

1. Agenda

Documents: PERSONNEL COMPENSATION REVIEW COMMITTEE AGENDA AUGUST
14, 2013.PDF

2. Packet

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Personnel Compensation Review Committee Agenda
Wednesday, August 14, 2013 - 4:00 PM
PSF Training Room
4 Fairgrounds Road, Nantucket, MA

I. Organizational Meeting

1. Election of officers
2. Public comment
3. Review of mission
4. Discussion of potential projects and goals
5. Review of DRAFT Wage and Compensation RFP scope of services
6. Set next meeting
7. Adjournment

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Personnel Compensation Review Committee

Established by the Board of Selectmen on: June 26, 2013

Appointed by: Member representatives appointed by respective Board/Committee/Commission

Membership:

- 2 members from Board of Selectmen
- 2 members from Finance Committee
- 1 member from School Committee
- 1 member from Airport Commission
- 1 member from Nantucket Water Commission

Staff Assistance: Town Administration

Charge:

This advisory committee will:

- Review and analyze the compensation practices of the Town of Nantucket on a regular basis -- including health insurance benefits and policies, retirement benefits and policies, and all other benefits associated with Town employment (present and post)
- Obtain and analyze comparative data from other municipalities and the private sector on a regular basis to ascertain whether or not current practices are fair and equitable from both the perspective of the employees and the taxpayer.
- Discussion and development of possible strategies for collective bargaining contract negotiations, including potential discussion in executive session

The data and analyses conducted by the Committee are meant to provide the Board of Selectmen with information needed to consider personnel policy issues going forward.

Note: The Committee is subject to the Open Meeting Law

DRAFT WAGE AND COMPENSATION STUDY SCOPE OF SERVICES

III. BACKGROUND

The Town of Nantucket is a small island community located approximately 30 miles southeast of Cape Cod, Massachusetts. The island's year round population is approximately 15,000 residents, however its seasonal and tourist population can swell the island to over 50,000-60,000 inhabitants during the busy summer months. All municipal services are provided year-round but are scaled seasonally to meet the changing service demands for certain departments. Nantucket maintains approximately 260 year-round permanent full time and part time staff, including Town and Enterprise Fund employees but excluding Public School employees, down from 320 in FY2009, but hires approximately 100 temporary seasonal employees in the summer (see Appendix X – Personnel History).

Because Nantucket is an island with little opportunity for mutual aid, shared services or regionalization efforts, the Town provides all municipal services for its residents and guests, requiring a broad and diverse set of skills and expertise, ranging from airport administration to wastewater treatment to a municipally-operated nursing home (see Appendix X – Organizational Chart). Over 85% of the Town's staff is unionized and covered by one of eight (excluding School) collective bargaining agreements (CBA). Each CBA has its own wage scale and various compensation-related benefits, creating an overall lack of cohesion and consistency in municipal compensation strategies (see Appendix X – Collective Bargaining Contracts). Non-unionized staff is subject to the personnel policies of the Town (see Appendix X – Personnel Policies) which were only recently updated and adopted.

Like many municipalities across the Commonwealth, Nantucket has been redesigning its government workforce structure over the past several years to better meet the evolving needs of its community during lean economic times. A separate initiative is being undertaken concurrently to determine if Nantucket is structured and staffed appropriately in order to effectively and efficiently deliver the services necessary to maintain a safe, vibrant and healthy community year-round (see Appendix X – Staffing Study Scope of Services). It is possible that through consolidations and other efforts that some areas of government may have become overstaffed while others may have become understaffed; or it is possible that some positions should be changed to perform different duties; or perhaps different positions should be created or eliminated altogether.

As these efforts continue, the Town recognizes that it needs to review its wage and compensation structure concurrently to ensure it is offering fair and competitive packages in addition to meeting the service demands of the island. The Town has neither a comprehensive compensation management plan nor has a comprehensive internal and external study been completed in at least the last twenty years. An internal workgroup has recently conducted a thorough analysis of the Town's application of the Fair Labor Standards Act for all employees and a classification study of the LiUNA employees is currently underway and nearly completed.

Various factors must be taken into consideration to better understand Nantucket's staffing needs:

- Cost of living and remoteness of location make recruitment and retention a challenge;
- Housing (availability and cost to purchase) is a significant barrier to recruitment;
- Competitive compensation packages drive up the salary and benefit costs as a percentage of government expenditures, leaving less room for expansion of services;

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- The remote location of the island does not allow for mutual assistance or regionalization from neighboring communities requiring staff to be trained and ready for a variety of operations;
- Unlike many cities or towns, Nantucket maintains its own airport, nursing home, harbor, water company, landfill, marine and natural resources facility, and two waste water treatment facilities creating a diversity of services covered under the same bargaining agreements;
- Many island businesses are seasonal in nature, making comparison challenging;
- The year-round population of approximately 12,000 residents swells to over 50,000 in the summer creating a staffing challenge. Both extremes require the same level of services with limited year-round resources.

IV. SCOPE OF SERVICES

The goal of this wage and compensation project is to review the Town's current classification and compensation system utilizing accepted practices in management and design of compensation systems; compare wages and benefits internally amongst unions and departments; compare wages and benefits externally to like municipalities and private business, where applicable; examine the existence of a "Nantucket Factor" of inflation and cost of living; outline a strategy to attract and retain qualified workers who are paid fair and equitable salaries; and provide the framework for a compensation structure that enables the Town to maintain a competitive position with other municipalities and businesses within the same geographic area.

The wage and compensation study shall include an examination of Nantucket's current compensation and benefits structure and offer recommendations for best practices based on Nantucket's unique needs. This study shall be made in accordance with generally accepted review and analysis methods and in accordance with applicable federal and state laws. The scope of this project includes:

- A. Work with elected officials, Town management, union leadership and others as identified to obtain fair and balanced data.
- B. Gather necessary municipal and private industry information through the use of payroll data, collective bargaining agreements, job descriptions, questionnaires, personnel interviews and other accepted methods.
- C. Review and document the Town's existing compensation classification processes, to include Town, School and Enterprise Fund employees. Recommend adjustments, if warranted. Propose alternative systems of grading and classifying positions if, in the consultant's opinion, a preferable alternative should be considered.
- D. Review existing benefits and Other Post-Employment Benefits (OPEB) including, but not limited to: vacation, sick, and personal leave, annual buy backs, life insurance, indemnification, deferred compensation and disability protection, including workers compensation. Recommend adjustments based upon survey information and best practices in municipal government and private industry.

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- E. Review the existing positions descriptions to ensure that they reflect desired duties, responsibilities and qualifications of each position and make recommendations accordingly. Assign all positions to appropriate pay grades bases on analysis. Where descriptions do not exist, draft descriptions will need to be created with the assistance of employees, their supervisors, labor and Human Resources.
- F. Identify comparable communities or municipal entities, ideally in Massachusetts but potentially throughout the northeast, using methodology acceptable to the State’s Labor Board and document the basis for comparison. A matrix of wage and benefits by community as well as comparable positions and their assigned grades and compensation is required.
- G. Determine if a “Nantucket Factor” exists; and if so, identify what this “factor” is through a labor market salary and benefits survey for the Town that reflects both municipal and private industry as well as ancillary factors such as cost of living, seasonality and remoteness of location.
- H. Recommend a theoretical 10-year strategy for sustained wage and compensation growth based on interviews and analysis and identify an instrument or process for ongoing internal maintenance of a classification and compensation plan.

Preliminary recommendation(s) will be presented by the consultant to the Town Manager prior to proceeding with the final analysis. Final report will be presented in a written report and presented to the Board of Selectmen for review in a public session.

IV. COMPOSITION AND SIZE OF EMPLOYEE GROUP

There are approximately one hundred (100) union and non-union positions to be reviewed (see Attached – Position Listing and Job Descriptions). Additionally, there are eight collective bargaining agreements for review.

An appropriate list of potential comparable communities is to be created by the winning bidder.

V. MISCELLANEOUS REQUIREMENTS

- A. Reporting:** Throughout the study the winning bidder will work closely with Town Administration and Human Resources and will be expected to provide regular updates at specified times. The bidder will spend sufficient time explaining the methodology, the analysis, and the draft recommendations to Town Administration before being presented. The final product(s) will be presented by the bidder to the Board of Selectmen in a public meeting.
- B. Analysis:** A completed report will include an executive summary, methodology, data, analysis, source materials, critical observations of current processes, a list of comparable communities, a matrix of wage and benefits by community and private industries reviewed and their comparable positions and their assigned grades and compensation, a proposed “Nantucket Factor”, a theoretical 10-year wage and compensation strategy and final recommendations.

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C. Project Completion: The consultant must be ready to commence the project within three weeks of the contract award and must complete the project within four (4) months of the project commencement.

VI. MINIMUM CRITERIA

Proposals will be screened to meet the following minimum criteria (with no exceptions):

1. Vendor must have at least five (5) years of experience in conducting classification and compensation studies, developing and recommending salary structures, reviewing and developing job descriptions, and recommending placement of positions within the salary structure.

YES _____ NO _____

2. Vendor must have completed at least five (5) classification and compensation studies, two (2) of which such plans must have been for a municipality and one or two in a union environment.

YES _____ NO _____

3. Vendor must have demonstrated knowledge of applicable federal and state statutes and regulations governing employment and personnel activities.

YES _____ NO _____

NAME OF BIDDER: _____

VII. COMPARATIVE CRITERIA

The following criteria will be used in evaluating and rating the proposals submitted:

Experience

Highly Advantageous: Vendors have at least ten (10) years experience in conducting classification and compensation studies, developing and recommending salary structures, reviewing and developing job descriptions, and recommending placement of positions within the salary structure. Vendors must have completed more than ten (10) such studies comparable to this project, of which at least five (5) have been for municipalities and must have significant experience in a civil service environment as well as a union environment.

Advantageous: Vendors have more than five (5) years but less than ten (10) years experience in conducting classification and compensation studies, developing and recommending salary structures, reviewing and developing job descriptions, and recommending placement of positions within the salary structure. Vendors must have completed more than seven (7) but less than ten (10) such studies comparable to this project, of which at least two (2) studies have been for

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municipalities and must have some experience in a civil service environment as well as a union environment.

Not Advantageous: Vendors have less experience than is described above as “Advantageous”.

Personnel

Highly Advantageous: Vendor will assign a principal consultant to this project who has participated in at least four (4) comparable studies for Massachusetts municipalities.

Advantageous: Vendor will assign a principal consultant to this project who has participated in at least two (2) comparable studies for Massachusetts municipalities.

Not Advantageous: Vendor is able only to assign a principal consultant who has not participated in at least one (1) comparable study for a Massachusetts municipality.

Plan of Services

Highly Advantageous: The Plan of Services as set forth in response to the Town’s RFP is highly defined and developed. The implementation strategy is exceptionally clear, understandable and focused. The principal consultant will communicate regularly with the Town as to the progress of the study.

Advantageous: The plan of Services as set forth in the response to the Town’s RFP is sufficiently developed. The implementation strategy is adequate but not exceptional. A member of the team who is not the principal consultant will communicate regularly with the Town as to the progress of the study.

Not Advantageous: The Plan of Services, as set forth in the response to the Town’s RFP, is inadequately developed. The implementation strategy is sketchy and undefined. There cannot be one individual who is assigned the role of communicating with the Town.

References

Highly Advantageous: More than five positive references, three of which are for comparable municipalities.

Advantageous: Five positive references, one of which is for a comparable municipality.

Not Advantageous: References are not positive.