

Human Resources Department

Current Year Department Budgeted Expense Total:

Human Resources: \$1,129,513
City Health Benefits: \$18,790,389
Property Insurance: \$4,585,528

Change from Prior Year:

Human Resources: \$1,278
City Health Benefits: \$286,375
Property Insurance: \$291,284



Overall Budget Justification:

The FY26 Human Resources Department budget is \$1,129,513, this is an increase in costs of \$1,278 over the prior year. Services that have been provided in the past will continue for the coming fiscal year. This includes Benefits and FMLA Administration, Timekeeping and Payroll, Workers' Compensation, Property and Liability Insurance Administration, Employee Recruitment, Workplace Investigations, Drug and Alcohol Program Administration, Collective Bargaining Agreements Negotiations and Administration, Employee Discipline and Grievance and Arbitration Procedures.

The FY26 Property and Liability Insurance budget will increase by \$291,284 driven by a 20% increase in property insurance premiums, and no change expected in liability insurance premiums.

The FY26 Health Insurance budget will increase by \$286,375 driven by a 7.5% projected increase in medical claims costs and a 15% increase in prescription claims costs.

Ongoing Programs:

- The Applicant Tracking and Onboarding software to streamline the recruiting process costs \$51,000 annually.
- The timekeeping software to make hours entry more efficient for departments costs \$36,000 annually.
- Cyber Security insurance costs continue to increase due to high cyber liability claims experienced nationwide. This year the premium will increase 15%.

Budgeted Revenues:

HUMAN RESOURCES REVENUE BY FUND

	ACTUAL FY 23	ACTUAL FY 24	BUDGET FY 25	ESTIMATE FY 25	PROPOSED FY 26
GENERAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -
HEALTH BENEFITS	14,292,608	\$ 14,521,636	14,486,000	14,872,258	14,564,581
PROPERTY INSURANCE	<u>2,595,653</u>	<u>3,789,606</u>	<u>5,000,442</u>	<u>5,001,539</u>	<u>4,340,385</u>
TOTAL REVENUES	<u>\$ 16,888,261</u>	<u>\$ 18,311,242</u>	<u>\$ 19,486,442</u>	<u>\$ 19,873,797</u>	<u>\$ 18,904,966</u>

HUMAN RESOURCES REVENUE BY CLASSIFICATION

	ACTUAL FY 23	ACTUAL FY 24	BUDGET FY 25	ESTIMATE FY 25	PROPOSED FY 26
CHARGE FOR SERVICES	\$ 16,697,202	\$ 17,766,791	\$ 19,240,742	\$ 18,805,283	\$ 18,537,206
INVESTMENT EARNINGS	230,223	534,322	245,700	1,061,271	367,760
MISCELLANEOUS	<u>(39,164)</u>	<u>10,129</u>	<u>-</u>	<u>7,243</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 16,888,261</u>	<u>\$ 18,311,242</u>	<u>\$ 19,486,442</u>	<u>\$ 19,873,797</u>	<u>\$ 18,904,966</u>

Budgeted Expenditures:

HUMAN RESOURCES OPERATING BUDGET BY FUND

	ACTUAL FY 23	ACTUAL FY 24	BUDGET FY 25	ESTIMATE FY 25	PROPOSED FY 26
GENERAL FUND	\$ 997,892	\$ 972,467	\$ 1,130,791	\$ 1,074,000	\$ 1,129,513
HEALTH BENEFITS	13,173,927	15,488,035	18,504,014	18,497,000	18,790,389
PROPERTY INSURANCE	<u>3,525,102</u>	<u>3,709,601</u>	<u>4,294,244</u>	<u>4,150,000</u>	<u>4,585,528</u>
TOTAL EXPENDITURES	<u>\$ 17,696,921</u>	<u>\$ 20,170,103</u>	<u>\$ 23,929,049</u>	<u>\$ 23,721,000</u>	<u>\$ 24,505,430</u>

HUMAN RESOURCES OPERATING BUDGET BY CLASSIFICATION

	ACTUAL FY 23	ACTUAL FY 24	BUDGET FY 25	ESTIMATE FY 25	PROPOSED FY 26
PERSONAL SERVICES	\$ 837,183	\$ 1,184,384	\$ 937,385	\$ 861,716	\$ 971,997
OPERATIONS AND MAINTENANCE	<u>16,859,738</u>	<u>18,985,719</u>	<u>22,991,664</u>	<u>22,859,284</u>	<u>23,533,433</u>
TOTAL EXPENDITURES	<u>\$ 17,696,921</u>	<u>\$ 20,170,103</u>	<u>\$ 23,929,049</u>	<u>\$ 23,721,000</u>	<u>\$ 24,505,430</u>

Staffing:

HUMAN RESOURCES STAFFING AUTHORIZATION

POSITION	ACTUAL FY 23	ACTUAL FY 24	BUDGET FY 25	PROPOSED FY 26
HUMAN RESOURCES				
HUMAN RESOURCES DIRECTOR	1.0	1.0	1.0	1.0
HUMAN RESOURCES ASSOCIATE	1.0	1.0	1.0	1.0
PAYROLL/HR GENERALIST	1.0	1.0	1.0	1.0
PAYROLL/HR ANALYST	2.0	2.0	2.0	2.0
ADMINISTRATIVE SUPPORT II	1.0	1.0	1.0	1.0
PROPERTY INSURANCE				
RISK/SAFETY OFFICER	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL HUMAN RESOURCES	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>

Department Goals:

Goal: Increase the City of Billings Social Media presence as it relates to recruiting vacant positions.

Action(s): Post all vacant positions on social media and professional websites. Continue to review and monitor which platform provides the greatest number and quality of applicants.

Outcome(s):

- The City of Billings will be in compliance with EEOC and draw a larger applicant pool for vacant positions.

Goal: Purchase new Health Insurance Open Enrollment Software.

Action(s): Research, review, and conduct a cost analysis to purchase Health/Dental Insurance Open Enrollment software, since EBMS will no longer offer that service to the City. Implement and administer Open Enrollment software that benefits the city and its employees by adding benefit enrollment efficiencies.

Outcome(s):

- New Open Enrollment software will allow the City to continue electronic employee Open Enrollment for health, dental, and vision insurance. The software will increase productivity and allows employees more self-service capabilities for revising their benefit information.

Goal: Provide additional ongoing employee and management development and training programs.

Action(s): Increase training for all employees. Supervisory training will focus on safety, workers' compensation, liability, harassment and diversity awareness, workplace violence, employment laws, drug and alcohol reasonable suspicion, and City finances/budgeting. Employee training will focus on such topics as ethics, safety, harassment, workplace violence, diversity and inclusion, customer service, and employee benefits.

Outcome(s):

- A training program that efficiently improves the employees' and supervisors' skills and abilities to perform their assigned functions.

5- Year Outlook

Human Resources will need to add an Assistant Director position for FY27 to help with the ever-increasing workload caused by adding staff in other City department/divisions, and for succession planning. In FY28, the City needs to determine if the current payroll software is still viable or if another software should be purchased to improve payroll efficiency and reporting.