

Employee Relations
Business Plan
Budget Period: 2008-2009

Executive Summary:

The theme of this Business Plan is “Effectively Managing Change”. There has been (and will continue to be) a great deal of change in the Employee Relations (ER) Department. The most obvious is that the Department will be going through a name/identity change in 2008, from “Civil Service/Personnel” to “Employee Relations”. Consistent with the program/service theme signified in the name change, work is being done to create a new personnel (employee relations) system for St. Louis County. It is anticipated that the current Civil Service law (which governs our current personnel system) will be repealed.

Not only is the ER Department assuming a new name and possibly a new system of personnel administration, we are also experiencing new leadership, many new staff, and new functions. In 2007, turnover occurred in the Affirmative Action Officer and the Recruitment/Testing Personnel Analyst positions, the Civil Service/Personnel Director position was vacated with the retirement of the incumbent, and the current Assistant Civil Service Director will retire at the end of the year. In addition, the training and wellness functions that previously were assigned to the Employee Safety and Training Division of Administration will be transferred to ER as of January 2008.

This business plan will walk you through many external and internal changes that will have a direct impact on the way that the ER Department does business. Our intent is to be an active participant in managing not only the changes in our department but also those changes that will be impacting the County as a whole.

Mission Statement:

To promote and improve the efficiency and effectiveness of St. Louis County governmental operations through the use of sound methods of personnel management with regard to recruitment, selection, classification, development, utilization and compensation of the County’s human resources consistent with Merit and Equal Employment Opportunity principles.

Departmental Activities:

Personnel Services and Research - Provide on-going assistance to County departments in such daily activities as selection/pre-placement physicals and psychological testing, new employee orientation, organizational change, consultation and direction on response to employee grievances and appeals, interpretation/application of personnel rules, labor contract language, employment related legislation (i.e. Family Medical Leave Act, Fair Labor Standards Act, American’s with Disabilities Act, etc), and personnel policies, and processing personnel transactions.

Wage, Salary and Benefits Administration – Create contract pay plans; conduct bi-weekly salary/payroll administration; maintain wage and benefit data in the County’s human resources information system (Highline); process employee benefits; conduct classification, reorganization, and position audits and create/revise job specifications; collect and analyze market data and complete market surveys; respond to employee job audit appeals to the Civil Service Commission; monitor and report pay equity compliance data; and negotiate classification salary rates with the applicable bargaining units.

Administration – Directing and leading the planning, development, coordination and execution of personnel policies, procedures, and objectives of the ER Department.

Recruitment, Examination and Selection – Receive personnel requisitions, post job announcements, administer examinations, process/screen employment applications, process applicant appeals to the Civil Service Commission, establish eligible (employment) registers, certify (distribute) names of qualified applicants to departments.

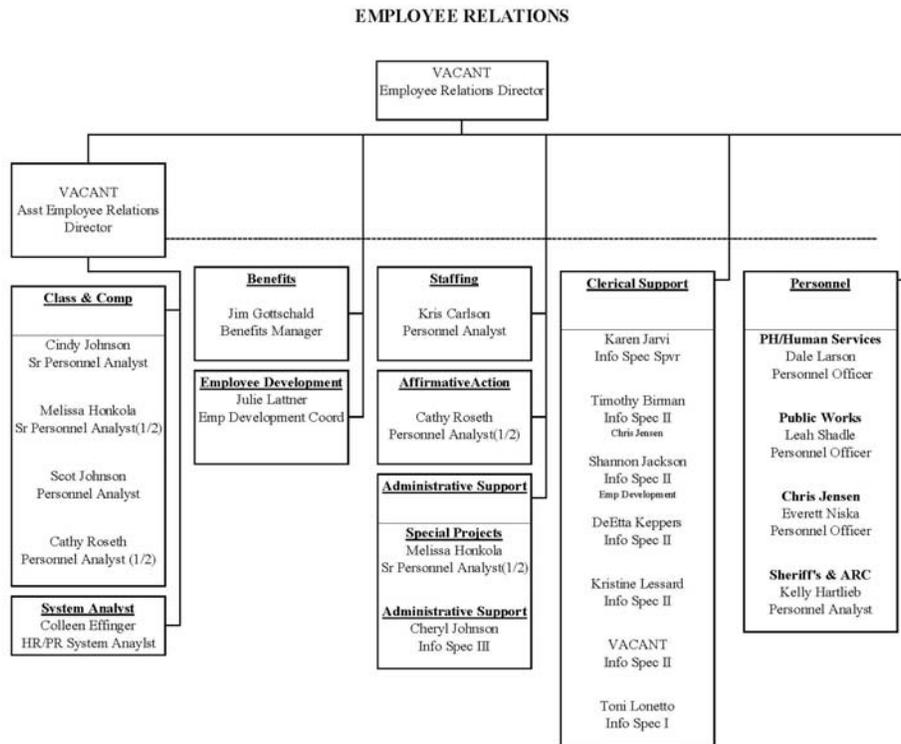
Affirmative Action – Update and submit to State and Federal agencies the County’s Affirmative Action Plan, Annual Compliance Reports, Bureau of Labor Statistics Report, and Equal Employment Opportunity Plan; develop and administer harassment and discrimination training to County workforce; receive discrimination complaints, investigate complaints (when warranted), and prepare case findings and recommendations; process American’s with Disabilities (ADA) accommodation requests, and manage compliance with Limited English Proficiency (LEP) requirements.

In addition, the Employee Relations (ER) Department provides personnel services on a contract basis to Arrowhead Regional Corrections.

Major Programs/Expenditure by Programs:

	<u>Core Services</u>	<u>Percentage of Resources</u>
Personnel Services and Research	Yes	51%
Wage, Salary and Benefit Administration	Yes	22%
Administration	Yes	18%
Recruitment, Examination, and Selection	Yes	7%
Affirmative Action	Yes	2%

Organizational Chart:



2008

Significant Trends and Changes:

External Factors-

Demographic shifts are going to have a major impact on many of the ER Department's core functions. As the Baby Boomer generation moves into the retirement phase of their lives, organizations are faced with effectively planning for and dealing with issues surrounding knowledge transfer, succession planning, recruitment and retention, as well as, classification/compensation.

Generation X (which is the generation that follows the Baby Boomers) is approximately 1/2 the size of the Baby Boomer generation. There has been a great deal written about the upcoming "war for talent" as experts are predicting a labor shortage. St. Louis County is already experiencing difficulty in recruiting qualified applicants in a number of job classifications. If the experts are correct in their predictions, the ER Department must be ready to address the upcoming potential recruitment challenges in order to meet the needs of the County Departments.

Workers become increasingly mobile in a tight labor market because job opportunities are plentiful. The combination of the potential upcoming retention and recruitment issues highlight the Department's need to appropriately set compensation/benefit levels so that the County can successfully compete against

other organizations vying for talent.

Another critical factor influencing the ER Department's activities is the continuing escalation of health plan costs and its direct impact on the County's labor relations environment. According to the Social Security Administration, the cost of living has increased an estimated 16% from 2000 to 2007, or an approximate average of 2.3% per year. During that same time period, the cost of the County's self insured monthly medical premium has increased approximately 65%, or an average 9.3% per year. The cost of the County's medical plan has far outpaced the growth of available financial resources, and thus limited the wage settlements negotiated with its bargaining units. The cumulative affect of this on-going struggle over limited resources has resulted in modest wage settlements which affect the County's ability to compete against other organizations in recruiting and retaining skilled workers.

Another external factor directly impacting the ER Department's services is the unfunded mandates at the State and Federal levels that demand expenditure of resources. Many of our activities are as a result of employment related legislation and mandates. The most recent examples include "Project Civic Access" which was initiated by the US Department of Justice. Project Civic Access consisted of an ADA audit of County facilities, programs, and services. As a result of the settlement agreement, the ER Department was required to deliver County wide training on the American's with Disabilities Act. ER designed and delivered in-person supervisory training to all County supervisors. ER designed the training for employees and with the assistance of Employee Development an on-line training program was created and rolled out to all County employees.

Limited English Proficiency (LEP) is another mandate that came in the form of an Executive Order requiring all agencies who receive federal funding to provide equal access to programs and services to persons who aren't able to speak English. The County adopted a policy and made arrangements to contract with interpreter services when necessary. We are required to complete an annual review of the LEP policy and procedures to maintain our compliance with the LEP mandate.

There are efforts being made in Congress to revise the Family Medical Leave Act (FMLA). Depending on what action lawmakers take in this regard, the County may have to evaluate our current procedures to ensure compliance with the already complex provision of this Act.

As you know, the St. Louis County Civil Service Law is the current framework for administering the County's personnel system. Another likely external factor influencing the ER Department's business in the near future is repeal of the Civil Service Law, and the opportunities and challenges we will have to create the framework for a new Employee Relations system.

Internal Factors-

We've cited the external impact of the Baby Boomer generation reaching retirement age on the labor market, however, it is important to recognize the internal impact of the projected retirement of up to ½ of the **County's** workforce over the next 10 years. We need to facilitate knowledge transfer tactics or risk the loss of valued historical organizational knowledge possessed by our retirees. We must research and, where appropriate, deploy employee retention measures such as phased retirements and bringing retirees back into the workforce with modified employment and benefit statuses. Given the predicted labor shortage we need to market our organization as a desirable place to work, telling the positive story of St. Louis County as an employer in order to aggressively compete with other organizations for skilled workers. The ER Department will be tasked with processing a significantly higher volume of retirements and subsequent recruitments to fill these vacancies, increased orientation and training services for new employees and more job classification studies as County departments reorganize in response to personnel changes.

Another internal factor impacting the ER Department is projected budgetary limitations. The envisioned workforce changes will likely increase the Department's workload volume in recruitment and selection, class/comp, and benefit administration. This activity will likely be coupled with the on-going evolution of policy and procedural changes Department staff will need to research, develop and implement as we change to the new and evolving ER system in St. Louis County. Based on the County's budgetary outlook, these challenges will likely be met with the current complement of Department staff.

As mentioned above the ER Department has experienced turnover in key positions. The result of this turnover is that a great deal of time is being spent orienting and training new staff to develop the expertise they need to independently administer critical functions of the Department. The Department will also be in transition as a new Director articulates and puts into action their vision and objective for Department services. In addition, effective January 1, 2008, the Training and Wellness functions of the Employee Safety and Training Division of Administration is being transferred to the ER Department. ER is in the planning stages to incorporate this new work unit into our Department.

Business and Strategy Plan:

Vision- The ER Department is committed to taking a leadership role in dealing with the upcoming challenges and opportunities. Effectively managing change is not only about addressing our Department's transition from the long standing civil service rules and regulations to a new set of personnel policies and procedures, but also assisting County departments in managing changes in the County workforce as noted in the internal and external factors impacting County employment over the next 5-8 years. Managing change means that we actively participate and shape the changes that occur, that we don't sit back and "ride it out".

Our vision for the ER Department in the next 5-8 years is that we will achieve full implementation of an Employee Relations system if legislation allows that to become a reality for St. Louis County. We will strive to create a “brand” for St. Louis County that will attract and promote loyalty among applicants and employees to the County as an employer. The ER Department will continue to integrate technology to improve the efficiency and effectiveness of the services we provide. This will include deployment of self service modules and enhancement of the Department’s Intranet and Internet sites to allow for easy access of forms, policies, and on-line information resources, as well as, the ability to complete and submit forms and applications on-line.

The Department is committed to working with employees, management, and union representatives to develop an effective employee relations system that promotes our mutual goals of recruiting, developing and retaining the best possible workforce for St. Louis County. Our efforts to implement a new employee relations system, create and promote the branding of St. Louis County as an employer of choice, and integrate technology into every appropriate aspect of our business will enable the ER Department to provide personnel services in a way that will meet or exceed the expectations of our customers.

Key Initiatives-

The ER Department’s key initiatives are referenced in the “vision” section of this document. It is our expectation that over the next 5-8 years we will achieve full implementation of an Employee Relations system, strive to create a “brand” for St. Louis County that will attract and promote loyalty among applicants and employees to the County as an employer, and continue to integrate technology to improve the efficiency and effectiveness of the services we provide.

In the next 2-5 years, the ER Department will evaluate the implemented and evolving new employee relations system to ensure it will meet the needs of the County. We will also: 1) roll out employee/manager self service and implement enhancements to the Department’s Internet and Intranet websites to improve customer access and use of Department services; 2) attempt to create a labor/management partnership that promotes collaborative rather than adversarial problem solving with our employee groups; 3) become more involved in strategic planning to assist County Departments with issues such as succession planning, workforce planning, and diversity/respectful workplace issues; 4) develop and promote the St. Louis County “brand” for the ER Department’s use in marketing the County as a desirable place to work, and for communicating the County’s mission and core values to employees and the public.

In the next budget cycle: initial development of a new employee relations system will be completed; new functions of training and wellness will be incorporated into the ER Department; staff will be provided with opportunities to enhance their technology related skills so that on-line services can be implemented and our Intranet and Internet website functionalities can be used to provide customer services more effectively; the ER Department will complete a County-wide salary

study and identify where competitive pricing of job classes is critical for future staffing needs in County departments; the succession planning process will be enhanced for County departments by the provision of data, tools, and guidance to departments in their preparation for future workforce changes; and lastly ER staff will be encouraged and given opportunities to develop their professional and leadership skills in order for them to be effective ER consultants to County management.

We will pursue the above activities under the theme for our business plan which is “effectively managing change”. All of these activities are aligned with the Commissioner Priority of “Efficient Effective Government”.

Key Performance Indicators (KPI's)-

The Civil Service/Personnel Department currently has 5 KPI's:

1. Customer requests for assistance (on job postings, exam procedures, payroll, benefits, seniority, contract language, CS Rules, labor relations, personnel policies, retirement, etc.) from citizens (external customers) and County employees (internal customers) receive prompt authoritative response from staff as soon as issues/problems can be researched and accurate information is available. Target goal is 90% “satisfactory” ratings from Internal and External customers.
2. Employee personnel and payroll data file updates made by Department staff are entered accurately on information processing systems, as soon as available from data sources, for implementation on appropriate effective dates. Target goal is 99% accuracy rate on bi-weekly payroll run.
3. Eligible registers of qualified candidates for county positions available for certification of names for County positions within 30 calendar days of receipt of “hiring authorization”. Target goal is: “75% of hiring authorizations have eligible candidates available for county appointing authorities to interview within 30 days.” (Historical data indicated annual variation of 73% to 80% eligible register availability within 30 days and 89% to 96% availability within 60 days.)
4. Job audit recommendations (for allocation of individual positions to appropriate job class) will be finalized within 90 calendar days of receipt of audit materials from requesting department. Target goal is: 95% completion rate on position audits.
5. Maintain compensation ratio (statistical analysis test) between the County's male dominated and female dominated jobs such that consistent “compliance” with the Minnesota State Pay Equity Act is achieved. Target goal is to maintain a minimum ration of 80% on the State Pay Equity Statistical Analysis Test measuring current pay relationships between the County's female-dominated and male-dominated job classes.

Resources to be Used:

Finance Plan-

Submission of the 2008/2009 budget required a 0% increase overall despite the fact that many line items had significant increases that the ER Department had no control over. If the Department is required to absorb similar increases in future years, our ability to perform the services as outlined in this business plan would be severely impacted. Given the identified internal and external factors, we are projecting that many aspects of our business are going to be heavily tasked, with workloads increasing significantly. While it is difficult to predict a "specific" financial situation as required by the business plan, it is probably safe to say that a trend for the future is "do more with less".

Workforce Plan-

Demand Forecast- Since the ER Department is going to be tasked with the training and wellness functions, we anticipate the necessity to staff the wellness function with someone who has an educational background and/or work experience in effectively designing and delivering wellness programs.

There may also be the need for the ER Department to manage the County's health insurance fund, which may require staff training and/or the assistance of a consultant who is well versed on the intricacies of cost containment and managing self insured health plans.

Supply Projection/Gap Analysis- With regard to the wellness function, the staff person currently in charge of the County's employee training programs coordinates the wellness program, but has no specific credentials in wellness program administration. There currently isn't any person on staff who has the education and experience in designing and delivering a wellness program.

With regard to managing of the health insurance fund, the ER Department employs a Benefits Manager. While the Benefits Manager will assume responsibility for managing the County's self-insured health plan (under the direction of the ER Director), additional consulting resources may be needed for training and/or the assistance in researching, planning, developing and implementing major revisions and updates to the plan.

Strategy Development- Seek input from the ER Director in regards to the staffing plan for the wellness function. Research best practice in wellness programs and the employees that administer those programs. If it is determined an additional position is warranted, a new job class would be created by classification/compensation.

With regard to managing the health insurance fund, the knowledge, skills, and abilities needed to support on-going management of the plan must be determined.

Technology Plan-

1. MIS Equipment: The ER Department has requested an additional 1.0 FTE. If the Board approves the additional staff, the Department would require additional computer and phone services. Otherwise the Department does not foresee staff or location changes that would translate into additional numbers of computers or phones. We do anticipate some movement of staff into different positions that will result in the moving of one or more phone extensions.
2. MIS Staff Time: The ER Department does not anticipate using the MIS Department for any new projects or technology upgrades.

Purchasing Plan-

Item/Service Being Purchased:			Timeline:			Project Details		
Description of Goods/Services	Quantity	Estimated Budget	Date Needed By:	Consultant Needed?	Procurement Method (RFP, RFI)	Phased Project?	Project Start Date:	Project End Date:
Copier/Printer	1	\$2000.00	March 2008	No	N/A	N/A	N/A	N/A
Computer Software	6	\$1900.00 (for all 6)	Date not specified	No	N/A	N/A	N/A	N/A
Projector	1	\$2000.00	Date not specified	No	N/A	N/A	N/A	N/A
On-Line Employment Application	1	Unknown	Date not specified	Yes	RFP	N/A	2008	Unknown
Lockable Cabinets	5	\$4000.00	Date not specified	No	N/A	N/A	N/A	N/A

Space Plan-

1. Context: As of January 1, 2008, the ER Department will have 20 employees. We don't foresee a decrease in the number of staff over the next 5-8 years. There may be the possibility for an increase in the number of staff (1-3) over the next 5-8 years.
2. Space Analysis: We believe that Room 1 of the Courthouse (ER Department) does not have the capacity for additional staff. Depending on whether or not the Employee Safety Division staff will remain in the Palladio Building, there may be the opportunity to utilize some of the space in Suite 300 of the Palladio Building. Currently the training and wellness functions are housed there. The offices that are currently there are sufficient, as are the conferencing, reception/waiting, file/record storage, and work/copy machine room spaces.