

2023 Human Resources Budget - Discussion Document

Introduction

There are well over 100 reasons why the City of Alexandria works so well – its employees¹. The City’s ability to deliver services to citizens is dependent on the capacity of its workforce. The City’s employees are its most valuable resource therefore, it is imperative that the City attract and retain the right skills and knowledge to ensure quality service delivery. Human Resources supports this through the implementation of policies, programs and services designed to support sound people practices and promote a positive culture within the City. To that end and in support of the City’s mission: ***To make Alexandria the place you choose***, the Human Resources Department exists to support the total organization in meeting its goals through its most valuable asset – its PEOPLE.

- HR Why Statement: People Come First.
- HR How Statement: Attract, develop and retain the best people by providing them the opportunity and the environment to do their best every day.

Human Resources works with and for all departments to add value to citywide operations through these general initiatives:

- ✓ Attracting, selecting and retaining quality people
- ✓ Promoting effective management, communication and personnel practices
- ✓ Fostering a healthy, safe and positive work environment
- ✓ Emphasizing a S.E.R.V.I.C.E. model of performance
- ✓ Encouraging a strengths-based and continuous learning environment

PBB Inventory & Costing Estimate (Past Year)

Program	hrs/yr	%
Recruitment & Separation	400	20%
Classification & Compensation	150	8%
Performance Management	250	13%
Safety, LC & Risk Management	150	8%
Labor & Employee Relations	100	5%
Policy Program & Compliance	200	10%
*Benefit/Payroll Administration	400	20%
Organizational & Staff Development	350	18%
Total	2,000	100%

Based on 0.90 FTE

¹ As June 2022 the City has 78 full time and 68 part time (permanent & seasonal) employees



The following includes some of the activities within each program element noted in the PBB estimate table above:

Recruitment & Separation: Advertising, screening, testing, background investigations and related correspondence for new hires as well as the process for termination of employment

Classification & Compensation: Develops and revises position descriptions, evaluates classification and compensation issues, coordinates updates, studies and changes

Performance Management: Oversees city-wide performance evaluation system, grievance and discipline process and advises management staff

Safety, Loss Control & Risk Management: Administers workers compensation, reviews trends and programming; Administers the City's drug and alcohol testing programs; Coordinates the City employee safety programming and assists in ensuring compliance with relevant laws, rules and regulations

Labor & Employee Relations: Serves as internal contact for supervisors, provides advice and coaching to employees and department heads and other staff members by providing technical assistance and advice in personnel and labor relations matters and consistent interpretation and application of policies; Acts as a mediator for internal conflicts between employees or between employees and supervisors; Assists the City Administrator in labor negotiations/agreements and interpreting and administering the contracts, conducts research, identifies concerns and develops proposals and responses

Policy Program & Compliance: Reviews and analyzes state and federal laws, rules and regulations related to employment and labor relations to determine actions necessary for compliance and to reduce liability; Oversees the development, updating and enforcement of personnel policies and ensures any changes are disseminated to all affected employees and provides training on policies as needed

***Benefit/Payroll Administration:** Administers the City's employee benefit program, works with outside insurance agents plan administrators to ensure contractual requirements are met and employee concerns are resolved; Coordinates and directs employee wellness programs; Oversees employee leaves of absences (FMLA, Parenting Leave, Military Leave, etc.) and advises employees on eligibility for continued benefits during the leaves and administers COBRA. Administers salary/rate changes, quarterly performance pay, income verifications and works with departments and PR to resolve compensation issues. Implement, manage maintain HRMS technology.

Organizational & Staff Development: Develops salary and benefit projections for the upcoming year as part of the budget process and reviews department requests with PC and CC for additional employees; Provides organizational development and succession planning advice and recommendations, assists with change management; Cultivates an engaged workforce, strengths-based and continuous learning environment

GL Number	Description	2019 Budget	2019 Activity	2020 Budget	2020 Activity	2021 Budget	2021 Activity	2022 Proposed
41800-50101	FULL-TIME EMPLOYEES REGULAR	53,400	55,944	87,370	88,297	91,347	91,100	96,066
41800-50121	PERA	4,100	4,196	6,553	6,622	6,851	6,832	7,205
41800-50122	FICA	4,200	3,617	6,684	5,796	6,988	5,977	7,349
41800-50131	EMPLOYER PAID HEALTH	10,026	9,990	14,232	13,994	14,542	14,521	13,687
41800-50133	EMPLOYER PAID LIFE	27	40	60	60	60	60	60
41800-50211	GENERAL SUPPLIES	300	227	300	206	300	67	300
41800-50312	CONTRACTED SERVICES							20,000
41800-50331	TRAINING/TRAVEL EXPENSE	4,225	4,252	4,225		4,225	55	4,225
41800-50335	CITY-WIDE TRAINING & ENGAGEMENT	10,000	8,556	10,000	9,080	10,000	976	10,000
41800-50350	PRINTING & PUBLISHING	350		350		350		350
41800-50433	DUES AND SUBSCRIPTIONS	200	50	200		200	50	200
41800-50434	SAFETY & RISK MANAGEMENT	7,000	7,090	7,500	7,090	7,500	7,090	7,500
	Totals	93,828	93,962	137,474	131,145	142,363	126,728	166,942

2023 Goals & Recommendations

Breaking this down into manageable work priorities for already busy HR functions, staffing and resource shortages, the highlight areas for HR functions to prioritize in 2023+ seek to answer questions related to Who We Are, How We Grow and How We Operate. The goals & initiatives overlap and the initiatives provided all serve to realize the goals and overarching City Mission: *To Make*

Alexandria the Place you Choose from an Employer of Choice perspective. They also serve to drive Employee Engagement.

Goals:

- Improved & Enhanced Employee Engagement
- Transformational (not piecemeal) Workforce & Succession Planning
- Increase Efficiency and Innovation through Technology

Recommended Initiatives: (studies funded from City-wide Plans and Studies or ARPA consideration)

Classification & Compensation Study

A classification and compensation system provides the framework for determining how employees will be paid. Since the most recent 'Market Study' in 2017/8, there have been several changes in position classifications and new positions added. The current Administrative Policy states that the City will conduct new classification and compensation studies approximately every five to seven years to ensure its ability to hire and retain qualified employees and that internal relationships are equitable. The external market comparison is important because it ensures that the compensation plan is adequate to attract new employees and retain existing employees. The post COVID employment market also continues to evolve and adds a new dynamic to our ability to attract and retain employees. The City would continue to utilize the current S.A.F.E. system as its formal job evaluation system (for reviewing position changes or establishing new positions). 2023 ushers in union negotiations following the 21-22 contract agreements. The intent is to commence the study early in 2023 for results to be incorporated into union negotiations (Spring of 2023).

- Estimated at \$30,000

Classification & Compensation Study **PLUS: Organizational Analysis**

While compensation is important, even more so is to get the right people on the bus in the first place, and to keep them there. First Who, Then What—get the right people on the right bus—is a concept developed in Jim Collins book *Good to Great*. Those who build great organizations make sure they have the right people on the bus and the right people in the key seats before they figure out where to drive the bus. They always think first about who and then about what. When facing chaos and uncertainty, and you cannot possibly predict what's coming around the corner, your best "strategy" is to have a busload of people who can adapt to and perform brilliantly no matter what comes next. Great vision without great people is irrelevant.

People are the resource that place the City's Strategic Plan(s) into action, fulfilling the mission of the City. While the City's strategic plan outlines the mission, vision, and high-level goals for three to five years it doesn't address the operational detail (do we have the right people driving the right bus in the right seats and how many do we need). To ensure the City is set up to provide high-quality, efficient

and cost-effective services, it needs to review the services it provides, the functions of city employees necessary to provide the services, its organization(s) and reporting structures, and the amount of staff needed, the workplace environment, and how these items compare to comparable communities and any appropriate changes to make to its organization. An organizational study/analysis can provide the framework to get at the best (& strategic) configuration. The City has not undertaken an 'organizational study' or succession planning from a transformational strategic lens. Adding an organizational analysis to the Class Comp Study provides a 2 birds/one stone scenario. The City could undertake a stand-alone Organizational Study, however, the timing and efficiency of combining both since there is substantial overlap in the process and analysis is recommended.

- *Estimated at \$50,000+ (would include 30K for Class&Comp Study)*

Fully Implement HRMS Technology/Modules

In March, Ultimate Kronos Group (UKG Inc.) acquired Ascentis Corporation. As part of the acquisition, staff, resources and customer service functions have been reorganized and redesigned. Despite a few challenges we continue to implement and scale up our HRMS technology. We've spent considerable time learning, configuring and executing most of the modules but none are 'fully' realized, albeit, close. Ultimately, the focus on technology is providing accountability, efficiency and investment in our PEOPLE, and employee engagement. You'll see the continuing investment of \$20,000 within the HR budget. That subscription fee is based upon a per employee per month calculation which is subject to employee count changes, however, the base fee remains the same (if not lower) than anticipated without maintaining the Benefits/Open Enrollment module which ended up not being a fit for our prerequisites.