
Study of Human Resources
for
The Town of Nantucket
Report of Findings and Recommendations

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TABLE OF CONTENTS

Introduction and Scope	2
Methodology	2
Overview of Nantucket Human Resources	3
Executive Summary	4
Decentralized Human Resources Operations	6
Observations and Recommendations	7
Hiring Process and On Boarding.....	7
Record Keeping and Documentation	9
Personnel Policies.....	12
Human Resources Information Systems	14
Training and Performance Development.....	16
Compensation and Benefits	17
Safety and Worker’s Compensation	19
Employee and Labor Relations.....	19
Separation of Employment.....	20
Storage and Office Space	21
Staffing of the Human Resources Department.....	22
Suggested Staffing Based on Proposed Responsibilities.....	25
Exhibits.....	26

INTRODUCTION AND SCOPE

The Town of Nantucket's Human Resources Director retired in May of 2015. Prior to filling that position, the Town took the opportunity to review HR services, policies and procedures for compliance, best practices, and appropriate department staffing models. To that extent, the Town requested quotes from qualified firms to perform an assessment of the HR function. Bill Hoch from *EmCo Consulting, LLC* and Jane Callahan from *HR Alternatives*, submitted a joint proposal and were selected to:

1. Conduct in-person interviews with department heads and staff as necessary to assess current HR related policies and practices.
2. Conduct a review of Human Resources functions including: Hiring, Compensation & Benefits, Documentation & Record Keeping, Training & Performance Development, Employee & Labor Relations, Safety & Workers Compensation, and Separation.
3. Review current compliance with state and federal laws that impact Town personnel policies and practices.
3. Review the current structure of the Human Resources Department and recommend changes as appropriate.
4. Develop an outline of recommended training for the HR Staff, Department Managers, and staff as necessary.

METHODOLOGY

Department Heads and key staff members were interviewed for the purpose of identifying: (1) current policies and practices which are appropriate and should be retained and (2) opportunities for new, or revised, initiatives based on best practice that will ensure compliance with state and federal employment laws. The following individuals were interviewed

Town Manager
Assistant Town Manager
Assistant Director of Human Resources
Payroll Administrator
Director of Municipal Finance
Deputy Director of Planning
Wannacomet Water Co. General Manager
Wannacomet Water Co. Business Manager
Airport Finance Assistant
Schools - Assistant to the Finance Director

Director of Planning
Director of Human Services
School - Executive Assistant
Our Island Home Administrator
Director of Public Works
Airport Manager
Chief of Police
Fire Chief

Unless indicated otherwise in the report, the use of the term "department" will be intended to include all of these work groups.

Working through a discussion guide (see Exhibit D) outlining human resources functions and the life cycle of an employee, interviews identified current practices and the extent to which they are centralized in the Town Human Resource department or decentralized in particular departments. The extent to which current practices are in compliance with state and federal employment laws was also assessed.

In addition to these interviews, the team reviewed record keeping practices, spot checked files for regulatory compliance, viewed current HR and Payroll information systems, and reviewed policies, the Town Charter, and collective bargaining agreements. Once information was gathered, the project team analyzed the information and presents findings and recommendations in this report.

OVERVIEW OF NANTUCKET HUMAN RESOURCES

Legal Structure For Personnel

The Town of Nantucket is governed by a Board of Selectmen. By the terms of the Town Charter (last amended in 2007), authority for town administration has been delegated to a Town Manager. The Town Manager has full control over Town Administration. Pursuant to the Charter, all Town departments are part of "Town Administration" except for the airport, the schools, and the water department.

Within Town Administration, the Town Manager has been given the authority to appoint department heads (subject to disapproval by the Selectmen). In addition, all town employees in Town Administration come under the authority of the Town Manager. Subject to the Town Manager's approval, day to day management of employees is delegated to Department Heads. The Charter indicates that Department Heads, once receiving authorization from the Town Manager, are given appointing authority for their department personnel and authority to remove, suspend, or otherwise discipline their personnel subject to approval of the Town Manager.

Under this structure, the Town Manager is ultimately responsible for all town employees other than those hired by the schools, the airport, and the water department. Currently, the airport, schools, and water department perform much of their own HR work. To varying degrees, these departments either purchase or utilize some town HR services, for example payroll management and benefits enrollment. By agreement, these departments could receive greater HR services from the Town.

To the extent that Department Heads in Town Administration require approval from the Town Manager for employment decisions, the Town Manager has the authority to require centralization of HR functions. A centralized Human Resources function will help ensure consistent practices across all Town Administration Departments, efficient use of limited resources, and implementation of best practices Town-wide.

The Town Personnel Policies, adopted by the Selectmen in 2013, identify the Human Resources Director as the Town's Personnel Officer with full authority to administer personnel policies and rules and regulations. The Town Personnel Policies state that the Human Resources Director "shall be responsible for the efficient administration of the personnel system, including, but not limited to:

- (a) developing and recommending personnel policies rules and regulations;
- (b) administration of the classification and compensation plans;
- (c) enforcement of provisions of personnel policies, rules and regulations;
- (d) assisting all with disciplinary issues in a uniform, fair, and efficient manner;
- (e) monitoring the effectiveness of personnel practices and policies, and
- (f) such other powers, duties and responsibilities as provided by these policies or assigned by the Town Manager."

In addition, the Personnel Policies identify Human Resources as the centralized repository of all personnel records, stating that:

the Human Resources Director shall be responsible for establishing and maintaining a centralized personnel record keeping system. The personnel record keeping system shall contain such records as may be required by law and as necessary for effective personnel management. All employees and appointing authorities shall comply with and assist in furnishing records, reports and information as may be requested by the Human Resources Director or Town Manager.

Current Human Resources Department

While, by its nature, this report focuses on opportunities for the implementation of best practices it is important to recognize the existing strengths of the Human Resources function. With the retirement of the Director, the Human Resources functions are currently being performed solely by Assistant Human Resources Director, Amanda Johnson. All those interviewed praised the work of Ms. Johnson and indicated that she's demonstrated her ability to be a terrific resource for them. They have a high level of respect for her. She is widely viewed as:

- approachable and willing to assist with any personnel matter;
- responsive and can be relied upon to provide information in a timely manner;
- effective and is managing the hiring, Family Medical Leave and health and welfare benefits processes; and
- credible and is restoring confidence in the Human Resources function.

Given the ever-changing employment laws and regulations, the complexity of the municipality's departmental structures, and the Human Resources services required by 1,013 active employees and more than 200 retirees; the current staffing model with a Director and an Assistant Director, is extremely taxed. It is, in part, due to this capacity overload that many Human Resources activities are being managed by individual departments in a decentralized manner, thus creating the risk of inconsistent practices and violation of employment laws.

EXECUTIVE SUMMARY

Historically, the Town of Nantucket functioned with a Board of Selectmen and relatively independent departments. With the creation of a Town Manager form of government, the Town began to move towards more centralized control and authority of Town operations. The Town Personnel Policies provide for centralized control of personnel operations in a Human Resources Director who reports to the Town Manager. While the structure for centralized control of personnel was created, it does not appear to have been fully implemented in practice. With the retirement of the Human Resources Director, the Town of Nantucket has the opportunity to finalize its centralization of personnel operations in Human Resources.

Recently, Human Resources has taken important steps towards offering greater services to departments. These efforts have produced good results and have been well received by Department heads. Human Resources has also tried to centralize record keeping with mixed results. However, Human Resources is understaffed and under resourced to operate in the manner anticipated by the Charter and the Personnel Policies adopted by the Selectmen.

As a result, our primary recommendation is that Human Resources be allocated 1-2 additional staff positions to allow (1) greater coordination of centralized services and record keeping and (2) better organization and dissemination of information. In addition, the Town should identify an HRIS solution to address its significant data tracking problems. Whether the current Munis system can serve this function or a new system is required is an open question that should be quickly resolved. With better control of information, Human Resources can begin creating standardized policies and procedures to help Department heads manage their workforce in a consistent manner across the Town.

Fortunately, the Town has no glaring personnel problems or system failures that pose significant risks. Most department heads have good relations with their workforce and management seems to be functioning well. This is in part due to the long tenure enjoyed by most Department heads and the significant knowledge they have about their operations. As these individuals retire, however, new Department heads will need ways of accessing historical information so that they can provide consistent support to their staff. By creating a more centralized Human Resource function, the Town will take significant steps towards ensuring compliant programs and will gain greater benefit from institutional memory.

DECENTRALIZED HUMAN RESOURCES OPERATIONS

- Given the specialized operations and compliance requirements of the schools, the airport and the nursing home, we agree that the primary responsibility for some HR initiatives should remain decentralized in these departments with guidance from Town Human Resources. Other departments should centralize the bulk of HR functions in Human Resources. This is depicted in *Exhibit A*.

To the extent that HR functions remain decentralized in certain departments, those departments should mirror Town policies and practices as much as is practical and audits should be conducted from time to time to ensure decentralized practices are compliant with state and federal law.

Airport - Airport personnel currently do their own advertising, interviewing and extend job offers. They also complete all new hire paperwork and send it to payroll. They do not send it to Human Resources. They keep a copy of all employee paperwork. The head of Airport Security does criminal background checks on all employees. The head of Airport Security conducts annual safety training. They independently track paid time off and carryover without notification to Human Resources or payroll. They complete the First Report of Injury/Illness and submit to Human Resources for workers compensation claims management. They receive and retain doctor notes for absences of 3 days or more and notify Human Resources when FMLA is applicable and FMLA paperwork is needed.

Schools – School personnel process most Human Resources activity including: annual pay adjustments by notifying payroll directly of union contract agreements. Personnel action forms are used only for non-payroll and non-benefit status changes. They independently track paid time off and do not provide payroll with accrual policies. There are no PTO balances printed on their paystubs. They track their own use of Family Medical Leave due to the way in which it is awarded in the union contract (they do not use a rolling 12-month calendar). Criminal background checks are run before an offer of employment with finger printing when there will be an offer made. They complete the First Report of Injury/Illness and submit to Human Resources for workers compensation claims processing. Cook & Company deals directly with school personnel regarding active workers compensation

claims. Union contracts are negotiated with limited assistance from Town Administration. Benefit premiums adjust annually on July 1 and are deducted from employee paychecks over 10 months for all School employees. It is unclear whether or not payroll is adjusting the employee deductions to account for this.

Human Services – Human Services Department (inclusive of Council on Aging, Senior Services and the Nursing Home personnel) processes most Human Resources activity including: interviewing, selection and new hire orientation; employee counseling and termination. They independently track paid time off and work with the Treasurer monthly to reconcile balances. They are using an automated time recording system now (a separate module of the same system is being used by the Police Department). This system (by Time Visual Communications) has been tested for data transfer to the payroll system by the Police Department and the Finance Department with success. They manage all FMLA leaves and documentation. The workers compensation claims process is shared with the Human Resources department. They handle all disciplinary actions and would welcome HR participation. They manage required licensing.

Water Department – This is a small department that currently operates independently with regard to Human Resources activity. The manager will retire in approximately one year. There is a desire to centralize HR practices in the Town Human Resources Department. They currently manage the hiring and on-boarding process. The certification and licensing process is decentralized here. They manage all training and employee development independently. They manually track the accrual and use of paid time off and do not refer to the balances printed on paystubs. They maintain employee files and prefer that these be all centralized with Human Resources.

Police – The Police Department (also responsible for Emergency Management and Marine Services personnel) processes hiring of its seasonal employees independently and prefers to keep this decentralized with procedural guidance from Human Resources. The department handles performance improvement, discipline and separation and would benefit from uniform guidelines. They have implemented time tracking software mentioned above and hope to have it fully integrated with Munis by July 1. They manage required training. The Chief manages sick leave and FMLA with the assistance of Human Resources and would benefit from procedural guidance and forms.

Fire – The Fire Department also processes many Human Resources activities independently. They would be comfortable centralizing some of these processes in an adequately staffed Human Resources department. They currently interview, select, test for agility and provide offer letters. They provide the new hire package and conduct the orientation. They have a separate six month probationary process with department specific expectations. They communicate directly with Cook & Co. to manage worker compensation claims. They manage the sick and FML process. FMLA is not being run concurrently with sick time in this department. They maintain duplicate personnel files. They are researching a software system (Fenix Fire Scheduling Systems). Time is currently reported by the Captains and sent to central dispatch. A weekly log is used to manually prepare a payroll transmittal. They manage their own grievance process with assistance from Human Resources after the initial warning but have, at times, had difficulty getting timely assistance.

All other Town Departments interviewed (Finance, DPW and PLUS) rely upon Human Resources for most of their core HR functions.

Finance performs some Human Resources tasks in addition to payroll.

OBSERVATIONS and RECOMMENDATIONS

Hiring Process and On Boarding.

Summary The Town needs to create a streamlined and consistent set of practices for hiring and on-boarding new employees. Currently, these functions are performed by different departments using different practices. Inconsistent practices increase the risk that certain legal requirements and best practices (for example I-9 forms, background checks, and interviewing protocols) are not met. While individual Department Heads will still have the final say on which candidate is chosen, subject to Town Manager approval, HR can standardize this process. Finally, having HR on-board all new hires will provide new employees with a consistent experience, will reinforce HR's role as a department where employees can go for assistance and information, and will help bridge the gap that often exists between employees in remote departments and Town Hall.

Findings

- The Town lacks a consistent set of policies and practices for recruiting and hiring employees. Currently, HR offers assistance to many departments with advertising, receiving resumes, and setting up interviews. However, some departments perform these functions themselves. As a result, Recruiting, Interviewing & Selection processes are decentralized to various extents.
- There is a job requisition process with related forms in place. Department heads complained that this process is time consuming and requires too many forms. For example, some department heads stated that the process currently begins with a "hiring freeze exemption" form and then a requisition form. As there is no current hiring freeze, this form represents an unnecessary step in the approval process.
- There is no established format for employment reference checks and, as a result, they are not performed consistently.
- Other than an extensive background check for police candidates, most departments are not performing background checks to verify work history and education. Criminal background checks are currently not being performed on most new hires. While schools, airport, Our Island Home, and police conduct criminal background checks on their new hires, there is no uniform process for conducting criminal background checks throughout the town. Therefore, it is recommended that Human Resources be given sole authority for conducting Massachusetts criminal offender records information checks (CORI) for all new hires other than for police officers, employees of the schools, and airport employees requiring a SIDA badge. The Town should develop a uniform CORI policy and procedures that applies to all departments (including schools, airport, and police). During the week of June 15, the Assistant HR Director obtained a username and authorization for iCORI. This, along with proper training and creation of a CORI policy, will allow HR to conduct CORI checks.
- While the Town requires pre-hire medical evaluations, the medical evaluations are conducted by the new employee's physician. Currently, the forms submitted by a new hire contain a signature line for a physician but do not require that the physician identify his or her name and medical practice so there is no way to verify the authenticity of the report.

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- The Town does not have a consistent practice of requiring pre-hire drug testing for all employees.
 - The Assistant HR Director has developed a New Hire Package. While the package is thorough, the onboarding process is not centralized in Human Resources and therefore cannot ensure consistency, compliance and data privacy.
 - New hire tax forms and I-9 forms are often sent directly from the hiring department to Payroll. Most information currently moves from Payroll to Human Resources, not from Human Resources to Payroll. In addition, I-9 forms are not uniformly completed by one department. As a result, different employees complete these forms and have different practices. This subjects the Town to unacceptable risk that forms may be improperly completed or the requirements of the Immigration Reform and Control Act may not be met.

Recommendations

1. The following activity be centralized in the Town Human Resources Department (*with shared participation as outlined in ***Exhibit A***):

- Job requisition process
- Job advertisement and Job posting
- Receipt of application and/or resumes
- Initial screening of resumes*
- Scheduling of initial interviews*
- Employment references and Education verification*
- Criminal background checks
- Pre-employment medical review and drug screening
- Draft and send job offer letters*
- Onboarding paperwork (including I-9 forms) and creation of personnel file
- Welcome orientation session*
- New hire data entry into Munis (with addition of the HR module)
- EEO tracking

2. Streamline the requisition form process to remove unnecessary steps, like the hiring freeze exemption, and incorporate only necessary approvals.

3. Develop a Standard Operating Procedure (SOP) outlining the Recruitment, Interviewing and Selection process. Include a list of positions subject to specific pre-employment screenings, post-employment random drug screenings, licenses, and certifications.

4. Apply the New Hire Package to all Town Departments tailoring it as necessary and centralize this process in Human Resources. Human Resources should obtain and retain employee documentation and provide information to Payroll as necessary.

5. Develop and provide manager training on interviewing and selection.

6. Create forms to be used for pre-hire medical reviews to ensure the physician is aware of the employee's job description and physical requirements of that job. Ensure forms require the physician to certify that the employee is fit to perform the essential requirements of the job; to identify any reasonable accommodations required to perform the job; and to provide the physician's name, practice name, and contact information in addition to a signature.

7. Purchase the HR module of Munis (or a comparable product) in order to improve efficiency of HR processing and to improve accuracy and compliance.

8. Once I-9 forms are relocated to HR, the Town should identify resources to perform an I-9 audit to ensure the accuracy and completeness of I-9 forms for all current employees.

Record Keeping & Documentation

Summary HR understands the need for consistent practices in creating records and record keeping. While HR has developed organization systems for new employee records, the decentralized creation and storage of employee records has led to inconsistent and inaccurate reporting. Many records are housed in individual departments with no guarantee that all necessary records are held and maintained securely. All record keeping and new hire record creation should be centralized in HR and resources should be allocated to ensure records are kept in locked cabinets.

Findings

- Personnel files, Paid Time Off tracking, I-9 Forms, employee medical notes and other employee personal identifying information are housed in different Town departments, sometimes in duplicate. This practice places the Town at risk for breach of data and violation of data security laws. Where documentation related to performance improvement that may lead to disciplinary action is kept outside of the Human Resources department, the Town may be unknowingly exposed to violation of MA Personnel Records law which require that employees be notified when potentially negative information is added to their personnel records.

- I-9 forms are being housed in Payroll and are kept in locked cabinets. Payroll, however, has no need for these forms.

- There has been minimal action taken in preparation of the 2015 reporting requirements of the Affordable Care Act.

- HR has hosted a well-regarded open enrollment fair for benefits. Not all employees attend the fair, however, and this results in employees missing deadlines for changes to benefit plans and limits the documentation of employee selections for the new plan year.

- New employee files in the Human Resources department appear to be complete and confidential information is appropriately filed separately. HR has developed a good standard format for new employee files which should be continued and duplicated for all employees. Employee files for current employees are often missing key information because departments are maintaining historical information. There is, however, a need for additional lockable space. Currently, confidential information may be temporarily stored in unlocked cabinets or on available surfaces which are accessible when the Assistant HR Director is out of her office.

- The tracking of Family Medical Leave is not established utilizing a rolling 12-month calendar. Human Resources is not always notified of absences greater than 3 days or if physician verification has been obtained.

- Terminated employees are coded as "inactive" in the Munis system.

- EEO data is no longer being collected on new hires. This lack of data will hamper the Town's ability to file a federal EEO-4 form in 2015 as required by law.

- Information relating to personnel issues is often not tracked or maintained in such a way that institutional knowledge is kept. As a result, problems can be resolved in one situation but the solution will not be properly disseminated and tracked so that similar problems are addressed in a similar manner in the future.

Recommendations

1. In accordance with the authority provided to the Personnel Officer (HR Director) by the Town Charter and outlined in Chapters 1.3-1 and 1.3-5 of the Personnel Policy Manual, it is recommended that all employee files and personnel records be housed in the Town Human Resources Department other than airport, schools, and water unless they choose to house their records with Human Resources. Skeleton files with non-sensitive information can be housed with the departments to the extent required for immediate access or on-site audits. No confidential, personal identifying employee information should be housed outside of the Human Resources department. Examples of appropriate content for skeletal files include:

- Training and certification records
- Employee contact information
- Random drug testing schedules (not test results)

Content that should be housed in the Human Resources department, in locked cabinets, includes:

- Employment application and resume
- Reference check and background screening results
- Drug screening results
- New Hire paperwork (w-4, I-9, personal contact information, etc.)
- Benefit enrollment forms
- Medical notes
- Workers Compensation documents
- Leave and FMLA documents
- Performance related documents
- Personnel action forms
- Separation documents
- Benefit Continuation documents

2. By law, I-9 forms should not be reviewed by individuals who have no need to review them. Because of this, all I-9 forms should be completed by HR during new hire orientation and stored in HR.

3. EEO data should be collected on all new hires using a specific form that can be completed as part of new-hire orientation.

4. It is important that action be taken now in order to meet ACA filing requirements. Monthly tracking should take place throughout the calendar year 2015. It is recommended that the "personnel crosswalk" feature of the Munis HR module be used to capture hours worked and eligibility and 1095-C and 1094-C reporting of coverage, covered individuals and safe harbor eligibility. In the interim, manual tracking should take place now. The following was provided to Human Resources: Final Reporting Instructions, Form 1095-C and 1095-C Codes Guide, 1094-C

We suggest identifying those who worked (or were paid for) 1560 hours or more in the calendar year 2014. Those are the employees you should be tracking monthly as of January 1, 2015. Develop a monthly spreadsheet listing each of these employees and answering the following questions for each month in the calendar year 2015 by filling in the appropriate code for #1 and #3 [See 1095-C codes document]:

1. Were they offered coverage?
2. What is the Employee share of lowest cost monthly premium for Individual plan?
3. What is the applicable section of the Safe Harbor?

Obtain a list of dependents from BC/BS and list them individually indicating coverage by month as well.

Create a mail-merge form in Word that mirrors the 1095-C and have this spreadsheet populate that form.

We also suggest a Measurement/Look Back period of June 1 - May 31; An Administrative period of June 1 - June 31; and a Stabilization period of July 1 - June 30 in line with your plan year. It is our belief that the ease of administrative burden should outweigh the cost of providing 12 months of coverage during the stabilization period. This, however, should be assessed and compared to a 6-month measurement period.

The initial measurement period for new hires will be from the DOH - 364th day; then they fall into the common measurement period along with everyone else.

Develop a written policy statement identifying the measurement period and notifications of eligibility/ineligibility.

Begin tracking the hours of variable-paid and seasonal employees working in 2015 to identify those who average 30 hours or more/week or 130 hours or more/mo. and should therefore be included in the next stabilization period.

5. Develop and require the return of an Annual Benefits Election Form in order to verify offering and selection within the open enrollment period. Develop and include a Waiver of Coverage Reason section to capture evidence of Safe Harbor qualification determination.

6. The vault in the Human Resources department should be cleared out and used for employee records. Actively employed employee files should be separated from terminated employee files. Terminated files should be purged with only required documentation stored in accordance with record keeping requirements (**Exhibit B**). Scan and retain electronically files of terminated more than seven years old.

7. Terminated employees should be coded properly within the Munis system. Retaining them as "inactive" will negatively impact any rehire policies and/or audits of employee counts for ACA, FMLA or other state and federal laws.

8. A FML tracking system should be established to capture concurrent leaves on a rolling 12-month calendar. This should be centralized within the Town Human Resources department. Department managers need to notify HR immediately when an employee has been out of work for illness for more than three days.

9. When personnel policies or practices are adopted or altered, the information should be disseminated to department heads. In addition, HR should maintain a data base where

problems and solutions are tracked so that institutional knowledge is maintained. Where changes are significant enough to warrant policy updates, written policies and practices should be updated annually to capture relevant changes.

10. Information related to leaves of absence, illness, unemployment, and worker's compensation injuries should be tracked so that the Town can review trends and identify problem areas to be addressed.

Personnel Policies

Summary The Town has a good personnel policy manual but needs to create a system for ensuring it is updated. The current manual requires minor updates to ensure compliance with state and federal law and some additional policies should be considered. Most importantly, the Town should standardize most policies across all departments so that programs can be easily and consistently managed.

Findings

- The Personnel Policy Manual was last updated in 2013 and the Assistant Director of Human Resources maintains a running list of items to be included in the next update. The following items are currently on this list:

- Compensable travel time for non-exempt employees
- Working a second job while on FMLA
- Overtime payment charges when an employee works for two departments

- Understandably, management of some departments develop policies independently. Some have attempted to mirror Town policies to the extent possible. Specific departments may have a need for their own policies; however there are a few policies that should be consistent to ensure compliance with state and federal laws. The following policies should be created or updated to reflect current state or federal requirements (See ***Exhibit C***):

- Sick Time, vacation time, and personal time
- Family Medical Leave
- Overtime payments for Non-exempt employees
- MA Parental Leave
- CORI Policy
- Domestic Violence Leave
- EEO/Harassment
- Drug testing
- Small Necessities Leave
- Data privacy
- Nursing Mothers

- The Airport Administrative Personnel Manual states the following with regard to non-exempt overtime payment: "**Non-Exempt employees** are paid at one and one-half times their regular hourly rate for the hour worked in excess of forty (40) in any workweek if authorized by their supervisor or by the Airport Manager." The airport is, in fact, legally bound to pay for the hours worked even if they were not authorized. They may discipline for not getting authorization, but they must pay the overtime.

- Some policies in the Town Personnel Policy Manual place responsibility with the Town Manager that is more often seen placed with the Human Resources Director. Examples:

- 2.1-4 Job vacancy notice form
- 2.1-5 Selection of physician or institution for pre-employment medical exams
- 2.2-3 Release form
- 2.3-6 Resignation notifications
- 3.1-6 Merit Increase procedures
- 3.2-1 Performance Appraisal System development
- 4.10-3 Step Two of Grievance Procedure

- Longevity Pay (5.12 of the Personnel Policy Manual) provides Town Manager discretion in adding the longevity award to base in the 5th, 10th, 15th or 20th year of service.

- The "Anti-Discrimination Policy" dated February 2013 is appropriate but needs to be updated to add gender identity and expression as a protected category. The policy includes the Towns' Sexual Harassment Policy and should be renamed to reflect that.

- The "Contagious Temporary Illness Policy" dated December 1, 2009 reads "Supervisors are encouraged to remind employees that the Town provides paid sick leave to cover absences due to contagious temporary illnesses. If the requirements of Family Medical Leave Act are met this leave may also be available to cover longer term absences."

- The Assistant Director of Human Resources utilizes the law firm of Kopelman & Paige, MA Municipal Personnel Administrators group (MMPA) and the Society of Human Resources Management (SHRM) to access information on employment laws and best practice.

Recommendations

1. Review, and revise as necessary, all existing employee handbooks to ensure compliance with state and federal law. To the extent allowed by governing bodies and contracts, they should be consistent across Town Departments.

2. Even though the Longevity Pay practice is being phased out (does not apply to those hired after July 1, 2013), the Town should be consistent in how it determines when (if at all) to add the payment to base pay.

3. As the Anti-Discrimination Policy includes the Towns' Sexual Harassment Policy it should be renamed to reflect that i.e. "Anti-Harassment and Anti-Discrimination Policy". The policy should be updated to include gender identity and expression.

4. The "Contagious Temporary Illness Policy" should be rewritten to clearly communicate that *available paid sick time* may be applied to this absence; and that *limited job protection may be available* through the FMLA.

5. The following policies should be incorporated into the Town Personnel Policy Manual (*with a copy retained on the Town website):

- Anti-Harassment/Discrimination
- Contagious Temporary Illness Policy
- Employee Computer Use Policy
- Office Closure Leave Guidelines*
- Town Office Closure During Emergencies*

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- Social Media Policy
 - Domestic Violence Leave
 - Drug testing
 - Small Necessities Leave
 - Data privacy
 - Nursing Mothers.

Human Resources Information Systems

Summary The Town does not currently utilize an HRIS. Employee records are maintained in hard copy and/or electronic files housed on a personal desktop computer in Human Resources. Munis by Tyler Technologies is the financial, payroll and human resources software solution currently in place. It is a software system exclusively for the public sector and tailored to government and school systems. Its features are not fully utilized and, as a result, some human resources practices suffer from inefficiency and inaccuracy. The HR module of Munis has not been purchased; and the Time Entry feature of the Payroll module is not being utilized. Some consideration was given to the use of a stand-alone, multi-faceted payroll system vs. utilizing the HR and Payroll modules of the Munis system. This analysis should be completed and a decision made to either fully utilize the Munis system or make the conversion to a stand-alone payroll company system. We believe this to be essential to efficiency and accuracy of employee records and transactions. In either scenario, responsibility for maintaining employee records and paid time off usage and balances should be housed with Human Resources.

Findings

There is consistent indication that paid time off (PTO) balances are not accurate. Almost all departments indicated that they track their own accrual, usage and balances of PTO independently of the Munis system and ignore the balances printed on paystubs. The nursing home, the Police Department and the Airport have all researched and invested in time tracking software independently and without knowledge of what is being utilized or considered by other town departments. These additional software programs are distinct from, and do not interface with the Munis system.

- The Payroll module of Munis has a Time Entry feature, in which managers could enter employee timecards with an automatic feed to Payroll. This would eliminate the manual transmittal process and reduce the potential for error. Managers would have to log in to Munis to enter time worked and appropriate access roles would have to be established for them. There is no additional cost to utilize the existing Time Entry feature.

- The HR module of Munis allows for “workflows” to automate the Personnel Action process with an automatic payroll interface. This would eliminate the manual Personnel Action Form. Step increases would be processed online eliminating the excel spreadsheet tracking process currently used in Human Resources. The HR module also contains “Personnel Crosswalk” which is in development with a rollout date of September 2015. Personnel Crosswalk will facilitate the completion of forms 1095-C in compliance with 2015 ACA reporting requirements. The HR module also streamlines the employee benefits and required training processes. There is a cost to add the HR module. It is estimated to be approximately \$11,500 for the initial setup and license plus \$2000 annually. (An actual quote from Tyler Technologies would be required.) Given regulatory requirements of the Town and the number of employees, we believe there is a need to invest in a tracking and reporting system.

- It would appear to be logical to stay with Munis as there is a benefit to having all data in one location and all parties viewing the same information. In addition, there has already been an investment made in the Munis software. There are, however, some significant considerations to review concerning Munis. An informal survey of other municipalities using Munis consistently indicated the following:

- There is a definite benefit to have one system for all information,
- It is an adequate system if it is setup properly and you know how to use it,
- The “help desk” is inconsistent,
- The system is not “user friendly”,
- There should be one or two in-house “experts” who are very well trained on the system and serve as a resource for users,
- It is crucial that all departments provide input prior to establishing setup parameters, and
- Once Tables and parameters are established, it is not easy to change them.

Recommendations

1. The alternative to investing further in Munis is to move HR Information Systems, Payroll, and Time Entry out of Munis and convert to a reputable multi-faceted payroll system. A conversion would require identification of system requirements based on parameters needed, demonstrations from providers, requests for proposals, implementation planning and conversion time. This process typically takes up to six months. We recommend that any payroll company conversion begin in the fall with a January 1 implementation date rather than a mid-year date. It is recommended that demonstrations and quotes be obtained from payroll companies if only for comparison to the cost and functionality of Munis.

2. In consideration of the time required and complication of converting to a payroll company, it is recommended that the Town use Munis for HR and payroll processes through the calendar year 2016, but utilize the Time Entry feature within the Payroll module for managers to enter time worked. Should a conversion to a payroll company be desired, analysis, and preparation for, a conversion may be thoroughly undertaken during this time with a conversion date of January 1, 2017.

3. If it is not cost prohibitive, it is also recommended that the HR module of Munis be purchased and that the “personnel crosswalk” component be used to track required information and to complete Form 1095-C in accordance with 2015 ACA requirements. It is imperative that action be taken on this now to be completed on time. Appropriate interim steps should be taken as soon as possible for manual tracking and reporting on form 1095-C.

4. Ensure that paid time off accrual tables are updated and accurate. It is recommended that all PTO accrual tables in Munis be reviewed and updated to reflect current contract and policy parameters. This is a critical fix and may be a significant undertaking. We recommend seeking assistance from Munis, or an outside resource, whichever is most cost effective. We have identified Pamela Wood as an independent resource who currently supports the City of Brockton. Pamela formerly worked for Munis and reported that she’s done some work for the Town of Nantucket in the past.

Pamela Wood
34 Brentwood Street
Portland, ME 04103
Pamela.wood@municipalsoftwaresolutions.com
Phone: (727) 754-2171
Cell: (207) 415-5120

5. Department Managers should have access to the Time Entry feature within the Payroll module. Human Resources, the Town Manager and Assistant Town Manager should have appropriate access as necessary to carry out their responsibilities. In accordance with the authority provided to the Personnel Officer (HR Director) by the Town Charter and outlined in Chapter 1.2-1 of the Personnel Policy Manual, Human Resources should have full access to, and full responsibility for, the Compensation and PTO accrual tables in Munis. Human Resources should be responsible for ensuring accuracy of awards, use, and balance tracking. Human Resources should enter and manage tables, reconcile actual balance to balances on paystubs, respond to employee inquiries, etc.

Recommendations

1. Centralize HR activity that may put the Town at legal risk. Our recommendations of activity for which Human Resources should have primary responsibility are depicted in ***Exhibit A***. Given the semi-independent nature of some departments, we've also indicated those takes which may be appropriately decentralized or, if desired, where responsibility can be shared.

2. A regular review of records maintained, and required postings, at each department should be conducted to verify and ensure compliance with record keeping and employee notification laws. The following source was provided to the Human Resources department for cost effective all-in-one employment law posters:

<http://www.allinoneposters.com/Massachusetts-Federal-Combo-English.html>

Training and Performance Development

Summary Employees would benefit from computer skills training. Supervisors would also benefit from specific supervisory training. Required training should be tracked with reminders sent from Human Resources or the department tracking representative. When offered, training should be made available to all departments for maximum attendance.

Findings

- Required ethics training is not up to date. It is tracked manually and by individual anniversary dates rather than a set annual date.
- Training has been provided on workplace violence and harassment. A pre-retirement planning workshop was provided in 2013 and is again planned for September of 2015.
- The current EAP Company was praised and referenced as a good source of training.
- Most managers interviewed believed that HR should offer more skills training and manager training to assist employee development.

- Most departments track and manage industry required training for their employees but these trainings are not tracked by HR.

Recommendations

1. Establish a month during which all employees are required to complete annual Ethics training.

2. Use the annual benefits Open Enrollment sessions to distribute annual notices and policies (Sexual Harassment, Ethics Information, Personal Contact Update Sheet, Annual Benefits Election Form, Summary Plan Descriptions, Creditable Coverage and other required notices).

3. The HR module of the Munis system should be used to track and notify employees/managers of training requirements.

4. Training is recommended on the following topics:

- Ethics training/compliance/HIPAA/data security
- Harassment and behavioral boundaries at work
- Retirement Planning for employees nearing retirement
- Software Training
 - MS Word, Excel, Outlook
 - Munis
- Supervisory training
 - Interviewing (staying out of legal hot water)
 - Panel interview strategy
 - Managing sick leave and leaves of absence
 - Giving & receiving feedback
 - Handling disciplinary situations
 - Performance improvement
 - Workers Compensation processes
 - Definition of light duty tailored to department

Compensation and Benefits

Summary

For most employees, compensation is established by contract and step increase programs with no concerns or irregularities noted. The benefits enrollment process appears to be well established. Paid time off balances appear to be the only concern with regard to benefit plan administration. Either Munis, or a stand-alone system, to accurately track and report the use of such time is an immediate need.

Findings

- Sick time contributed to and taken from the Union Sick Banks appear to be tracked independently, if at all, and therefore balances are not accurately reflected in the Munis system. It is not clear that unions know the amount of sick time they manage in their "bank" and have no way of knowing how much time they can distribute.

- PTO accrual tables in Munis are not updated to reflect current contracts and policies. There is little confidence in accruals calculated in Munis. Some departments are investigating the purchase of a time and attendance systems but there is no concerted effort to do this for the entire Town.

- The Munis system is date driven and there is no confidence in the accuracy of dates used for step increases. Consequently, the Assistant Human Resources Director maintains an excel spreadsheet to facilitate this process. She also has view only access to the system and is therefore not able to enter pay adjustments. Individual PAF forms are created in Human Resources and sent to Payroll for manual entry into the system. There is no double check of the accuracy of pay adjustments made.

- There appears to be little dual control over wage and PTO adjustments between the Human Resources and Payroll departments.

- It was indicated that some classification changes remain to be made after the FLSA review in 2012.

- Pursuant to G. L. ch. 32B, sec. 26, the Town is conducting a benefits enrollment audit. This must be done every two years to ensure all beneficiaries are properly eligible for benefits.

Recommendations

1. All union sick bank balances should be reviewed for accuracy and adjusted accordingly. The process of contributing to, and withdrawing from, the bank should be thoroughly reviewed and adjusted as necessary to ensure appropriate management of it. Individual contributions and grants of sick time should be reflected in employee accruals.

2. As indicated in the "Systems" section. It is critical that the wage and PTO tables within the Munis system be reviewed and updated as necessary.

3. Human Resources should be given full administrative rights to the Payroll module of the Munis system and responsibility for making wage adjustments and ensuring the accuracy of paid time off.

4. A process of dual control should be established between the Human Resources and Payroll departments to ensure appropriate and accurate compensation and paid time off balances.

5. There should be a review of all expected changes resulting from the 2012 FLSA study to ensure their implementation.

6. HR should centralize benefits enrollment for new hires and should track beneficiary eligibility so that the town is clear when dependent beneficiaries are no longer eligible. In addition, employees should be required to verify their beneficiaries every year during open enrollment. Annual tracking like this will ease the burden of the benefits enrollment audit which is required every two years.

Safety and Workers Compensation

- There do not appear to be any major concerns with regard to safety. The Workers Compensation reporting process appears to run smoothly across departments. Cook & Company is utilized for active claims management. Department managers are well versed on processing First Reports of Injury/Illness and indicate satisfaction with the role that Human Resources assumes in the process.
- A spot check of injury reports demonstrates that training may be required to help employees and supervisors provide detailed and accurate reports of injury. Vague reports with little detail increase the risk of fraud.

Employee and Labor Relations

Summary

There appear to be relatively few unresolved labor relations issues. Human Resources participates in the union contract negotiation process with department heads to varying degrees and provides support throughout the grievance process. The Town would benefit from Human Resources playing a larger role in labor relations. A strategic partner to facilitate the negotiation of contracts and successful resolution of grievances will lead to more effective management of the workforce and less reliance on outside counsel

Findings

- After contract negotiations are completed, the Assistant Human Resource Director redlines the existing contracts with changes negotiated and sends it to the appropriate negotiating committee and to legal counsel for review and subsequent delivery to the union for ratification and to the Board of Selectmen for signature. The union ratification process often delays final contract distribution.
- It was expressed that, at times, contract changes via grievance settlements in one department do not get disseminated to other departments employing members of that same union.
- The Assistant Director of Human Resources currently maintains a running list of items for future contract negotiation and expressed interest in assuming a greater role in negotiation preparation for contract renewals in 2017.
- Human Resources assumes administrative responsibilities in the grievance process. Initial grievances are presented to the Assistant Town Manager and forwarded to Human Resources where they are scanned, logged, distributed to involved parties and tracked for response deadlines. Assistant Town Manager has primary responsibility for managing the grievance process. Grievance documents are kept on the Assistant Human Resources Directors' computer with no hard copy.
- Most department managers notify the Assistant Town Manager and the Human Resources Director in advance of employee discipline. Simple decisions that can be backed up by agreements are communicated via email. Other determinations are made by the Director of Human Resources, often with the support of legal counsel. If a decision is grieved, it is sent to the Assistant Town Manager where it is usually upheld. Subsequent steps send the grievance to the Board of Selectmen and to an Arbitrator. The Assistant Town Manager and

the Director of Human Resources attend arbitration hearings. It was indicated by several department managers that Town Counsel is heavily relied upon for drafting initial decision letters, which often delays response time. Many department managers indicated that they often go directly to Town Counsel rather than Human Resources in order to expedite the process.

- Human Resources participates in non-union employee performance counseling with departments to varying degrees. The School department, Airport and Our Island Home have structured discipline processes in place and conduct them independently of Human Resources.

- Many departments have managers and staff in the same union. This often makes employee performance and discipline difficult to manage because of the reluctance of a manager to discipline a fellow union member.

Recommendations

1. Human Resources should establish a protocol for communicating contract changes and utilize the Cabinet meetings, and additional methods, to disseminate this information.

2. Contract negotiation planning should be initiated by Human Resources in June 2016 and conducted in collaboration with department managers. Role responsibilities during each contract pre-negotiation planning and during negotiations should be clearly outlined and communicated.

3. The Human Resources staff should be supplemented with strong labor relations experience and more responsibility for contract negotiation and grievance processes centralized in the Town HR department.

4. When grievances are settled in a department that could affect employees in another department in the same union, the settlement should be communicated to all affected departments. Where possible, grievance settlements should be limited in scope and effect to the department involved.

5. To the extent possible, the Town should strategically move to encourage formation of a manager's union in departments where there is only one union or have certain key manager positions made non-union. To the extent this has been done for some positions, it provides a good model for other departments.

6. Human Resources should offer access to employee mediation to resolve conflicts. A mediation program might be successful in encouraging employees, particularly employees in the same union, to talk through conflict and develop mutually agreeable resolutions.

Separation of Employment

Findings

- There is very little turnover throughout the Town departments. Most separations are due to retirement, however, there is little manpower forecasting in preparation of retirements.

- Legal counsel is appropriately utilized to draft separation (and employment) agreements.

- Human Resources administers the COBRA process. Unemployment Tax Management Corporation manages unemployment claims. These processes appear to be appropriately placed.

- Some retirees were surprised to have their life insurance policy cancelled due to non-payment, which raises the question of how conversion rights are communicated by the carriers.

Recommendations

1. A separation package (like the new hire package) should be developed to include:
 - Release form (indicating last day worked, termination date, reason, monies owed to and from the employee, checklist of items to be returned)
 - COBRA paperwork
 - Exit Form (for systems access removal)
 - Unemployment filing instructions
 - Benefits conversion information

2. The separation process should be centralized in the Town Human Resources department. In the event that the airport, schools, or water departments retain this responsibility, it is strongly suggested that they utilize the same separation package and ensure that all documentation remains consistent with the Human Resources.

3. Exit interviews should be conducted by HR prior to an employee's last day of employment.

Storage and Office Space

Findings and Recommendations

- Office space is noted as a limitation. There should be ample, lockable, storage space for Human Resources records. In addition, HR staff require enclosed office space conducive to private conversations.

- As recommended in the Records and Documentation section of this report, the vault in the Human Resources department should be cleared out and used for employee records.

- Office space for Human Resources staff should accommodate four with at least one enclosed office. The Human Resources department should be located in a municipal building that can accommodate this.

STAFFING OF THE HUMAN RESOURCES DEPARTMENT

While HR is widely appreciated and Department heads have seen a dramatic increase in HR's responsiveness and professionalism, it is acknowledged that HR is not pro-actively serving department managers and employees to the desired extent. The reasons for this are multiple, but include the current level of staffing, and the breadth of experience, in the department.

As candidates are considered for the open Director of Human Resources position, the following should be sought:

- Ability to coach managers through employee relations issues
- Ability to manage the grievance processes more independently of legal counsel
- Ability to coach managers through contract negotiation preparation and the negotiation process
- Ability to develop regular and ample communication strategies
- Ability to assume a leadership role in Cabinet Meetings and with the Board of Selectmen
- Ability to pro-actively bring best practices and compliance strategies to department managers and the Town Manager
- Ability to develop regular and ample training and development strategies based on the mission and goals of each department
- Ability to provide manpower forecasting and succession planning for near and long-term retirements
- Ability to groom the Assistant Human Resources Director for advanced roles and responsibilities

It is widely acknowledged that the Assistant Human Resources Director is very talented, driven, and well respected. She is credited with strong communication skills, approachability and being timely with responses. Everyone interviewed indicated increased faith in the Human Resources department's ability to "get things done" with her in place and since the recent transition of the HR Director. There was confidence expressed in her abilities along with the desire to see greater depth of experience. Specific areas for growth in knowledge and experience include: Labor/Management Relations, Employee Performance Counseling, and Best Practices in Training & Development. These are the same areas in which she expressed interest in developing. With time and exposure, she is fully capable of developing these areas of expertise. Given her level of interest and the extent to which she is respected throughout town departments, we suggest that a time-lined professional development plan be created to provide her with opportunity for continued growth and advancement. She has strong computer skills and should be provided the opportunity to automate HR processes, be trained on the Munis system and given authority to manage the compensation and paid time off features of that system.

The Human Resources department currently provides services to 1,013 active employees (including seasonal employees) and benefit services to approximately 200 retirees.

Given the scope of services currently provided, the number of Town employees serviced, and the recommended centralization of many Human Resources initiatives, consideration was given to appropriately staffing the Human Resources Department. While in the private sector a ratio of 1 human resources employee to 100 employees is commonly cited, it is clear that municipalities tend to staff more conservatively.

The following table identifies staffing ratios for Nantucket and other municipalities. This

CITY	# OF PEOPLE SERVED	# OF STAFF ASSIGNED	RATIO OF STAFF TO PEOPLE SERVED	STAFF COMPOSITION
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information should be used for surface comparison only due to variation in staffing models and the use of outside resources, legal counsel, etc.

Table data below comes from a 2014 study conducted by The Edward J Collins, Jr. Center for Public Management at UMass and consultant interviews. The Collins study was performed as part of an HR audit for the City of Holyoke. The staffing level for the City of Holyoke in the table is the recommended level from the Collins report. The city is still taking steps to implement this level of staffing.

CITY	# OF PEOPLE SERVED	# OF STAFF ASSIGNED	RATIO OF STAFF TO PEOPLE SERVED	STAFF COMPOSITION
Nantucket	1200	2	1:600	HR Director Assistant Director
Concord	793	4	1:200	HR Director Assistant Director HR Assistant Clerical
Weston	814	2	1:407	HR Director Benefits Specialist
Wellesley	992	5	1:200	HR Director Senior HR Specialist HR Generalist HR Assistant Clerical
Gardner	600 (does not include retirees)	2	1:300	HR Director Admin Coordinator
Barnstable	2350 (includes 350 seasonal)	8	1:293	Director Asst. Director HR Coordinator Admin. Asst. Benefits Admin Benefits Asst. 2 Clerical Support

Westwood	800	2.5	1:320	Information not obtained
North Attleboro	900	3.5	1:257	HR Director Administrative Secretary Benefits Clerk (25%) Part-time Clerk
Taunton	2000	3	1:667	HR Director Office Manager Benefits Clerk
Brockton	670	4	1:167	HR Director (2) Insurance Clerks (1) Assistant
Franklin	1100	3.5	1:314	Information not obtained
Holyoke	1,675	4**	1:418	Personnel Administrator (1) Benefits Coordinator (1) HR Generalist (1) Records Clerk
Westfield	3,375	6.5	1:519	Director Assistant Director
Northampton	1,950	4	1:487	HR Director Benefits Specialist Employment Specialist HR Assistant
Chicopee	3,000	4	1:750	Director Benefits Coordinator (2) Administrative Assistant
West Springfield	1,250	3	1:416	HR Director Asst. HR Administrator HR Assistant (share in benefits)

Suggested Staffing Based on Proposed Responsibilities

Human Resources lacks sufficient experience in areas of labor relations and employee relations. There is significant reliance upon Town Counsel which is costly and time consuming. Whether in the Director position or in a newly created position, Human Resources should be staffed with an individual with labor relations and employee relations experience to help Department heads proactively manage their employees and address discipline and performance where appropriate.

In addition, based upon the need to centralize record keeping and increase Human Resources' role in hiring and managing employees, Human Resources requires additional administrative help for filing paperwork and managing information (both digital and paper). Centralizing records will fail to benefit the Town if HR has insufficient resources to manage the increase in data.

Based on our findings, we recommend that the Human Resources department be staffed as follows:

- 1 Full-time HR Director*
- 1 Full-time Assistant Director*
- 1 Full-time HR Coordinator (could be a Labor Relations Specialist)*
- 1 Part-time Administrative Assistant*

The following **training** is recommended for the Human Resources staff:

- Affordable Care Act compliance strategy
- Massachusetts legal update
- Munis System applications

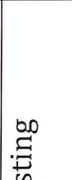
It is recommended that **Standard Operating Procedures (SOPs)** be outlined and forms developed for the following to ensure consistency of process along with clear role responsibility:

- Recruiting, interviewing and selection process guidelines
 - Position requisition form, offer letter
- Onboarding package content and Orientation process
- Performance feedback and Performance Improvement Plans, process and forms
- Exit package and Exit Interview process
- Data protection and destruction of records guidelines
- Work related illness/injury reporting process and forms
- Absence and Leave reporting guidelines and forms (medical certs and dr. notes on website)
- Tracking process and forms for FMLA
- EEO tracking process and forms
- Background screening process and forms

EXHIBIT A

Primary Responsibility = 

Shared or Secondary Responsibility = 

	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
Job requisition process						Form should be revised
Job advertisement and Job posting						
Receipt of application/resumes and Schedule initial interviews						
Initial screening of resumes or candidates						
Employment Reference checks and Education/License/Certification verification						
Criminal background checks						
Pre-employment drug screening and/or physicals						
Job offer letters						Format provided by HR
New Hire Orientation (in concert with a department representative as desired)						
Collection of new hire paperwork and creation & retention of personnel file						
New Hire entry into Munis (payroll interface or New Hire PAF to payroll)						

	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
EEO Tracking and Reporting						
Random Drug Testing						
Required Training - Common to All Town Employees						
Required Training - Department Specific						
Required Licenses						
Absences not leading to FMLA						
FMLA and extended Leaves						Review policy for rolling calendar and concurrent leaves.
Workers Compensation						

	HR	Other Town Departs.	Airport	Schools	Nursing Home	Comments
Grievance Process - Tracking deadlines - Drafting responses - Hearings						HR should play a large role than currently does
Tracking and communication of Union Contract Changes						
Contract negotiation preparation						
Contract negotiations						
Annual Open Enrollment Process						
Separation Process - Exit Interviews - COBRA, benefits conversion - Unemployment						
Employee Performance Counseling (non-union employees)						HR should play a large role after initial warnings

Exhibit B

Description of Record	Length of Time Required to Retain Record
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Recordkeeping Requirements

Under Massachusetts law, the Town is required to follow the Municipal Records Retention Schedule established by the Secretary of State. The most recent version is from 2011 and can be found at: [http://www.sec.state.ma.us/arc/arcpdf/MA Municipal Records Retention Manual.pdf](http://www.sec.state.ma.us/arc/arcpdf/MA_Municipal_Records_Retention_Manual.pdf). Human Resources should familiarize itself and comply with the Personnel records retention requirements found on pages 27-29 of the Schedule.

Because these retention requirements may differ from those applied to private businesses under federal and state law, the Town should not rely upon rules for private employers.

An excerpt from the Municipal Records Retention Schedule that relates to HR is attached.

Payroll, Registers	Retain until completion of satisfactory audit, provided information is recorded in quarterly report. See Personnel, Payroll, Quarterly Reports (23.21).
Personnel, (a) Employment Applications (Hired)	Retain 20 years after termination of employment.
Personnel, (b) Employment Applications (Unhired)	Retain 1 year following filling of position or cancellation of vacancy, whichever is later.
Personnel, (c) Earning Records	Permanent.
Personnel, (d) Personnel Files Other than Earning Records	Retain 20 years after termination of employment.
Personnel, Accident Report Forms	Retain 3 years.
Personnel, Accident Reports (a) Personal Injury	Retain 7 years.
Personnel, Accident Reports (b) Property Damage	Retain 3 years.
Personnel, Appointment Certificates	Retain 20 years after termination (personnel file 23.50).
Personnel, Attendance Report	Retain for 20 years after termination
Personnel, Authorized Leave Report	Retain 3 years.
Personnel, Civil Service Approvals	Retain 20 years after termination
Personnel, Civil Service Forms	Retain 20 years.
Personnel, Court Witness Travel Expense	Retain until completion of satisfactory audit.
Personnel, Daily Assignment Sheets	Retain 3 years.
Personnel, Drill Reports	Retain 3 years.
Personnel, Earning Reports	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer, otherwise retain 60 years.
Personnel, Equipment Loan Report (for Long Term Use)	Retain until return of equipment.
Personnel, Tax Exemption Certificates	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Tax Withholding Statements	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Time Sheets	Retain 3 years following completion of satisfactory audit.
Personnel, Training Report for Individual Employees	Retain 1 year if copy is filed in personnel file; otherwise retain 7 years after termination of employee.

Description of Record	Length of Time Required to Retain Record
Personnel, Vacation Report	Retain 3 years.
Personnel, Weekly Personnel Report	Retain 5 years.
Physician's Accident Report	Retain 7 years.
Payroll Sheets (Departmental)	Retain until administrative use ceases. Permission from Supervisor not required for
Personnel, Tax Exemption Certificates	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer;
Personnel, Group Insurance Reports (Blue Cross etc.)	Retain 3 years.
Personnel, Individual Training Report	Retain 7 years after termination of personnel.
Personnel, Leave Reports (Authorized)	Retain 3 years.
Personnel, Overtime Reports	Retain 3 years.
Personnel, Payroll Deduction Reports	Retain until administrative use ceases if record copy is kept centrally e.g., by Treasurer, otherwise retain until completion of satisfactory audit.
Personnel, Payroll, Quarterly Reports	Retain 1 year if record copy is kept central e.g., by Accountant/Auditor or Treasurer. Otherwise, retain 60 years.
Personnel, Payroll, Weekly, Bi-weekly or Monthly Payroll	Retain until completion of satisfactory audit provided recorded elsewhere in a summary record. See Payroll, Quarterly Reports.
Personnel, Performance Bonds	Retain 7 years.
Personnel, Personnel Files	Retain 20 years after termination.
Personnel, Sick Leave Reports	Retain 3 years.

Exhibit C

Laws That Apply To the Town of Nantucket

by: Bill Hoch, EmCo Consulting, LLC

(* indicates a poster requirement)

- Immigration Reform & Control Act (IRCA) (I-9 requirement)
- Fair Labor Standards Act (FLSA)* / Mass wage and hour laws*
- Workers' Compensation Insurance or self-insurance program*
- Unemployment Insurance*
- Massachusetts Retirement Plan
- Occupational Safety & Health Act (OSHA)*
- Fair Credit Reporting Act
- Uniformed Services Employment & Reemployment Rights Act (USERRA)*
- Jury System Improvement Act
- Employee Polygraph Protection Act*
- Equal Pay Act*
- Massachusetts Data Privacy Law (G.L. ch. 93H and 93I)
- Massachusetts Freedom From Sexual Harassment (G.L. ch. 214, sec. 1C)
- Massachusetts Equal Right Act (G.L. ch. 93, sec. 102)
- Massachusetts Civil Rights Act (G.L. ch.12, secs. 11H & 11I)
- Massachusetts Smoke Free Workplace Law (G.L. ch. 270, sec. 22)*
- Massachusetts Sick Leave Law (as of 7/1/15) if accepted by Town*
- Massachusetts Conflict of Interest Law (G.L. ch. 268A)
- Massachusetts Public Records Law
- Massachusetts Open Meeting Law
- Massachusetts Small Necessities Leave Act (G.L. 149, sec. 52D)
- Massachusetts Domestic Violence Leave
- Massachusetts Personnel Records Law (G.L. ch. 149, sec. 52C)
- Immigration and Nationality Act (non-discrimination based upon citizenship or national origin).
- Fair Employment Practices Act (G.L. ch. 151B) which prohibits discrimination*
- Massachusetts Parental Leave Act (G.L. ch. 149, sec 105D)*
- Title VII of the Civil Rights Act of 1964* plus Civil Rights Act of 1991*
- Americans with Disabilities Act (ADA)*
- Drug-Free Workplace Act
- Genetic Information Nondiscrimination Act (GINA)*
- Pregnancy Discrimination Act*
- Age Discrimination in Employment Act (ADEA)*
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Family & Medical Leave Act (FMLA)*
- EEO-4 (every two years) if have federal contracts worth more than \$50,000
- ACA reporting and minimum coverage requirements
- "An Act Relative To Municipal Health Insurance" (Chapter 69 of the Acts of 2011)
- Whistleblower Protections (G.L. 149, sec. 185)

Exhibit D

Interview Discussion Guide

Department Managers and key staff were interviewed for the purpose of identifying current policies and practices which are appropriate and should be retained and opportunities for new, or revised, initiatives based on best practice or to ensure compliance with state and federal employment laws. The following discussion guide was used to facilitate the interviews:

INTERVIEW DISCUSSION GUIDE

Legal compliance

Describe the practices in place to comply with labor and employment regulations and laws.
Describe how you keep up to date with federal and state employment laws.
How often are personnel policies and related documents reviewed and by what means?
To what extent do managers carry out HR policies and procedures appropriately? Describe the extent to which HR is involved.
Describe any procedures in place for employee complaints (union and non-union).
Describe current complaints and outstanding litigation.
List employment counsel utilized

Scope of HR responsibilities:

Describe HRs interaction with unions, negotiation techniques/process
Describe HRs interaction with government agencies
Describe HRs policy-making authority
Describe HRs involvement in establishing operating budgets
Describe HRs decision-making authority; the authority of other department heads; how much autonomy is there? Centralized or decentralized?
Describe HRs interaction with payroll and benefits providers (payroll company, health & welfare carriers, brokers, etc.)

Recruiting, Interviewing and Selection:

Describe current staffing (FT, PT, Temp, 1099)
Describe the history of turnover
Describe the job requisition and approval process
Are there job descriptions: format and current?
How are candidates sourced? Is there an internal job posting process?
Describe the interview process
Describe the selection process
Describe any pre-employment testing
Describe the post-offer screening process
Describe the use of any confidentiality, non-compete or other agreements
Describe the onboarding process
List the onboarding documentation
Describe any trial or "probationary" period
Describe current Affirmative Action initiatives

Compensation & Benefits:

Are there established job and wage classifications (i.e.; “FT Regular, exempt and pay grade 9”)?
What is the pay frequency? How is hourly time tracked?
How is base pay determined? Describe means of ensuring competitiveness
Describe the wage review and adjustment process
Describe any variable compensation plans
Describe the benefits offered, employee contribution and eligibility requirements
Describe the benefits plan year
Describe paid time off accrual policies
Describe the open enrollment process
How are required annual notifications provided to employees?
List our payroll company and all benefits providers and brokers (self insured)
Self-insured: Describe your cost containment strategy
Describe how you ensure compliance with plan sponsor reporting requirements

Time & Attendance; Leaves of Absence:

Describe the tracking method(s) used and any technology in place
Describe all leaves available and the eligibility requirements

Training & Development:

Describe the current needs assessment process
What are the current needs? Are there critical skill shortages?
What training is provided for managers, supervisors, and employees?
Describe any licenses and certifications required and your tracking method.
Is there a succession planning process? Are there any current succession concerns?

Safety & Workers Compensation:

Describe any safety programs in place
Describe OSHA reporting in place
Describe your workers compensation experience (modification rate)
Describe any safety concerns
Describe any statutory/compliance requirements unique to the municipality

Communication and documentation:

What policies, handbooks and procedural guides exist?
Is there a sufficient anti- discrimination and harassment policy in place? Is it distributed annually?
Are there current organization charts?
Describe the types of HR related files maintained
Describe the regular HR related reports created; internal and external
Describe the communication practices within and across municipal departments
Describe where required postings are located

Employee & Labor Relations:

Describe current performance feedback and goal setting processes

Describe your unemployment experience

How many involuntary separations have there been in the past two years?

Describe any legal action from current or former employees

Describe methods used to solicit employee feedback, level of satisfaction

Describe any coordinated employee engagement activities/events

Describe the working relationship with bargaining units

List all bargaining units and contract renewal dates

Describe any current employee relations concerns

Describe the separation process and documentation used