

APPENDIX VI

FINAL MEMORANDUM

Re: Human Resources Process

From: Town Government Study Committee

Date: September 8, 2015 **REVISED October 10, 2015**

1 - Executive Summary

The Town Government Study Committee ("TGSC") recommends clarification of the Board and staff responsibilities for defining and managing the human resource functions for all departments within the Town with the exception of the School Department and the Municipal Light Plant. Many of the recommendations detailed in this memo are set forth in a proposed Special Act and through proposed changes to the Town bylaws. The remainder of the recommendations will be left to administrative action once the Special Act and bylaw amendments become effective.

This memorandum is written in three parts.

- The first part describes the current human resource process as defined by the Town bylaws.
- The second part is an effort to describe the process as it actually takes place today.
- The third part proposes a new process that incorporates improvements in our current practices, including a clear definition of the role of the Human Resources Board ("HR Board") and Human Resources Director ("HR Director"), changes in the role of Town Meeting, and the role of the Town Manager.

The TGSC recommends that the Town Manager, under the Special Act and revised bylaws, would be responsible for establishing and managing the human resource functions. While much of the current functions and practices would remain in place, the Town Manager working with the HR Director would standardize the human resource processes and procedures while ensuring that important checks and balances remain in place. Elected and appointed boards would continue to have an important role in hiring, setting annual goals and evaluating department heads. The role of the HR Director would be more clearly defined, and the role of the HR Board would adjust to establish compatibility with the role of the HR Director and the Town Manager.

The key aspects of the human resource functions as proposed by the TGSC are as follows with greater detail and information included within this memorandum:

- The Town Manager will appoint Department Heads after consultation with the applicable board regarding applicable duties and qualifications of the position, the opportunity for the board to interview one or more final candidates submitted by the Town Manager or otherwise through a process under the direction of the Town Manager such as a screening committee that will include a member or members of the board.. The Town Manager's appointment shall be subject to approval of the applicable board... A board will have 15 calendar days to act on the Town Manager's appointment or the appointment will automatically become effective;

- The Town Manager's appointment of the Police and Fire Chiefs is subject to the affirmative approval of the Board of Selectmen;
- The Town Manager may delegate to the department head the hiring of all employees below the level of Department Heads and will work with the HR Director to establish policies and procedures for such hiring; ;
- The Town Manager will be responsible for negotiation of all non-school labor contracts, subject to approval by the Board of Selectmen;
- The Town Manager will be the Town member of the School Committee for the purposes of labor negotiations pursuant to the Education Reform Act;
- The Town Manager, with the HR Director, will establish uniform and standard processes and procedures for the performance evaluation of all employees, for professional development, and for the disciplinary processes of reprimand, suspension, demotion, and if necessary, termination;
- After consultation with an affected board, the Town Manager shall establish annual goals for and conduct annual evaluations of all department heads subject to appointment by the Town Manager;
- The HR Director will be responsible for all of the HR administrative functions such as: administration of the Salary and Classification Plans, Personnel Policies, and collective bargaining agreements; review of work of employees to determine whether the position is properly classified; administration of the recruitment process; maintenance of personnel records; recommendation of amendments to the Salary and Classification Plans and Personnel Policies; ensure compliance with all applicable state and federal laws, rules, and regulations; assistance in collective bargaining; and handling requests for information related to the human resources functions;
- Although the majority of the communities with a Town Manager form of government do not have an HR or Personnel Board, the TGSC is recommending that Wellesley retain the HR Board appointed by the Moderator, thus preserving checks and balances in the HR process. The HR Board will be responsible, following consultation with the Town Manager and the HR Director, for approving the Personnel Policies, Classification Plan, and Salary Plan, and for setting a salary for a new hire above the mid-point of a salary range. The HR Board will also be available to the Town Manager and HR Director for consultation on HR issues

2 – Background

The TGSC assessed the current structure and function of Wellesley's town government through dozens of interviews with Town staff and board members. In addition, the TGSC conducted detailed interviews with twelve benchmark communities. As a result of these interviews, we developed findings regarding human resource functions and personnel management. The findings related to the current functioning of Wellesley's government are that we have:

- A strong and robust group of dedicated volunteers
- A committed and engaged group of professional employees
- Strong leadership that has provided direction in absence of much authority to do so with the ability to get some big things done in spite of the organization structure
- A collaborative culture among Town boards and departments often emerges when needed
- A financially healthy Town
- General satisfaction with how things are going.

We also came to understand that there are significant concerns that need to be addressed:

- Nobody is in charge - there is a lack of accountability and internal coordination in the budget, general management, personnel, and planning processes
- There is an over-reliance on the ability of current long-time employees to collaborate and get things done despite structural impediments
- There is a lack of ongoing coordinated Town-wide planning for the future
- There are weak communications internally and externally
- There is a lack of understanding and agreement about the difference between board policy and staff operational responsibilities
- Bylaws and actual practices are frequently inconsistent.

Additionally, we found the following opportunities for improvement in the Human Resources area to:

- Establish uniform policies and procedures ensuring consistency among all employees in hiring, personnel administration including compensation, performance evaluation, training, and professional development
- Create a uniformly consistent high quality of customer service throughout the Town government
- Create flexibility and efficiencies of staffing and identify opportunities for professional growth
- Foster a culture of collaboration and improve internal communication and
- Develop a strong, integrated cross-departmental management team.

We have developed a recommended human resources approach based on our understanding of our Town's culture, our desire to provide an effective system of checks and balances, and our study of practices in a dozen "benchmark" communities. These communities are among the best structured and managed in the Commonwealth, and represent a variety of alternative models for Wellesley. The recommendations of the TGSC are intentionally broad, understanding that the details of how the processes will work will evolve over time. We believe that change should be a deliberate process, with opportunities for reflection and re-assessment. We envision a gradual evolution in these changes, while strongly recommending the adoption now of features that we think will resolve some of the critical issues that we've identified.

3 - Current Bylaws/Policies

Current Town by-laws, Articles 30 and 31, provide the framework for the development and administration of a Salary Plan, Classification Plan, and Personnel Policies. These Articles establish the Human Resources Board, and the position of Human Resources Director. While the bylaws spell out in some detail the role of the HR Board, they are completely silent on the role of the HR Director.

In addition, other sections of the bylaws provide for appointment of officials and staff by a variety of other officials and bodies. For example, Bylaw 19.7 establishes the responsibility of the Board of Selectmen to appoint certain officials and employees; Bylaws 19.33 and Section 40.4 provide that the Executive Director of General Government Services shall appoint individuals to certain positions; and other sections of the bylaws provide for the appointment of Department Heads. The Personnel Policies are developed by the HR Board and approved by Town Meeting (Bylaw 30.10). These Personnel Policies proscribe an advisory and administrative role for the HR Department for hiring. The details are included in Personnel Policy 1 Section IV A. There is still a great deal of latitude and discretion given to the individual Departments, and the practices are therefore inconsistent.

Town Bylaw 6.3 provides that each Board is responsible for the performance of its appointees and persons employed by the board:

“6.3. Staff Performance. Each board is responsible for the faithful and competent performance of duties by persons employed or appointed by it. The Town Clerk shall have the same responsibility with regard to persons the Town Clerk employs.”

Personnel Policies describe in two sections the personnel evaluation process – Personnel Policy 10 and Personnel Policy 11. The intent of these sections of the bylaws and Personnel Policy is to introduce consistency among all Town employees in the evaluation process, and eligibility for merit pay increases for management personnel including Department Heads. Evaluation of Department Heads is done by their board, and boards are also to review subordinates in their Department per Policy 11 IV 4:

“Each Board, Committee or Commission is responsible for reviewing the evaluations and approving or disapproving the merit increase recommendations of their subordinates. The Board, Committee or Commission shall evaluate the individual or individuals reporting directly to them in the manner prescribed above and determine the appropriate increase to be granted.

After review of the recommendations of their staff and after considering the amount of money available for merit increases, each Board, Committee or Commission shall approve appropriate increases in accordance with the Salary Plan and this Policy and Procedures.”

4 - Current Practice

While it is clear that the intent of our various bylaws and policies are intended to establish uniformity and consistency in personnel administration throughout the Town, it appears that in practice this goal is not met. In interviews with Department Heads, Boards, and other individuals within or formerly within Town government in Wellesley, a picture emerges of HR practices that differ from Town bylaws and policies. Some of these practices work well, and others are in need of improvement. One of the common threads, however, is inconsistency in the application of the HR function among the Departments. While a complete review of every single HR process is not feasible in this report, a summary review of some of the major processes follows.

Hiring – In general, the hiring process throughout the Town government works well. When a vacancy occurs, the job description is reviewed and modified if needed. The position is re-classified if needed. A requisition is completed by the requesting department. The HR Director handles the recruitment in consultation with the department doing the hiring – sometimes particular positions need to be advertised in particular ways through trade associations, etc. For higher level positions such as Department Head positions, screening committees are created. The HR Department handles all of the administrative functions of receiving resumes and applications, record keeping, contact with applicants, scheduling interviews, and reference checks.

The process is still not fully standardized nor is it consistent among departments. For example, sometimes a board or individual board member will want to see all of the applicants’ resumes, thereby short circuiting the screening committee. Additionally, the chief executive in Town has no input into the hiring of most Department Heads and staff.

Proposed Practice

The Town needs to develop and adhere to a standardized hiring process for similar positions regardless of Department.

General Personnel issues – There is a considerable lack of consistency in the application of a number of general personnel issues that, at times, can expose the Town to liability. For example, in addressing the issue of leave related to an employee’s non-job-related injury/illness, one department permits employees to return to work on a modified basis without any medical evaluation other than the employee’s doctor’s note, while another Department working through the HR Director ordered a “fitness for duty” medical evaluation to determine functional capacity and determined that the employee could not go back to the employee’s previous job. In addition to issues of inconsistency, there is a potentially serious financial liability to the Town in allowing employees to return to work without the proper medical evaluation.

Proposed Practice

Departments need to utilize the knowledge and experience of the HR Department in addressing situations that are personnel based, so that the experience of the HR Director in knowing best practices of how to deal with these issues can be utilized, and so that decisions can be made on a uniform and consistent basis.

Discipline – Because there is little involvement of a centralized HR function and chief executive regarding disciplinary cases, there are sometimes inconsistent applications of discipline. In some recent examples, discipline that was contested by a union showed inconsistencies within the same union but within different departments, which makes disciplinary actions difficult to sustain and more susceptible to challenge. The HR Department is often brought into a disciplinary issue very late in the process, if at all, and the broad organizational view of HR and their expertise and availability of resources are not utilized.

Proposed Practice

The Human Resources Director should be brought into disciplinary cases immediately, before any resolution of the case is determined. This may include simple consultation via a phone call, or more extensive involvement such as attendance at a disciplinary hearing. Discipline ultimately imposed by a single administrative officer with input from HR will result in a more consistent and professionalized process.

Performance Reviews – The Town has, in its Personnel Policies, a well thought out and articulated process for conducting performance reviews for senior management level positions included in Job Group 50 and above (the Management Pay Plan), as well as for all other employees. The HR Department has attempted to establish a standardized performance review process, and it has included efforts at training employees and boards which will be doing evaluations. While their efforts have been significant, the success of implemented standardized performance review has been limited. Within the established performance review structure, there are wide variations in how these reviews are actually carried out. The system itself as developed by the HR Department addresses the capability of the least experienced Board and Department Heads to carry out the evaluations.

For Department Heads, many of whom are reviewed by elected or appointed boards, the inconsistency is significant. Performance reviews for Department Heads are particularly important because of the important functions that Department Heads perform, and also because the reviews

will determine the Department Head's eligibility for merit pay. The review process also requires the establishment of annual goals. For some departments, there is a strategic plan and the goals flow from that document. For others, the chair does the review and the nature and extent of the goals can vary based on the individual priorities of the chair. Depending on the engagement and experience of the chair, the Department Head being evaluated develops draft goals and those are often accepted by the chair without being discussed or challenged. Finally, the working relationship between the board and the Department Head often makes it difficult or uncomfortable for a fully candid performance review to take place. In one example, a Department Head was underperforming for a significant period of time when measured by the observation of co-workers, yet the employee was given glowing evaluations by the employee's board. Additional inconsistency of evaluations from year to year may occur because of a change in the chairmanship of the boards, and there are instances in which lack of timeliness of the performance review has delayed the deserved merit increase of a Department Head.

There is inconsistency among boards in making recommendations for merit increases. In addition, there is a perception among some employees and boards that the boards are ill-equipped to carry out this responsibility because they may only see their Department Head 4 or 5 hours a month, and then they do not understand or see the full scope of the employee activities including interaction with other Department Heads and Town staff, and residents.

Proposed Practice

With the appointment of Department Heads being done by the Town Manager with the approval of the applicable board, performance reviews of Department Heads or the most senior person in a Division or Department should all be done by the Town Manager after consultation with the affected boards. Performance Reviews of all other staff should be done by their supervisor. The consultation with the boards will be sought as part of the performance review of Department Heads that have a board. Training for all staff who are responsible for evaluation of other staff should be offered by the Human Resources Director annually. Annual goals should be set for all staff including Department Heads using the best practices at that time. The Boards will be consulted when establishing goals for the Department Heads. The HR Department should establish, manage, and maintain the organization-wide evaluation system, and should seek the input of Department Heads, Boards, employees, and unions in developing and modifying the evaluation instrument(s).

Collective Bargaining –The Executive Director of General Government Services is usually the lead Town representative in collective bargaining, often with the involvement of the HR Director and the applicable board. The School Committee and the Superintendent are the lead in collective bargaining with the School unions. The various union contracts and the Town's personnel policies differ in major ways in terms of the benefits offered to employees. Only the Town Manager and the HR Director have a clear picture of all of the different benefits offered to each of the unions and non-union employees. Respecting the collective bargaining process and the differences among working conditions among different departments of the Town, it should be a goal to have as much consistency as possible among the benefits for all groups of Town employees.

The Executive Director of General Government Services sits as a member of the School Committee for purposes of Collective Bargaining, and this process works well. The Executive Director does not sit in on bargaining sessions – neither do School Committee members. But he is an active participant

in the discussion of strategy, and per statute, he votes as a member of the School Committee on the approval of contracts.

Proposed Practice

The Town should establish a process for Collective Bargaining that includes pre-bargaining strategizing by the Town Manager, HR Director, Finance Director and Department Head. The applicable board's input as it relates to their policy making role of their specific function of government should be sought. In those sessions, the overall strategy should be established, including working towards the standardization of benefits and language. A specific package of proposals for each union should be developed and reviewed with the Board of Selectmen in Executive Session. Members of boards including the Board of Selectmen should be consulted prior to the bargaining process but should not participate in the process as Town representatives at the bargaining table. There may also be a need for communication with the Board of Selectmen and applicable Board during the Collective Bargaining process, as long as this consultation is consistent with the guidelines agreed to by the Union and the Town. The Town Manager should then establish the Town's bargaining team, which in all cases should include the HR Director and the Department Head. The Town bargaining team will consult with the applicable board or others in the course of bargaining. Collective Bargaining agreements for Town unions are all subject to approval by the Board of Selectmen.

The Town Manager should be an active participant in discussions with the School Committee and the Superintendent of Schools in developing the strategy with respect to bargaining School union contracts. The Town Manager should consult with the HR Director with regard to key issues related to consistency with Town benefits and policies.

Professional Development – There is a significant variation among departments as to the level of professional development offered. Some of the professional development funding is correctly allocated to the various departments because it is unique or specific to that department; however there is no centralized pool of funding for professional development, and therefore larger departments tend to budget more resources for this purpose than do smaller departments.

Proposed Practice

There should be established basic standardized organization-wide policies for professional development to be created and administered by the HR Director. These policies need to recognize that there are differences in the need for various types of professional development in different departments, and also the different standards and norms for professional development in different professions.

There should be a centralized pool of funds for professional development within the HR budget, in addition to the department-specific professional development funds. The amount of funding in the centralized pool should be phased in over 2 or 3 years. The HR Director would be responsible for administering the Professional Development fund in accordance with the policies.

General Administration – The Human Resources Department is busy and theoretically has wide sweeping responsibility for HR functions in the entire Town government structure. In fact, for some issues, the HR Department does have a broad role – such as in assisting in the negotiation and implementation of the recent changes in the health insurance program. However, while some departments appear to be willing and anxious for the HR Department to take on the full range of

functions envisioned by the various bylaws, others do not take full advantage of the services currently available.

In addition to the functions noted above, it would be reasonable for the HR Director to have a broader and earlier role in the budget process so that issues of reclassification and new positions can be vetted as early as possible with the most accurate information available.

Proposed Practice

The bylaws should clearly spell out the role, responsibility and powers of the HR Department and its Director.

The Town Manager needs to make clear to the Department Heads, boards, and other staff what the responsibilities of the HR Department are so that there is little or no organizational confusion.

5 – Summary

The following summarizes the major recommendations with regard to the Human Resources functions. These recommendations, most of which are repeated from section 4 above, are categorized by method of implementation.

The Special Act should spell out the following responsibilities of the Town Manager:

- The Town Manager will appoint Department Heads after consultation with the applicable board regarding applicable duties and qualifications of the position, the opportunity for the board to interview one or more final candidates submitted by the Town Manager or otherwise through a process under the direction of the Town Manager. The Town Manager’s appointment shall be subject to approval of the applicable board... A board will have 15 calendar days to act on the Town Manager’s appointment or the appointment will automatically become effective; Town Manager’s appointment of the Police and Fire Chiefs is subject to the affirmative approval of the Board of Selectmen;
- The Town Manager shall have the authority to terminate a department head with notice to the applicable Board, in advance if possible.
- The Town Manager may delegate to the department head the hiring of all employees below the level of Department Heads and will work with the HR Director to establish policies and procedures for such hiring; • The Town Manager will ultimately be responsible for negotiation of all non-school labor contracts, subject to approval by the Board of Selectmen;
- The Town Manager will be the Town member of the School Committee for the purposes of labor negotiations pursuant to the Education Reform Act;

The following should be spelled out in amended bylaws:

- The Town Manager, with the HR Director, will establish uniform and standard processes and procedures for whose implementation the Town Manager shall be ultimately responsible, for the performance evaluation of all employees, for professional development, and for the disciplinary processes of reprimand, suspension, demotion, and if necessary, termination;
- The Town Manager shall consult with the applicable boards in the establishment of annual goals and in

conduct of the evaluation of their department heads;

- The HR Director will be responsible for all of the HR administrative functions such as: administration of the Salary and Classification Plans and Personnel Policies; review of work of employees to determine whether the position is properly classified; administration of recruitment process; maintenance of personnel records; recommendation of amendments to the Salary and Classification Plans and Personnel Policies; rendering of compliance advice; assistance in collective bargaining; training of Boards and staff of all departments regarding personnel practices and procedures, and handling requests for information;
- The bylaws should clearly spell out the role, responsibility and powers of the HR Department and its Director.
- Although the majority of the communities with a Town Manager form of government do not have an HR or Personnel Board, the TGSC is recommending that Wellesley retain the HR Board appointed by the Moderator, thus preserving checks and balances in the HR process. The HR Board will be responsible, following consultation with the Town Manager and the HR Director, for approving the Classification Plan, Compensation Plan, initial hiring above a designated level, and Personnel Policies.

The following are administrative recommendations to be considered by the Town Manager and HR Director:

- The Town needs to develop and adhere to a standardized hiring process for similar positions regardless of Department.
- Departments need to utilize the knowledge and experience of the HR Department in addressing situations that are personnel based, so that the experience of the HR Director in knowing best practices of how to deal with these issues can be utilized, and so that decisions can be made on a uniform and consistent basis.
- The Human Resources Director should be brought into disciplinary cases immediately, before any resolution of the case is determined. This may include simple consultation via a phone call, or more extensive involvement such as attendance at a disciplinary hearing. The Town Manager will decide on the imposition of discipline.
- With the appointment of Department Heads being done by the Town Manager, performance reviews of Department Heads should all be done by the Town Manager after consultation with the affected board. Performance reviews of all other staff should be done by their supervisor. The input of the boards will be sought as part of the performance review of Department Heads that have a board. Training for all staff who are responsible for evaluation of other staff should be offered by the HR Department annually. After consultation with affected boards annual goals should be set for all staff including Department Heads using current best practices. The HR Department should establish, manage, and maintain the organization-wide evaluation system, and should seek the input of Department Heads, Boards, employees, and unions in developing and modifying the evaluation instrument(s).
- The Town should establish a process for Collective Bargaining that includes pre-bargaining strategizing by the Town Manager, HR Director, Finance Director and Department Head. The applicable board's input as it relates to the board's policy making role of their specific function

of government should be sought. In those sessions, the overall strategy should be established, including working towards the standardization of benefits and language. A specific package of proposals for each union should be developed and reviewed with the Board of Selectmen in Executive Session. Members of boards including the Board of Selectmen should be consulted prior to the bargaining process but should not participate in the process as Town representatives at the bargaining table. The Town Manager should then establish the Town's bargaining team, which in all cases should include the HR Director and the Department Head. The Town bargaining team will consult with the applicable board or others in the course of bargaining. All Town union contracts are subject to approval by the Board of Selectmen.

- The Town Manager should be an active participant in discussions with the School Committee and the Superintendent of Schools in developing the strategy with respect to bargaining School union contracts. The HR Director should be involved in this process to advise the Town Manager with respect to key issues related to consistency with Town benefits and policies.
- There should be established basic standardized organization-wide policies for professional development, to be developed and administered by the HR Director. These policies need to recognize the differences in need for various types of professional development in different departments, and also the different standards and norms for professional development in different professions.
- There should be a centralized pool of funds for professional development within the HR budget, and the amount of funding should be phased in over 2 or 3 years. The HR Director would be responsible for administering the Professional Development fund in accordance with the policies.
- The Town Manager needs to make clear to the Department Heads, boards, and other staff what the responsibilities of the HR Department are so that there is little or organizational confusion.

These actions, taken collectively, will establish a uniform, consistent, and modern system of Human Resources administration that will continue to encompass appropriate levels of checks and balances, but will be nimble enough to be responsive to changing circumstances. The proposed amendments to Articles 30 and 31 of the Town bylaws will establish the duties of the new Chief Operating Officer (the Town Manager), strengthen the role of the Human Resources Director, and realign the responsibilities of the Human Resources Board within a Town Manager/ Selectmen form of government.