

Town of Swanzey, New Hampshire
Personnel Policy Review Committee
Meeting – October 2, 2014
Swanzey Police Station, 34 Eaton Road, Swanzey, NH

Present at Meeting: The meeting was called to order by Town Administrator Shane O’Keefe at 2:01 p.m. at the Swanzey Police Station. Present were Town Administrator Shane O’Keefe, Chief of Police Thomas DeAngelis, Human Resources and Services Coordinator Edna Coates, Swanzey resident Michael Goldschmidt (arrived at 2:02 p.m.), Resident Care Giver III Donna Allen, Public Works employee Ann Bedaw, and Bookkeeper Theresa Lounder.

Absent: None

Others Present:

No others were present at the meeting.

Minutes:

- Meeting minutes of August 20, 2014 – **motion** was made by O’Keefe to accept the meeting minutes as written. The motion was seconded by Goldschmidt. All in favor except O’Keefe, who abstained. **Motion passed.**

Louder brought attention to page 2 of the minutes for September 3rd. The hours for full-time employees is listed as 30 in the paragraph at the bottom of the page but it should be 37.50. Louder stated that the 30 hours was considered full-time under Obamacare, but the current personnel policy lists full-time employees as those who work more than 37.50 hours. Goldschmidt brought attention to the same paragraph, noting that he did not recall making the statements regarding hours worked for full-time status be considered separately from hours worked for overtime pay as documented in the minutes. However, he proposed no changes.

- Meeting minutes of September 3, 2014 – **motion** was made by O’Keefe to accept the meeting minutes with the change from 30 to 37.50 hours. The motion was seconded by Coates. All in favor except O’Keefe, who abstained. **Motion passed.**

New Business:

Bedaw mentioned that she would like the Bereavement section updated to include step-relatives. O’Keefe agreed, but stated that would be addressed at a later meeting.

Old Business:

Coates opened discussion on the issue of what is considered hours worked and whether or not paid leave should be included in the calculation of overtime. Coates had looked through labor laws and much of what she had found was geared more toward Police and Fire. O’Keefe stated that there wasn’t a law, but that the minimum has to include all hours worked. If the Town wants to provide added benefit, the employer may do so. It is up to the employer to define “hours worked” for employees.

Additional discussion about sick leave and benefits occurred. Coates brought up the Winter Maintenance Stipend, which is not part of the personnel policy. Public Works employees receive a weekly stipend from mid-November to mid-April for being on call. Longevity pay has also been a benefit

provided to all full-time employees for the past few years. The Board of Selectmen determine annually if employees will receive the Winter Maintenance Stipend and Longevity Pay; it is not a guaranteed benefit.

O'Keefe pointed out that the Committee will only be making recommendations to the Board of Selectmen. If the Committee cannot come to an agreement on an issue, the Board should be given a list of several options from which to choose. Federal law states "hours worked". In New Hampshire, municipalities are allowed to make their own decisions regarding what will be included as hours worked.

Discussion continued. Bedaw proposed a reward system for not using sick time. Goldschmidt proposed compensatory time in lieu of overtime. Coates pointed out that in some of the policies she had read the employer included holiday pay as hours worked because the employee didn't have the option of working but excluded vacation or sick time as hours worked because the employee could choose to take the time off. DeAngelis said he could see both sides of the issue, but that it could be a morale issue if there were significant changes to the current policy.

O'Keefe stated that the Committee was not going to reach consensus and again said that the Board should receive a menu of options and would make the decisions based on the options presented to them. In many cases, pay in municipal government is generally lower than in the private sector and where the difference is made up is within the benefits.

DeAngelis questioned O'Keefe about the process of presenting changes to the Board, wondering if the entire Committee would meet with the Board. O'Keefe answered that the Committee is advisory. The Committee should reach consensus as best as possible, propose changes to the policy, and present them to the Board. If consensus cannot be reached within the Committee, the Board should receive a list of options so they can make the decisions about those changes. The Committee has an obligation to do the best we can to serve all of the Town's customers (employees, taxpayers, etc.).

DeAngelis stated that benefits are a big deal. Employees should not be penalized for using time, and he is concerned about what consequences will arise from changes to the policy. We need to look at morale, the mission of the Town, and do what we can to not sour employees. Will the monetary savings be worth it? Will it be cost effective? O'Keefe stated the Committee would not be adding benefits, but he wants to bring the policy into the 21st century. If there are changes to overtime, perhaps other things would be done differently so that there was no net change in benefits.

Bedaw asked if employees were abusing time. O'Keefe stated that he does not believe so, but that we need to look at where money can be saved, what works and what hasn't been working, and determine whether the policy should be left as it is or changed.

Bedaw made a motion to leave the current policy regarding including paid leave in the calculation of overtime as it is. The motion was seconded by DeAngelis. Goldschmidt stated that it warrants more discussion and that some of the obvious changes that need to be made are not as complex as this issue. O'Keefe asked for recommended changes. Having received none, the vote on the motion occurred. Bedaw, Allen, DeAngelis and Lounder voted in favor of leaving the current policy as it is. O'Keefe, Coates and Goldschmidt voted in opposition. With a vote of 4-3, the **motion passed**.

O'Keefe recommended a sick leave pool for donating sick time to another employee, as several employees had asked about this. Allen asked if the pool would be department specific, where if she

donated her time it would only go to another employee who worked at the Carpenter Home. O'Keefe stated it would be one large pool that any employee could use. Coates has worked for employers who allowed employees to specify which employee could receive the time that was being donated. Allen asked if the pool would be available to full-time employees only or if part-time employees would be able to use some. She is concerned with employees who constantly use their leave being able to receive more hours. O'Keefe said there would need to be some system to determine legitimacy of the requests. O'Keefe said more discussion will need to take place and he will do more research for the next meeting.

Coates opened discussion on the current personnel policy, beginning with page 1. O'Keefe asked about when the 37.50 hours was established. Louder stated it had been that way when she was hired in 2001, and couldn't answer the question. Town Hall is the only location that is not at 40 hours.

Chapter 1 (Purpose):

Louder proposed changing Chapter 1.6 to include "unless otherwise noted in the public meeting minutes" as there are instances where the Board will make a decision in the fall or early winter which won't go into effect until January 1 (such as insurance changes). Many members thought this should be shorter. O'Keefe proposed changing "upon adoption" to "as determined" and there was consensus among Committee members.

The Committee agreed to recommend the following change for Chapter 1:

- 1.6 Any amendment to the policy shall become effective as determined by the Board of Selectmen. Amendments shall be distributed to employees.

Chapter 2 (Types of Employment, Compensation and Eligibility for Benefits):

Discussion continued regarding 37.50 hours versus 40 hours. Lunch periods and breaks were also discussed. Changing the required hours for full-time employees from 37.50 hours to 40 would only affect four employees at Town Hall. Coates stated that the different types of accruals at different rates and different hours for departments was difficult for bookkeeping purposes, and would like it more streamlined. Louder, as Bookkeeper in the Finance Office, has no issues with the various accrual rates and hours; it is the employees who work in multiple departments at different rates that are the problem. O'Keefe wants to make things easier in bookkeeping and not blow up the budget. It was agreed that this would be left as it is and that the Committee would revisit this matter later.

Coates wanted to change the titles for the employee classifications. There are too many classifications and some seem redundant, such as 2.1.3 (Temporary Full-Time Employee) and 2.1.4 (Temporary Part-Time Employee). She proposed changing these to one classification (Seasonal). Louder pointed out that some temporary employees are not working during the seasonal periods. There have been instances where an interim person has been brought in while the recruitment process is in progress. Louder also pointed out that if some classifications are changed, the corresponding pay policy would need to be updated (such as for the Fire Department). Discussion regarding how best to display this chapter included whether to split it into three separate chapters or include a matrix which would more easily show the benefits and compensation eligible for each employee classification.

Probationary employees and probationary periods were discussed. Police and Fire employees have longer probationary periods than other employees. O'Keefe stated that Public Works should be one year, not six months. Louder proposed having twelve month probationary periods for all employees. Coates believes one year is too long. O'Keefe agreed, especially for someone who is obviously doing a good job. Goldschmidt brought up morale for an employee who is doing a great job but still has to be

on probation for a year. Lounder spoke of her other recommendations if probationary periods are changed to twelve months for all employees, which included receiving a week of vacation after six months of employment and receiving a Cost of Living Adjustment (COLA), which currently is not provided. O'Keefe wants to clarify the COLA, since an employee who gets hired close to the time when COLA is awarded should not be eligible for it at that time. O'Keefe wants to look at the vacation accrual; he feels it is outrageous that an employee has to wait an entire year to take off some time. Lounder spoke about how O'Keefe had this addressed with the Board but the issue was with the way the minutes were written. The minutes specify "after 6 months of probation", and Lounder had discussed this with O'Keefe. Some employees have probationary periods of longer than six months, some have their six month probationary period extended and neither of those instances were addressed in the minutes at that time. O'Keefe wants vacation to accrue from Day 1 of employment; if the employee doesn't make it to the end of six months, then no vacation time is given. Coates stated that an entire year with no time off was difficult for her. Coates discussed the accrual of vacation time during probation and how probationary employees do not get any time off.

Bedaw asked about the current accrual policy. Lounder explained that an employee has to be here a year prior to receiving two weeks of vacation. After that, it accrues monthly at a rate of two weeks, three weeks or four weeks, depending on the length of time an employee has worked. Goldschmidt feels the next project should be coming up with a matrix of what the Committee is going to recommend.

DeAngelis stated that new employees need to prove themselves and talked about how officers receive 20 hours of PTO each quarter. Lounder explained that even if the employee starts on March 31, that person receives 20 hours of PTO on April 1. Bedaw asked if probationary employees received time off. Lounder explained that floating holidays, holidays, PTO, and sick time are all available to probationary employees. Floating holidays are pro-rated based on the start date for an employee. If an employee begins work on January 1, that person gets two floating holidays; if the start date is July 1, then one floating holiday is awarded. Employees may take their floating holiday(s) at any point after it is received.

Goldschmidt asked about accruing vacation from Day 1. DeAngelis is not certain one plan will work for the whole Town. Lounder stated that vacation time is accrued during the probationary period (at a rate of 2 weeks per year), but does not show on the pay stub. With the current policy, when an employee finishes the first year they receive a lump sum of two weeks of vacation.

O'Keefe agrees that probation should be one year. He also feels that sick leave should accrue monthly and the employee should be able to use it. Lounder stated that the current policy does have sick leave accruing monthly and it is available as soon as it is accrued. Vacation time is the only leave time that an employee has to wait for. O'Keefe feels vacation should accrue monthly but an employee should not be able to use it for six months. If an employee leaves after five months, that person would receive no vacation pay. Lounder pointed out that if an employee is accruing vacation, they may say they earned it. Coates agreed that this could be an issue with the Labor Department. Discussion continued regarding how much money this could be, with O'Keefe feeling that it wouldn't be much but Lounder bringing up employees with contracts who receive four weeks of vacation on Day 1 through their employment agreement.

Coates asked if Chapter 2.1.7 should be changed to 40 hours as well, in order to get the hours all the same. The only employee this covers is the Town Clerk, who is elected and is considered a full-time employee. Goldschmidt asked if this needed to be included. O'Keefe stated that the Town Clerk can set

his/her own hours and could work less than the required hours for full-time status. If that is the case, the Town Clerk would forgo any benefits. Louder discussed how other elected officials have the option to get health insurance, but they pay the entire premium. The Town Clerk only has to pay the contribution percentage that other full-time employees do. Discussion continued regarding whether this was accurate, where this elected official is subject to the same employment conditions as other employees. Goldschmidt asked if the Selectmen could fire this person. O'Keefe explained that there is a process for removal and there is a statute that covers this. O'Keefe also spoke about how the Town Clerk calls the shots on what hours are worked, but the Selectmen call the shots regarding when the building is open. Louder would like to see Chapter 2.1.7 changed to say this person pays 100% of their insurance or they get no benefits. Salaried employees receive their entire salary if the employee works at all during the pay period and Louder feels that she shouldn't have to pay for benefits for a salaried employee who decides to work 10 minutes each week.

Goldschmidt wanted to revisit probationary periods and asked DeAngelis about realistic lengths of time for probationary periods for an employee who has not been through the academy, since probation is one year after certification (unless previously certified). DeAngelis explained that this could be 18 months. The academy is now 16 weeks, and the new hire may miss the rotation and have to wait for the next class through the academy. It could be even longer, should an employee not complete the academy training the first time. DeAngelis also discussed how Swanzy – like Keene – is having the employee complete the Field Training Officer (FTO) training before going to the academy. If the employee can complete FTO, that person will probably make it through the academy. There have been employees who have completed the academy but couldn't make it through the field training.

Discussion returned to proposed changes for the chapter. Goldschmidt asked if probationary periods should be extended if it's already a year. Coates explained that this was in the policy because probationary periods were six months. Allen stated that if an employee hasn't shown improvement within a year, they should be let go. Merit raises and COLA were discussed.

O'Keefe brought attention to Chapter 2.2.2 and said that he strongly wants to research bi-weekly payroll. He believes it would roughly cut in half the processing time and effort. O'Keefe pointed out that every week, Finance is busy trying to complete payroll. Bedaw stated that many employees live paycheck to paycheck. O'Keefe argued that if there is a transition period and provide an advance to employees, it can be done. Many towns do this. Goldschmidt stated he is not used to anyone being paid weekly. The Department of Labor would have to authorize it. O'Keefe feels it should be discussed more at some point because the Finance Office is very busy and he wants to find ways to change that. Louder talked about how it has been discussed in the past and she wanted to reiterate her views on the subject. All it would take is one employee contacting the Department of Labor to say it is a hardship and the State would force the Town to return to weekly payroll. Louder does not feel it is worth the aggravation to the employees. Knowing the makeup of the employees, Louder is certain this would happen.

Goldschmidt asked if it were the hourly employees that we paid weekly. All employees, whether salaried or hourly, are paid weekly, unless they are one of the few groups that get paid monthly or quarterly. Louder also brought up the logistics of paying the monthly and quarterly people when their regular pay week does not coincide with the bi-weekly payroll week. O'Keefe said this was something else that would have to be discussed. Louder queried whether employees would complete time sheets weekly but get paid bi-weekly or if all of the time sheets would reflect two weeks. O'Keefe had utilized bi-weekly time sheets in the past, but an electronic method of time keeping could be considered.

O'Keefe knows change is hard for everyone, but wants bi-weekly payroll to be considered as it could be something that makes things easier for Finance or department heads (who would not have to be here every week). He feels it could make sense in the long run.

Louder is worried that employees will not complete a time sheet correctly or that employees may not remember what hours they worked if it was a couple of weeks ago. O'Keefe and Coates stated this would be something they would have to fix and it would become an issue for the department to handle. Coates suggested having the department head write up the employee. O'Keefe stated that there were great people working for the Town and that there different ways to streamline things. DeAngelis pointed out that sometimes the errors are due to the employee being worn out at the end of a shift and still trying to fill out their time sheet; the supervisors will correct as many errors as they can before turning payroll in to Finance.

Bedaw is worried that employees with families cannot live on what they would be getting every two weeks; some employees need that money for groceries. O'Keefe stated that the employee would be advanced a week's pay. There are various ways to do the transition to bi-weekly pay. Allen said the employees would need to budget for the week they wouldn't get paid. Goldschmidt pointed out that everyone else has to budget. O'Keefe feels we have employees who are able to do that.

Goldschmidt asked if bi-weekly payroll would be advantageous to Finance where it would be less work. Louder responded that it could be, but it could also be more work. Trying to get information from employees is difficult at times when dealing with one week of payroll. We currently invoice entities for details weekly when we receive time sheets for payroll; sending invoices would be delayed a week in some cases. That could be significant money, depending on the type of detail. There have also been instances where time sheets were not turned in for the week they should have been because the employee is worried about their tax liability. O'Keefe again pointed out that bi-weekly payroll is something that can be done that could save time and energy in the long run. The Committee should consider it.

Coates asked if anyone received annual pay. The Town no longer has any employees who are paid annually.

Louder stated that everywhere that "bookkeeping department" should be changed to "Finance Office". That office does more than just bookkeeping now.

Louder brought attention to Chapter 2.2.3, stating that newer employees who receive monthly or quarterly pay often ask when they will be paid. The current policy reads "on the third Thursday of the month or quarter". She wanted to include "the third Thursday of the third month of the" between or and quarter. Goldschmidt asked who was paid quarterly. Employees currently paid quarterly are the Sewer Commissioners and the Health Officer. Goldschmidt asked if those employees were under contract to be paid quarterly; they are not. The Health Officer is appointed and the Sewer Commissioners are elected.

O'Keefe about a training session he had attended where the Department of Labor recommended that the payroll day be Friday, even if employees are paid on Thursday. If something occurred to prevent payments to go out on Thursday, the Town could pay employees on Friday and it would still be legal. Louder asked if the notice that gets posted listing Thursday as the payroll day would have to be changed after the State authorizes it or can the Town change it on its own. O'Keefe was uncertain, but

reiterated that it was a strong recommendation from the Department of Labor to have the extra day if necessary.

Coates stated some portions of the policy are too wordy. For example, Chapter 2.2.4 has two sentences over six lines that basically say the employees will submit time sheets. Goldschmidt agreed and had been working on trying to make it more concise. O'Keefe asked if the department head establishes the form and if one form could be used by all employees. Most department-specific forms include items that are being tracked – or had been tracked – by the department head. For example, the Police have a column for on-call time, the Code Enforcement Officer has a second side where he lists what inspections or other work he did for each day. Election worker time sheets include name and address so Finance can verify the address that is in the system; with elections being so infrequent, many times an election worker has moved and that is how we know. Louder does not believe standardization of time sheets would be helpful. O'Keefe asked if it was the department head who authorized the time sheets; Louder could not recall but believed the Board of Selectmen authorized all of the current forms.

O'Keefe proposed striking Chapter 2.3 as it seems to state that employees receive benefits in accordance with this policy. He felt it was unnecessary and Goldschmidt agreed. Louder did not think there was any other location in the policy that stated what benefits were available. O'Keefe pointed out the individual chapter specifies who is eligible for that benefit. Louder brought attention to the PTO chapter for Recycling and Carpenter Home employees. The chapter is designed for full-time employees, but 23.7 includes part-time employees as being eligible for overtime rates for hours worked on the holidays listed. It is the only location where the holiday differential is listed. O'Keefe proposed eliminating Chapter 2.3. No one spoke in opposition.

The Committee agreed to recommend the following changes for Chapter 2:

- 2.1.3 Temporary Employee. An employee whose work assignment is limited in duration to thirty-six months or less.
- 2.1.4 Reserved.
- 2.1.8 Probationary Employee. An employee on a trial status during the initial period of employment. All newly hired Town employees are on probationary status in accordance with the following schedule:
 - Police Department Employees: From the date of hire until 12 months after completion of New Hampshire Police Standards and Training Certification Program or, in the case of previously certified officers, until 12 months from the date of hire.
 - Fire Department Employees: Twelve months from the date of hire and when terms of offer of employment are satisfied.
 - Other Town Employees: Twelve months from the date of hire.
 - Elected Officials. Not applicable.
- Pay adjustments shall not be granted to employees during the first six months of the probationary period.
- Probationary periods may be reduced under special circumstances, but to no less than six months.
- Employees on probationary status may be dismissed at any time without prejudice or reason.
- 2.2.3 Employees compensated based on a monthly or quarterly salary will receive paychecks on the third Thursday of the month or the third Thursday of the third month of the quarter.
- 2.2.4 All individuals entitled to compensation on an hourly basis, whether full time, part time, temporary, call or probationary, shall submit requests for pay on the form prescribed by their

department head, who shall approve, compile and turn them in to the Finance Office for processing. Salaried employees, whether regular full time or part time, and elected officials shall submit requests for pay on the form prescribed for these types of employment directly to the Finance Office for processing.

- 2.3.1 Deleted/Reserved.

Chapter 3 (Change off Employee Status):

A brief discussion occurred. Louder said “bookkeeper” in this section should be changed to “Human Resources Office”. There are two locations in this chapter where this applies. Louder proposed adding a statement regarding retirees who receive pensions through New Hampshire Retirement System (NHRS). The Town is now required to report all hours for those employees and the penalty phase has begun. The Town only participates in NHRS for Group II employees (Police and Fire), not regular employees. If someone is retired from another Police agency, receives benefits from NHRS, and is hired by the Town, the Town must report all hours worked for that person. If a retiree who works for the Town while receiving a pension from another plan (such as ICMA, which is what the Town has for its regular employees), those hours do not need to be reported to NHRS. Only people receiving benefits from NHRS need to be reported.

The Committee agreed to recommend the following changes for Chapter 3:

- 3.1 It is important to keep information about each employee up to date at all times in order to ensure compliance with all applicable state and federal laws as well as local policy. Therefore, employees should promptly notify their supervisor and Human Resources Office about changes in:...
- Forms to update the information related to your status may be obtained from the Human Resources Office at Town Hall.
- Employees must notify Human Resources and Finance if they become a retiree receiving benefits from New Hampshire Retirement System.

For the next meeting: O’Keefe will research sick leave pools.

Next scheduled meeting: October 23, 2014 at 2:00 p.m. at the Swanzey Police Station.

Adjournment:

O’Keefe **moved** to adjourn the meeting, Louder seconded, and all were in favor. **Motion passed.** Adjournment occurred at 3:49 p.m.

Respectfully submitted,

Theresa V. Louder, Bookkeeper

Approved on October 23, 2014