

MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL AND PERSONNEL COMMITTEE MEETING HELD ON TUESDAY, NOVEMBER 30, 2016 AT 7:00 P.M. IN ROOM 115 TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Peter Talbot, Personnel Committee; Absent: Sylvia Nichols and Thomas Ruocco
Council Members: Robert J. Oris, Jr., Paul A. Bowman, Patti Flynn-Harris, Michael Ecke, Liz Linehan, Timothy Slocum.
Staff: Town Manager Michael A. Milone; Personnel Director Louis Zullo.

1. ROLL CALL

The clerk called the roll. A quorum of the Personnel Committee and Town Council was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. DISCUSSION OF NON-UNION PAY PLAN.

Mr. Milone requested the Council to support adjustment of the non-union pay plan so increases in the minimum and maximum levels are consistent with the bargaining unions over the last 8 years. The union 8 year aggregate increase is 18.45%.

Non-Union Pay Plan

E-5 Classification - Union Salary Adjustment (8 year aggregate) increase of 18.45%; Non-Union adjustment is 9.85%; the percentage variance is 8.60%.

E-4 Classification - Union Salary Adjustment (8 year aggregate) increase of 18.45%; Non-Union adjustment is 6.85%; the percentage variance is 11.60%.

Mr. Milone pointed out that the higher range of union salaries is getting closer to the non-union salaries. The proposal to increase minimums and maximums will not affect the amount employees will be paid under the budgeted 2.5% increases. At the present time there are seven (7) people exceeding the maximum level in their classification, and next year there will be nine (9) people in that situation. When the employee reaches the cap of their classification level, they receive a lump sum payment for their salary increase paid at the start of the new year. This is separate and apart from their base pay. If the pay plan is approved it would address the current problems with people in excess of their maximum level.

Mr. Milone is asking for creation of parity with the increase in the pay plan. He noted that the non-union pay plan has not been increased consistently over the last 9 years, or an increase was not to the extent of the union pay plan.

The following example was cited: E-5 classification - $\$82,262 \times 1.086\% = \$89,337$ proposed minimum.

Mr. Ecke asked about people working in a non-union job and being at more than the maximum range, and how this happens.

It was stated by Mr. Talbot that this happens through longevity, and these people are not getting more than maximum, but are at maximum level. With a 2.5% increase they will be paid in a lump sum, which is not added to their base pay. There is no consistency with union staff, and this year there are 7 people in this category, with 9 people next year.

According to Mr. Ecke there is a range for a salaried position, and his assumption is that people do not get more than this range.

It was explained by Mr. Milone that the Town cannot pay on an hourly basis anything in excess of the maximum, but can pay someone a lump sum. This payment is included in the person's pension calculations but not in their base pay. He cited an example.

\$100,000 base pay; increase of 2.5% = \$2,500 lump sum payment.

No overtime is paid to exempt staff members; hourly staff receive overtime which is paid at a set rate; for the \$100,000 person overtime is based on this amount. The bigger concern is the percent increase having no effect as long as it is built on the \$100,000. An increase in the pay range will cost more in overtime.

Mr. Milone said he looks at the total amount of money set aside for salary adjustments, only on the base wage, without overtime calculated into the amount.

With a 2.5% increase on \$100,000, Ms. Flynn-Harris asked about the base pay increasing to \$102,500.

This does not happen, and Mr. Milone explained that \$102,500 is in the budget because this is what was paid to an employee, but the base pay is still \$100,000.

The cost of the proposed pay plan for a year and the highest benefit was questioned by Ms. Linehan.

Mr. Milone stated that there is creation of disparity between union and non-union people, and some people are concerned they will not see normal pay increases due to their longevity. He does not want people to leave town employment; he wants them to be happy in their jobs; and, for people employed over a long time there is an inequity. Overtime will not be a significant factor, but people not getting a wage increase like everyone else is more of a problem for him. Mr. Milone wants to leave Town Hall keeping good people who are happy and effective employees. At this time there is disparity between union and non-union staff, and if it continues the logical expectation for non-union staff is representation.

These are people with longevity and closer to retirement, and Ms. Linehan asked how many years the Town will continue to pay them. With new people hired, she asked if they are paid at the minimum level, and the overall cost to the Town.

The issue is with the maximum levels, and Mr. Milone noted the minimum and mid-levels were changed. The minimum is being increased with the level of the bargaining unions.

Mr. Oris commented on the Town not underpaying people or there would be no employee longevity, and we do not control what is given under the union contracts. Just because the union gets more money does not mean the same amount goes to everyone.

The Council was told by Mr. Milone that employees believe there is a double standard and disparity. The performance evaluation system rewards performance. With a limit on the maximum, someone entitled to get an increase could get a lump sum, not more than last year's amount. The longevity payment is \$650 based on years of service and performance.

The question was raised by Mr. Bowman as to where Cheshire stands compared to other communities with the same positions. He commented on some jobs being worth only so much, i.e. a carpenter is paid \$18 to \$45 per hour.

Mr. Milone pointed out we are dealing with white collar workers with a skill set that is different from trade jobs.

When an ad is placed to hire someone, Mr. Slocum asked if the compensation is cited in the ad.

According to Mr. Milone, the minimum and maximum can be stated, based on the Council's approved pay plan. He noted the pay plan was last adjusted in 2014.

Mr. Talbot said that 2 years ago only the maximums were raised, and minimums were not touched. The minimum is not always the starting salary, and things are based on level of experience.

In 2011 a pay grade classification study was completed and presented to the Council, with recommendations for minimum and maximum increases. In most cases, there were no increases to the level recommended by the study. Mr. Milone said a pay increase, less than requested, was adopted.

Mr. Zullo reported there was a comparison done for fire chief, police chief, tax collector and other non-union positions, with salary ranges. A copy of this study will be provided to the Council.

With ranges there is the flexibility with hiring, and Mr. Milone said there is also the ability to negotiate compensation. In the compensation study, it shows higher and lower salary comparisons, and nothing is definitive.

Mr. Bowman commented on the need to reward people for their hard work and value. He pointed out that when someone leaves a position after a long time, there must be consideration for someone being hired at less money and experience...this can be a disconnect that could also work against you.

A job is only worth a certain amount of money, and Mr. Oris said with longevity we could place a person in a position beyond what is normally paid. He noted people get salary increases as they hit their position ceiling, and then move up in an organization. If someone is excellent at their job, they receive a bonus.

With a lump sum payment to an employee, Mr. Milone wants to build on the existing lump sum. For example: 2% increase on maximum pay of \$100,000 = \$2,000; next year he would want to recognize the 2% being paid on \$102,000, not the \$100,000. Mr. Milone noted that some of the non-union people are supervising people who received raises. Other than the police department, this non-union group did not receive an increase in one year, and they absorbed it.

Mr. Ecke commented on the compensation discussion not being a reality in the outside world...these people have benefits etc. and are ahead of their peers. In the past years the Council has nickled and dimed many groups in town, and ended up with many bargaining units being dealt with now. He does have concerns about the possibility of an administrative bargaining unit being created if this continues.

With regard to the Board of Education (BOE), Mr. Slocum talked about their administrative union model as a possibility for the Town administrators.

Mr. Ecke stated he would not be willing to do the increase in the various levels, but maybe 1%-2% of the maximum, not 8% or 11%

There was union talk a few years ago, and Mr. Zullo advised that leadership decided to not go forward. However, new people coming into positions could decide to organize.

Mr. Talbot stated the Council cannot talk about the pay plan recommendations fully. Based on the staff proposal, he said if we go to the maximum, there would be "zero" people up against the ceiling. If we go to one-half, he asked how many people would be against the ceiling.

Mr. Milone would have to run the numbers and inform the Council.

8.6% is a big jump and Mr. Talbot said the Council has stated angst about such a jump in the ranges. He believes we can find a compromise to accomplish what would be palatable to the Council. It was suggested to take one-half of the percentage from the

Town Manager; get the number of people against ceiling at this level; and it could be only one or two people.

Mr. Oris requested information on the market comparison relative to the administrative positions. If Cheshire is at the max of the high end of the market, he would be less inclined to support the pay plan proposal. If the max is below the market levels, he would be more inclined to support the plan. Mr. Oris said the Council wants good people in administrative positions; he would support something at the top ranges of these positions to insure people are adequately compensated; but he would not want to go beyond the max ranges due to longevity and higher payments than other towns for the same position.

There is a draft of this information which will be cleaned up and given to the Council. Mr. Zullo will provide the study and present it according to Council request.

Mr. Bowman does not want to lose key staff members for a few thousand dollars. If we are lacking in some classification areas, then this should be known from the market and the study.

In summarizing the Council comments and requests, Mr. Milone will take his data, increase by 50% of the original request, inform how many people will be over max, and provide the department head compensation study.

Mr. Talbot clarified the 2nd minimum would be at 2% level, and maximum at one-half of what is being requested.

In looking at the non-union E-2 and E-3 positions, Mr. Bowman asked why the Fire Marshal is an E-2 rather than E-3 level, considering the training and experience involved and service to the community by this position.

Mr. Zullo advised that the Fire Marshal, E-2 position, has less in common than other staff in the E-3 level.

This can be evaluated, and Mr. Milone noted some of the E-3 positions are department heads, have a little higher standing, and Fire Marshal reports to the Fire Chief. This position can be revisited and re-evaluated to E-3.

With regard to the Parks and Rec Department, Mr. Bowman asked about the contract and someone supervising people receiving a differential payment...and if this applies to the supervision of high school summer help.

Mr. Zullo said it does apply to summer help supervision as stated in the contract.

On that issue, Mr. Oris stated his disagreement that non-union people are being treated unfairly...and does not think everything the union gets is fair. The Parks and Rec differential makes no sense to him...and just because the union gets it does not mean it

is good for everyone. When comparing the non-union positions to the market, Mr. Oris believes Cheshire's staff is well paid, regardless of what the union gets.

Mr. Milone does not want a plan that is rigged, and said there must be appreciation of his job to manage 120 people, keep them motivated and keep up morale. With disparities and inequities this makes it hard to do. He agrees with Mr. Oris' statements...just because someone else gets it does not mean someone else should also get it...but they are the people w/o overtime, working longer hours, and help run the town.

The issue of high value perks being received, not included in the costs, was raised by Mr. Bowman.

There was a brief discussion on personnel use of town cars, and Mr. Milone said they are usually E-5 staff...Public Works Director, Police Chief, Fire Chief, Parks and Rec Director, Deputy Fire Chief, Superintendent WWTP, Fire Marshal. The Sewer Department car is out of use on December 31st.

Job Descriptions/Position Reclassification - The Council was informed by Mr. Milone about his proposed reclassification of positions.
Arnett Talbot (Executive Assistant to Town Manager/PIO) reclassified to Assistant Town Manager-Administration- E-5 classification.
Louis Zullo (Personnel Director) reclassified to Assistant Town Manager-Human Resources Director.

Personnel Committee Chairman Talbot stated the proposed position reclassifications will be reviewed by the Council. There will be another Personnel Committee meeting the week of December 5th, with recommendations to the full Town Council for its December 13th meeting. Date and time of the meeting to be confirmed.

4. DISCUSSION OF NON-UNION PERSONNEL RULES AND REGULATIONS

Mr. Zullo distributed copies of the rules and regulations document with changes proposed.

A copy of the document is attached to these minutes.

3-4.7 Initial Or Final Pay - add "**for which they are eligible**" in the last sentence.

3-4.9 New - **Effective January 1, 2017, all employees will be paid through Direct Deposit.**

3-4.10 New - Snow and Ice Control Removal Assignment - paragraph #2 - add "**by**" separate check; there is reduction in pay (by percentage) for absences.

Employee are on stand-by duty, December 1 through March 31; supervisory employees cannot take vacation during this time period, and they must be in town or within a 10-15 minute time frame to respond for work during snow season.

7-6 - Payment of Earned Compensation - add "**for which they are eligible**".

9-4.9 - Vacation Leave Settlement Upon Separation of Employment.

(a) When employees sever employment they are entitled to some accumulated vacation; this was capped in 2002; and there is now clarification of this language in this section of the document. In 2002 the idea was to cap people at what they had in vacation. Anyone hired after 2002 would not be able to exceed what is stated in the rules and regulations.

There can be carryover of ten (10) days a year, and there cannot be accumulation of days beyond regular vacation days. For vacation time of 5 weeks/25 days + 10 days = 35 days as the maximum for which there is payment; 15 days vacation + 10 days 25 days as the maximum for which there is payment.

Mr. Milone stated that there was modification of the language in the document so it fully conforms with the 2003 intent...limit the amount of accumulation going forward.

Mr. Zullo explained the exchange of 25 vacation days as credit service for the pension benefits. An employee with 25 accumulated vacation days can take these days and use them as one (1) additional year toward retirement. This saves money, is negotiated into some of the union contracts, and extended to non-union staff.

In the past there were retirements through the early retirement incentive, and Mr. Milone explained the Town did not want to pay out a large amount of vacation time. The conversion of 25 vacation days into one year of pension credit saved money, and has been incorporated into the union contracts. This is a benefit not often used. An analysis has not been done on the long term benefits of this incentive.

(d) This closes the gap (2003 & 2008) and employees hired after July 1, 2003 are not paid for any balances that exceed annual vacation allotment plus ten (10) days.

9-10.2 Personal Leave - this section is clarified; Add: "**Personal leave is accrued at a rate of the number of hours worked per week divided by five days.**"

10-4.1 Medical and Life Insurance - PPO elimination date extended to March 31, 2017; Open enrollment for Health Service Accounts (HSA) must be done by December 9th this is a January to December program; other programs have enrollment June to July.

HSA Plan - deductible raised to \$1,750 individual and \$3,500 for two or family coverage as of January 1, 2017; Prescription deductibles increase, once maximum is reached, to \$5, \$15, and \$15 co-pays. HSA contribution is 6.5% has been moved to April 1, 2017.

HMO Blue Care - the co-pays have increased; office visit is **\$35**; specialist **\$40**; prescriptions **\$15/\$40/\$50**, effective January 1, 2017; increase in premium share to **14% as of April 1, 2017**.

10-4.4 - Waivers - Blue Cross/Blue Shield is being called "**group medical**".
Waivers will not be offered to new employees hired after January 1, 2017.
Effective July 1, 2108, waiver payments will cease.

10-10 - Language not ready to go forward at this time.

Non-Union Vacation Proposal - Mr. Milone distributed a copy of the vacation for exempt employees data.

A person is hired with 15 days/3 weeks vacation per year, and maximum accumulation is 20 days. Someone starting at 20 days/4 weeks annual vacation time can accumulate up to 25 days. People who started with fewer vacation days (15) have asked if they can build up an extra day, annually, to get to the 25 days. The proposal is for the Council to consider this option. This can be reviewed at the next Personnel Committee meeting, and Mr. Milone will e-mail additional information on this proposal to the Council.

**5. TOWN MANAGER PERFORMANCE REVIEW
(POSSIBLE EXECUTIVE SESSION)**

**6. DISCUSSION OF LABOR CONTRACTS
(POSSIBLE EXECUTIVE SESSION)**

Mr. Bowman left the meeting at 8:15 p.m.

MOTION by Mr. Oris; seconded by Ms. Flynn-Harris.

MOVED to enter Executive Session to include Town Manager Milone, Personnel Director Zullo, Police Chief Dryfe, Deputy Chief Pichnarcik to discuss labor contracts.

VOTE The motion passed unanimously by those present.

MOTION by Ms. Flynn-Harris; seconded by Mr. Slocum.

MOVED to exit Executive Session at 9:20 p.m.

VOTE The motion passed unanimously by those present.

7. ADJOURNMENT

MOTION by Ms. Flynn-Harris; seconded by Mr. Slocum.

MOVED to adjourn the meeting at 9:20 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk