

**COMMITTEE ON PERSONNEL/INSURANCE
PC 1-98**

January 20, 1998

5:30 PM

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

Present: Aldermen Sysyn, Klock, Pinard, Shea, O'Neil

Messrs.: Kevin Clougherty, Mark Hobson, Hugh Moran, Harry Ntapalis,
Frank Thomas, Chief Driscoll, Mike Roche

Chairman Sysyn advised that the first purpose of the meeting shall be organizational in nature and requested the Clerk to provide a brief overview regarding typical issues addressed by the Committee.

Clerk Johnson stated the only thing the Clerk's Office wanted to inform the Committee, particularly because you have some new membership here is that the Committee usually addresses first, personnel matters and also deals with insurance; that originally it was two separate Committees, but those two Committees were combined during the last session by the Board. You will be busy this year with bidding on the GLC and will begin that whole bidding process this year and the compensation plan coming before you which Mark will keep you updated and informed about and be looking for recommendations on. Typically you will review some of the new positions or reorganizations that departments do which get referred by the Board and any other insurance claim matters will come before the Committee as Harry sees need for.

Mr. Hobson stated there is also a monthly, by ordinance, report on new hires that has to go to Committee for informational purposes noting that he and Alderman Sysyn have talked about how it could be improved upon with time and I don't think we've been doing that right along.

Chairman Sysyn stated I don't remember doing that before, did we ever.

Clerk Johnson stated no because I think it came in between some other policy issues that have arisen over the last couple of years.

Chairman Sysyn addressed item 4 of the agenda:

Communication from Alderman Hirschmann submitting a proposal relative to the Welfare to Work Program to be known as “SWAT” (Sidewalk Action Team).

Alderman O’Neil moved for discussion. Alderman Shea duly seconded the motion.

Alderman Shea stated I’d like to hear from Frank Thomas and see what the impact on contractual agreements might be with AFSCME.

Mr. Thomas stated I haven’t really reviewed this prior to the agenda. We, in the past, have tried to utilize any type of workers that were made available to us whether they be prisoner labor or whatnot. If we were provided the necessary resources such as a van and met all of the other requirements regarding feeding them lunch, etc. we could provide the supervision, however, in the past there had been issues of liability, feeding them, transporting them, etc., noting he’d be glad to look into it more and come back and comment at a future date.

Alderman O’Neil stated you had never seen this then.

Mr. Thomas replied no.

Alderman Shea moved to table pending a report back to Committee. Alderman O’Neil duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 5 of the agenda:

FINANCE - Assistant Deputy of Finance/Treasury Manager position classification update. Reviewed and recommended by Yarger, Decker & Thomas.

Alderman Pinard moved for discussion. Alderman Shea duly seconded the motion.

Mr. Hobson stated at the December Board of Mayor and Aldermen meeting there was some discussion, for those of you who were present, I think you will remember that we had some discussion about the Finance Department's budget crosses for their positions; that they had two Grade 29 positions that were submitted and consequently filled for the beginning of this fiscal year to Grade 29's. It was discussed at the full Board of Mayor and Aldermen meeting that both of those 29's because of perhaps of lack of knowledge or a lack of communication between the Finance Department and the Finance Committee and the Personnel Department at that time that both of those 29's were rolled back to 27's and that was done unanimously by the Board. Then, Alderman Wihby who is Chairman of the Board requested that instead we bring to the table an Assistant Deputy of Finance position which was in a March spreadsheet that was developed by the Finance Director, Kevin Clougherty and that was unanimously approved that we go out and post that position. From there, this document that is in your package is really a formality, but it is an important formality. We are paying for Yarger, Decker & Thomas to do a classification and compensation study, if we're going to be changing the complement in the Finance Department we wanted to be sure that what we were doing was in cinque with what Yarger, Decker & Thomas was going to recommend. So, we took a couple of weeks to have some discussions with them long-distance, a number of Fax's went back and forth and so the document that you see is reviewed and approved by Yarger, Decker & Thomas to meet the current and the future classification code that the City will have. I would recommend that the Committee accept this classification and position description as recommended and endorsed by our consultants.

Alderman O'Neil asked, Mark, is that the position that has already been posted.

Mr. Hobson replied yes.

Alderman O'Neil stated the closing date has already gone by.

Mr. Hobson replied yes and we are allowed to do that by ordinance to post a position and interview pending approval of the classification by Personnel Committee; that is past practice and we are allowed to do that.

Alderman O'Neil asked that is by ordinance or the Personnel Committee has allowed that.

Mr. Hobson replied as far as I know, we are allowed to do that by ordinance because we have to fill the position and then you have to accept the classification.

Clerk Johnson stated in this particular instance this position was ordered to be filled by the Board of Mayor and Aldermen already; that position is one that has shown up in the budget process for several years, it's not something new; that there are many positions in the City that don't necessarily have a classification written up for them and they have been filled and then the classification's come through later; that we had a Deputy position that was that way in the Clerk's Office for a little while and it took a little while for things to catch up; that it has been past practice whether it's by ordinance or whether it has been a practice. I'm not saying it's good or bad, I'm just saying it is typical.

Alderman O'Neil stated we're talking just classification, this has already been approved some time ago to fill, okay.

Clerk Johnson stated the full Board of Mayor and Aldermen already ordered it.

Alderman O'Neil stated the general practice will still be a position needs to be approved here before it can...

Clerk Johnson replied no, we have had people hired who didn't actually have job descriptions in the past. I think that what they have tried to do in recent times is avoid that and try and get it through.

Mr. Hobson stated I guess I'm not saying that properly, the classification is basically the position description and that's actually part of the ordinance and oftentimes it gets accepted after the person is selected for the position as long as it's budgeted and as long as it is approved by the Board of Mayor and Aldermen. So, the difference here, Alderman O'Neil, is that we wanted to make sure that this was going to fit into the classification study.

Alderman Shea asked the individual's who apply for this job are they given an equal hearing in terms of the interview and so forth and who actually does the selecting in this case, do you do it.

Mr. Clougherty replied it's the department head's call. As Mark said it's the usual advertising, have people respond, and I think we got something in the office today.

Alderman Shea asked how long does this process take, does it take a day, a week, a month.

Mr. Clougherty replied we try to do them as soon as we possibly can. We usually ask people for personal and professional references because we're dealing with money here we may ask the Police to do backgrounds on them. So as long as that takes, usually within a couple of weeks.

On motion of Alderman Pinard, duly seconded by Alderman Klock, it was voted to accept the classification update for the Assistant Deputy of Finance/Treasury Manager as recommended by Yarger, Decker & Thomas.

Chairman Sysyn addressed item 6 of the agenda:

HIGHWAY - Communication from Frank Thomas requesting approval for nine Highway Department employees to continue receiving overtime through the completion/acceptance of the Yarger, Decker & Thomas Classification & Compensation Study and/or July 1, 1998.

Alderman O'Neil moved for discussion. Alderman Shea duly seconded the motion.

Mr. Thomas stated I have six employees in the Highway Department who are clearly exempt no hour employees; that they accepted these positions based on the fact that there was no hours and that they would never receive any additional compensation. I, of course, being one. On the other hand, I have nine employees the subject of the correspondence that you've received. These nine employees, as a condition of their employment they were told that they would be required to work overtime and that they would be compensated for the overtime that they worked. Some of these positions go back over 30 years with these requirements, some of the positions have been created within the last ten years based on reviews by the Personnel Department and approvals given by the Personnel Committee and the Board of Mayor and Aldermen. In fact, one of these nine employees was a new hire from outside and was required to go to the Personnel Department's new employee orientation where the person was given this list of fringe benefits and under that, under salary/overtime salaried individuals it is spelled out overtime at time and a half. The Highway Department's operating budget and operations plans that we have set up have always been based on the fact that these employees would be available to play key supervisory roles and that they would be compensated when they did work. When this question came up, obviously we searched our records to find out if there was some documentation that we could lay out hands on. Quite honestly, we couldn't find conclusive, however, the retired Personnel Director Wilbur Jenkins was tracked down and verbally over the

telephone told Attorney Tom Clark that to his knowledge and what he could remember there were actions taken over the years authorizing this overtime. In addition, the previous Public Works Director Ted MacLeod was contacted down in Florida and he again restated what Wilbur Jenkins the retired Personnel Director stated that authorizations were given over the years because of the uniqueness of the type of work that these individuals did regarding working a lot of extensive hours on snow removal operations, heading up major construction operations in the field involving a lot of subordinates, working with contractor's where you have to be out with them. The issue of exempt/non-exempt employees has come up periodically over the last few years and anytime this issue has come up in contact with the men of my department, I have always either corresponded back or verbally spoken that this is a very touchy issue with the Highway Department because of the impact on services if the straight theory of exempt/non-exempt was instituted. Anytime the subject would come up we would voice our comments and concerns and they disappeared and then six months later it would come up again, but the bottom line is there was never any direction given to us and I don't think anybody else in the City regarding this issue. The bottom line is that these nine positions in question have been authorized over the years to be filled, the positions to be created, the positions to be filled, the positions to work overtime, the positions were compensated all in the model processes in the City. There is never anything that has been done underhanded here, all these positions have always been identified in the budget, our budget has always identified overtime for these positions, they've always been funded through the operating budget, and as such to no big secret. I think any Alderman that has been around or any City employee that has been around for any length of time knows that these people have been working overtime and doing a fantastic job doing what they've had to do.

Chairman Sysyn asked, Frank, were they hired with the understanding that they got the overtime.

Mr. Thomas replied that is correct.

Chairman Sysyn stated that was in their job description or whatever that when they applied for the job it said "X" amount of hours plus overtime.

Mr. Thomas stated when they were offered the positions based on previously what had transpired with the person that was in the position prior to them they were told that they would have to work snow removal, they would have to work these overtime hours and they were compensated for it. As I mentioned there is only six

1/20/98 Personnel/Insurance

7

people in our department that were clearly told when they accepted their positions that there would be no hours...myself, my deputy...in one of the reorganizations

that I talk about our Chief of Highway Operations was elevated from a Superintendent level to the Chief of Highway Operations. In this evaluation, he was upgraded and told that because of this upgrading, because of his position now he would be a no hour employee and this happened with both the Chief of Highway Operations and for the Highway Superintendent, so when they go out and work snow removal they're clearly understood that they don't get any additional compensation. But, then there's only six that went through this. Now, when these reorganizations went through, of course, they were evaluated by the Personnel Department...the Personnel Department knew of the people that were salaried no hours and the ones that were being compensated for overtime. When these presentations were made to the Personnel Committee to approve these reorganizations these discussions came up. Was there a particular vote saying that these people could work overtime, I don't think so. But, it was clearly understood and the approvals given by the Personnel Committee and ultimately the Board of Mayor and Aldermen approved this. So, for these reasons I would request that you consider my opinion that these people had authorizations over the many years that they've been receiving it and that you authorize us to continue based on the guidelines that Mark Hobson has defined.

Alderman Shea stated I noticed that none of them have a grade above 25.

Mr. Thomas stated no. There is one person that has a grade above 25 and there may be a mistake on that correspondence, that's the Chief Inspector, Peter Capano and Peter is the new hire that I had mentioned. This person technically has to work with contractor's. Now, if the contractor works a 12-hour day he has to go out and work those hours; that is one of the positions, not that particular person, but that is one of the positions that go back 30 years that has always been receiving overtime. In addition, when this individual does work for say a contractor building a sub-division his time is charged and we charge an inspection fee which comes back into the City which goes into the General Fund.

Alderman O'Neil asked is there anyone currently due overtime money.

Mr. Thomas replied no.

Alderman Shea stated you've indicated in your budget that you've allowed for that.

Mr. Thomas stated that is correct. We have many operation plans. We have an operation plan for snow removal, we have an operation plan for construction activities...all these people are identified in these operation plans working the same hours as their employees or work supervising operations in snow removal and part of the budgets for overtime when we calculate is part of our budget process.

Alderman Shea stated you've checked with the City Solicitor, right.

Mr. Thomas stated I've met with Tom Clark...Tom Clark agreed with my opinion that these people have had authorization and as a matter of act Tom Clark is the one that tracked down Wilbur Jenkins in Portland, Oregon and had the discussion with Wilbur Jenkins.

Alderman O'Neil moved to approve the request of the Highway Department for nine employees to continue receiving overtime. Alderman Klock duly seconded the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed item 7 of the agenda:

HUMAN RESOURCES - Communication from the Employee Relations Manager submitting a change in class title of Building and Asbestos Program Manager to Building Program Manager.

On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to accept the change in class title submitted by the Employee Relations Manager.

Alderman Pinard asked for clarification of the Asbestos Program Manager.

Mr. Hobson replied the change is slight and it is more a housekeeping issue. Unfortunately, the person in this position passed away in an accident and when we reviewed the law surrounding his position description and his classification and his actual duties his position has to do all federal program management in accordance with what PBS is directed to do, for instance, with school buildings and sites. So, to designate asbestos would mean that we should put asbestos program, etc., so we just wanted to put everything under one title and the asbestos piece is still under position descriptions and it will still be in the classification, it will just be called Building Program Manager and that will cover all federal programs that the position needs to have jurisdiction over.

Chairman Sysyn addressed item 8 of the agenda:

LIBRARY - Communication from the Library Director regarding approval of organizational changes of the Technical Support Staff.

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to approve the organizational changes of the Library Technical Support Staff.

Chairman Sysyn addressed item 9 of the agenda:

POLICE - Amendment to Salary Schedule II(D), Grade 22 due to Information Systems changes approved by the Board of Mayor and Aldermen on December 2, 1997.

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to approve the amendment to Salary Schedule II (D) as presented.

Mr. Hobson stated the reason this is coming in after the fact is because this position is covered by a collective bargaining agreement and it was approved earlier by the Aldermen that all of these positions and all of the departments will become a Grade 22. Of course, since it was a function of the collective bargaining agreement, I explained to the Chairman of the Committee that we need to go to the Chief Negotiator who then contacted the union, who then approved the change, who agreed with the Chief and then we needed to bring it back to you because it's part of the collective bargaining agreement.

Chairman Sysyn addressed item 10 of the agenda:

POLICE - Communication from Chief Driscoll requesting Certified Police Officers continue to be hired at entrance step corresponding to previous experience. As previously approved by the Board of Mayor and Aldermen, June 2, 1997.

On motion of Alderman Shea, duly seconded by Alderman Klock, it was voted to approve Chief Driscoll's request.

Alderman O'Neil asked where does this leave you manpower wise.

Chief Driscoll replied we're eight short.

Alderman Shea asked has the Community Policing started in the different areas of the City.

Chief Driscoll replied certainly, we're full speed ahead on that and we have implemented a new area of Wards 6 and 7, the Cilley Road area, Wilson Street and that area. Within about forty-five days we are going to invite the full Board of Mayor and Aldermen to a couple of training sessions at the Police Department where we explain the Community Policing philosophy and bring you people up to speed and we hope to do that on a Wednesday.

Alderman Shea stated my intention would be to have the residents of Ward 7 be familiarized with the Community Policing.

Chairman Sysyn addressed item 11 of the agenda:

POLICE - Communication from Deputy Chief Robinson changing the status of temporary Parking Control Officer to regular status.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to approve Deputy Chief Robinson's request to change

Chairman Sysyn addressed item 12 of the agenda:

UNITED STEELWORKERS OF AMERICA LOCAL UNION -
Communication from Michael Roche, President of the United Steelworkers of America Local Union #8938, regarding overtime paid to employees.

Alderman O'Neil moved for discussion. Alderman Shea duly seconded the motion.

Alderman O'Neil asked, Mark, do we have any idea over and above the HTE situation what upper level employees have been getting paid overtime.

Mr. Hobson replied we have a pretty good idea as of through this weekend. We've been working on a report which you will be receiving tonight at the full Aldermanic meeting. I met today with the City Solicitor and the Mayor and I discussed the situation with Captain Leidemer who is doing the investigation on behalf of the City Solicitor's Office from the Police Department and I am

delivering a report to you this evening at the full Board of Mayor and Aldermen. I spoke with Chairman Sysyn and I told her that I'm sure the topic was going to come up because I knew of Michael's letter in Committee and I told her I'd be happy to give a verbal status.

Alderman O'Neil stated I'm talking about over and above the HTE situation and including enterprise funds.

Mr. Hobson stated what I know of at this moment is that there are approximately 14 other positions historically that have been receiving overtime looking back through the back of the beginning of calendar year 1996, 1/1/96...W2's go on the calendar year...some date back prior to 1982. So, we're looking through all kinds of places and cases to find accrual of the Personnel Committee and there may be of those 14, we may find that 100 percent of them may at one point in time in history were approved by the Personnel Committee or the full Board of Aldermen.

Alderman O'Neil asked may there need to be down the road a policy addressing this.

Mr. Hobson replied absolutely. What we're bringing in to you tonight is an update on the Yarger, Decker & Thomas classification study. Michael and his position with the United Steelworkers serves on the oversight committee along with Alderman Shea, I believe. In looking at this process, we hired Yarger, Decker & Thomas and they're job is to come in with a full policy and procedure manual which will replace what was previously referred to as Administrative Regulations, they will make recommendations wherever in the City Ordinances it refers to compensation and classification for any position, so this problem in my opinion, will go away.

Alderman O'Neil asked but how about in the interim; that could still be six months away, correct.

Mr. Hobson replied we'll get a draft of the report in January and then we'll get the full report in late spring. I believe that we need to take some action this evening to address the whole problem and I have a recommendation in my written report to the full Board about that. I think there's a way to take care of it now and to deal with it later. I happen to agree with Mike that...we know that there has been internal inequity and there have been past practices which do not necessarily comply with federal law. Our City Ordinance doesn't comply with federal law in many cases, it is a problem.

Alderman O'Neil asked it does include enterprise departments.

Mr. Hobson replied yes, all City employees period will be covered.

Chairman Sysyn asked, Mike, did you want to speak to this issue.

Mr. Roche stated I'm going to wait to see what's going to happen. Obviously, there's an investigation going on, you've got a report coming out, so it's possible you're going to end up in litigation, so we'll see where it goes from here. Hopefully, it can be resolved.

Mr. Hobson asked do you agree with me, Mike, that the oversight committee and the Yarger, Decker study is pending to resolve this thing once and for all.

Mr. Roche replied yes.

On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to table the communication from Mr. Roche at this time.

Chairman Sysyn addressed item 13 of the agenda:

The Human Resources Director has submitted the following items for informational purposes only:

- A. New Hire Report provided for the month of December, 1997.
- B. Yarger, Decker & Thomas classification study update of January 15, 1998.
- C. ADA Coordinator RFP process.
- D. "Pre-Retirement Planning Seminar" notice, sponsored by the City Retirement System and the Human Resources Department, special review session for the Board of Mayor and Aldermen and Department/Division Managers, on February 4, 8:15 AM to 4:15 PM, The Courtyard, Mammoth Rd., Manchester. Three additional sessions for all qualified City employees, on February 18, March 4, & March 18, held at the same place and time.
- E. Employee Workplace Security Training notice, sponsored by Manchester Police Department and Human Resources Department, for all employees with direct contact to the public, three sessions, January 20th 1:00 PM to 5:00 PM, and January 21st, 8:00 AM to 12:00 PM and 1:00 PM to 5:00 PM, to be held at the City Library.

- F. Schedule a special HR Committee meeting February 24, 1998 to review current health benefit packages with Blue Cross, MTHP and Delta Dental for all board members.
- G. Employee Overtime status report update. (Information distributed at meeting.)

Alderman Shea moved for discussion. Alderman O'Neil duly seconded the motion.

Mr. Hobson in reference to Item 13a stated we looked at the ordinance and saw that we first of all two things happened: State law changed and twice-a-month you have to submit as an employer to the State about your new hires and there's some very specific information that you have to send to the State about those hires. We also looked at the ordinance and it says that the Personnel Committee is supposed to get copy of all of our new hires for the month. This is just raw data off of the HTE system which the State wants to see. I'd like to work with the Committee and work with the Chairman to brush this thing up to what you might want to see retirements or terminations or transfers or what have you, you might want to see totals. This was more or less for your information for you to digest it and come back and talk to us at the next Committee about some thoughts that you might have on it.

Alderman Shea stated by way of clarification you said that this is the total...

Mr. Hobson replied page two would be the roll up of the School Department's budget on its substitutes up to a date and time which would have been 1/7/98. So, I have to get the detail beyond that breakout to make it more clear for you and I'll get some more information for you.

Mr. Hobson stated Michael Roche also serves on the City Retirement Committee with me and we have a very important event and really want to encourage you to attend, if at all possible which is on February 4th at The Courtyard. For the first time ever for our employees a Pre-Retirement Planning Seminar and we're asking you as leadership along with department heads and division managers to attend this first seminar and then the following three seminars will be for all the rank and file employees, everyone from school secretaries to accounts will be invited and be mixed up to attend those three dates.

Alderman Shea asked who will be conducting it.

Mr. Hobson replied we have a Committee that has been pulled together to conduct it and we have seven different speakers, we have four corporate sponsors, and the total cost to the City is just for the employees to attend and we pay for employees to attend seminars for their pay to be there, so that is the cost, the cost is their salary for the day.

Alderman Shea asked will local people will be conducting the seminar.

Mr. Hobson replied yes, people from Blue Cross Blue Shield, people from The Hartford, the people from City Retirement, people from Social Security, estate planning, legal, etc.

On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to receive and file item 13.

Chairman Sysyn addressed item 14 of the agenda:

The Risk Manager has submitted the following items for informational purposes only:

- A. Status of the City of Manchester's Property and Casualty Actuarial Study. (Information distributed at meeting.)
- B. Timetable for FY 98 Broker pre-qualification and Competitive Bid of the City's Property Insurance Coverage's.
- C. Progress Report on the City's New Third-party Claims Administration Service.
- D. Issuance of the Current Casualty Insurance Annual Report. (Information distributed at meeting.)

Alderman O'Neil moved for discussion. Alderman Klock duly seconded the motion.

Mr. Ntapolis stated the item 14a was a review of the City's self-funded casualty programs; that it has been three years since the City looked at its self-funded insurance programs which include Worker's Compensation, automobile fleet coverage, and general liability. The basis findings and recommendations of Liscord, Ward & Roy have been actuary and last performed the study in 1994 was that the City needs to reserve another \$600,000 over the three years since August of 1994 and we have been doing that automatically, we have been budgeting at about a rate of three percent per year for these particular casualty lines, so the

\$600,000 increments or the \$200,000 per annum has been covered. He also went on to say after conducting a very thorough actuarial review of the self-funded programs that we are within the normal guidelines for a self-insurer our size and basically by self-insuring these casualty programs, the City of Manchester had saved a great deal of money where we otherwise would have had to go out and procure commercial insurances for premiums that we don't use toward settling claims we loose. Now, whatever we pay out in the way of claims during a course of the year, if the fund should have balances as it always has, they go back to the General Fund or cap off the particular insurance funds, so self-insuring for a City of this size and Worker's Comp since 1977 has been to our benefit and since the mid-80's all of the other casualty have equally been beneficial.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to receive and file item 14a relative to the actuarial study.

Mr. Ntapolis stated you won't hear a lot from me for the rest of the year with the exception of material that I feel needs to be sent to you which a lot of times will be done through informational packages. But, the next three items (b, c, and d) you'll either hear about at the Board level or at some times through the press if they should pick up on it. With respect to item b the Timetable for FY 98 Broker Pre-qualification and Competitive Bid, it has been several years since we've gone out for the pre-qualification of brokers. The remaining portion of the City's insurance plan is commercially insured which is by and large property coverage goes out to the commercial marketplace and we've elected to not self-insure that because of the soft market conditions over the years, etc. and before we bid something along these lines we follow a very distinctive pattern that has been set forth in the ordinance for procurement of insurance which starts out with broker pre-qualification and we look at whatever insurance brokers might be interested and we'll have advertisements going into the newspaper this Friday in the hopes that there are brokers who would like to quote the City of Manchester's business for property, would then give me a letter of interest and qualification statement. Once that is done around February we would select three maybe the four brokers of record and give them the opportunity to go to the marketplace and come back with the best possible quotes for springtime renewals of about a quarter-of-a-billion of municipal property. If you hear otherwise out there, there has been some agency that has been very upset who would rather not go through the pre-qualification process, but this is the only way the City can control the integrity of the program, there is no other way around it.

Alderman Shea asked how often is that process undertaken.

Mr. Ntapalis replied technically every three years it ought to be done if the rating structure stays the same or is reduced I have the opportunity of extending that coverage.

Alderman O'Neil asked do we give any preference to City companies and if not, should we.

Mr. Ntapalis replied we do, Alderman, as far as the brokers of record we deal directly with the brokers, we don't deal direct with the companies as a lot of companies do not want to deal with the insurers but want to go with the brokers or an agent. All of our brokers and agents over the years have been local individuals. Two of the current agents are from west Manchester and one is from east Manchester and it's not only by design that they're in the proximity where you work with their staff and they can get hold of you, but we feel that they have a vested interest in the community.

Alderman O'Neil stated there is nothing that guarantees that, a broker from Nashua or a broker from Worcester, Massachusetts could get it.

Mr. Ntapalis stated not really from this section, as far as the service end if you are going out for third-party claims administrator or consultant or service provider that's limited in their field of expertise. But, it's pretty specific in the ordinance as far as insurance agents and brokers, it spells out local broker or agent and we

define local to be here. The only exception to that rule has been with the Airport, the broker was locally housed (Marcotte & Plourde) who had merged with Sadler & Marcotte and pulled out of Manchester, but they were the successful incumbent broker that currently carries the Airport insurance and are now housed in Nashua.

Alderman O'Neil asked who presently has this now.

Mr. Ntapalis replied the three brokers of record are The Insurance Exchange, Gordon Powers, and Foye Insurance and any time any type of insurance comes up we allow them the opportunity.

Clerk Johnson stated the Airport's in Londonderry now, so you may want to check your verbage.

Alderman O'Neil asked, Harry, what exactly do you mean by the three of record.

Mr. Ntapalis replied these are the brokers selected that anytime the City has one of its large or small policy which exceeds the requirement that we can't just accept someone's business, it's gone over the monetary amount of \$2,500 I believe is where it stands, we have to bid and when we do we turn over the RFP's to the select brokers. If this grouping changes or if you add a fourth the new four will have an opportunity for the next three or four years to quote and broker any of our policies.

Mr. Ntapalis stated before you folks came together as the Personnel/Insurance Committee, we selected the Third-party Claims Administration Service through the competitive process with the lowest responsible bidder being Northern General and doing a wonderful job who handle the Worker's Comp, Liability and Auto. And, lastly, I just want to hand out to you and some of you may have already received copies of the most recent annual insurance report and put together a summary sheet of everything such as where we're at, what it's cost us, and how much better we're doing after the past eight or nine years.

There being no further business to come before the Committee, on motion of Alderman Pinard, duly seconded by Alderman O'Neil, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee