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**February 11, 2026**

## **MEMORANDUM FOR RECORD**

**To: Town Council**

**From: Town Manager Shaun Mulholland**

**RE: Deliberative Session-Remarks by Councilor Paul regarding the HR Dept.**

The purpose of this Memorandum for Record (MFR) is to ensure that accurate and complete information is provided to the Town Council, Budget Committee, and the voters of Londonderry in advance of the March 10, 2026 Town Election.

During the February 7, 2026 Deliberative Session, several statements and questions were raised by Councilor Paul regarding the Human Resources Department and Warrant Articles 18 and 19. Given that voters will act on these articles, it is important that the governing body, Budget Committee and the public have fact-based information grounded in documented operational data and legal guidance.

This memorandum references and incorporates the February 9, 2026 memorandum that I asked to be prepared by Human Resources Director Tara Koza .

### **Workforce Growth and Organizational Impact**

A five-year workforce analysis (January 2021 – January 2026) reflects measurable growth and increased complexity in personnel administration:

- Total active staff increased from 196 to 224 employees (+28; +14.29%).
- Full-time employees increased from 164 to 188 (+24).
- Per diem/seasonal/temporary staff increased from 10 to 16 (+6).

In addition to 224 active employees, the Human Resources Department administers health and dental benefits for 62 retirees and supports approximately 24 seasonal employees annually, resulting in a service base of approximately 310 individuals .

This growth directly increases workload in payroll processing, benefit administration, onboarding/offboarding, leave management, compliance, labor relations, and employee relations matters.

### **Timing of the Staffing Request**

The HR Director assumed the role in fall 2023. The March 2024 budget cycle occurred shortly thereafter. It was reasonable and responsible not to request structural changes before sufficient operational data had been gathered.

The subsequent budget season (fall 2024 – March 2025) coincided with significant leadership instability, during which the Town operated under three different Town Managers. Organizational focus during that period was stability, continuity, and successful negotiation of five union contracts.

Following stabilization of executive leadership in June 2025, discussions occurred regarding HR workload, risk exposure, and sustainable staffing. The recommendation for two part-time positions was developed methodically, aligned with operational need, and designed to provide a fiscally measured solution. This was part of larger townwide assessment of personnel needs for the ensuring year as well as the next five years.

The suggestion that the matter was “allowed to sit” does not reflect the context of leadership transition, budget timing, or prudent administrative review.

### **Operational Workload and Scope**

Calendar Year 2025 activity included:

- 44 new hires (25 full-time, 1 part-time, 18 per diem/seasonal/temporary).
- 51 employee separations (26 full-time, 1 part-time, 24 temporary/seasonal).

Each hiring and separation event requires multi-step compliance processing including recruitment, background checks, onboarding documentation, payroll setup, retirement system coordination, and benefit enrollment or termination .

Additional core responsibilities include:

- Administration of FMLA, NH Paid Family Medical Leave, ADA accommodations, Workers' Compensation, Short- and Long-Term Disability, and Military Leave.
- Oversight of seven distinct union contracts.

- Labor negotiations.
- Internal investigations and policy enforcement.
- Mandatory CDL drug testing compliance.
- Administration of retiree benefits.
- Coordination of anti-harassment training for more than 210 participants.
- Execution of three major modernization initiatives:
  - Town-wide wage classification study
  - Comprehensive job description overhaul
  - Implementation of a new HR Information System (HRIS)
  - Implementation of the Guardian Tracking Software
  - Re-write of multiple policies that were outdated and in many cases did not meet statutory requirements.
  - Labor intensive hiring processes for a new Town Manager, Fire Chief, Deputy DPW Director and Cyber Services Director

Emergency services and Public Works operations run 24/7. HR support related to injuries, grievances, and compliance does not operate solely within a traditional 40-hour administrative schedule.

The data demonstrates that workload intensity is driven by structural growth, legal mandates, and operational complexity—not perception.

## **Reclassification of Election Workers**

During the Deliberative Session, it was suggested that the transition of election workers from 1099 independent contractors to W-2 employees was “created” to add work.

The HR Director’s February 9 memorandum documents that this change followed legal review and confirmation by Town Counsel .

Legal guidance confirmed that election workers do not meet independent contractor standards under:

- NH RSA 275:42 (ABC Test)
- IRS Common Law Rules
- Fair Labor Standards Act (FLSA)

Because the Town exercises direction and control over election workers, they must legally be treated as employees. Failure to do so exposes the Town to potential audits, penalties, and back-tax liability.

The transition was therefore a compliance correction designed to mitigate legal and financial risk to the Town—not an expansion of discretionary workload.

## **Clarification Regarding Part-Time Positions**

It was publicly suggested that the two proposed part-time positions would likely escalate to full-time positions within a short timeframe, thereby increasing costs to taxpayers.

The February 9 memorandum clearly states that no such representation was made by the HR Director. The recommendation was specifically structured as two part-time roles based on current workload analysis and fiscal prudence. There may well be a need in the future for increasing one of these positions to full-time at some point. However,

- That would not be a priority considering the other staffing needs we have in the town.
- The cost of full-time employees with health/dental insurance and NHRS retirement contributions adds significantly to expenses with diminishing returns in this case.
- The HR Department, along with the other departments needs to modernize its operations by digitizing and automating its functions. This will allow for efficiency and avoidance of cost of full-time personnel.
- Analysis will also need to be conducted to determine whether outsourcing some of functions is appropriate instead of adding additional full-time staff.

Projecting future full-time conversion was not part of the proposal presented to the Council or Budget Committee.

## **Professional Integrity of the Department**

Comments made during the Deliberative Session questioned what is “wrong” with the Human Resources Department.

The documented record reflects a department managing measurable workforce growth, complex compliance requirements, union negotiations, modernization initiatives, and 310 supported individuals with a staff of two.

The HR function is foundational to municipal operations. Its responsibilities directly affect legal compliance, fiscal stability, workforce morale, and operational continuity.

It is important that discussion surrounding warrant articles focus on data, legal requirements, and documented workload rather than characterizations that could undermine professional credibility.

## **Conclusion**


As voters prepare to act on Warrant Articles 18 and 19 on March 10, 2026, it is essential that deliberations be informed by accurate operational data and confirmed legal guidance.

The staffing recommendation before the voters:

- Reflects measurable workforce growth and complexity.
- Addresses documented compliance obligations.
- Mitigates legal and financial risk.
- Was developed following organizational stabilization and careful evaluation.
- Does not include any representation of automatic conversion to full-time positions.

This MFR is entered into the record to ensure that the Town Council, Budget Committee and voters are equipped with fact-based information as they consider these articles.

Respectfully submitted,

Signed by:  
  
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Shaun Mulholland  
Town Manager