plan	5%	4%	5%	5%	5%
Measure 5. Cost of Risk compared to overall budget	1.36%	1.43%	1.00%	1.40%	1.20%

Additional Statistical Accomplishments

Number of insurance policies purchased	17	19	21	24	26
Number of insurance certificates reviewed	299	303	350	400	400
Number of Contracts reviewed for insurance purposes	187	222	290	300	300
Number of employee first aid injuries	202	220	212	220	220
Number of workers' compensation injuries/claims	143	150	147	130	130
Number of employees eligible for health plans	2,163	2,180	2,123	2,112	2,120
Number of student injuries	873	1,004	1,057	1,050	1,050
Number of General and Auto Liability claims	31	30	31	45	40
Number of property damage claims	61	42	65	76	70
Amount collected from third parties for property damage	\$49,573	\$5,883	\$20,540	\$20,000	\$20,000
Number of facility injury reports	288	346	325	300	300
Number of Flexible Spending Account Participants	78	81	91	81	100

**Dept: Human Resources
Div: Risk Management**

	2002/03 Actual	2003/04 Actual	2004/05 Approved	2004/05 Revised	2005/06 Recommended	2005/06 Approved
PERSONNEL SERVICES						
Permanent Salaries	216,298	242,956	282,300	282,300	293,880	293,880
Overtime Wages	721	210	2,080	2,080	2,150	2,150
Temporary Salaries	232	-	-	-	-	-
Benefits	80,314	99,418	146,170	146,170	166,660	166,660
Subtotal:	297,565	342,584	430,550	430,550	462,690	462,690
COMMODITIES						
Office Supplies	1,959	2,588	3,500	3,500	3,500	3,500
Computer Supplies	37	340	500	500	500	500
Operating Supplies	1,685	1,733	1,500	1,500	1,650	1,650
Books and Periodicals	3,249	3,869	3,000	3,000	3,600	3,600
Repair and Maint. Supplies	-	-	100	100	100	100
Clothing Supplies	-	-	100	100	100	100
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	6,930	8,530	8,700	8,700	9,450	9,450
CONTRACTUAL SERVICES						
Professional Services	108,832	90,541	16,520	16,520	20,620	20,620
Communications	120	568	200	200	200	200
Travel	294	-	1,250	1,250	2,400	2,400
Professional Dues/Meetings	555	555	610	610	610	610
Training	4,074	2,832	4,700	4,700	8,450	8,450
Advertising, Printing & Binding	972	1,215	950	950	950	950
Insurance and Bonding	902,216	1,257,565	1,357,430	1,352,780	1,349,280	1,349,280
Repairs & Maint. -Bldg. & Grounds	-	60	-	-	-	-
Repairs & Maint. -Office Equipment	-	-	-	-	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	20,368	35,770	22,800	27,450	31,200	31,200
Subtotal:	1,037,431	1,389,106	1,404,460	1,404,460	1,413,710	1,413,710
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	2,499	-	-	1,500	1,500
Buildings & Structures	-	-	-	-	-	-
Office Furniture	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	-	2,499	-	-	1,500	1,500
GRAND TOTAL:	1,341,926	1,742,719	1,843,710	1,843,710	1,887,350	1,887,350

FUNDING SOURCE:
General Fund Revenues

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**Dept: Human Resources
Departmental Summary**

	2002/03 Actual	2003/04 Actual	2004/05 Approved	2004/05 Revised	2005/06 Recommended	2005/06 Approved
PERSONNEL SERVICES						
Permanent Salaries	517,444	552,048	604,650	604,650	627,450	627,450
Overtime Wages	809	1,011	6,190	6,190	6,390	6,390
Temporary Salaries	3,812	6,616	6,160	6,160	9,160	9,160
Benefits	215,339	231,589	314,560	314,560	357,710	357,710
Subtotal:	737,404	791,264	931,560	931,560	1,000,710	1,000,710
COMMODITIES						
Office Supplies	7,386	6,724	10,000	10,000	10,000	10,000
Computer Supplies	855	409	1,500	1,500	1,500	1,500
Operating Supplies	1,685	1,733	1,500	1,500	1,650	1,650
Books and Periodicals	9,064	10,878	8,500	8,500	9,100	9,100
Repair and Maint. Supplies	3,556	-	100	100	100	100
Clothing Supplies	-	-	100	100	100	100
Motor Fuels and Lubricants	-	-	-	-	-	-
Equipment Parts	-	-	-	-	-	-
Subtotal:	22,546	19,744	21,700	21,700	22,450	22,450
CONTRACTUAL SERVICES						
Professional Services	128,524	109,615	57,020	57,020	61,120	61,120
Communications	120	568	2,700	2,700	2,700	2,700
Travel	308	12	1,350	1,350	2,500	2,500
Professional Dues/Meetings	1,534	1,586	2,110	2,110	2,110	2,110
Training	21,354	22,958	30,100	30,100	33,850	33,850
Advertising, Printing & Binding	14,962	15,362	18,950	18,950	20,950	20,950
Insurance and Bonding	902,216	1,257,565	1,357,430	1,352,780	1,349,280	1,349,280
Repairs & Maint. -Bldg. & Grounds	-	60	-	-	-	-
Repairs & Maint. -Office Equipment	-	98	-	-	-	-
Repairs & Maint. -Other Equipment	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Equipment Leases	-	-	-	-	-	-
Other Contractual Services	21,161	38,743	26,300	30,950	35,200	35,200
Subtotal:	1,090,179	1,446,567	1,495,960	1,495,960	1,507,710	1,507,710
Grants Match, Indirect, Awaiting Budget	-	-	-	-	-	-
CAPITAL OUTLAY						
Controlled Assets	-	2,499	-	-	1,500	1,500
Buildings & Structures	-	-	-	-	-	-
Office Furniture	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-
Rolling Equipment	-	-	-	-	-	-
Machinery & Equipment	-	-	-	-	-	-
Land & Land Improvements	-	-	-	-	-	-
Library Materials	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Other Capital Items	-	-	-	-	-	-
Subtotal:	-	2,499	-	-	1,500	1,500
GRAND TOTAL:	1,850,129	2,260,074	2,449,220	2,449,220	2,532,370	2,532,370
FUNDING SOURCES:						
General Fund Revenues						