

HUMAN RESOURCES

To provide leadership and operational support to City departments to enhance their ability to recruit and retain a qualified, diverse workforce and to effectively manage business risks.

Chapter Overview

This budget chapter reflects key elements of the Human Resources Department's Strategic Business Plan, which was developed as part of the City's commitment to performance management.

As part of this strategic planning process, the Department identified, with input from community stakeholders and employees, significant issues to be confronted over the next two- to five-years. Strategic objectives have also been developed as part of this effort to help guide the Department in addressing these issues. The Department of Human Resources has also developed its program structure and performance measures, including outcome, efficiency, demand, and output measures, which serve as the basis for the City's performance-based program budget and add clarity to the City's budget by aligning department program information (purpose statement and listing of services), budget allocations, and performance information, all at the program level.

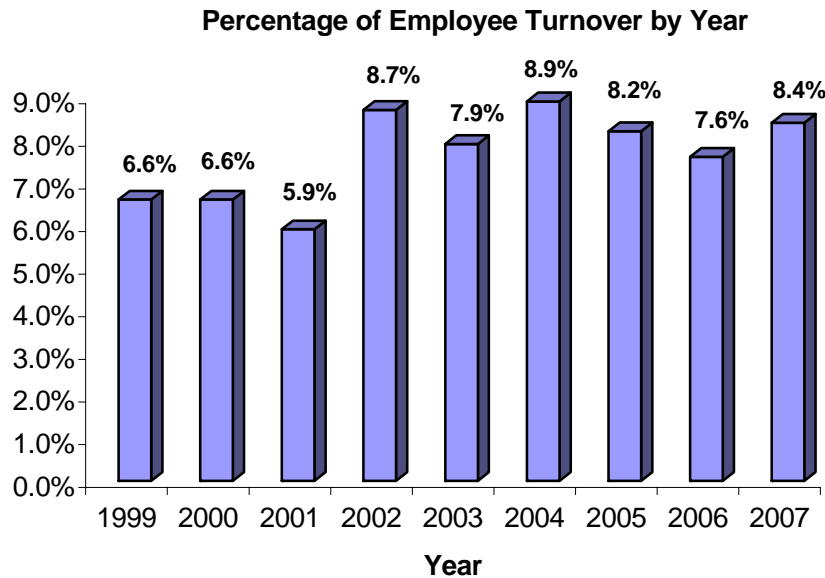
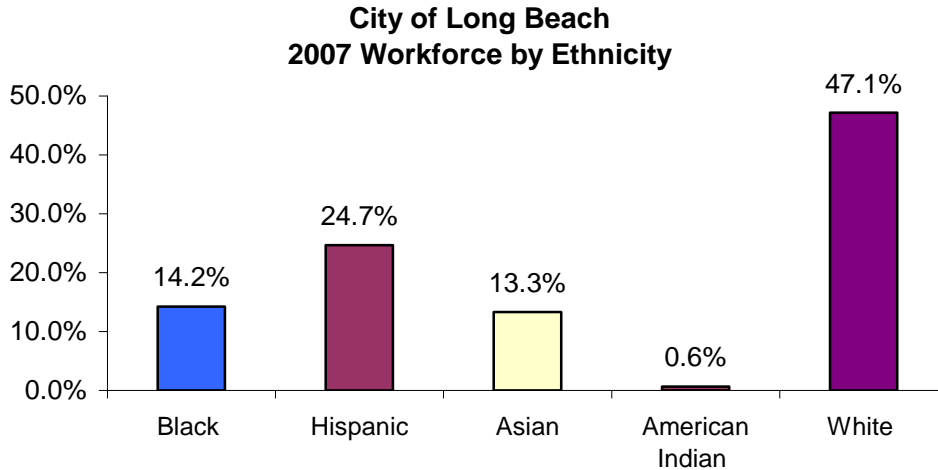
Please note that while the Department of Human Resources has completed its Strategic Business Plan, a number of the key performance measures may be new to the Department and will take time to fully develop and collect the performance information. Therefore, some performance measures are presented at this time without the corresponding performance information. As the Department is able to work toward full implementation, existing measures may be changed and/or new ones may be added.

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Service Delivery Environment

Human Resources is an internal service department and our customers are other City departments. Our job is to provide the support they need to assist them in accomplishing their service objectives, and to ensure that salaries, benefits and working conditions are competitive enough to attract, retain and motivate our employees. Supporting the needs of a diverse workforce that reflects the diversity of Long Beach is also a primary goal for the Department. The chart below shows the City's workforce by ethnicity during the 2007 calendar year.

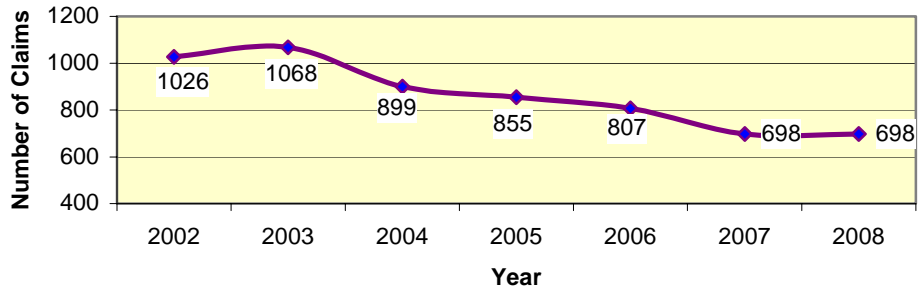


The chart above shows the percent of permanent employee turnover by calendar year for the City as a whole, which includes resignations and dismissals, deaths and retirements.

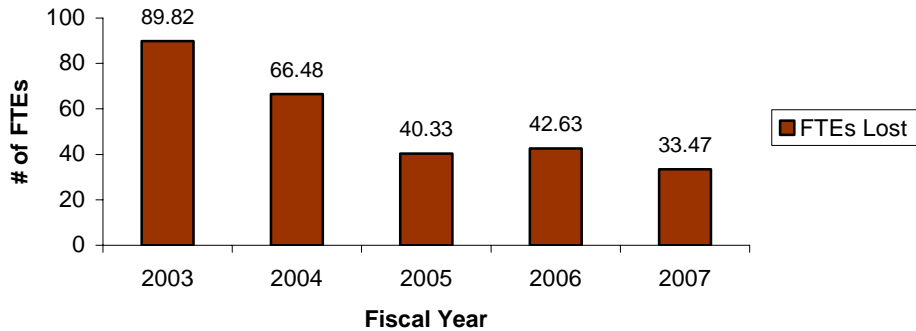
Service Delivery Environment

Human Resources, along with City Attorney's Office and all departments, has worked to reduce workers' compensation costs and lost work hours through the implementation of a comprehensive workers' compensation business improvement process. With a continued focus on improving employee safety, reducing the current cost of claims and improving the claims handling process, we strive to continue this trend through FY 08 (estimated figures for 2008).

**Number of Workers' Compensation Injuries
per Fiscal Year**

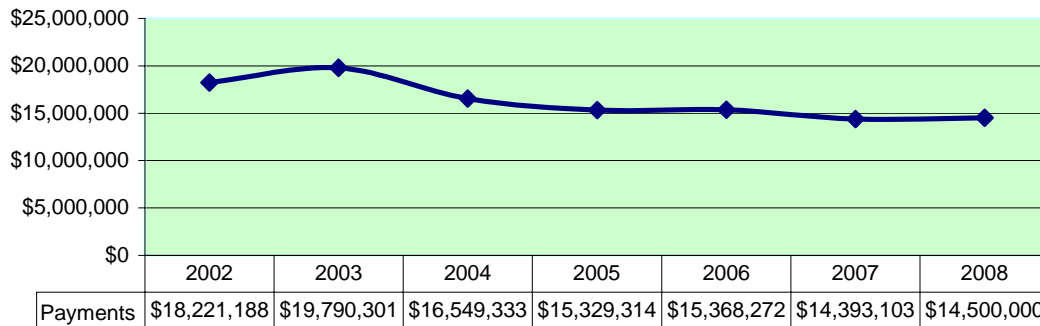


**Number of Full Time Equivalent Employees (FTE)
Represented by Lost Time Injuries**



Service Delivery Environment

**Workers' Compensation Claims Payments
by Fiscal Year**



As seen in the chart above, the implementation of the new workers' compensation business improvement processes has had a significant impact on the cost of workers' compensation within the City. There has been a \$5.3 million (or 26.7 percent) reduction in workers' compensation claims payments since 2003 despite increasing costs for medical care over the same period of time.

Significant Issues

- The increasingly competitive labor market coupled with the traditional recruitment strategies makes it difficult to attract the employees needed to provide City services.
- The complex and lengthy hiring process, including the rules and organizational structure, inhibit our ability to staff critical City functions and services.
- The traditional organizational culture does not provide for the needs and expectations of the current workforce, (including, competitive salaries and benefits, flexible work schedules, and opportunities for employee growth), leading to high turnover rates, high costs for replacement, and reduced levels of services.
- Increasing turnover and the associated loss of knowledge, coupled with the lack of commitment and dedicated resources for employee development have compromised the skill set and effectiveness of the current and future workforce.
- The current short-term focus creates an environment lacking in strategic planning and long-term investments in process improvement, workforce development, optimization, and automation, which increases risks and costs for the organization.

Strategic Objectives

1. To attract the employees needed to provide City services, the Department will engage new and innovative recruitment strategies, so that:
 - The City will maintain a citywide vacancy rate of 10 percent or less (Administration)
 - By FY 10, the applicant pool will better reflect community and the minority and female workforce representation will increase from 64.6 percent to 67 percent, which is closer to parity with the Labor Market Availability (Administration)

Focus Area: Leadership, Management and Support

City Manager Key Outcome: Enhanced Recruitment and Retention of a Qualified Workforce

2. The Department will seek to shorten the complex and lengthy hiring process, including the rules and organizational structure that inhibit our ability to staff critical City functions and services, so that:
 - By FY 12, the average amount of time to fill classified positions citywide will be 60 working days or less (Personnel Services)
 - By FY 12, the average amount of time to fill unclassified positions citywide will be 60 working days or less (Personnel Services)

Focus Area: Leadership, Management, and Support

City Manager's Key Outcome: Enhanced Recruitment and Retention of a Qualified Workforce

* Mean working days for internal recruitment (when testing is required) is 37.3 in FY 06 ICMA Benchmarking Study for jurisdictions over 100,000 population.

** Mean working days to fill an external position (when testing is required) is 34.4 in FY 06 ICMA Benchmarking Study for jurisdictions over 100,000 population.

3. The Department will pursue higher retention rates through and attractive benefits package, career development, and employee-friendly workplaces, so that:
 - Through FY 10, the City will maintain a citywide retention rate of 93 percent* or higher (Administration)
 - By FY 10, 90 percent of employees report the health benefits they receive are high quality/value (Employee Benefits)
 - BY FY 10, the City will maintain a number of grievances and appeals that come to Human Resources per 100 employees at 2 grievances** or below (Labor Relations)

Focus Area: Leadership, Management, and Support

City Manager's Key Outcome: Enhance Recruitment and Retention of Qualified City Employees

* Mean turnover rate for jurisdictions of 100,000 or more population is 7.2 in FY 06 ICMA Benchmarking Study.

** Mean number of grievances per 100 employees of organizations 100,000 or more population is 1.9 in FY 06 ICMA Benchmarking Study.

Strategic Objectives

4. To promote employee productivity and performance, the Department will promote skill set development of the current and future workforce, so that:
- By FY 10, 95 percent of scheduled hours will actually be delivered (worked) per full-time equivalent citywide (Labor Relations)*
 - By FY 10, 75 percent** of employees received a scheduled performance evaluation on time citywide (Personnel Services)
 - By FY 10, the rate of lost work hours from Workers' Compensation will be reduced to 9 hours per full-time equivalent citywide (Workers' Compensation and Administration)

Focus Area: Leadership, Management, and Support

City Manager's Key Outcome: Enhance Recruitment and Retention of Qualified City Employees

* Combined leave hours used per 1,000 scheduled work hours for all jurisdictions was 80 hours used for FY 06 ICMA Benchmarking Study.

** Mean rate of scheduled performance reviews received on time is 75 percent in FY 06 ICMA Benchmarking Study for jurisdictions over 100,000 population.

*** Mean number of sick leave hours used per 1,000 hours worked is 31.1 in FY 06 ICMA Benchmarking Study for jurisdictions over 100,000 population.

5. To promote more sustainable management of the City's resources, the Department will seek more long-term strategic planning and risk management, so that:
- Only 1 percent or less of the City Budget will be paid for insurance policies, liability claims, and workers compensation claims (measure of reduced government financial liability) (Insurance and Loss Control)
 - Through FY 10, departments will maintain 85 percent safety compliance rate citywide for facilities, inspections and training (Occupational Safety)
 - Through FY 10, departments will maintain illness/injury rate of 8 or less citywide (Occupational Safety)
 - By FY 10, the City will achieve an average reporting lag time for Workers' Compensation claims of 2 days or less citywide (Workers' Compensation and Administration)

Focus Area: Leadership, Management, and Support

City Manager's Key Outcome: Strengthen the City's Fiscal Sustainability

Summary by Fund and FY 08 Accomplishments

FY 09 Budget by Fund

Fund	Expenditures	Revenues	Net Fund Support
Employee Benefits	2,966,960	-	2,966,960
Insurance	5,156,050	1,884,101	3,271,949
Total	8,123,010	1,884,101	6,238,909

FY 08 Accomplishments

- Completed outside assessment of the Human Resources Department functions and services which identified areas for improved service delivery aimed at improving recruitment, hiring and retention of City employees and support of other departments' needs.
- Successfully negotiated two long-term labor agreements using an Interest Based bargaining approach with both the Firefighter's Association and the International Association of Machinists.
- Implemented a structured approach to evaluating and implementing alternative work schedules throughout the City that should improve workforce productivity and retention of the workforce.
- Facilitated the transition of the Civil Service advocacy of appeal hearings from the City Prosecutor's Office to the City Attorney's Office.
- Increased the percentage of prescription claims completed through mail order from 12 percent to 15 percent.
- In conjunction with the Department of Financial Management, implemented a new approach to Deferred Compensation Program; including consolidation of plans with one provider, improved employee education and financial planning assistance, and the formation of a labor-management committee to oversee the program.
- Implemented Quarterly employee benefits newsletter to provide employees with information regarding health and dental insurance, retirement and deferred compensation benefits.
- Successfully investigated and/or mediated all internal harassment/discrimination complaints to achieve 80 percent completion rate of all complaints filed.
- A total of 106 supervisors and managers completed the 2007-2008 Leadership Academy. This is an in-house program aimed at helping develop strong supervisory skills and familiarize supervisors and management with key City management initiatives, systems and processes, implementing innovation and improving service delivery.
- For FY 08, an estimated 240 employees will participate in the City's New Employee Orientation program. The purpose of the program is to welcome new employees to the City team, highlight the benefits of team membership and provide new employees with an overview of how to best work together to serve the Long Beach community.
- For FY 08, an estimated 1,170 employees will participate in the City's Building the Inclusive City training initiative. This staff development program is a unique training opportunity for employees at all levels to learn the skills necessary to enhance their ability to respect and appreciate the cultural differences of those served in the community and among fellow employees.
- During FY 08, citywide safety training compliance has increased by 15 percent. This success is attributed to the Departmental effort in prioritizing safety-training attendance.
- The number of full-time equivalents (FTEs) lost to work related injuries has steadily been declining from 89.82 in 2003 to 33.47 in 2007.
- The Risk Management Bureau, with assistance from the City Attorney's Office, implemented a pilot Alternative Dispute Program for Workers' Compensation with the Long Beach Police Officer's Association and the Long Beach Firefighters Association. The City of Long Beach becomes the first municipality in the State of California to implement this type of program.
- Since 2003, improvements in handling the employee safety program and workers' compensation process has resulted in a 26.7 percent decrease in claims costs despite increases for medical services.

Administration Program

Focus Area: Leadership, Management and Support

Line of Business: Administration

Program Purpose Statement: To provide central administrative support, coordination, and direction for the entire Department.

Key Services Provided: Human Resources, Training, Risk Management, Employee Safety, Workers' Compensation, Budget and Accounting, Procurement, Billing and Collections, Contract Management, Records Management, Public Information and Communications and Executive Leadership

FY 09 Funding Source: Employee Benefits Fund 100%

Administration	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	26,156	581,904	615,051	106%	644,374
Revenues	328	-	442	100%	-
FTEs	2.00	3.00	3.00	100%	3.00

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
June Expenditure ETC as % of Year End Actual	105%	100%	100%	100%	100%
June Revenue ETC as % of Year End Actual	81%	100%	100%	100%	100%
Department Vacancy Rate	8%	7%	20%	286%	18%
Overtime as % of Total Salaries	0%	0%	0%		0%
# of Workers' Comp. Claims involving lost time	(a)	(a)	(a)	(a)	(a)
# of Lost Work Hours (expressed in full time equivalents) from Workers' Comp. During Fiscal Year	0	0	(a)	(a)	(a)
Average Reporting Lag Time (in days) for Workers' Comp. Claims During Fiscal Year	(a)	1 day	(a)	(a)	1 day

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

Effectively managing the Department's fiscal and human resources is a key focus for this Program in line with the City Manger's FY 09 Key Outcomes. The Department has had no lost time injuries in FY 08 and should meet its budget appropriations.

Personnel Services Program

Focus Area: Leadership, Management and Support

Line of Business: Personnel Operations

Program Purpose Statement: To provide policy development, consultation, training, transaction processing, and other human resource management services to City departments so they can effectively fill vacancies in a timely manner, and retain a diverse and qualified workforce while limiting the City's liability exposure through compliance with government regulations.

Key Services Provided: Policy Manuals and Interpretations, Labor Relations, Human Resources Management System (HRMS) Information/Data Entry & Maintenance, Access/Security Services and Reports, Classification/Compensation Studies, Position Audits, Disciplinary Evaluations/Consultations, Labor Law Consultations, Salary Resolution and Organization/Personnel Ordinance Amendments, Personnel Files, Employment Verification and Background Checks, HRMS Training

FY 09 Funding Source: Employee Benefits Fund 100%

Personnel Services	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	970,439	928,295	952,342	103%	1,055,797
Revenues	-	-	-		-
FTEs	4.37	4.37	4.37	100%	6.25

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Total annual turnover rate of the permanent workforce (classified & unclassified) for all types of departures	8.4%	8.4%	8.5%	98.8%	8.0%
Annual turnover rate of the permanent workforce (classified & unclassified) for retention related departures (all voluntary resignations excluding retirements)	4.7%	4.4%	4.5%	97.8%	4.0%
Percentage of employee performance evaluations completed on schedule	(a)	(a)	(a)	(a)	75%
Average working days to fill a vacant position	(a)	(a)	(a)	(a)	60
Percentage of employees who successfully pass probation	(a)	(a)	(a)	(a)	98%

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

A primary focus of this program is to enhance recruitment and retention of a qualified work force in line with the City Manager's Key Outcomes for FY 09. Annual employee turnover has increased 3 percent since 2001. Streamlining the hiring process and improving communication with employees should enhance recruitment and retention efforts. The addition of 1.88 FTEs will provide the staff for the centralization of finger printing of new employees at the same location as pre-employment physicals to help meet the FY 09 goal of an average of 60 working days to fill vacant positions.

Labor Relations Program

Focus Area: Leadership, Management and Support

Line of Business: Personnel Operations

Program Purpose Statement: to facilitate an open dialogue between labor and management based upon respect to insure maximum results for the community with the City's Human Resources.

Key Services Provided: Facilitate Interest Based Problem Solving Processes, Facilitation of Labor/Management Consultations, Labor Relations, Conduct Contract Negotiations, Labor Contract Implementation and Administration

FY 09 Funding Source: Employee Benefits Fund 100%

Labor Relations	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	317,570	263,902	302,645	115%	389,000
Revenues	-	-	-	-	-
FTEs	2.20	2.20	2.20	100%	3.20

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Number of labor/management meetings in City departments (monthly)	(a)	(a)	(a)	(a)	21
Percentage of grievances that come to HR and are resolved at the HR level	(a)	(a)	(a)	(a)	100%
Number of grievances filed	(a)	(a)	(a)	(a)	10
Percentage of disciplinary actions upheld	(a)	(a)	(a)	(a)	100%

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

A primary focus of this program is to enhance citywide recruitment and retention efforts by facilitating an open dialogue between labor and management based upon respect to insure maximum results for the community with the City's human resources. One of the primary goals in the coming years will be to improve labor management relations with the nine (9) Employee Organizations. The recently approved MOU's with Fire and IAM envision numerous efforts aimed at improving the relationship between labor and management which will be supported by the addition of an Administrative Analyst III. These efforts include interest-based problem solving training, a comprehensive classification and compensation study for IAM, gain sharing and meaningful labor management meetings in departments. Personnel Operations will work with departments and Employee Organizations to ensure that needed labor management meetings occur in each department and therefore minimize the number of grievances. All the new performance measures listed above will help measure the ability of the City to improve labor management relations. These efforts promote the City Manager's Key Outcome to enhance recruitment and retention of qualified City employees.

Employee Benefits and Retirement Program

Focus Area: Leadership, Management and Support

Line of Business: Employee Services

Program Purpose Statement: To provide quality health, dental, life insurance and other employee benefit services to active and retired employees so that the City can attract and retain a healthy, diverse and productive work force.

Key Services Provided: Health, Dental, and Life Benefits, Long-term/Short-term Disability Benefits; Hospital Indemnity Benefits, Deferred Compensation Benefits; Flexible Spending Benefits Programs; Flexible Spending Benefits Programs, Annual Managers Physical Examinations, Manager's Supplemental Life Insurance Benefits, Retiree Health Insurance Benefits, Premium Collections and Reconciliation Summaries, Employee Blood Drive Scheduling and Promotions, Contribution Summaries and Contribution Disbursements, Health Insurance Advisory Committee Support

FY 09 Funding Source: Employee Benefits Fund 100%

Employee Benefits & Retirement	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	806,190	585,088	499,227	85%	640,669
Revenues	(90)	-	-	-	-
FTEs	4.50	5.50	5.50	100%	6.00

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
% of employees and retirees who reported they feel knowledgeable about their health benefits	90%	90%	90%	100%	92%
# of communication pieces provided to active employees/retirees	(a)	(a)	107,337	-	117,337
Average cost of monthly medical claims paid for self funded insurance program	\$2,468,673	\$2,379,402	\$2,325,000	98%	\$2,450,000
% of total prescription claims completed through mail order	7%	12%	15.0%	125%	20.0%

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

Providing a desirable and cost effective employee benefits program assists with two Key City Manger's Outcomes: enhancing recruitment and retention of a qualified workforce and strengthening the City's fiscal health. The comprehensive review of the City's healthcare and employee benefits program resulted in the implementation of direct contracts with stop-loss insurance, vision and prescription drug carriers. The program continues to seek opportunities to decrease costs and provide a quality and competitive healthcare program for City employees and retirees in order to promote a healthy and stable workforce, with a goal of saving \$1 million citywide in this area. To facilitate this outcome, an Employee Benefits Officer will be brought in half-time to increase oversight of employee health care services. Increased communication with employees and retirees will be a major goal in the continuing year. In addition, staff will be working with miscellaneous employees associations to restructure the Retirement program to lower long-term costs.

Equal Employment Program

Focus Area: Leadership, Management and Support

Line of Business: Employee Services

Program Purpose Statement: To provide a diverse workplace free of discrimination and harassment; and to provide consultations, mediation and investigative services to employees and the public so that the City can attract and retain diverse and productive work force; and comply with the Americans with Disabilities Act (ADA).

Key Services Provided: ADA Reasonable Accommodations Assessments, Plans, Consultations, and Essential Function Job Analyses, EEO City Workforce Plan and Interpretations, EEO Complaint/Regulatory Agency Responses, Mediation for ADA/EEO Issues Within the Agency, Americans with Disabilities Act (ADA) and State Accessibility Laws, ADA Transition Plan and Monitoring Reports, Citizen and Employee Inquiry and Request Responses, Compliance Reviews and Inspections, Citizen Advisory Commission on Disabilities (CACOD) Training Course and Classes

FY 09 Funding Sources: Employee Benefits Fund 48%, Insurance Fund 52%

Equal Employment	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	350,179	327,484	307,259	94%	341,282
Revenues	-	-	-	-	-
FTEs	3.05	3.05	3.05	100%	3.05

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Number of ADA complaints/inquiries responses	176	150	165	110.0%	165
Number of EEO complaints received	62	48	55	114.6%	55
Number of EEO complaints resolved internally	44	36	45	125.0%	45

Results Narrative:

In an effort to improve retention of qualified employees, one of the City Manager's Key Outcomes, this program focuses on providing a diverse work environment, free of harassment and/or discrimination. There has been a 15 percent increase in EEO complaints and a 12 percent increase in ADA requests/inquires from calendar year 2007. To address the concerns, Human Resources will continue to provide harassment and discrimination training to employees and timely and objective investigations of City complaints with appropriate follow through.

Employee Development and Workforce Planning Program

Focus Area: Leadership, Management and Support

Line of Business: Leadership and Organizational Development

Program Purpose Statement: To provide employee development, training, communications, recruitment, retention activities and organizational development services to current and future employees, so they can enhance their skills and prepare for leadership roles in the organization.

Key Services Provided: Leadership & Career Development Programs, Mentoring Programs (Training Sessions, Projects, Individual Mentoring Sessions, Job Shadowing Days, Meetings, Promotional Opportunities), Succession Planning Programs (Activities to be Identified by the ReHiRe Study), Management Conferences, New Employee Orientations (Training Sessions), Supervisor Leadership Training & Development Programs, Management Leadership Training & Development Programs, Management Assistant Program, Reassignment for Training Opportunities (Transfer Opportunities), Embracing Diversity Training Classes, Executive Recruitment Campaigns, Employee Communications & Morale, Employee Newsletters, Employee Surveys, Intranet Pages (Employee Express Announcements, Human Resource Website Pages), Organization Development & Improvement Programs

FY 09 Funding Source: Employee Benefits Fund 100%

Employee Development and Workforce Planning	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	224,646	381,815	390,297	102%	282,357
Revenues	-	-	21	-	-
FTEs	1.00	1.00	1.00	100%	2.00

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Percentage Participants that report training helped them do their current job better/more effectively	(a)	(a)	(a)	(a)	85%
Percentage of new employees who completed the New Employee Orientation (NEO) within 2 months of hire	(a)	(a)	(a)	(a)	75%
Number of program participants in HR training	(a)	(a)	(a)	(a)	1,220

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

This program provides training and development aimed at enhancing recruitment and retention of qualified employees, one of the City Manager's FY 09 Key Outcomes. Proper training ensures that City employees can do their jobs better thereby enhancing their ability to provide the residents of Long Beach more efficient and effective services. Quickly introducing new employees to the organization and educating them about the City's philosophy, organizational structure, and policies and procedures ensures the City's commitment to providing quality service continues. Additional training such as the Leadership Academy for supervisors and managers, the Building the Inclusive City Cultural Awareness training, and other training programs will impact an estimated 1,220 employees for next fiscal year.

In an effort to improve overall program outcomes while saving costs to all departments, in FY 09 a position will be added to program staff, while more training will be provided by in-house staff saving \$84,000 per year.

Insurance and Loss Control Program

Focus Area: Leadership, Management and Support

Line of Business: Risk Management

Program Purpose Statement: To provide review/approval, inspection, consultation, inquiry response, and insurance procurement services to City departments, programs, and services, reduced government financial liability, and timely turnaround on insurance requests.

Key Services Provided: Insurance Policy Procurement (General and Specialized Lines of Insurance and Policies for City and City-affiliated not-for-profit entities), Department Insurance Fund Allocations, Contractual Certificates of Insurance Approvals, Insurance Consultations (with Departments and vendors, contractors, tenants, and grantees), Special Events Consultations and Insurance Issuances, Loss Control Inspections (of City owned property), Property Appraisals (of City owned property), Current and Future Financial Liability Estimates, Self-insurance Certificates

FY 09 Funding Source: Insurance Fund 100%

Insurance and Loss Control	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	2,826,058	3,259,659	2,696,540	83%	3,100,345
Revenues	2,470,137	1,884,101	1,884,101	100%	1,884,101
FTEs	2.25	2.25	2.25	100%	1.75

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Total insurance value of all City property	1,425,464,073	1,500,000,000	1,500,000,000	100%	1,500,000,000
% of increase/decrease cost of insurance premiums over previous fiscal year	-4%	5%	10%	200%	5%
# of documents reviewed for risk transfer and insurance sufficiency to include leases, permits, contracts, purchase orders, etc.	3,744	3,744	3,913	105%	3,800
% of City budget paid for insurance policies, liability claims, workers' compensation claims	0.10%	1.00%	0.20%	20%	1.00%

Results Narrative:

Procuring cost effective insurance and preventing loss that could result from City operations, infrastructure conditions and disasters assists in strengthening the fiscal sustainability of the City, one of the City Manager's Key Outcomes. Over the last two years, the City has recovered approximately \$800,000 from property insurers for various property damage claims including storm damage done to Rancho Los Alamitos, absolving related funds from having to carry the burden of finding funding for these repairs. To ensure proper property valuation, Risk Management completed 54 property appraisals and 9 property inspections during FY 08.

Occupational Safety Program

Focus Area: Leadership, Management and Support

Line of Business: Risk Management

Program Purpose Statement: To training, inspection, monitoring, reporting, policy development, and consultation services to City departments so they can mitigate workplace hazards, reduce employee injuries, reduce vehicle accidents, and comply with OSHA and other safety regulations.

Key Services Provided: City Department Facilities Safety Inspections, Safety Training, Safety Reporting, Random Drug and Alcohol Tests, Post-Injury OSHA Notifications and Citation Responses, Industrial Hygiene Assessments, Emergency Preparedness Services, Safety Consultations, OSHA Reporting Reviews, Safety Newsletters, Policy Manuals Development, Executive Safety Committee Support, Emergency Operations Center Support, Safety Promotions and Employee Recognitions

FY 09 Funding Source: Insurance Fund 100%

Occupational Safety	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	683,742	687,945	599,046	87%	690,385
Revenues	1,000	-	-	-	-
FTEs	3.25	3.25	3.25	100%	3.25

* Amounts exclude all-years carryover.

Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Injury and Illness Incident Rate per 100 Employees	9.75	9.75	9.20	94%	9.20
Number of Annual Facility Inspections Completed	68	72	50	69%	133
Number of Incidents-Injuries and Illness (annual)	(a)	760	722	95%	722
Number of Vehicle Accidents	(a)	397	375	94%	375

(a) Tracking systems are being developed to capture this data going forward and/or data not available

Results Narrative:

This Program focuses on providing a safe work environment for City employees. The Program also addresses two FY 09 Key Outcomes: enhanced retention of a qualified work force and strengthening the City's fiscal sustainability. The Occupational Safety and Health Administration (OSHA) established a mathematic calculation or incident rate to enable entities to assess safety performance as well as enable an organization to compare to other entities. The OSHA recordable incident rate is calculated by multiplying the number of recordable cases by 200,000 and dividing that number by the number of total labor hours worked. A Cal/OSHA recordable case is any work related death, injury and illness which results in a loss of consciousness, restriction of work duties, transfer of duties, lost workdays, or required medical treatment beyond first aid. The 200,000 used in the formula above represents 100 employees who work 40 hours per week, and who work 50 weeks per year. Again this is a standard base rate to enable a company to compare incident rates across any industry or group. In FY 09, the City Safety Office will be focusing more effort in verifying that injuries are truly OSHA recordable. Therefore, the total number of injuries and illness beyond first aid will be tracked. In addition, the City Safety Office will increase the number of annual facility audits from 50 in FY 08 to 133 in FY 09 (an increase of 166 percent), in an effort to identify and correct workplace hazards before they can cause injuries and illnesses.

Workers' Compensation Program

Focus Area: Leadership, Management and Support

Line of Business: Risk Management

Program Purpose Statement: To provide injured employee placement, public safety disability retirement determination, budget allocation, and performance reporting services to employees so they can get back to work quickly and to City departments so they can have their employee's status determined promptly and reduce the overall cost of claims.

Key Services Provided: Return to Work Placements, Safety Disability Determinations, System Reports (management, department, claims administration), Employee Surveys, Insurance Fund Monitoring and Reports, Inter-Departmental Reviews and Consultations

FY 09 Funding Source: Insurance Fund 100%

Workers' Compensation	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed* FY 09
Expenditures	1,056,368	966,851	947,260	98%	978,801
Revenues	-	-	-		-
FTEs	3.00	3.00	3.00	100%	3.00

* Amounts exclude all-years carryover.

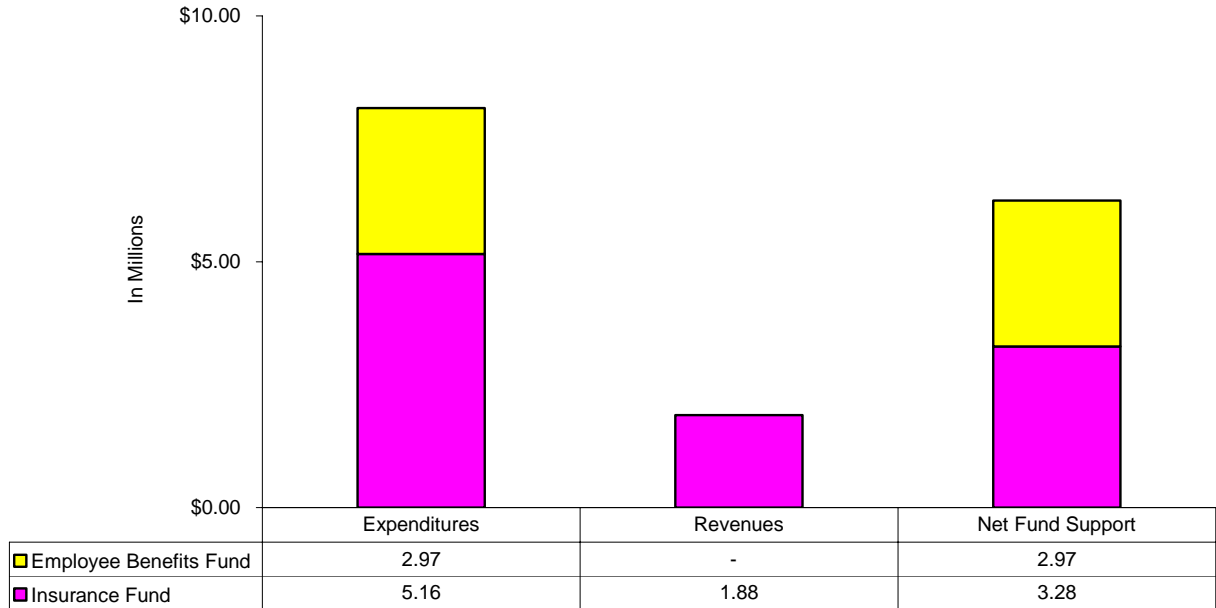
Key Performance Measures	Actual FY 07	Adjusted FY 08	Estimated FY 08	Percent of Budget	Proposed FY 09
Citywide average lagtime for reporting injuries from departments date of knowledge to date received by the workers' compensation claims office	2.03 days	1 day	1.45 day	145%	1 day
Citywide Full-Time Equivalent lost to work related injuries	34.35	34	32	94%	34
Number of employees accommodated through the Permanent Disability Accommodation Program	16	10	8	80%	10
Total cost of workers' compensation claims	\$14,393,103	\$15,000,000	\$14,500,000	97%	\$15,000,000

Results Narrative:

The Program supports both the City Manager's Key Outcomes in recruiting and retaining qualified City employees and strengthening the City's fiscal sustainability by limiting/reducing the number of liability litigations. At the end of FY 07, the number of full-time equivalent employees lost due to work-related injuries for the fiscal year was 34.35. Of the 34.35 equivalent lost positions, 11 were full-time police officers and six were full-time firefighters. The City is currently seeing a similar trend for FY 08 in that approximately 32 full-time equivalent employees will be lost due to injury for the fiscal year period. The City has made tremendous progress through the City's Transitional Duty Program in continuing to lower the number of full-time equivalent employees out due to injury during the fiscal year. At the end of FY 04, the City lost the equivalent of 70 full-time employees in the fiscal year due to work-related injuries. This program attempts to control the number of employee lost work hours due to injury and increase overall productivity by bringing employees back to work as soon as their injury allows into a transitional duty position.

Summary by Character of Expense

Proposed* FY 09 Budget by Fund



	Actual FY 07	Adopted* FY 08	Adjusted FY 08	Estimated FY 08	Proposed* FY 09
Expenditures:					
Salaries, Wages and Benefits	2,448,134	2,965,153	2,965,153	2,698,847	3,434,754
Materials, Supplies and Services	4,030,115	4,135,503	4,182,405	3,760,349	3,789,390
Internal Support	783,101	835,385	835,385	850,251	888,866
Capital Purchases	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers to Other Funds	-	-	-	220	10,000
Prior Year Encumbrance	-	-	-	-	-
Total Expenditures	7,261,350	7,936,041	7,982,943	7,309,667	8,123,010
Revenues:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	-	5,000	5,000	5,000	5,000
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	598,699	190,000	190,000	190,463	190,000
Interfund Services - Charges	1,872,676	1,689,101	1,689,101	1,689,101	1,689,101
Intrafund Services - GP Charges	-	-	-	-	-
Harbor P/R Revenue Transfers	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Revenues	2,471,375	1,884,101	1,884,101	1,884,564	1,884,101
Personnel (Full-time Equivalents)	25.62	27.62	27.62	27.62	31.50

* Amounts exclude all-years carryover.

Personal Services

Classification	FY 07 Adopt FTE	FY 08 Adopt FTE	FY 09 Prop FTE	FY 08 Adopted Budget	FY 09 Proposed Budget
Director of Human Resources	1.00	1.00	1.00	163,568	163,568
Accident Prevention Coordinator-Confidential	-	-	-	-	-
Administrative Aide II-Confidential	1.00	1.00	-	50,623	-
Administrative Analyst III-Confidential	1.00	2.00	3.00	141,830	214,195
Assistant Administrative Analyst II-Confidential	-	-	1.00	-	62,688
Affirmative Action/ADA Officer	-	1.00	-	78,000	-
Administrative Assistant to City Manager	1.00	-	-	-	-
City Safety Officer	1.00	1.00	1.00	86,554	93,618
Clerk Typist II-NC	0.50	0.50	-	14,750	-
Clerk Typist III-Confidential	1.00	1.00	3.00	40,672	124,883
Clerk Typist III-NC	0.12	0.12	-	4,881	-
Employee Benefits/Service Officer	-	1.00	0.50	109,077	26,256
Equal Employment/ADA Officer	-	-	-	-	-
Executive Assistant	1.00	1.00	1.00	56,883	59,097
Executive Secretary	-	-	-	-	-
Human Resources Officer	2.00	1.00	1.00	109,077	78,000
Manager-Administration	-	-	2.00	-	226,811
Manager-Personnel Operations	1.00	1.00	1.00	120,816	125,647
Manager-Risk Management	1.00	1.00	1.00	109,319	113,692
Personnel Analyst I-Confidential	1.00	1.00	1.00	59,010	59,675
Personnel Analyst II-Confidential	2.00	2.00	2.00	132,149	149,643
Personnel Analyst III-Confidential	3.00	4.00	3.00	293,806	242,417
Personnel Assistant I - Confidential	-	-	1.00	-	42,116
Personnel Assistant II-Confidential	5.00	5.00	5.00	241,083	246,297
Safety Specialist I-Confidential	-	-	1.00	-	52,695
Safety Specialist II	1.00	1.00	-	61,793	-
Safety Specialist II-Confidential	-	-	1.00	-	61,280
Secretary-Confidential	2.00	2.00	2.00	88,046	93,893
Subtotal Salaries	----- 25.62	----- 27.62	----- 31.50	----- 1,961,936	----- 2,236,469
Overtime	---	---	---	9,550	9,550
Fringe Benefits	---	---	---	962,135	1,108,275
Administrative Overhead	---	---	---	31,532	80,461
Attrition/Salary Savings	---	---	---	---	-
Total	----- 25.62	----- 27.62	----- 31.50	----- 2,965,153	----- 3,434,754

Key Enhancements and Reductions

Description	Fund	FTEs	One-Time	Budget Impact
<i>Human Resources</i>				
<ul style="list-style-type: none"> • Explore basing sick leave conversion for retiree health care on value as it was earned, not value at time of retirement 	Employee Benefits			TBD
<ul style="list-style-type: none"> • Provide workforce diversity training with in-house resources; cancel remaining two years of CCEJ contract 	Employee Benefits			(84,000)
<ul style="list-style-type: none"> • Implement hiring process efficiencies and reorganize staff 	Employee Benefits	2.88		126,870
<ul style="list-style-type: none"> • Implement employee health care plan design changes to generate additional savings 	All Funds			(1,000,000)
<ul style="list-style-type: none"> • Implement PERS/PARS retirement option for new non-Safety employees 	All Funds			TBD

Key Contacts

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Dora Hogan, Manager of Employment Benefits and Equal Employment

David Gonzalez, Manager of Leadership and Organizational Development

Michael Alio, Risk Manager

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