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HUMAN RESOURCES REVIEW MONTAGUE, MASSACHUSETTS

EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT

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INTRODUCTION

With the support of a Community Compact grant, the Town of Montague engaged the Collins Center for Public Management to conduct a human resource review (Review). The Review was commissioned to document the current state of the town's human resources systems, staffing, policies, and practices. The purpose of the Review is also to identify areas of deficit, policies to be adopted, and provide recommendations for improvement.

METHODOLOGY

The methodology utilized included interviews with key personnel, including the Town Administrator, Executive Assistant, Treasurer/Collector, Treasurer's Clerk, Police Chief, Public Works Director, Water Pollution Control Director, Recreation Director, and Library Director. In addition to the interviews, there was an extensive review of existing policies and procedures, by-laws and collective bargaining agreements.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

As municipalities and human resources issues have grown more complex, the responsibilities of town administration have also changed, expanded, and had to adjust to increasing federal and state compliance demands. As such, many municipalities have encountered difficulties in keeping up with the legal requirements of employment, benefit, and labor laws in the fast-changing human resources landscape.

The Collins Center's primary recommendations are to:

1. Expand the job description of the thirty-hour Executive Assistant position to include the functions of a Human Resources Coordinator.
2. Create a Department Assistant position for the Selectboard/TA Office
3. Centralize all recruitment and selection processes to the Selectboard/TA Office and create an onboarding checklist that follows a clearly defined process
4. Amend the By-laws to designate the Selectboard as the appointing authority for all positions

5. Amend the By-laws to remove personnel policies from the By-law and designate the Selectboard as the promulgating authority for policies. Adopt an updated comprehensive set of personnel policies
6. Address findings and recommendations articulating human resource compliance issues contained within this Report

ORGANIZATIONAL STRUCTURE

The Town of Montague has a three member Selectboard which is the policy-making arm of town government, except as otherwise directed by state statutes. The Town of Montague Consolidated Personnel By-laws, effective July 1, 2001, consists of “regulations providing for the administration of personnel including the compensation schedule and classification plan, and the establishment of a personnel board to administer these provisions pursuant to General Laws, Chapter 41, Section 108C as amended” and in accordance of Sections 108 and 108A of Chapter 41. The Selectboard serves as the Personnel Board.

Town Administrator’s position description, adopted in 2013 describes the duties of the Town Administrator as follows:

Position provides professional management, administrative, and supervisory functions for the Town of Montague. Responsibilities include coordinating the activities of the Board of Selectmen and town departments, acting as Personnel Director, developing long and short range plans, developing and administering budgets, overseeing economic development plans, providing staff assistance to the Board of Selectmen, and performing a variety of complex administrative and managerial functions to operations to ensure compliance with permit regulations; supervising, training and assigning staff; preparing and administering department budget; developing and implementing policies and procedures; allocating funds, staff and equipment to provide for efficient operations; and performing a variety of supervisory and management functions for the town.

As the Personnel Director, the Town Administrator manages either directly, or through subordinate personnel, all staff under the jurisdiction of the Selectboard and coordinates with town departments, boards and commissions and elected officials not under the jurisdiction of

the Selectboard. Responsibilities highlighted in the position description include recruitment, selection, and promotion; discipline and evaluation; personnel file maintenance and collective bargaining.

HUMAN RESOURCES FUNCTIONS

The term human resources is broad and includes a host of functions. Human resource functions can be characterized as transactional or strategic. According to the Society for Human Resources Management (SHRM), human resources have evolved through the years from “personnel” administration to “human resources” management.

Personnel administration is the title formerly assigned to human resources duties. In the 1980s, personnel administration consisted of enrolling employees in benefit plans, processing and distributing paychecks, hiring, suspending, and firing employees. The personnel department was merely an administrative function of the business. Concepts such as human capital or human resource management later emerged as HR began to play a bigger role in the strategic direction of the organization. Personnel administration matured into human resources, which evolved in two separate but connected ways -- strategic and transactional or functional HR.

Transactional human resources are the “traditional” functions of benefits administration, policy development and administration, position descriptions, payroll, workers compensation, personnel file maintenance, collective bargaining administrations, vacancy posting, and collecting applications and resumes. According to SHRM, these “transactional” functions are a way of “managing the employment relationship from recruitment and processing employees through retirement.”

On the other hand, strategic human resource functions deal with the strategic direction of the organization and include long term goals. According to SHRM “HR needs to be approached from a holistic point of view encompassing every function of human capital management” and that

leadership in partnership with the human resources director should work towards “creating an effective human resources infrastructure that supports an employee-centric, service-oriented strategic human resources organization.” The human resources professional should be a strategic partner with the organizational leadership. Strategic functions include long term planning, employee relations, training, succession planning, customer service, and talent retention and development.

Montague, like many towns, does a fairly good job at the transactional human resource functions. Benefits are administered by the Treasurer/Collector’s office, payroll and leave are administered by the Town Accountant, and employee and labor relations and some recruitment are administered by the Town Administrator’s office. Personnel files are contained in various locations.

While human resource functions are being performed, they are not sufficiently centralized, coordinated, or consistent. Personnel files are not in proper form and are in various departments across the Town. Individual departments are responsible for the recruitment of personnel but do not have policy or procedure to follow which results in inconsistent practices.

Since the time the current Town Administrator was hired in 2016, significant efforts have been made to address the strategic aspects of personnel administration, including this Review. The implementation of recommendations contained herein, along with the adoption of new and revised comprehensive personnel policies, will build on a solid foundation and move the town toward its goal of not only being compliant but strategic.

For the most part, the town’s personnel systems work. In small to mid-size towns, human resources functions are often shared by different offices, as is the case in Montague. A challenge in Montague is the fact that the Selectboard/TA office is understaffed for the work being performed. The staff assigned to the office is the full time Town Administrator and the part time, 30 hour per week Executive Assistant. The work includes the following:

- Overall town administration including finance, personnel, and economic development
- Intergovernmental relations
- Capital planning and asset management
- Support for department leadership and operations
- Selectboard meeting support, including agendas, meeting packets, minutes, follow up,
- Boards and committee administration
- Annual Town Meeting and Town Report
- Personnel functions and Collective Bargaining
- Employee relations, performance management, and discipline
- Leave administration and approval in many instances
- Procurement
- Licensing including liquor and common victualler and others
- Developing long and short-range plans
- Development and administration of budgets

COMPLIANCE ASSESSMENT AND RECOMMENDATIONS

The Collins Center conducted an extensive review of Montague's procedures for all aspects of human resources, with particular attention to issues surrounding compliance with state and federal laws. Montague meets the minimum requirements and standards for compliance with employment laws and human resources practices. However, significant improvements should be implemented when possible. The following is a summary of findings and recommendations.

Position Descriptions & Classification

Position descriptions, which were created in 2013, are generally current and accurate. When vacancies occur or duties shift significantly, the Town has addressed necessary changes.

Recruitment

The Town has a disjointed recruitment process. The Selectboard is not the only appointing authority, which makes a uniform, legally compliant process difficult. In order to reduce

liability, the Town should centralize all recruitment processes to the Town Administrator's office. Doing so does not take the authority away from department heads but provides for an equitable and consistent process. The same process should be followed for every recruitment process and detailed, consistent records should be maintained on each recruitment. Centralizing the function and the record keeping will help manage the process and reduce potential liability. This will require additional administrative resources in that office.

Employment Applications

The Town's Application for Employment needs to be updated. The one currently being used contradicts current federal and state requirements. Specifically, the application must contain language relating to lie detectors, at will employment, and credit history checks. Montague has accepted resumes and not required an application in all cases. It is important to obtain standard information on each applicant and require a signature of the applicant attesting that the information contained in the application is true and accurate even if a resume is submitted. In addition to updating the application, it is recommended it be made available through the Town's web site in a fillable pdf format and be required for candidates.

Screening Applicants, Interviews and References

The Town has an inconsistent practice for screening applicants. Federal and state laws require the documentation of selection processes, and as such all records of resumes, applications and screening, regardless of appointing authority, be maintained. While Montague does keep records, they are not kept in a consistent manner and should be coordinated through, and maintained by, the Town Administrator's office.

Similarly, interviews are not handled in a consistent manner. It is a best practice to create a set of standardized questions and maintain documentation of questions asked and how they were answered. For department head and professional staff positions coordinated through the Town Administrator's office and for appointments in the Police Department, this process exists and is well done. For other departments, there are few, if any, true standards. Interviews tend to be informal and familiar. A contributing factor to the informality is that the applicants are often

from the local area and known to the department head. As mentioned above, all hiring should be coordinated with and documented by the Town Administrator's office.

Reference, background, and Criminal Offender Records Inquiry (CORI) checks are not performed properly, or at all in some instances. It was revealed that the Police department is often asked to "run a check" on a candidate. At times, employees have been hired and then a CORI check is performed, which is not recommended. The Town should have one or two CORI officials designated by the Town Administrator and registered with the Commonwealth to conduct CORI processing in accordance with a clearly defined policy.

In most instances, reference checks are informal, and documentation is not maintained. A standardized reference form should be created and used by anyone conducting a reference check, and the records should be maintained in the recruitment folder in the Town Administrator's office.

Pre-Employment Physical

Currently, the Town requires physical exams for Police, Public Works and Water Pollution Control departments. The practice of requiring a preemployment physical exam for positions requiring significant physical effort is recommended. Position descriptions should be forwarded to the physician conducting the exam and a statement regarding the candidate's fitness to perform the work should be required. Currently, department heads receive varying documentation from the exams, which often contain personal medical information. It is recommended that the process of scheduling and receiving information be moved to the Town Administrator's office and maintained separate from other files. Only confidential employees should be receiving medical information.

Civil Service

The Police Department is governed by Civil Service regulations. The Town Administrator's office contacts the Commonwealth's Human Resource Division when a position is to be filled and receives the Civil Service List. The Police Chief coordinates the hiring process and conducts

interviews and back ground checks. The candidates are required to have a physical and a psychological exam. At times, employees are allowed to begin work prior to the execution of a physical or psychological exam. The Town should discontinue this practice.

It should be noted the Police Department has a formal process of Civil Service recruitments, applications, interviews, and background checks that is well-organized and documented. Because of this, it is not recommended to shift the process for hiring Police Officers to the Town Administrator's office.

Conditional Offers of Employment & Appointment Letters

The Town is inconsistent in the issuance of conditional offers of employment and appointment. Oftentimes, conditional offers are made verbally. A formal letter should be created when a position is offered and should include the pre-employment requirements. After all conditions are met, an appointment letter should be issued. The appointment letter should indicate the salary, the probationary period information, and instructions on where to report and what to expect on the start date.

New Hire Procedures

The Town has no structured process for onboarding. Typically, new employees are sent to the Treasurer/Collector's office to meet with the Finance Assistant who walks them through a new hire packet which covers benefits and required forms. However, the process is inconsistent and often employees are given the packet to review on their own.

It is recommended the Town create a formal, comprehensive on-boarding procedure that truly orients an employee to the organization and explains the benefits, policies, and expectations of their position and the town itself. An onboarding checklist should be created. An orientation should include required paperwork, benefit information, payroll and deduction requirements, optional benefits, probationary period information, conflict of interest requirements, and a set of comprehensive policies. A new employee should be given a week to review the town's

policies and required to attest to reviewing them at the conclusion of the first week of employment.

Central File Retention

The Town keeps personnel records in various locations. As in many municipalities, a concern is that many departments keep folders or files on each employee. It is recommended the Town Administrator have the responsibility to maintain the official personnel file for all employees. While the Treasurer/Collector department maintains benefit information and the Accounting department maintains payroll information, no other files should be kept. It is recommended that training or instruction be provided to department heads to ensure that any records kept by the department are also forwarded to the Town Administrator's office for placement in the official personnel file. There can be only one "official" file, however, it is permissible for departments to keep department-specific records such as certifications and license tracking.

Department heads and appointing authorities should be made aware of personnel record requirements, particularly as it pertains to medical information, discipline, and/or grievances. Additionally, the Police department, which manages Injured on Duty claims, should be instructed in the proper maintenance of such records. The Collins Center has provided guidelines on record retention to the Town Administrator under separate cover.

Training of Department Heads, Managers and Supervisors

Providing training on policies is critical for all employees. Training is particularly important for supervisors in the areas of sexual harassment, discrimination, progressive discipline, and policy compliance. The Town should establish a schedule of training on policies, with attention to supervisory training. The Collins Center will provide initial training for supervisors and key personnel at the conclusion of this engagement.

Performance Evaluations

Until FY2019, the Town was not consistently using its performance evaluation tool. The Collins Center recommends the Town Administrator continue the practice started in FY2019. Goals and

objectives can be tied to budgeted programs and priorities. After department heads are evaluated, the Town should consider using a system for the evaluation of other employees. However, if a system is not going to be consistent, it may be best to discontinue. Training for supervisors in the practice of performance evaluation should be conducted prior to the reinstatement of any system.

Payroll and Leave Administration

The Town Accountant is responsible for processing payroll and managing leave balances and accruals. At the beginning of each fiscal year, departments are given an excel spreadsheet file with weekly tabs for each payroll. For the departments that have a static workforce with no variations in hours, such as overtime, all weeks are printed, signed and returned to the Town Accountant immediately, and are then filed in weekly payroll folders. For the departments that have variable hours, such as Library, Parks and Recreations, Police, Public Works and Water Pollution Control, the payroll sheets are completed and submitted weekly.

Timesheets are provided to employees by the Town Accountant at the beginning of the fiscal year. As with payroll, each timesheet file has a tab for each week. Employees complete the forms, print them, get signatures of approval, and submit to the Town Accountant who verifies balances and tracks leave time.

The leave administration process is inefficient and requires duplication of effort. The employees complete the time sheet and it is delivered to the Town Accountant who then enters leave earned and used again into a spreadsheet. The spreadsheet is not transmitted electronically or on a shared folder. Additionally, the Collins Center understands that the current payroll software has limited capacity to enter payroll as time worked or time taken. Efforts should be taken to streamline the tracking of leave accrued and taken.

The Collins Center recommends, starting with the next fiscal year, the payroll sheets distributed to the departments build in the ability to submit payroll as hours worked and hours of leave with the capacity to code the type of leave.

Compensatory Time

The Town has a Compensatory Leave Policy for Exempt Personnel which provides time off for hours worked above the regularly scheduled hours of work. For each hour of work beyond the regular schedule, exempt employees, those not entitled to overtime pay, are granted an hour of time off. The policy refers to this time as “compensatory time.” Compensatory time by definition means time and one half in lieu of overtime pay. It is recommended the Town change the wording of this policy to call it “administrative”, “bonus”, “flex”, or “additional” time owed. In the alternative, it is recommended the Town modify the policy to clearly state it is not compensatory time under the meaning of the Fair Labor Standards Act.

Workers Compensation and Injured on Duty

Currently, the Finance Clerk serves as the Workers Compensation liaison to the insurance group MIIA. She receives the injury claims from the impacted departments and forwards them to MIIA for third party administration. The Town should move the functions of Workers Compensation and Injure on Duty administration to the Town Administrator’s office. Critical issues of injury management, modified duty, claims management, and confidential medical information should be handled by the Town Administrator or Human Resources Coordinator.

HUMAN RESOURCES STRUCTURE RECOMMENDATIONS

Designate the Selectboard as Appointing Authority. The Collins Center recommends the sole appointing authority for the Town be the Selectboard. The Town is the employer, promulgates policies and carries the liability insurance. The Selectboard should carry the liability and the responsibility for all human resources functions, as delegated to the Town Administrator necessary.

Create Human Resources Coordinator Function. The Collins Center recommends the Town adjust the responsibilities of the Executive Assistant position to include the functions of a

Human Resources Coordinator, and add another position to the office, with the title of Department Assistant.

As mentioned above, the offices of the Selectboard and Town Administrator hold numerous responsibilities. The current staffing of two, the Town Administrator and the 30 hour per week Executive Assistant, manage to perform the responsibilities, but it is challenging. The office is often overwhelmed at peak times and no one is available to cover if there is absence for any reason. At times, the office has no coverage.

Modifying the Executive Assistant position to include the function of Human Resources Coordinator will facilitate the implementation of the recommendations relating to centralizing as many human resource functions as possible to the Town Administrator's office. The Executive Assistant/HR Coordinator position could be adjusted to shift the clerical duties performed for the Selectboard and the Town Administrator to the newly created Department Assistant position, freeing up time to focus on the critical human resource functions and higher level work of the office. Not having dedicated staff to human resources is a risk and a liability.

Creating a second position will also allow for cross training, office coverage, and back up, and provide for succession planning. Physical space issues will need to be addressed and the number of hours per week for each position will need to be determined through a budget deliberation process.

Benefits and Payroll. While benefit management and payroll are human resources functions, many municipalities place these functions in the financial offices, which has historically been done in Montague. The Collins Center recommends keeping these functions in place. As mentioned above, Workers Compensation and Injured on Duty leave administration should be transferred to the Town Administrator's office.

PERSONNEL POLICY BY-LAW REVIEW

The Town's current personnel policies, which were updated in 2001, are contained in the Town of Montague Consolidated Personnel By-Laws (By-Laws). The By-Laws establishes the Selectboard as the Personnel Board, which is authorized to administer the provision of the By-Law and make recommendations to Town Meeting for amendments. As mentioned above, the Town Administrator position description created in 2013 designated the Town Administrator as the Personnel Director.

The Collins Center recommends the By-Law be amended to remove all personnel policies from the By-Law and refer to the Personnel Board as the authority to promulgate policies as recommended by the Town Administrator. Policies are an executive function, not a legislative function. Certainly, Town Meeting approves the Annual Budget, but should not have a role in approving administrative policies. Furthermore, with the ever-changing federal and state mandates regarding personnel policies, laws, and regulations, it is imperative the Town be able to amend policies as required.

PERSONNEL POLICY REVIEW

It is critical the Town adopt a comprehensive set of human resource policies. With the increase in federal and state mandates regarding employment, not having a comprehensive set of policies is a liability. A comprehensive set of policies also helps the Town Administrator and staff to more effectively provide a single voice of authority on key human resource functions.

The Collins Center worked closely with the Town Administrator and selected staff members to review, revise, and create a preliminary comprehensive set of policies. The policies have been provided electronically. The list of policies recommended is attached to this report.

It is recommended the Town create an interactive system on the Town's website or in a shared file drive for easy searching and access to the policies. All employees and elected and

appointed officials should be required to read the policies and acknowledge they did so. The Town may choose to print physical copies of the set of policies to be available in a binder, but the Collins Center does not recommend the printing of policy books. Doing so requires extraordinary effort when policies are updated and can lead to confusion when determining the most recent update.

CLOSING

An organization needs a human resources system to provide structure for employees, supervisors, and managers. Policies help define roles and responsibilities and a transparent understanding of expectations. Human resource management and policies are critical for legal compliance and provide avenues for ensuring both management and employee rights and obligations are being followed, as well as preventing legal issues and mitigating them if a problem arises. Having a designated human resource professional with clearly defined responsibility for the administration of, and compliance with, policies is critical in navigating employment issues. The Collins Center would like to thank the Town for allowing us to work with an amazing team of professionals.

APPENDIX A - COMPREHENSIVE SET OF POLICIES RECOMMENDED

POLICY	ACTION
I. INTRODUCTION	
II. ANTI-FRAUD POLICY	
III. COMPENSATION, HOLIDAY AND LEAVE TIME	
IV. CONSOLIDATED OMNIBUS BUDGET	
IX. DRUG AND ALCOHOL-FREE WORKPLACE POLICY	
V. CONFLICT OF INTEREST POLICY	
VI. CRIMINAL & SEXUAL OFFENDER RECORDS INFORMATION	
VII. CONDUCT AND DISCIPLINE POLICY	
VIII. DOMESTIC VIOLENCE LEAVE POLICY	
X. EQUAL EMPLOYMENT OPPORTUNITY, ANTI-DISCRIMINATION	
XI. FAMILY MEDICAL LEAVE POLICY	
XII. GENERAL EMPLOYMENT POLICIES -	
XIII. GRIEVANCE PROCEDURE	
XIV. HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT	
XIX. PERSONNEL RECORDS	
XV. HOURS OF WORK AND OVERTIME POLICY	
XVI. INSURANCE BENEFITS	
XVII. MILITARY LEAVE POLICY	
XVIII. PARENTAL LEAVE POLICY	
XX. POLITICAL ACTIVITY	
XXI. RECRUITMENT AND SELECTION	
XXII. REFERENCES	
XXIII. RETIREMENT POLICY	
XXIV. RETIREE HEALTH INSURANCE	
XXIX. VEHICLE USE AND REIMBURSEMENT	
XXV. SOCIAL MEDIA POLICY	

POLICY	ACTION
XXVI. SICK LEAVE	
XXVII. SMALL NECESSITIES LEAVE ACT	
XXVIII. TECHNOLOGY USE POLICY -	
XXX. WHISTLEBLOWER PROTECTION	
XXXI. WORKPLACE SAFETY	
XXXII. WORKPLACE VIOLENCE PROTECTION	