



# Talent & Equity Resources

**Presentation of 2026 Budget Proposal to City Council**



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MINNESOTA

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# Agenda

- Executive Summary
- 2025 Budget Recap
- Updates on Recent Initiatives
- 2026 Proposed Changes
- Budget History
- Spending Summary
- FTEs Summary
- Unfilled Positions
- ARPA Projects Update
- Revenue Changes and Outlook
- Questions & Discussion





## Executive Summary

- **TER 2026 priorities** – 1) Prioritize Learning and Development ; 2) Innovate Processes and Systems to Improve Efficiency; 3) Strengthen Recruitment and Retention; 4) Foster TER Culture; 5) Implement Negotiation Strategy and Engagement.
- **Budget changes 2025** - *Spending reductions included \$34,656 in various materials and supplies budgets, \$14,944 in intern and overtime budgets, and \$3,757 in a reduced step for a vacant position, as well as an attrition adjustment of \$150,000. The special fund adjustments include the addition of the Ready Rebound contract of \$178,000, which will provide injury treatment and advocacy services to Fire Department employees and a reduction of \$6,901 in current service level adjustments.*



## 2025 Budget Recap

**Savings:** TER's savings strategy is based around backfilling open positions at lower steps.

**Unplanned Costs:**

- 2 temporary Payroll employees to provide support during cybersecurity incident
- Payroll overtime
- Postage costs related to mailing hardcopies of all City employee paystubs (~4400)
  - *Postage – approx. \$10k in unanticipated postage*
  - *Materials – approx. \$5k*



## Updates on Recent Initiatives (2024-2025)

### Training & Development

- 964 employees trained last year, and 40 courses offered (20% increase from 2022.)
  - OpenSesame users growing 23% on average per quarter.
  - Launched Referee to Coach (supervisory development program)
- Launched Respect in the Workplace Campaign (100% employees trained on WPC policy)

### Payroll

- New payroll specialist assigned to Parks – 690 youth onboarded for Right Track.
  - Collaborating with OTC to pilot improved onboarding process for Public Works & Water.
  - Payroll Tech is working on process improvement in partnership with HR Liaisons .

### Equity & Inclusion

- Launch of Equity and Inclusion Speaker Series
- Updates to Equity Dashboard to include promotion data, disability and veteran status.
- Implementation of the ERN and ECT Policy.

### Resident Recruitment

- Established partnerships with five workforce development community organizations to build pipelines.
- Hosted three community engagement events to receive feedback about hiring & recruitment.
- City of Saint Paul presence at 47 career/recruiting events. (May 2024-2025)



## Outsourcing FMLA

- Benefits Specialist time savings equivalent to .6 FTE, allowing more capacity to focus stronger benefit strategy
- Introduced a vision plan to the benefits package
- Hosted 20 webinars on mental health, family support, and financial wellness

## Public Information Specialist

- Career Center Development
- Equity Initiates (enhanced dashboard and ERN policy)
- TASS to Workforce Management
- Weekly Talent Tips Newsletter
- TER rebrand campaign

## HR Consulting Services

- Completed class/comp projects trending up: 22% over '24 (to date), 72% over '23.
- Job study timeline now averaging under 60 days
- Eligible List Processing Days  
2023: 4 months  
2024: 2.6 months  
Total Time to Hire Averages  
2023: 5.3 months  
2024: 4.25 months



## 2026 Proposed Changes

General Fund	Amount	FTE	Frequency
Current service level adjustments	485,460	-	Ongoing
Eliminate Laborsoft software	(30,000)	-	Ongoing
Reduce general professional services budget	(40,000)	-	Ongoing
Repurpose Benefits Manager position	(3,965)	-	Ongoing
Repurpose Human Resources Consultant IV	(39,549)	-	Ongoing
Reduce budget for reserve for promotions	(33,785)	-	Ongoing
Vacant position adjustment	(11,057)	-	Ongoing
Total	327,104	-	



## History of Budget to Actual – General Fund

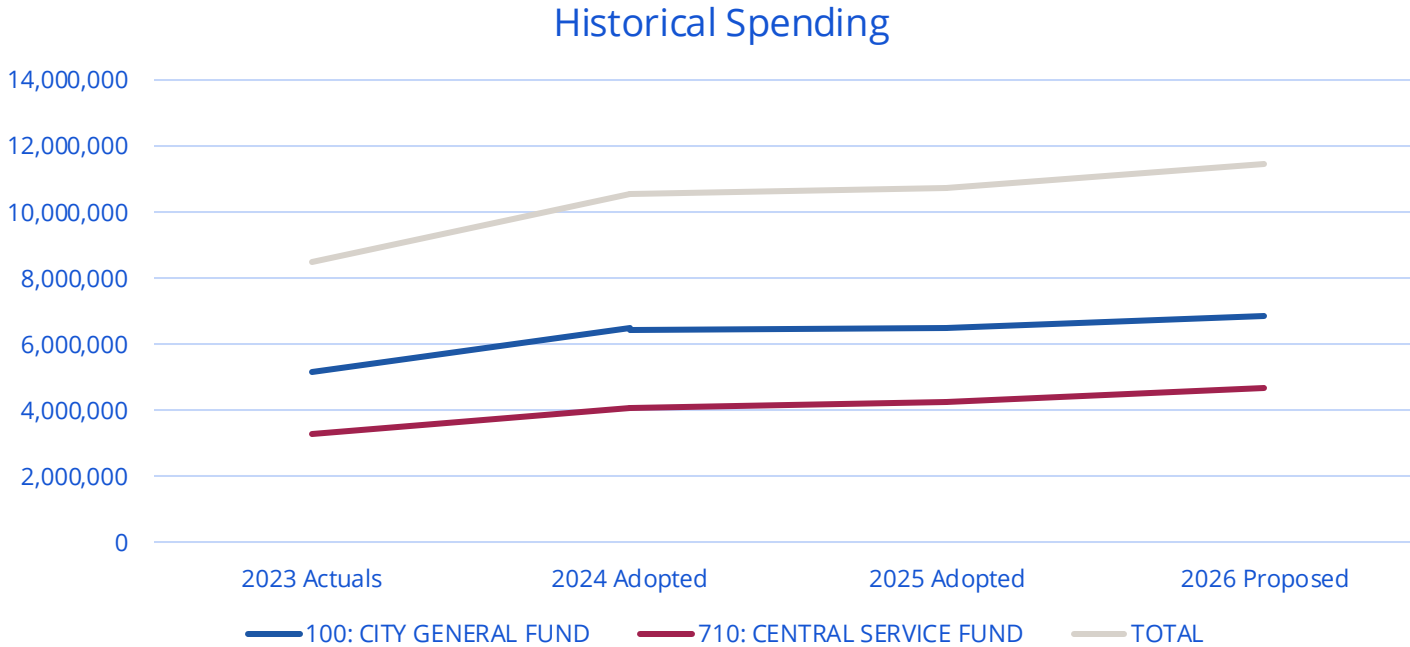
<u>Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
<b>2021</b>	5,065,133	4,887,784	177,349	3.5%
<b>2022</b>	4,365,416	4,114,707	250,709	5.7%
<b>2023</b>	5,147,051	5,177,941	(30,890)	-0.6%
<b>2024</b>	6,542,494	6,360,191	182,303	2.8%
<b>2025A</b>	6,603,327	3,955,889	2,647,438	40.1%





## Budget Summary: Spending

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Proposed	Change from 2025 (\$)	Change from 2025 (%)
100: CITY GENERAL FUND	5,177,941	6,468,389	6,497,044	6,824,148	327,104	5.0%
710: CENTRAL SERVICE FUND	3,300,958	4,054,463	4,239,364	4,641,807	402,443	9.5%
TOTAL	8,478,899	10,522,852	10,736,408	11,465,955	729,547	6.8%





## FTEs Summary

Fund	2021 Adopted	2022 Adopted	2023 Adopted	2024 Adopted	2025 Adopted	2026 Proposed	FTE Change from 2025
100: General Fund	37	39	40	47	47	47	0
ARP Funded	0	2	2	2	0	0	0
Total	37	41	42	49	47	47	0



### FTEs – Unfilled Positions

- HRCS IV in the interviewing phase as of 10/2/25. It will be backfilled as HRCS III Step 2.



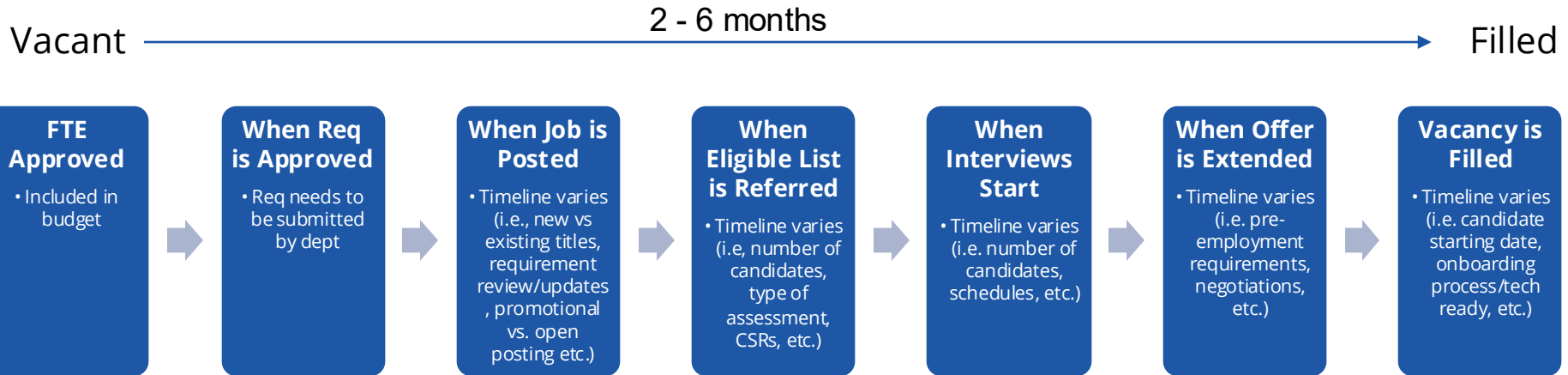
## Questions & Discussion



## Appendix

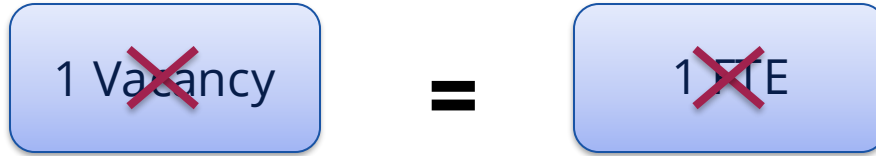


# From Vacant to Hired Cycle





## Vacancies Data



- No centralized system to pull a vacancy report
- Vacancies are tracked in different systems depending on status
- Vacancy data is a snapshot in time
- A position may be vacant for many different reasons





## 2026 Vacancies Explained

- Vacancy reductions were assessed by:
  - Length of time of the vacancy
  - Ability to absorb work elsewhere
  - Feedback from departments
- Cut vacancies = cut FTEs. Those positions WILL NOT be backfilled.
- Some positions listed as vacant at data collection (May 2025) were filled before decisions were made.
- Newer vacancies (after May 2025) may not appear in the data provided to Council in Sept 2025.



# Responsibilities and Performance Measurement

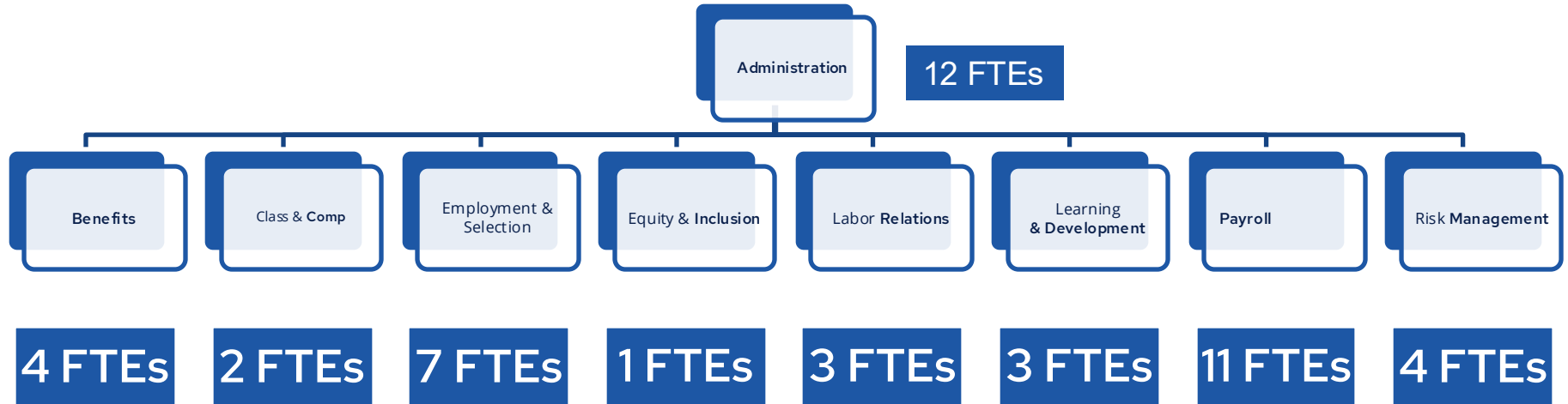
**Our Mission:** Act as strategic leaders and partners, supporting departments to attract, develop, and retain a diverse workforce. Foster an inclusive workplace culture that promotes equity, inclusion, and innovation.

**Values:**

- Human-centered
- Innovation & Excellence
- Inclusion & Equity
- Stewardship



## Org Chart



47 Total FTEs



## Talent & Equity Resources

PERSONNEL BUDGET	2025 Adopted	2026 Proposed	\$ Change	% Change
<b>EMPLOYEE BENEFITS</b>	<b>1,672,103</b>	<b>1,857,076</b>	<b>184,973</b>	<b>11.1%</b>
FICA	318,149	334,281	16,132	5.1%
PERA/PENSION	311,909	327,971	16,062	5.1%
EMPLOYEE INSURANCE	836,520	962,935	126,415	15.1%
OTHER EMPLOYEE BENEFITS	205,525	212,649	7,124	3.5%
MINNESOTA PAID LEAVE	-	19,240	19,240	
<b>SALARIES AND WAGES</b>	<b>4,158,799</b>	<b>4,372,913</b>	<b>214,114</b>	<b>5.1%</b>
FULL TIME SALARIES AND WAGES	4,357,248	4,473,598	116,350	2.7%
ATTRITION	(242,748)	(116,698)	126,050	-51.9%
OVERTIME	1,152	1,152	-	0.0%
SALARY NEEDS	43,147	14,861	(28,286)	-65.6%



## Talent & Equity Resources

SERVICES BUDGET	2025 Adopted	2026 Proposed	\$ Change	% Change
<b>SERVICES</b>	<b>626,857</b>	<b>554,874</b>	<b>(71,983)</b>	<b>-11.5%</b>
ADDITIONAL SERVICES	550	550	-	0.0%
CONTRACTED SERVICES	311,512	278,478	(33,034)	-10.6%
GENERAL SERVICES	17,238	17,238	-	0.0%
INTERNAL SERVICE EXPENSE	5,016	3,033	(1,983)	-39.5%
MILEAGE AND PARKING	13,700	13,700	-	0.0%
RENTAL SERVICE	233,166	196,200	(36,966)	-15.9%
REPAIR AND MAINTENANCE SERVICE	13,000	13,000	-	0.0%
TRAVEL TRAINING DUES	32,075	32,075	-	0.0%
UTILITY SERVICE	600	600	-	0.0%



## Talent & Equity Resources

MATERIALS BUDGET	2025 Adopted	2026 Proposed	\$ Change	% Change
<b>MATERIALS AND SUPPLIES</b>	<b>39,285</b>	<b>39,285</b>	-	<b>0.0%</b>
COMPUTER MATERIAL	12,670	12,670	-	0.0%
OFFICE SUPPLIES	26,115	26,115	-	0.0%
SPECIAL MATERIALS AND SUPPLIES	500	500	-	0.0%



# 2026 HREEO Director Selection Process

Date	Activity
January 5, 2026	Notification of Vacancy <ul style="list-style-type: none"><li>• Notice from Mayor's Office to City Council of a vacancy (completed 8.21.2025)</li><li>• Request for community member participation/selection committee for HREEO</li></ul>
6-8 Weeks	Ordinance with selection panel takes effect for HREEO
March 2, 2026	Position is publicly posted, open recruitment process begins to attract a broad and qualified pool of applicants
March 23, 2026	Application period closes
Week of March 30	Panel Orientation and Application Review <ul style="list-style-type: none"><li>• Opening remarks provided by the Mayor</li></ul>
Week of April 6	Panel Interviews and Recommendations <ul style="list-style-type: none"><li>• The selection panel conducts candidate interviews and submits a list of recommended finalists to the Mayor</li></ul>
Week of April 13	Mayoral Interviews
1-2 weeks after interviews with Mayor	Mayoral Appointment and Council Submission <ul style="list-style-type: none"><li>• Conditional job offer extended to the selected candidate and submission of the appointment to the City Council via resolution for confirmation</li></ul>
May 6 Council Meeting	Council approves/denies selection
June 1, 2026	New Director starts