



CITY OF CONCORD

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Human Resources

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REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Jennifer E. Johnston, Human Resources & Labor Relations Director
DATE: January 4, 2023
SUBJECT: Recruitment and Retention Initiatives

Recommendation

Accept this report and approve the attached resolution and ordinance as approved by the Fiscal Policy Advisory Committee.

Background

To help the City combat what's been coined as "The Great Resignation" and the rapidly increasing turnover rate that has impacted the City for the last couple years, a new ad-hoc Recruitment and Retention Committee was formed in Spring 2022, comprised entirely of City employees representing various departments, generations, union positions, and levels of management. The group met bi-weekly to discuss ways to improve both recruitment and retention of prospective and current employees. The City's turnover rate has increased from 4% in 2019 to 17% in 2022, which comes at both a fiscal and non-fiscal cost, as hiring a new employee costs both time and money, and turnover can have a large impact on employee morale and productivity.

Discussion

The Committee first focused their efforts on recruitment, and discussed how to attract the most qualified candidates and be able to hire them promptly with as few hurdles as possible. To bolster recruiting efforts, the Committee suggested that the City setup a booth at the Market Days festival held downtown in June to help educate the public and potential employees about open positions and prompt interested people to complete job interest cards so they can be pro-actively notified as open positions are posted within their fields of interest. This three-day effort resulted in 54 job interest cards being filled out and also a lot of good conversations with the community about employment and other services the City offers. The Human Resources department also participated in the City's

“Talk Concord” podcast to bring attention to the wide variety of job opportunities available within the City. Other suggestions made by the Committee which have since been incorporated into the City’s hiring process and materials included doing away with the new-hire physical for all new hires in administrative/office positions, with a cost savings of \$135 per physical. Eliminating this step of the hiring process not only saves the City money, it also aids in speeding up the on-boarding process with little risk. Hiring managers have also been encouraged to review applicants with more frequency so that great candidates can hopefully be contacted before they accept another offer of employment. Hiring Managers have also been given the leeway to do away with panel-style interviews for hiring efforts of temporary positions.

The Committee’s focus then shifted to retention efforts to come up with creative solutions to aid retention outside of merely increasing wages across the board. The committee offered up many thoughtful suggestions to aid both retention and future recruitment efforts and appeal to many generations, all of which were discussed and explored. The most viable options were discussed with City Administration and are outlined below:

- 1) Paid Family/Medical Leave: Currently, if a non-birthing parent needs to be out of work due to the birth or adoption of a child, they are allowed to use up to three days of family sick leave (if they have time available in their sick leave bank), and beyond that they must use their annual leave. If they don’t have any annual leave available, either because they are within their first six months of employment or because they’ve exhausted their time, any time beyond the three sick days is unpaid. To remedy this, the Committee and the City’s Human Resources department explored the available options for Paid Family Medical Leave, and ultimately decided that the best course of action is to offer employees a new Paid Family Medical Leave Plan, which is available at a cost of \$78,500 per year from Metlife. This plan offers employees 60% wages for a six-week period of absence for a qualifying event. The attached resolution appropriates half of this amount so the program can be implemented for the remainder of FY23, and a Program Change Request (PCR) will be done in the FY24 budget for the full anticipated cost for FY24.
- 2) Access to Insurance: The City’s current policy is that an employee is provided health insurance the first of the month following 30 days of employment. The Committee felt that more immediate access to health insurance would be a widely appreciated benefit and anecdotal evidence suggests that it could enable newly hired employees to start with the City sooner, as they wouldn’t have to bridge as large of a gap without insurance. The Committee believes that offering insurance the first of the month following the hire date would strike a balance between benefiting the employee and still providing sufficient time for the enrollment process. The financial impact of this change would be minimal, and could potentially be offset by other savings, particularly where overtime is paid to cover the vacancy.
- 3) Annual Leave Accrual: The City’s annual leave policy currently requires employees to be on the job for 6 months before they have access to their accrued annual leave. The Committee felt that this was too long of a waiting period, and that the waiting period on annual leave should be eliminated allowing new hires access to their annual leave immediately upon first accrual, which occurs once a full month of work is achieved. Additionally, the Committee discussed with City Administration increasing

the annual accrual rates to be more competitive within the employment market. This has become one the biggest detractors to working with the City. The work/life balance initiatives have not remained competitive, even within the public sector. Current accrual rates for noncontractual employees are shown in the table below:

Period of Continuous Employment (years)	Hourly Accrual Rate (in hours)	Annual Accrual Rate (in hours)*
0-5	0.0500	104
6-10	0.0615	128
11-15	0.0731	152
16-20	0.0846	176
21-25	0.0962	200
Over 25	0.1040	216

*based on 40 hours a week

In coordination with City Administration, the Committee formulated a multi-faceted approach to annual leave accruals, dependent on an employee's exempt status. The annual accrual tables for each group are outlined below. The attached ordinance has been updated to reflect these changes.

Exempt Employees

Period of Continuous Employment (years)	Annual Accrual Rate (in hours)
0-5	200
5-10	240
Over 10	260

Non-Exempt Employees

Period of Continuous Employment (years)	Annual Accrual Rate (in hours)
0-1	120
1-5	160
5-10	200
Over 10	240

- 4) Sign-On Bonus/Stay-On Bonus: In an effort to attract temporary seasonal employees in the tight labor market, the Committee discussed the use of a sign on/stay on bonus to be offered for open positions that have traditionally been difficult to fill, such as lifeguards and snow plow operators. The payout structure and amounts may differ depending on the group, but the costs will be managed within the respective departments' budget. As an example, the General Services Department is currently recruiting Snow Plow Operators, and the position was posted advertising a \$1,000 sign on bonus, with \$500 paid mid-December and the remaining \$500 paid at the

completion of the assignment. At the time of this report, this has attracted 2 new candidates to the City.

- 5) Compensation Study: The City's last compensation study took place in 2007 going into effect in 2009 and since then, the labor market has changed drastically. The Committee felt that the insight provided by an updated compensation study would be invaluable in aiding recruitment and retention efforts by ensuring wages paid are fair, equitable, and competitive in the market. The Human Resources department will be putting forth a Program Change Request (PCR) in the FY2024 budget for funding for a compensation study.

- 6) Referral Bonus: The City must leverage every tool at its disposal in order to recruit and retain the most qualified individuals. Arguably the most impactful tool the City has available to it are its current employees who can refer their potentially qualified acquaintances to open positions within the city. If a current employee successfully refers someone, and that person is subsequently hired, the committee suggested the referring employee be paid a referral bonus. Given the costs that are associated with hiring a new employee, the committee felt that \$2,500 was a fair referral bonus for the referral of a new hire in a permanent, full time role. The payout of this \$2,500 would be structured so that the referring employee would receive \$500 at the time that the City receives a signed offer letter, and the remaining \$2,000 would be paid upon the successful completion of probation of the new hire. In order to be eligible for the referral, the referring employee would need to be listed as such on the job application. The Human Resources department estimates the cost of this program to be approximately \$23,000 on an annual basis, inclusive of benefits to be paid on the referral bonus (Medicare tax, FICA, and NHRS if the referring employee is vested). Given that FY23 is nearly half over, the attached resolution appropriates half of this amount, and a Program Change Request will be done for the FY24 budget.

- 7) Flexible Schedule/Alternate Work Schedules/Work from Home: The COVID-19 pandemic ushered in a new age of flexible work arrangements for many organizations. Committee members shared stories of recent interviews and conversations with prospective employees where they were asked about work from home options and flexible scheduling, as this has become the new "norm" for many office jobs. The City has also recently had employees leave in favor of positions at other organizations that offered flexibility and/or work from home options. The committee discussed the feasibility of this within the City, recognizing that many jobs within the City simply don't lend themselves to work from home arrangements, but also recognizing that this should not prevent those who are able to work from home from doing so. The Human Resources department will work with City Administration to put together a Standard Operating Procedure for flexible scheduling, alternate work schedules (four ten hour shifts or other variations), and work from home arrangements where applicable.