

Final Draft

Belmont HR Department Review HR Committee Report

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Committee:

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Committee Charter

To review the current HR department needs and capabilities in order to examine the feasibility of combining the Town of Belmont and Belmont School Department's respective HR Director roles into one role for both organizations.

Current State

The Belmont Town government and budget process is such that the Town HR department has no direct authority over the departments other than through influence and persuasion. This is due to the governance structure of the town and the authority given each department head. Specifically each of the departments has appointing authority and responsibility for hiring and employee relations. For example, the school superintendent has recently hired a part time HR Director/Manager for a one-year contract (18 hours per week) and also has a full time employment manager. (Need to check this. I thought the employment manager already had a full time job with the school and the employment duties were just added to her job) The school superintendent has an independent budget and the selectmen do not have line item budget review authority. Any consolidation of the town and school HR departments would require both board of selectmen and school committee approval.

The current operating environment is very complex as evidenced by the high number of unions as well as the fact that each department (Fire, Police, School, Light, Water, Highway) has appointing authority when it comes to making people management decisions i.e. hiring, promoting, disciplinary actions etc.

There is very little (if any) automation of routine administrative tasks such as benefits enrollment, payroll, etc. There are also multiple systems in use and little or no integration between financial and human resources records. The MUNIS system currently in use is a financial system and not a human resources system.

Personnel files are paper based and are not located in a central location but are distributed in the various department heads offices.

The Town HR department provides administration and HR services for the Town of Belmont employees. In addition they provide benefits administration for employees, retirees (and their dependents) for the Belmont School system.

The Town of Belmont currently has 360 employees and in addition there are 139 seasonal employees. The Belmont school system has 723 (113 substitutes) employees. In addition there are some 615 retirees and their dependents from both the Town and the school systems.

The vast majority of these employees (95%) are covered by collective bargaining agreements. The town employees are represented by eight unions, and the school employees are represented by 4 separate unions.

The Belmont HR Department staff consists of the following:

1. Dir. . Human Resources-Diane Crimmins (Full time)
2. Benefits Administrator (Full time)
3. Receptionist (.7FTE))

The administrative staff members are not HR professionals who can take on a wide range of typical HR tasks, rather they are limited to routine clerical/administrative duties. The result is that the Director of HR has to either closely supervise the daily tasks of these resources to ensure things are done properly, or perform the professional-level tasks herself. The Director of HR top priority, and where she spends the vast majority of her time, is on contract negotiations and labor relations. This workload leaves little available time to take on additional work or improvement projects.

Total headcount for the Town HR department is 2.7 FTE (full time equivalents) who are supporting 360 employees, 139 seasonal and 615 retirees and their dependents. This results in an HR: FTE ratio of 1:361 (this doesn't include the seasonal employees). Adding the school department would produce an overall ratio for the Town and the school department of 4.2 HR supporting 1698 employees and retirees, or an overall ratio of 1:404.

The HR: FTE ratio for a small organization with little to no automation is generally accepted to be in the 1:100 range (The latest survey data I have, for private industry, is 1:110). Based on the current complex operating environment, unclear roles and accountabilities, fragmented processes and lack of enabling technology, reducing costs by combining HR departments seems to be an unrealistic goal and a disservice to the town.

If the goal is reducing costs and risks for the Town of Belmont, the costs of the HR department are minimal compared to the potential risks created by the current situation. (Witness the recent issue with the Council on Aging).

Following is a review of risks and some potential options to move forward.

Issues and Risks

The current operating environment is creating a high level of potential risk for Belmont. Potential risks include:

- Poor hiring decisions
- Potential benefits administrative mistakes due to lack of training and critical thinking skills
- Costly labor relations and grievance/disciplinary actions
- Lack of training and inadequate people management skills in the departments
- Lack of clarity in roles and accountabilities
- Inconsistent processes across the various departments
- The Town as a whole bears the costs of poor management decision made by appointing authorities e.g. legal costs, settlement costs, spillover effects of employee treatment in one unit to another etc.

Potential Options

- The Selectmen need to clarify and establish HR and department head roles and accountabilities in hiring process and overall people management decisions. Redefine and document hiring and people management processes. For example it could be helpful to make a table showing appointing authority for each municipal department, including schools. This should also include the role of the Town Administrator in general and whether any of the Board of Selectmen authority has been delegated to this position.
- Consolidate all personnel files in Human Resources Department.
- Upgrade HR staff skills by hiring a full-time mid-level HR professional in a supervisory role to focus on benefits administration, staffing, training, HR operations and enabling technologies. Provide HR certification training for current administrative staff.
- Focus Director of HR role primarily on contract negotiations, managing labor contracts and focusing on building collaborative processes with department heads.
- Formalize specific collaborative process between Town and School as a first step to establishing a process for eventual consolidation.
- Review MUNIS functionality and costs and consider implementation enabling technology.

Due to the current fiscal difficulties not only in Belmont but across the State, it is recommended that the Board of Selectmen focus on the least expensive options for Fiscal year 2012. Specially, clarifying H.R. and the Town department head roles in hiring and over all employment matters; consolidation of all personnel files in the H.R. department; use of enabling

technology such as automation of H.R. forms. The remaining options should take place in following years as the budget allows.

In the meanwhile, consolidation of the School and Town Human Resource/Labor relation function as currently staffed and funded would pose to many risks for the Town.