

**COMMITTEE ON HUMAN RESOURCES/INSURANCE**

**June 9, 1998**

**5:30 PM**

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

**Present:** Aldermen Sysyn, Klock (late), Pinard, Shea, O'Neil

**Messrs:** F. Decker, M. Hobson, F. Thomas

Chairman Sysyn addressed Item 3 of the agenda:

Presentation of the Classification and Compensation Study by  
representatives of Yarger, Decker & Thomas Associates.

Alderman Shea moved to allow all Aldermen receive this report before we receive any presentation. Alderman O'Neil duly seconded the motion.

Alderman O'Neil stated I thought that is what we agreed to.

Chairman Sysyn asked it needs to be with Personnel first doesn't it.

Alderman O'Neil answered I thought we agreed that it get sent to all Aldermen.

Alderman Shea stated it was supposed to be sent to all the Aldermen before the presentation was made because if they make a presentation tonight and all the Aldermen don't have information about it, then they are at a disadvantage as to what is going on.

Alderman Pinard stated I think, Mark, you can answer that I think you said tonight and then you are going to have a session with the full Board.

Mr. Hobson replied we asked to be put on tonight to do a presentation but we were told because of the recessed meeting there was not to be any new business so, therefore, we could present this to the Human Resources Committee and we could have all of the packets available. The same information that you have, we will be distributing that to the Aldermen upon their arrival at 7:30 p.m. but they will be

without the benefit, that is true, of the full presentation that Mr. Decker will be doing. We would like, if it is at all possible, we would like to do this presentation because Mr. Decker is here, to the Committee and then he will come back to do a full presentation to the Board at your convenience, at a time when we can schedule it. More or less, we are asking this to go to the Committee for your review to send to the full Board hopefully for an approval. Frank, do you want to add something to that as the Chairman.

Mr. Thomas stated that is correct. It was the plan to give the same information to all Aldermen tonight and packets are made up. As soon as the Aldermen do come in for the Board meeting they will get a copy of it. Again, we are not asking the entire Board for a vote accepting this. There will be another presentation in front of the whole Board of Mayor and Aldermen at a later date and in the meantime they will have all the information so that they can review it and be prepared to ask intelligent questions when the presentation is made.

Alderman O'Neil stated the Clerk just informed me that technically we could bring it in tonight to the full Board for the presentation. I thought that is what we agreed upon so that everyone was getting the same information at the same time. You know God only knows how long tonight is going to go. It could be a very quick meeting or it could drag on until midnight but I would advise if we can get it in tonight we should.

Chairman Sysyn asked can we change it so that it comes in before the recessed meeting.

Deputy Clerk Johnson asked who informed Mark that he couldn't bring it in this evening.

Clerk Bernier answered it was the Mayor's Office and I think due to the activity this evening they probably were going to reschedule it. I guess we have a full Board, Special Board meeting on the 16th of the month so it would be next Tuesday.

Chairman Sysyn asked at our Personnel Committee meeting at that time.

Clerk Bernier stated maybe the Chairman of the Human Resource Committee could talk to the Mayor and see if there is an opportunity since everybody is here. It would probably be proper to do it this evening.

Chairman Sysyn stated I would prefer that we do it this evening, but it is up to the rest of the Committee. The ball is in your court.

Alderman Klock stated I agree with Alderman O'Neil on that. I just came in so sorry if I don't know what I am talking about but I think that waiting a week is way too long.

Chairman Sysyn stated what happened, too, Alderman O'Neil, I took off the early retirement who was looking to have a meeting also so we were going to do it for next Tuesday. So if we listen to this tonight, we can bring it to the full Board.

Alderman O'Neil replied my concern is certainly the five of us would be at an advantage here having received that information tonight. I thought we had agreed that it was going to be presented to everybody.

Chairman Sysyn asked and then referred to Personnel.

Alderman O'Neil answered well then referred wherever it needed, but so that the Mayor and 14 Aldermen got the same message at the same time. I don't know, I guess it is kind of too late to not proceed with this.

Chairman Sysyn stated while he is here because he is not going to vote.

Mr. Hobson stated Mr. Decker was prepared to do a presentation for you now. He was told he had an hour and he was prepared to stay and come back for the 7:30 as well so it truly isn't our problem to do it twice or once, whatever you would like. He is here. We are here. We have all the data. We will do whatever you would like.

Alderman Klock stated I think we should try to fit it in tonight.

Chairman Sysyn replied yes while he is here but I am not trying to tell you what to do or how to do it. The ball is in your court.

Alderman Klock responded I just think that if we wait we are going to get, you know we want this to go as smoothly as possible.

Chairman Sysyn stated it is not like you are going to pass anything tonight. You are not going to pass anything tonight. This is just for information.

Alderman O'Neil stated why don't, maybe in the best interest, why don't we have the presentation made to the Committee and then if we can get it in tonight, if we are not very late, maybe make that presentation but it will have to be a judgment call. I think at 10:00 PM might not be the right time to make that presentation but

if for some reason things go smoothly and we finish our other business tonight, maybe it would be an appropriate time to bring it in.

Chairman Sysyn asked can we bring him in first so he can get out of there. He must be going back to wherever he comes from.

Deputy Clerk Johnson answered yes. At that point it becomes an option of the Board. At this point I think the idea is to have a presentation before the Personnel Committee and then at 7:30 PM when the Board resumes its regular meeting it will be a decision of the Board as to whether or not it wants to take that information and have it presented at that time or later in the evening or at a different date.

Chairman Sysyn stated the Mayor is here, do you want the Mayor to answer this.

Alderman O'Neil replied I think we have a pressing issue tonight. We have got to settle the budget and I think that is our number one priority. So if time allows I think we should bring it in tonight.

Alderman Klock stated I agree.

Alderman Pinard stated the full presentation, I have been here since 7:30 AM and it is a two hour presentation to go through the whole thing so maybe we should set a deadline type thing that if our meeting goes on until 9 PM do we do it.

Chairman Sysyn replied I would do it first because is he from out of town. Where is he going tonight?

Mr. Hobson responded he will be staying with us until Friday. He is making presentations to employees tomorrow and Thursday and Friday.

Chairman Sysyn stated Deputy Clerk Johnson is asking the Mayor if we can do this. Maybe we could let Mr. Decker start if you want.

Alderman O'Neil replied my only concern about doing it first thing Madame Chair is we specifically have one item of business to finish up tonight. I think we have to concentrate on that first so I would just suggest...

Chairman Sysyn stated well it is up to the Mayor.

Alderman O'Neil replied well I think it is up to the Board. I would suggest if time allows we should do it, if not we will have to...

Alderman Pinard stated I agree to that.

Alderman Klock stated I agree, Alderman O'Neil, but I also think it should be a question proposed to the Board just so the Board decides if they want it first or if the Board doesn't want it at all. They would have the option to say no as opposed to saying well we didn't get...

Alderman Shea asked, Mark, you said that Wednesday, Thursday and Friday Mr. Decker is going around to the different departments and explaining the study to them even though it has not been presented to the Aldermen.

Mr. Hobson answered it was supposed to be presented to the Aldermen tonight and Mr. Decker is, you know I work through the Oversight Committee which is eight people and Mr. Decker was scheduled about two weeks ago to come into town before all of the problems happened with the budget. So he was scheduled to come into town this week to be able to do a presentation to you folks tonight, to the full Board of Mayor and Aldermen for their deliberations and then to continue to explain the information to the employees on Wednesday and Thursday and Friday because the information being explained to the Board will also be picked up by the press and it will be in the newspapers and the employees will be asking what is going on. So we wanted the employees to be in the knowledge of what is being proposed. Proposed, not approved, just proposed.

Alderman Shea stated but you are saying that he is going to make a presentation to the employees but the full Board isn't really going to have that presentation until a future time. Is that correct?

Chairman Sysyn asked Mr. Thomas to speak on that.

Mr. Thomas answered yes let me try to answer that question. The Oversight Committee, as you know, has been involved with this study from the very beginning. In order to avoid misinformation, rumors, etc., the plan has been for some time now to disseminate the information to everybody as soon as possible. That way, the Aldermen don't have bits and pieces that may get out to the press or be the basis of rumors so the plan has always been to, once the report was finalized, was to present it to the Oversight Committee in the morning, the department heads, Union representatives, the Board of Mayor and Aldermen, either through the Human Resource Committee and the Board, etc. So in one day all the key decision-makers would have access to the study. Now because of various reasons it wasn't possible, or at least we were explained it wasn't possible to do it all in one night and the intent here was to give the Human Resource

Committee a detailed presentation, make the information available to all other Board members with the stipulation that if you have any questions sit down with Mark, sit down with Mr. Decker in the days to come so that if any type of questions would be raised they could be answered. Again, I think that was a plan that has been on the table now for quite some time as far as how this report should be disseminated.

Alderman Shea stated you can see where the...there is a little bit of a difference as far as what you know specific presentations being made. In other words there are two people here who belong to the Oversight Committee so in reality there are 12 people and then that leaves 3 of us which again breaks it down to 9 Aldermen that won't be exposed to the information directly until they read it, have questions about it and Mr. Decker will be explaining to the different people. Do you get what the difference is here, Frank, between direct presentation versus reading and formulating?

Mr. Thomas replied right and quite frankly we wanted to present it to the full Board tonight, however, again we were advised that we couldn't do that because the Board was meeting on one agenda item and one agenda item only and that is why the decision was made to go ahead, make as many of the Aldermen aware in the detailed presentation, furnish the information to the rest of the Board and have them, if necessary, make direct access. That way everybody is going to be basically reading off the same page. Then Mr. Decker was going to come back and make a full presentation, detailed to the entire Board so that if there were any other questions that developed over the week or two between now and when the full Board could meet, he would be able to answer those questions.

Alderman Klock stated I feel very uncomfortable with having the report presented to the employees in the different departments just knowing the history of the Board. I think that the Board should see it and hear it before.

Chairman Sysyn asked the presentation has been made to the newspapers, hasn't it. If the presentation has been made to the newspapers and we don't know about it, you have three or four Aldermen hanging out here anyway. Then where are you going to be.

Alderman Pinard replied well today all department heads were here. As far as I know, all the department heads got the briefing of this and now it is our Committee and we have been talking now for 20 minutes and we could have had 20 minutes into the program. I don't feel, personally, that we could hear and then give the facts to the other Aldermen to maybe call a special meeting tomorrow or tonight but we have to get this thing going.

Alderman O'Neil stated we got to get going and obviously it didn't follow our wishes but we better get it going.

Chairman Sysyn asked what is your pleasure.

Alderman O'Neil answered we might as well do it but it just wasn't what we intended it to be.

Alderman O'Neil moved to hear the presentation by Yarger Decker. Alderman Klock duly seconded the motion. Alderman Shea being duly recorded in opposition, the motion carried.

Mr. Decker stated thank you Madame Chair. Can everyone hear me? Let me take just a second to show you where we have been and exactly the status of the project. As you will recall, when we began this several months ago we met with several different groups including this Committee, department heads, employees, union representatives, and gave them an orientation, and the Committee, the Oversight Committee and the Project Oversight Committee, to give them a review of exactly what the project was going to be all about. We had each employee in the City, 1,800 of them or so, fill out position description forms. We interviewed about 65% or 70% of all the employees. We then classified all the jobs. We wrote drafted class specifications or job descriptions for all the different kinds of positions and classes of positions that exist within the City. We did return those back to the employees, department heads and supervisors for their review, simultaneously conducting a compensation survey of sister cities, public jurisdictions and private industry and now today...and the process of making recommendations as to where the classes of positions should be assigned in terms of pay grades. We are then, in the next couple of weeks, assembling the final report of which you have key elements in front of you now and are prepared to present to you and from my point of view I would be glad to wait until midnight tonight if that is what the Board of Aldermen would want to do to make a presentation. So I am available to you if you feel I should remain available. The objectives that we had at the beginning of this project were really broadly stated, two objectives and that is to make the compensation of Manchester City employees internally fair and externally competitive. What you have in front of you in terms of this document, called Present and Proposed Pay Grade Assignments...does everyone have that? This list, the document that you have, lists all of the different types of jobs of classes of positions that we found in the City. The Class Code that is shown in the next column is simply an index to the descriptions of the different classes. For example, the bottom class, Emergency Call Operator, has 9200 beside it. If you turn to number 9200 in the job

descriptions, you would find Emergency Call Operator. Some employees will look at that and think that is their annual pay or it is some secret number. It is merely an index for the class specifications or job descriptions. The next column called Current Grade Minimum and Maximum represents the current pay of those types of jobs. You will notice that under Grade in some cases it will say not only Grade 13 or Grade 11, it will also say Grade 8-12 or Grade 15-16. That is where we have combined classes of positions and found that there were employees doing similar work in two different pay grades. So we have combined those together and where you see a combined number like 15 and 16, we took the lowest pay in 15 and the highest in 16 to create the current range. Now the next column represents what we would propose to be the new pay grades for all the classes of positions within the City. I want to remind you of something we have said before and that is currently you have a large number of different pay schedules for different bargaining units and different groups of employees. We are proposing, and urging the labor unions and respective bargaining unions to integrate all of your pay schedules into a single pay grade so that an employee with their...if an employee is in pay grade 11 they know that anybody else doing that same work across the City is also pay grade 11. One of the challenges that you gave to us and pointed out to us one of the problems that the Committee gave to us, as we said for example you have Accounting Clerks or your have Administrative Assistants, Administrative support people, doing exactly the same work across the City but they are in different bargaining units and are actually getting paid different amounts of money for doing the same job. What we have tried to do here is to bring all of those together on a single matrix so that employees know that if they are in pay grade 11 doing a particular job, any other employee elsewhere in the City doing that same job is also in pay grade 11. Back to this table, so that is what this column represents. You have got classes in different bargaining units but they are all within either pay grade 10 or pay grade 11 and so forth. Now this column called Proposed versus Current Minimum/Current Maximum Survey 2nd Low and Survey 2nd High represents how a type of job would relate to the information that we found. For example, under Emergency Call Operator again you will see under Current Minimum it says 1.29. What that means is that our proposed minimum for that class which is \$21,410, is 29% higher than your current minimum for that class. It also says .19 under Current Maximum. It means that our proposed maximum of \$30,525 is 19% higher than your current maximum for that job of Emergency Call Operator of \$25,691. Under Survey 2nd Low, it means that our proposed maximum is 61% higher than the survey 2nd low and that under Survey 2nd High it is 19% higher than the second highest that we found in the survey. The final column here, the Survey actually shows the minimum, the second lowest, the second highest, and the maximum rate of pay that we found for each of those kinds of jobs that we surveyed. Any questions about that chart because you are going to be asked about that or could be asked about that chart.

Alderman Shea asked in your breakdown of pay grade assignment, are there any instances where a person now would be receiving less pay than the person whom they are supervising. Under your new designations?

Mr. Decker answered I don't think so. There is one instance in the Fire Department where it looks like that we may have reversed pay for Deputy Fire Chiefs which will be corrected but other than that I am not aware that there is anything in our survey that would have a supervisor paid less than the people they are supervising. No one has brought that to our attention.

Mr. Decker asked are you aware of anything like that.

Alderman Shea answered no I am not. I am just asking the question but I am not sure exactly if in looking over this there might be. I don't know the report at all.

Mr. Decker stated this afternoon, someone mentioned to me that in the Fire Department there may have been a case where we reversed two positions that should not have been reversed and we are looking at those now. I will tell you this that out of 1,800 employees only 25 are above what we recommend. In other words only 25 employees out of 1,800 are red lined or frozen. The bulk of the employees are either within the proposed range that we are proposing or below the proposed range. Part of the, Alderman, part of the purpose of the meeting with employees and supervisors and department heads and giving them this information is to give them one last opportunity to look at it and point out to us any inconsistencies or problems that they see before we present the final, final report.

Chairman Sysyn asked so you will be meeting with these people again to see if there is any discrepancies in different departments.

Mr. Decker answered Madame Chair we are providing all of the employees, all of the supervisors, all of the union representatives with an opportunity to look at the information, some of the information that we are giving to you and to ask us to reconsider any mistakes, errors or things that they agree with and yes we will be meeting with some of them one more time to pick up the corrections in that information.

Mr. Decker stated now let me...I think you also have a sheet that is a little bit different than this but basically it is the implementation cost by department. I want each of you to know that we think we are fine on that except for two or three positions but under School FNS, Food & Nutrition, there are some problems with the data in terms of hours of work which we think that figure is inflated

significantly and we are working to correct that and should have that corrected in the next several days. That would do nothing but lower the total cost of the project which we believe is around 3.9% less the Enterprise funds to the general fund. It should be about 3.2% but then when you add, when you grant the 2.5 to 3.0% increases to City employees in July what that means is that a number of employees that we found whose current pay was below the minimum that we are recommending, they are going to be less below the minimum that we are recommending then they were so that is going to reduce that bottom line figure even more. I think we will be around the 3% number by the time this is all calculated. Well, let me explain to you how an employee is placed individually on the pay scale, the single pay matrix. You will be getting, or may be getting some questions from employees about this and I want to take a little bit of time to explain this because this can get a little bit technical. If, lets take pay grade 3. If any employee's current pay is below the minimum of pay grade 3 which is Step A, \$12,460, then they would move to Step A. If their current pay is higher than Step A, but less than the last Step M, somewhere in between, they would move from their current pay to the step that is immediately above their current pay. There is a 3% differential between the steps so an employee would move somewhat less than 3% to move onto a step. Over an average, they are going to move about 1.5%. If an employee's current pay is beyond our maximum recommended level of pay, they would be red lined and frozen in place until the matrix caught up with them later on. There are 25 of those employees as I said earlier. Now there are some employees that will say, could say, well you know I used to be at the top of my pay grade and now you have increased the maximum of my pay grade and the minimum so I am back toward the lower end of my pay range and I really think with the years of service I have given to the City that I should be back at the top end of my pay range again. If we did that, we would blow the top off of City Hall in terms of cost of implementation because you would have to do that equally for everyone. There may be a couple of instances where you may have a City employee who has been here for five weeks and one who has been here for 25 years, they are both doing the same job and they are both below the minimum and all of the sudden you move them both to the minimum and the employee with 25 years says what is going on. Now in that case, those kind of radical problems, we would have to deal with using the steps to correct that kind of inequity, but that is rare. I am not sure that exists but there may be one or two cases like that. On that chart, the Y stands for annual, the W stands for weekly, the H stands for hourly and the O stands for overtime or time and a half and every class that we established is assigned to one of those pay grades and that is how employees are placed on the matrix and the pay schedule and that is where and how we calculated the cost of implementing the plan. You simply take the employee's present pay and subtract that from the employee's proposed pay for each employee in each department and that is where you get those numbers. Now you

also have what is called a Position Allocation List. That is the thickest document that we have given to you. You can turn to any department that you like. I am going to use Human Resources as an example. Human Resources is the only department that was reorganized under this study as you will recall, but if you see any vacancies on that chart or blanks in terms of names and titles on that chart, or blanks in terms of proposed title and proposed salary it is because they are relatively new or employees that did not fill out position description forms and so we are asking them to submit them right now otherwise they will be left dangling. The time has come for them to submit those forms so we can classify them. Now to explain this one, the key thing to look at here on this chart is the following. The hours, under the column it says current hours. If that says 1 that means it is a 40 hour class. The employee works 40 hours. If it says 0.5 that means they work 20 hours. If it says 0.9 it means they work 35 hours. We are going to be looking at that because in some cases, particularly as I said in the Schools, we are not sure about those hours but anyway if it is a 40 hour work week and the current pay is based on 40 hours as is the proposed pay but if it is 0.9 or 0.5 or something else, the current pay and the proposed pay is based upon that fraction. The salary matrix that we just showed you is based on 40 hours. One of the problems that we had that you knew about is that we had employees doing the same job from different bargaining units and different departments. Some worked 35 hours and some worked 40 and in some cases they were paid the same. So to correct that problem, we based our matrix on 40 hours and then did just what we talked about. If an employee worked more or less than 40 hours as a regular work week, then we calculated that according to that formula. Like firefighters work 42 hours a week on an average so we would multiply by that. If there is a change we have to make, we would multiply that times 1.something. Again, if it is less than that then we would multiply it times less in order to get you accurate figures. Any questions about any of the charts?

Alderman O'Neil stated I don't know if you are going to get to this but we had talked about, we had in the Personnel Committee in the past year, with regards to a cut off position for overtime. Did you address that?

Mr. Decker asked a cut off.

Alderman O'Neil answered meaning there seemed to be a general practice under the current system that anybody over a grade 25 did not receive overtime.

Mr. Decker replied that is not the way to do it. What we are going to do is provide the Committee with a list of positions that are exempt or non-exempt under the Fair Labor Standards Act based upon the duties and responsibilities of that position. You cannot establish an arbitrary pay line because in some cases an

exempt and non-exempt position may be in the same pay grade based on the market, based on the level of work, the kind and level of work. You really want to base the overtime, whether they get it or not, on the basis of whether they are exempt or non-exempt under the Fair Labor Standards Act. What that means is you may decide as a matter of policy as the Board of Aldermen that you are going to pay an exempt employee overtime for certain purposes but you have to pay the non-exempt employee overtime if they work beyond 40 hours.

Alderman O'Neil asked will you be providing us with a recommendation on that.

Mr. Decker answered yes Sir within the next couple of weeks we will give you a list of every single class we have established in the City and tell you not only whether they are exempt or non-exempt, but if they are exempt, if they are exempt on the basis of an administrative exemption, professional or executive exemption so you can see why we said they were exempt under the law.

Alderman O'Neil asked so if I use the example of the current system where we do have a City employee at a pay grade 28, a current pay grade 28, who receives overtime you are saying they may be considered a non-exempt employee at a current pay grade 28.

Mr. Thomas answered I think, and I don't want to speak for Mr. Decker, but I think that what Mr. Decker is going to do is give you some guidelines and give you which employees are classified as exempt or non-exempt employees and then the decision will be up to you people which of those exempt employees should be eligible for additional compensation based on whatever justification there is.

Alderman O'Neil stated but Frank there are people in various departments that took jobs under kind of an agreement that they are getting a job at a certain grade and they weren't going to receive overtime, correct.

Mr. Thomas replied that is correct but the other is true too that some employees accepted jobs at a certain grade and were told that they would have to work additional hours and would get compensated for it. So the Fair Labor and Standard Act says that you don't need to compensate an exempt employee, but you can if you so desire.

Alderman O'Neil asked then we will be given a recommended list of exempt employees.

Mr. Decker answered yes we will give you a list of all classes of positions, both exempt and non-exempt and tell you why we think they are exempt and non-exempt.

Alderman O'Neil asked it will spell out who the exempt employees are.

Mr. Decker answered the list will not be by employee, the list will be by the title of the job. You can easily look up and see what employee is in that title.

Alderman O'Neil stated I am not necessarily interested in the employee, what I am interested in is the inequities we have now where we have current pay grades 28 getting overtime which I don't believe they should, at that pay grade. There seems to be a general practice of around a 25. I was hoping that that was going to be addressed in this.

Mr. Decker replied well it is going to be addressed but I guess not quite the way you just explained it to me. We are not going to draw an arbitrary line and say that anybody above pay grade 25 is exempt and everybody below pay grade 25 is non-exempt. I think we will be in trouble with the U.S. Department of Labor if we do that.

Mr. Hobson stated the reason why the Alderman is saying that is because he is accurate in that the current ordinance is incorrect and draws a demarcation at a grade so he is absolutely right. We discussed today that the Fair Labor Standards Act policy, law, the way it works Mr. Decker will release both the exempt and non-exempt position list and we also hired him, if you recall, to work with the Solicitor's Office and our office to change those ordinances and to fix those problems once and for all.

Alderman O'Neil stated that is all I am looking for.

Mr. Hobson replied I know that. The answer to your question is yes, the ordinance will be fixed.

Mr. Decker stated Madame Chair I think that is the quick overview of the information and I would be glad to answer any questions you have or respond to it informally.

Alderman O'Neil stated I know in earlier discussions we talked about the, I don't even know possibility, probability of implementing this over a couple of years. How do we go about that process?

Mr. Decker asked, Mark, would you like to talk about exactly how we are going to implement over two years.

Mr. Hobson answered let me tell you what came up today at employee meetings, Alderman, and then I will let Floyd and Frank direct some details. What we discussed today is that if we implemented the plan starting July 1 and everybody in the world embraced it and said yes lets do it, it would cost the City of Manchester 3.9% above its current salary budget and that includes the Enterprise accounts, for approximately \$1.67 million. That may or may not break the bank. About \$552,000 of that money is in the Enterprise accounts which means that the general fund would be left with a bill of about \$1.12 million and I believe I enclosed a spreadsheet to break that out for you. So what the Committee, and Frank, jump in when you are ready, what the Committee thought would be prudent would be to look at implementing this over two fiscal years but in a relatively short period of time. The minute the Aldermen say yes, this is good, it would go into place and then on July 1, 1999 the employees would get the remaining amount of money. So they would receive 50% of what would be allocated to them right away, those employees or bargaining units that agree with it and then the remaining 50% on July 1, 1999. Now that was discussed at the Committee level and Floyd I think you thought that that was perhaps prudent to do based on the amount of collective bargaining agreements that we have, the amount of non-affiliated employees that we have and the cost and you talked also about some other places and cities our size where you have seen this implemented and how it has been done so that is what we discussed so far.

Alderman O'Neil asked so, Mark, from a budgeting standpoint and I believe we have it in there with Alderman Wihby, I believe we have about \$600,000 in the budget, correct, to implement this.

Mr. Hobson answered it all depended on the day. At one point in time, we had \$600,000 fully budgeted.

Alderman O'Neil asked you don't believe that to be correct tonight.

Mr. Hobson answered no, I believe it has been dropped down to \$400,000. However, the good news is, I guess good news, when we take a look at all of the employees that we believe will go on day one, the money comes below the \$400,000 mark because you have a number of collective bargaining agreements that will have to be opened and discussed and just being very pragmatic when we look at our two biggest groups like Police and Fire and we realize that they have 3% salary increases and their steps are already into play, these groups, these

bargaining unit Presidents and such have told us that they are going to need some time to look through and digest this with their group.

Alderman O'Neil asked so the fact that we have contracts for the most part that expire July of 1999 or the end of June, 1999, this won't implement until those contracts expire.

Mr. Hobson answered we would like to implement it with as many employee groups as possible. For example and I am not speaking for them, School Nurses. Their contract is still open. Many of the folks who were in the bargaining unit process told us that they were trying to gear their, and I think Dave Hodgen would attest to this if he was here, many of them were waiting to see what would happen. So there was this June 30, 1999 concept for a lot of these people. They wanted to get the deal through that they could, get the steps put through that they could and work through an implementation process of this year.

Alderman O'Neil asked so are we saying then that this is a negotiated.

Mr. Hobson answered if we tie, yes, if we tie pay for performance and ask the employees to agree to the cornerstone of the document which is that that you see right there, that consolidated pay schedule radically changes business in Manchester. It takes 16 to 17 pay schedules that exists now and puts them all into one 8 page document. Right now we have about 25 or 26 pages of pay schedules that will be consolidated into that.

Alderman O'Neil asked so for instance, we continue and I wish I could find it real quick, but we continue to have high turnover with the Police Department, the Patrolman position. I don't know where it is on here. You are saying now that we cannot try to take a corrective action?

Mr. Hobson answered only if the Police Patrolmen's Association says to us yes. I mean we will go to them and say lets talk and they have to say we will.

Alderman O'Neil stated my understanding was that we were trying to correct wrongs in the City.

Mr. Hobson replied absolutely.

Alderman O'Neil stated I didn't know it was going to get dragged out into negotiations. I thought we were going to make a decision, fund it and that was going to be it.

Mr. Hobson replied it is illegal for us to...it is against the Public Employee Labor Relations Board rules in the State of NH to tell them that they must accept this pay schedule.

Alderman O'Neil asked we cannot change a pay grade in the City of Manchester under State law without negotiating it.

Mr. Hobson answered when we, for example, changed the Information Systems positions across the City, do you remember when just a little while ago we did that. We had one within the Police Support Group. David Hodgen had to go to the negotiator of the Police Support Group and say I have got good news, the Aldermen have just given these two positions a whatever, \$500 raise or \$1,000 raise. They had to agree to it because they were covered by a collective bargaining agreement.

Mr. Thomas stated besides the inequities with pay, there are inequities with job specifications, there are inequities, well maybe not inequities but there is a different philosophy that is going to be proposed as far as how a person moves up the pay scale. Those are items that really have to be negotiated in and really I think we are looking at a total package here to correct all of the problems with the HR system.

Alderman O'Neil stated the probability is that this won't be implemented in this year, in FY99.

Mr. Thomas replied I can't speak for the bargaining units, but quite a few of the bargaining units I think are going to sit back and want to take a look at it and may not jump on board on day number one. They may take a lets see what develops, lets get it implemented with say non-affiliates and see if everything works out well with them. Does performance evaluations make sense? Are they done impartially? So again I don't think you can ram all of these changes, well I know you can't, on a bargaining unit without them agreeing to it.

Mr. Decker stated to follow-up with what Frank said there, you will notice on this pay schedule that we handed out that we have pay grades 1-30 but you will notice that we also have pay grade 1A, 2A, 3A and 4A. That is established to provide an incentive for employees that if they achieve a certain additional level of knowledge or skill that they have an opportunity for advancement in doing that. The key question is, other than cost of living increase where you just change the entire matrix by a certain percentage, whatever is negotiated, we think that that percentage should be negotiated the same for everybody every year. In other words, the cost of living for Frank is the same as the cost of living for a custodian.

So whatever that cost of living figure, that should go up, but the real question is once an employee is in a particular pay grade, how do they move from Step A to Step B and from Step B to Step C. On what basis? We are proposing that they advance on the basis of performance. On the basis that their work was found to be satisfactory over the previous period. If it was found to be satisfactory they move up. What if it is found to be superb? Then we are proposing that there be a system whereby they would then move up the one grade for satisfactory, but if they had superb performance or excellent performance, they may be able to get the difference between the next step, 3% and the step they just moved to in a cash bonus so that, and the reason we say cash bonus is you don't want to reward an employee by increasing their base pay another 2% or another 3% because their performance may not be superb the second year and so you have saved that money to give to someone whose performance may be superb in another area. So then this is folding in existing longevity pay. In other words if we are saying an employee today gets so much money, that includes their longevity. So that gets folded in and then we will have a separate longevity policy that we are going to propose that would be the same for all City employees. Right now, depending on the bargaining unit that an employee may be in their longevity pay may be different. Well again we think that the longevity pay should be the same for Frank as it is for a truck driver. That after so many years you get so much rather than separately negotiated. Now that is going to take a little time to sell to the bargaining units. It is going to take a little time to convince them that the performance system can be made to work in an objective and fair way because there are some who feel that performance systems are subjective and subject to bias. We need to show them the knowledge and skill base pay, we need to show them the single matrix and why that is in their advantage. We think it is. So it is going to take, I think what Mark is saying is it is going to take a little time to bring everybody on board. I certainly hope we can adopt the whole thing and get moving right away.

Alderman Shea asked the people that are working everyday, will they receive a criteria or process by which they can say if my performance is excellent, I mean in other words, are they going to be given some sort of incentive, well how do I word this now. Well it is a checklist or some sort of a process whereby they will know before the fact rather than after the fact. In other words, two people are working and one person says well you are going to get a performance pay scale and I am not and the other says well how come.

Mr. Thomas answered yes it will be a formal process. There will be forms developed.

Alderman Shea asked by whom, Frank.

Mr. Thomas answered well the standard forms have been developed by Yarger Decker. Now the way it will work is a supervisor will sit down with his subordinate and the two of them will develop goals that they are going to strive to achieve over the course of the year. Both the supervisor and the individual, the employee, will sign off saying that they agree. These are the parameters that we are going to shoot for. If I get these areas accomplished, then I have met my rating to move forward. So it is going to be a formal process. It is going to have both the agreement of the laborer or the employee and the supervisor before you even start the year.

Alderman Shea stated I don't want to continue the discussion but I worked on the back streets. Now I worked on a truck. There were three guys at that time. We used to finish our work say about 2:30 PM and then we would shoot over to Dugan's route or something. Are these people, is that what you are talking about, guys that are, I mean how do you?

Mr. Thomas replied one area in my department...

Alderman Shea interjected say Scavenger Department.

Mr. Thomas replied let me just talk about general laborers. One prerequisite is that the employee is going to have to make himself available for overtime, emergency overtime, at least 80% of the time. That could be one criteria. That is a very elementary way but that is a defined way that we can take a look at his progress and it is of benefit to me because I need those people when it is snowing out so that could be one area. A Scavenger Crew, we could lump them all together and evaluate the whole crew's performance as one with different types, number of stops, tonnage, there could be a lot of different ways of doing it with a Scavenger Crew.

Mr. Hobson stated two comments. One to answer Alderman O'Neil's question, in the Mayor's budget and in Chairman Wihby's budget, we proposed monies and you may remember this, we proposed money to continue Mr. Decker's work into this year and the reason for that is that he would work with Mr. Hodgen on getting these pieces through into the collective bargaining agreements and to do performance evaluation training for every employee and for every supervisor and manager and he did bring in the supervisory packet and the employee packet performance evaluation tool to the Quality Management Committee and to the department heads and to the labor representative groups for their input. He is going to take their input and he is going to develop final documents to submit to

the Board of Mayor and Aldermen for their review. If you would like copies of what he has developed so far, I would be happy to provide those to you.

Alderman Shea asked is that the New Performance Management.

Mr. Hobson answered yes that is his working document.

Chairman Sysyn asked do we all have that.

Mr. Hobson asked are they in that packet. No. We handed it out at the Oversight Committee a couple of weeks ago.

Alderman O'Neil stated I would just be curious in other communities that you have done this, Frank uses his department and it is probably a good example that there are some subjective, is that the right word, criteria to use but how do you judge the performance of a firefighter. I would be curious if you or Mr. Hobson could provide me with some examples of the public safety end of it. How you judge a police officer and a firefighter?

Mr. Decker replied one of the interesting things that you brought up, firefighting, in talking to some of the firefighters about this the other day and one of the things that was pointed out and we were talking about this a little earlier, one of the things that was pointed out by one of the firefighters was that a Fire Lieutenant is in the same bargaining unit as a firefighter. So lets say the Fire Lieutenant is doing the performance evaluation on the firefighter and gives him a mediocre rating. They are in a fire together a few days later and a beam falls on the Fire Lieutenant and he calls for help from the firefighter and the firefighter says hey Lieutenant remember that performance rating you gave me a little while ago...so it could be that in certain areas like Fire or Police we need to look at the team concept like Frank was talking about with regards to the Scavenger Crews and that sort of thing. So it is not always individual. We need to be sufficiently flexible so that we are making it work for the employee. Another example in Fire is that well some of the firefighters, say if you are in the downtown station you have an opportunity to demonstrate more often your skill and ability then if you are located in an outlying area. That may be and so you may want a different process there. I think to develop the performance standards and the process as the Alderman was talking about, we need to involve those employees in that process so they think the measurements are fair and the process for measurement is fair. In public safety and some of those team areas, absolutely we want to bring some examples in and help guide them that way.

6/9/98 Human Resources/Insurance

20

Alderman O'Neil asked, Frank or Mark, \$400,000 you are pretty comfortable is an accurate number if this, if we reach an agreement with everybody tomorrow.

Mr. Hobson answered I would love to have the happy burden of going to you and saying to you we have reached a conclusion that on X date and we need to go to contingency because the Steel Workers Union and the Firefighters and the Police Patrolmen's Association have embraced all of this and I would have to tell Alderman Wihby and other members that I need \$168,000 more dollars.

Alderman O'Neil stated and just a second point. So what you are saying is \$400,000 is probably a safe number. Second point, I would hope or I should say I would be concerned that we not treat the unionized employees second class in reaching and get the non-union employees implemented first and make adjustments. I think we kind of got to bring everybody into this around the same time. That is my personal opinion. Treat all employees the same. Just a comment, Madame Chair.

Alderman O'Neil moved to send the Yarger Decker information to the full Board. Alderman Pinard duly seconded the motion.

Alderman Klock asked have we decided whether or not the full Board is going to see it tonight or...

Chairman Sysyn answered that is up to his Honor.

Alderman Klock stated because Mr. Decker said that he, I know, but I also want to make sure that they get the opportunity to say yes or no to it.

Alderman O'Neil stated I think it would be a good idea, but I think we do have to, if for some reason we settle the budget in the first half hour or hour then it probably would be a good idea. If we drag on, as we know the other night, getting into 10 PM and 11 PM we don't always...

Alderman Klock stated well Mr. Decker said he was going to be able to stay until, I know that at 10 PM I am going to want to get out of here just as much as you do, but I also want to make sure that the Board has the option to hear it or not hear it.

Alderman O'Neil stated I think we should refer it to them and if time permits I think they should be able to hear it tonight.

Chairman Sysyn stated I think they should too because it is going to be in the papers and Mr. Decker has offered to stay.

Mr. Decker stated I made the mistake several years ago of getting elected to a City Council so I have the ability to stay and hang around.

6/9/98 Human Resources/Insurance

22

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

A True Record. Attest.

Clerk of Committee