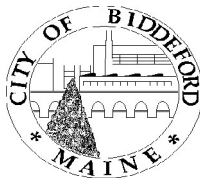


City of Biddeford
Personnel Committee
June 20, 2023 4:00 PM 205 Main Street

Status:

- 1. Call to Order**
- 2. Acceptance of Minutes**
 - 2.1. Minutes from May 16, 2023
[5-16-23 Minutes.docx](#)
- 3. Discussion**
 - 3.1. Referral Bonuses
[Referral Bonus Brief.docx](#)
 - 3.2. Status of Nonunion Wage Comparisons
- 4. Other Business**
- 5. Adjourn**



PERSONNEL COMMITTEE MEETING

Tuesday May 16, 2023
Human Resources Department

4 PM

Minutes

ITEM 1 Call to order

Chair Councilor Norman Belanger called the meeting to order at 4:00 PM with Councilors Doris Ortiz present, Councilor Scott Whiting absent and Councilor William Emhiser present. Also present were Jim Bennett, City Manager, Diana DePaolo, Director of Human Resources, Justin Banks, Safety and Training Coordinator and Lynn Abbott HR Specialist.

Minutes from 4-18-23 were accepted unanimously

Discussion

3.1 Aging Nonunion Pay Scale

- Motion to apply age the nonunion pay scale, apply inflation 5%
- All in favor

3.2 Nonunion Cola

- Motion to apply 4.5% COLA
- All in favor

3.3 Recruiting/Retention Plan Updates

Discussed that we have implemented the new Wellness App, Employee Development Plans.

Motion to adjourn 4:30pm, unanimous

Personnel Committee Members:

Councilor Norman Belanger, Chair
Councilor William Emhiser
Councilor Doris Ortiz
Councilor Scott Whiting



Personnel Committee

Meeting Date: June 20, 2023

Meeting Time: 4pm

Agenda Item No: 3.1

Item Description: Employee Referral Bonuses

Submitted by: Diana DePaolo, Human Resources Director

Supporting Information/Documentation:

Executive Summary:

Referral bonuses are a very effective way to recruit excellent candidates who are a great fit for the City and increase retention.

Detailed Review:

Employee referral bonuses are a well-known strategy to improve both recruitment and retention. It also provides an opportunity for current employees to feel engaged and feel that their input is valuable. There are many studies and anecdotal evidence that referral bonuses are an efficient and cost effective way to improve hiring and retention. The business world has been steadily implementing these types of bonuses. According to a study by Zippia, 88% of employers rate employee referrals as the best return on investment (ROI) for sourcing talent, referral employees are 25% more profitable, 70% of businesses agree that referrals have the best culture fit for their company.

In a survey done by Jobvite, who partners with organizations such as twitter, linkedin, and ADP, employee referrals were found to have many benefits, including:

- 67% of employers and recruiters said the recruiting process was shorter, and 51% said it was less expensive to recruit via referrals
- Employee referrals have the highest applicant to hire conversion rate – only 7% apply but this accounts for 40% of all hires
- Applicants hired from a referral begin their position quicker than applicants found via job boards and career sites (29 days compared with 39 days via job boards and 55 via career sites)
- Referral hires have greater job satisfaction and stay longer at companies – 46% stay over 1 year, 45% over 2 years and 47% over 3 years

At a time when recruitment and retention are very difficult for most employers, a tool like referral bonuses can be critical to quickly filling positions with qualified applicants and keeping them on board with the City.

Staff Recommendation:

We are recommending a Referral Bonus be implemented. We are recommending \$500 at 6 months and \$500 at one year and \$1000 at 2 years of the referred employee's service. This bonus will be paid out to the employee who referred the new employee only. If either employee, the one who made the referral or one who was referred, no longer works for the City then the bonus is not paid out. We recommend an implementation date of 7/1/23 and that this program be implemented as a two year pilot program to automatically sunset on 7/1/25 unless extended by the Personnel Committee.

Citations

Zippia. "25 Incredible Employee Referral Statistics [2023]: Facts About Employee Referrals In The U.S." Zippia.com. Feb. 27, 2023, <https://www.zippia.com/advice/employee-referral-statistics/>

Jobvite Survey. <https://www.jobvite.com/blog/sourcing/4-reasons-to-invest-in-employee-referrals/>