



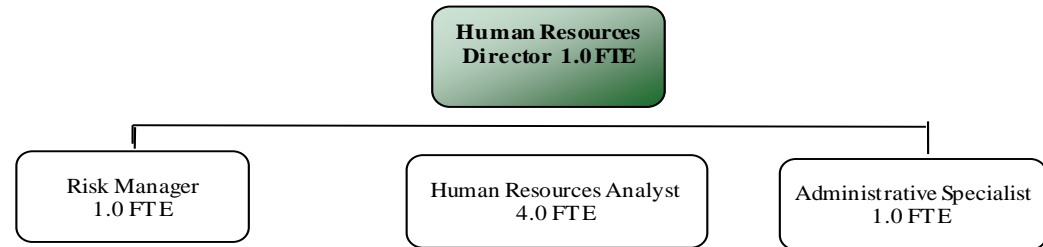
## Budget Presentation May 5, 2020



## Department Services Summary

The City of Springfield's HR Department provides support and is a business partner to leadership and City employees in the areas of:

1. Employee/Labor Relations
2. Classification and Compensation
3. Benefits
4. Talent Acquisition
5. City-Wide Training
6. Risk Management
7. Leave Administration
8. Administration of Volunteers
9. Payroll



	FY18 FTE	FY19 FTE	FY20 FTE	Proposed FTE
100 General Fund	4.90	4.00	4.00	4.00
707 Insurance Fund	4.10	3.00	3.00	3.00
<b>Grand Total</b>	<b>9.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>



## Budget Summary

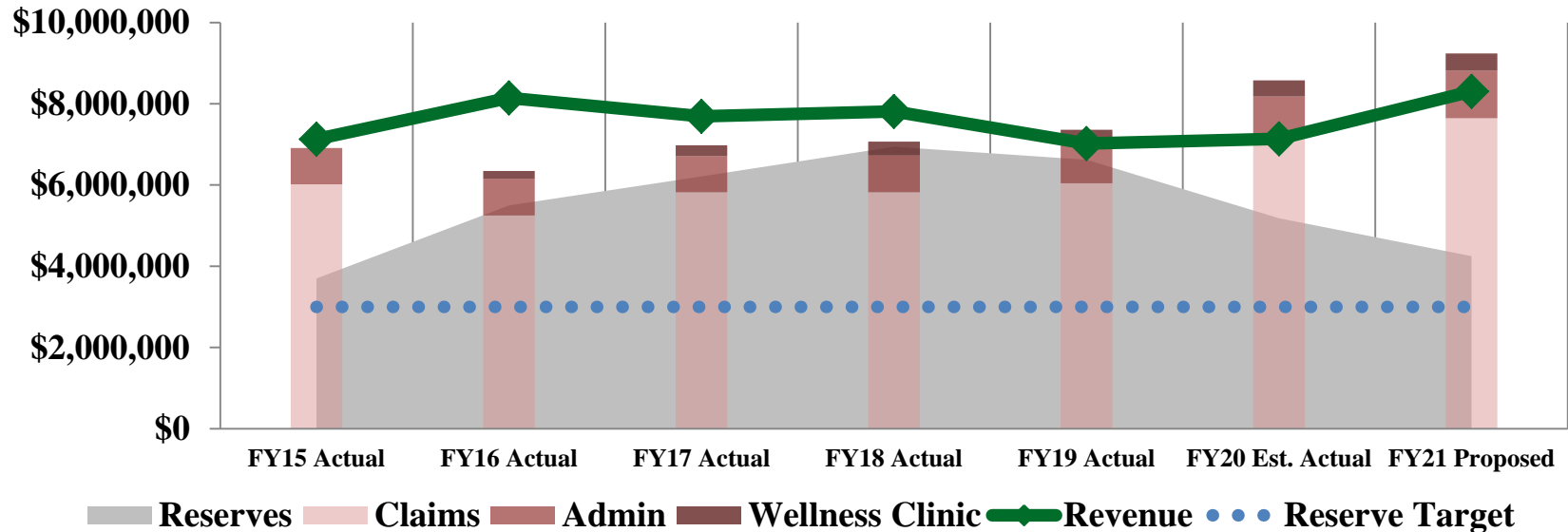
	FY18 Actuals	FY19 Actuals	FY20 Amended	FY21 Proposed
5 PERSONNEL SERVICES	847,089	839,184	885,468	909,182
6 MATERIALS & SERVICES	8,022,723	8,168,614	9,739,346	11,604,974
7 CAPITAL OUTLAY	54,194	103,191	16,800	-
9 NON-DEPARTMENTAL	914,802	981,514	1,062,380	-
<b>Grand Total</b>	<b>\$ 9,838,807</b>	<b>\$ 10,092,502</b>	<b>\$ 11,703,994</b>	<b>\$ 12,514,156</b>

### Budget Highlights

- **Budget increase of 6.5%**
  - HR's general fund budget is staying essentially flat
  - Increase in medical benefit utilization
  - Internal facility charges and administrative contract cost increases to the onsite Wellness
  - Significant rate increases to property and liability insurances
  - Budget consolidation of workers compensation accounts



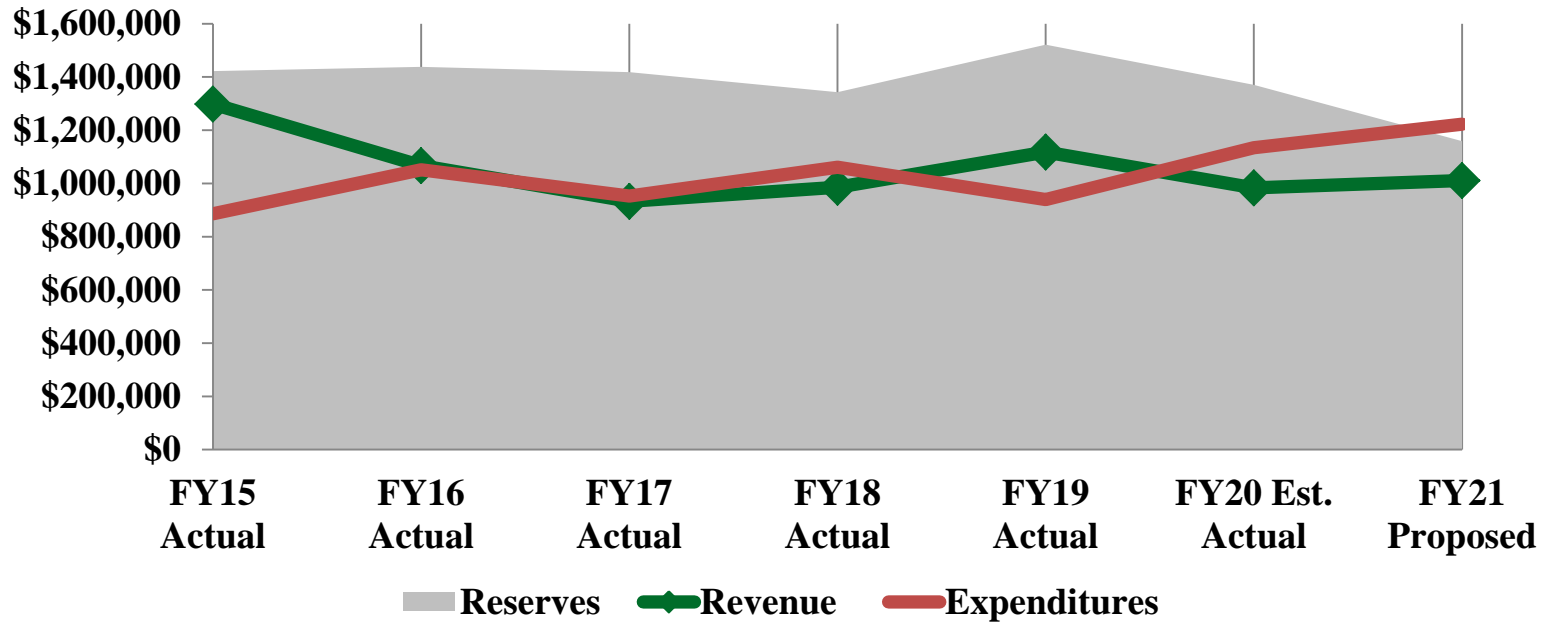
### Significant Changes: Self-Funded Medical



- Net paid claims were up by 4.6% comparing 2019 vs. 2018.
- Stop-loss reimbursements were \$814,737 and pharmacy rebates were \$178,433 for 2019 (both amounts are the highest since moving to self-funding).
- The City has held rates flat for 7 years and has kept rates lower than recommended to draw down reserves.



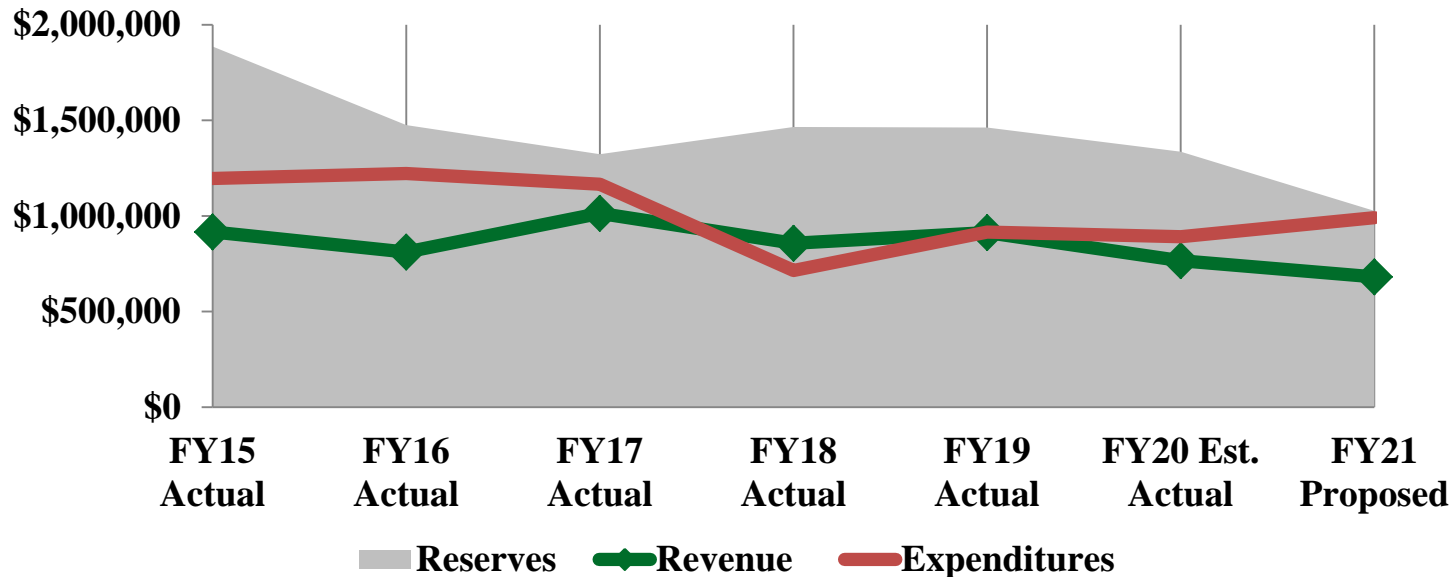
## Significant Changes: Property and Liability Insurance



- Property insurances rates are increasing nationally due to an upswing in US and global property losses.
- The City has also had an increase in liability claims. Most of the claims are connected to the City's work in law enforcement and jail services.



## Significant Changes: Workers Compensation



- The City has held departmental internal charges (revenue) relatively flat in order to bring reserves down to just under \$1M per our actuary's recommended funding level.
- Expenses are increasing due to premium and claim costs.
  - Sprains and strains continue to be our leading injury type.
  - On a bright note, DPW OPS's safety program has done a remarkable job of preventing injuries.



## FY20 ACCOMPLISHMENTS

- 1. Administrative Regulation Development:**
  - Completion of City leave policies
  - Completion of 3 regulations regarding vehicle use
  - Completion of 2 regulations regarding class and comp
- 2. Implementation of replacement for the City's on-line recruitment system**
- 3. Completed phase 1 implementation of vendor solution for background checks**
- 4. Completed phase 1 implementation of Risk Management Information System**
- 5. League of Oregon City Silver Safety Award for 4<sup>th</sup> consecutive year**





## FY21 Initiatives

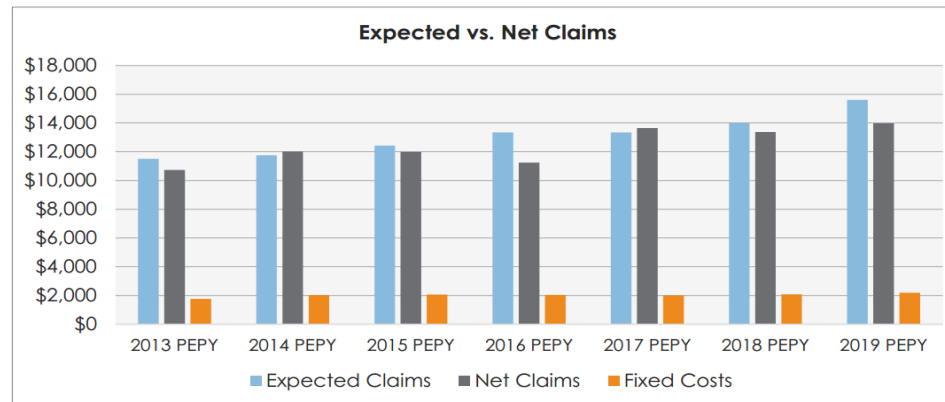
1. **Compensation market study for general service positions**
2. **Job description redesigned**
3. **Feasibility review for implementing a vendor solution for administering protected leave**
4. **Shift to a single deferred compensation provider**
5. **Implement a new background check vendor**
6. **Implementation of a Risk Management Information System (RMIS)**
7. **Complete a Probable Maximum Loss (PML) Study**



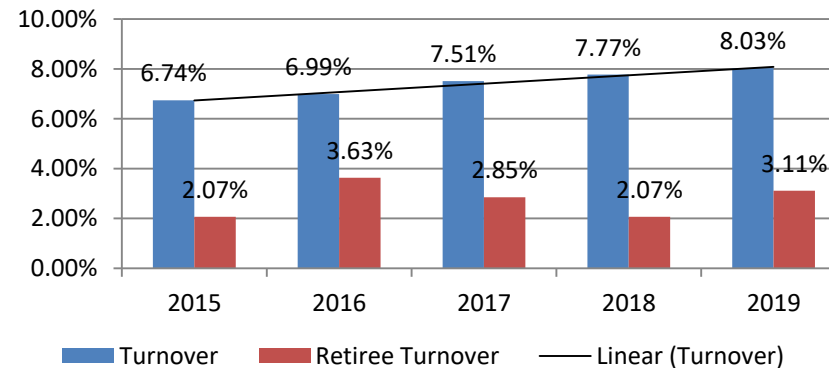


## Future Year Considerations

### 1. Insurance Cost Control - Benefits



### 2. Turnover & Recruitment



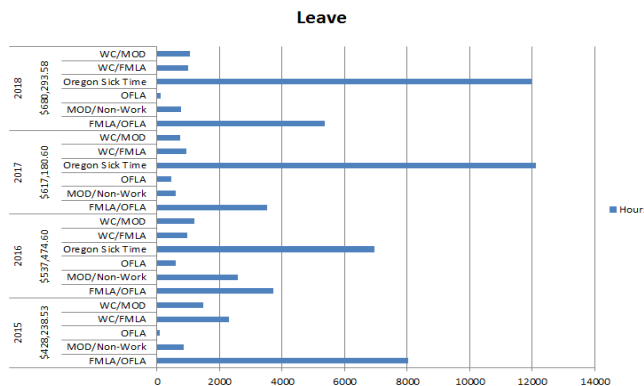


## Future Year Considerations

### 3. Insurance Cost Control (Property and Liability)

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Est. Actua	FY21 Proposed
Revenue	1,298,529	1,066,962	933,090	985,494	1,118,037	983,222	1,011,088
Expenditures	886,223	1,051,037	952,937	1,060,773	939,515	1,134,224	1,222,548
Reserves	1,421,986	1,437,911	1,418,064	1,342,785	1,521,307	1,370,305	1,158,845

### 4. Administration of Protected Leaves



### 5. Technology



# Human Resources



FY 2021

## Conclusion