

**SPECIAL MEETING
COMMITTEE ON HUMAN RESOURCES/INSURANCE
AND OVERSIGHT COMMITTEE**

February 23, 1999

7:00 PM

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

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

Messrs: M. Hobson, F. Decker, M. Roche, D. Hodgen

Chairman Sysyn advised that the purpose of the special meeting is a presentation by Mr. Decker and Dr. Luthy on the Employee Appeals process and negotiation status.

Mr. Hobson stated Dr. Luthy is not here. He is working on the project that we have coming up in the next couple of days. What I thought I would like to do is introduce the members of the Oversight Committee. Jean Brassard who is with the Manchester Firefighter's Association; Sophia Plentzas with MESPA that is the Educational Support Staff; Diane Prew with Information Systems; Frank Thomas with Public Works; Fred Rusczek with the Health Department; Regis Lemaire, Office of Youth Services; Mark Driscoll, Police Department; Michael Roche, Stillworker's Union, Water Works; and Michael Rockwell, AFNE.

Mr. Hobson stated, Madame Chairman, we also have Steve Tierney who represents the non-affiliated employees who is not here. As you can see, the Oversight Committee is a cross-section of folks who are in union leadership and City management or City leadership and we have been meeting on this project for about 11 months. The Chairman of our Committee is Mr. Frank Thomas and he has done an outstanding job and I thought what I would like to do this evening is to talk about some of the issues that we have discussed in our meetings so everybody is really on the same sheet of paper, so to speak. The members of the Committee thought that was a great idea as well. The progress is that two weeks ago we had a meeting with Mr. Decker and Mr. Luthy and the Human Resources and Insurance Committee. David Hodgen attended that meeting as a Chief Negotiator. The Mayor attended that meeting as well. We had a number of items

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that came up in a strategy session for negotiations. The next morning, Floyd met

with the Oversight Committee. In the afternoon, he and John Luthy also met with the department heads and the non-affiliated representatives and the division managers from the City. The day after that, we had an all day session. In the morning we began with the Presidents of the various unions and in the afternoon we met with the bargaining unit members that are on Negotiation Teams with the City. The next day we met back again with the Oversight Committee and then we followed up with the division heads and the department heads, as well. We went through most of the items that you see here on this department head meeting agenda. To one degree or another, we touched upon the appeals process for Decker, how the A step is going, how it is working. We discussed some policy issues like vacation accruals which really aren't a big deal for us tonight. We talked, actually fairly frankly and openly about how things are going with labor negotiations and then we spoke about the development program that Mr. Luthy is putting together and then we talked about the future of the Oversight Committee and some of the organizational development issues that we are dealing with. At this point in time, I would like to turn it over to Mr. Decker if that is all right and he will speak specifically about two items here in terms of the appeals process and our A step program.

Mr. Decker stated it is good to see all of you again. The appeals process, to refresh your memory, particularly for those of you who are elected officials here, was to provide a final opportunity for employees to go to the Oversight Committee with those kinds of issues coming out of the Classification & Pay Plan that they felt deserved another look. Now you will recall that we put some restrictions on that. We said that we would not just have the Committee hear anybody who was dissatisfied with our recommendations, that they had some boundaries on it and those boundaries should basically be if they felt that there had been a mistake made or that there was a clear mistake made and if they felt that they could produce information to show that we were below market with our recommendation. They had to be very specific in terms of what they would bring to the Committee. By and large, what has come to the Committee and I think Frank and several others here can verify this, most of what came to the Committee from employees were those employees who were dissatisfied with our recommendations and who we had turned down in our appeals process simply took their appeals forward to the Committee. I think there is over 100 of those out of 2,000. So we have been through two groups of those. The first group, I think, Madame Chairman was about 19 of them which we took to the Human Resources and Insurance Committee and I think we dealt with 18 of the 19. As I recall, you held one back. Then there was a second wave that we went through two weeks ago and there was about 90 of them. We got through a significant number of those two weeks ago. There are about 20 left. Now from our point of view, we recommended to the Committee when we looked at those appeals sort of like three

courses of action. Those appeals that were based upon issues that had been

previously raised where they simply disagreed with our recommendation. They thought they should be in a higher pay grade and we said no and they still think they should be. Those kinds of things where they felt that we didn't give adequate important to their jobs or they wanted to rewrite their job descriptions because they felt that they didn't have a complete opportunity to prepare their job descriptions in full or whatever. Those we suggested...we used the word hold or freeze. You recall that we said, and I think it was in the ordinance that was adopted, that there would be a one year cooling off period and so out of all of the appeals that have come in, lets say there are 100 roughly, maybe 110, probably 90% of those we said freeze or hold. You want to go through the cooling off period and see what happens over the next year. Those are basically employees who just simply disagreed with us but had no new information to bring to the table or to the Committee. There have been some where we did recommend that you approve it based primarily on the fact that between the time we made our recommendation and now some of the duties and responsibilities have actually changed. There have been modifications in the job that have added duties and responsibilities that we believe justify and increase. Finally, there are those that we just flat out said that we disagree with, we think that it is wrong and that we would recommend that you don't even hold it right now but deny it on the basis that if you do it for that employee, you would have to do it for a whole bunch of them. For example, you recall that we have, in each pay grade, the minimum and maximum ranges and then steps within that grade. There are quite a few employees who believe, and earnestly so, that since they have been with the City for 20 years and they fall between that range and lets say they fall halfway between the new range and previously they were at the top of their range, they feel that they should be at the top of the new range which could be 15% higher or whatever. They look and they see that employees who have been recently hired with the City may be below the minimum we are suggesting and so those employees moved to the minimum and they got a nice little cash increase to go to the minimum so I think that there is some of that laying in there so a number of those employees brought the issue back up and said we should be further down the range or at the maximum of our pay grade and they felt that is discriminated against the employees who had been with the City for a longer period of time. We recommended that you disapprove that. If you grant one employee an extra step for something on the basis of longevity, you have another 1,500 employees out there or 1,300 employees out there that might raise that same issue and if you look at the amount of money that would be required to address that issue, you can't do it. You couldn't do it in one year. Now there may be, during the collective bargaining process for some bargaining units there may be some ways they want to address that problem amongst their membership and do trade-offs. I think we should remain open to that if they come up with creative ways to address it. As a general rule, we said no to that because there has to be a uniform methodology of

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implementing it for everybody going all

the way from a custodian to the City Solicitor. It should be fair for everybody from top to bottom. Frank, do you have anything to add to that.

Mr. Thomas stated no, I think you are doing a good job.

Mr. Hobson stated that item did come up, Madame Chairman, in several of the meetings and discussions that we have had with different bargaining units and I think the decision of the Oversight Committee was that we should talk with those bargaining units to see if that can be addressed because obviously it is not everybody within a particular unit. There may be some issues. I don't want to speak for Sophia Plentzas, but I realize that her bargaining unit, MESPA employees, did not get a cost of living raise for lets say six years so you have some new employees that are here, you have some employees that have been there 10 years that are over here and they are looking at the cost of their contract and saying maybe we can creatively try to fix this problem to make our membership whole or at least in a better situation. I think that the Oversight Committee basically said that we are open to talking about how to address that. We have a finite amount of dollars. We need to work within those dollars and we want the study to address whatever issues we can and I think we need to be open and have some very open and honest communication with them.

Chairman Sysyn asked did you hear all of the appeals now. Have you gone through all of them?

Mr. Decker answered we have reviewed all except for about 20. I, personally, reviewed except for 15 to 20. I will go through the rest of those probably tomorrow and give a recommendation back to the Committee. There have been a couple where the Committee overruled our recommendation and I think they have that right. It is a close call and I don't have a problem with that in the world. I think that the Committee and those of you here are very close to some of these jobs and sometimes you may see something that we don't see or there may be a good, valid reason for doing it and I think there have been one or two of those but basically we look at them and determine, on the basis of how we dealt with all the others, if we think that is a fair appeal or not. There are about 15 or 20 to go and the time period for submission of appeals is over. We are just about there.

Chairman Sysyn asked so all of these appeals will be done before the new budget comes out so people will know where they are going with their budgets. People need to know where they are going with their budgets now and whether the unions are going to accept or reject the plan.

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Alderman Shea stated you mentioned before that there were clear mistakes made, quoting you, so that people appealed. Who made these clear mistakes?

Mr. Decker answered I did.

Alderman Shea asked in what way.

Mr. Decker answered well it may have been a situation where in the final report we had said that an employee was like a Motor Equipment Operator I and it was a mistake in terms of our database input and they should have been a Heavy Equipment Operator III and we made them a I instead of a III. In other words we made them a Truck Driver instead of a Grater Operator. There were just maybe four or five data input mistakes. In another case, I think, as I recall we had committed that someone be classified as an Accounting Technician and they were still at an Accounting Specialist III or Senior Accounting Specialist and there was a one pay grade difference. There were a few like that and they were my mistakes and when we went back to the office and I had a list of things to correct either I didn't do it or our staff put it in incorrectly.

Alderman Shea asked if you had certain types of classifications, in other words, if you had certain types of written explanations as far as the job was concerned was that provided to you by a department head or did you, yourself, have a criteria, an objective criteria that you compared data to. How did the different development of a job classification come about? In other words if somebody is working in the Planning Department, did he submit to you what a worker in the Planning Department would do or did the person themselves working there submit it to you? How did this work?

Mr. Decker answered the way it began is that each employee in the City and this is going back to last year, each employee in the City was provided with what we call a Position Description Form. They filled those forms out. It is a four page form. They filled those forms out in detail and then those forms were sent to their supervisor and to their department head. Those supervisors and department heads were allowed to look at them but not change them. Now the union representatives also had copies of those. As a matter of fact, in the case of the Fire Department, the firefighters decided that they wanted to have one description for their work so they got together with their representative and prepared one as a group. We favored that. Then those descriptions were reviewed by us in our office and then we came to town with a staff of about eight and we spent three weeks here interviewing well in excess of 65-70% of all of the employees in the City personally. I would just conclude that part, dealing with appeals, by saying to everyone here that and I have said this to both those representing department heads, management, labor, elected officials and all the rest that the bottom line of what we have all been able to do together is to, for a very modest amount of money, we have been able to establish minimum and maximum rates of pay for

most classes of positions that are extremely competitive in New England and by that I mean even compared to Boston so that employees who now come on board with the City have an opportunity to be very competitive and you have the right to expect high quality performance as a result of that. So we have now moved from, hopefully with the conclusion of the appeals, from the issue of pay and whether or not employees in Manchester are fairly paid. I think the answer to that is yes they are or will be. To the question of how do they move up the scale from year to year, what we are working with the Oversight Committee on is an employee development process whereby the City now will begin looking at each employee and saying what is it that we can do to help that employee be the best employee that deserves that top level pay. What can we do to make the public employees of Manchester the very best that the public can possibly expect and that the public will be proud of and that the employees would be proud of themselves. That employee development process has a lot of elements to it, one of which is to say that at the end of a given period of time of the employee working with their supervisor to determine what they need to do for the next year, what new skills they need to gather and what things they need to perform, at the end of that year, among other things the employee will be evaluated on how well they did their job and on the basis of that evaluation, if they perform it satisfactorily, they would move up a step in the pay grade. If they did not perform satisfactorily, they would stay where they are until they corrected their performance. If they performed extraordinarily well and there will be few of those, just like hopefully there will be few of those that don't perform well at all, those employees would have an opportunity for some added pay in addition to that annual adjustment. Now we have taken this idea with the Oversight Committee's approval and participation and as Mark said a couple of weeks ago, we then had a detailed discussion with the bargain uniting President for the Negotiating Teams who had some concerns about this process. The main concern they had about it, I guess, could be stated in one word and that is trust. Of course we heard a lot of stories from the bargaining unit representatives about their perceived past problems with supervisors and it is a fact that performance evaluation systems fail because of supervisors. Supervisors who are not fair, supervisors who are bias in terms of their judgment. They don't fail because of their employees. So we began working on a system to try to overcome that program of lack of trust. We explained to them that they are currently evaluated on the basis of instruments for which they have had no input in the past. For instance, the Police Department has a performance evaluation system right now. So does the Library and those employees there had no input in terms of how that performance evaluation system was designed. So we said it is a no lose situation for those in the bargaining units. That we are offering them to have a role in helping design what kind of performance evaluation instrument would be used and how they are evaluated and how they are measured counts. So I think that based on what the bargaining units indicated to us, there are a couple of

interesting things. One is they do appear to be willing to look at and participate in what we

call the facilitated or concerted bargaining process where we may be negotiating or talking with more than one union at a time. They did indicate, in the meetings with us, that as long as there was an appeals process on performance evaluation, say an employee disagreed with their appeals process, that the appeals process went up the ladder in the department to the department head and only then would they go to an appeals committee which generally they came to a consensus on what the appeals committee ought to look like to keep everybody honest. They didn't all say yes, but they indicated that they would all take a serious look at that type of approach and they indicated that if we didn't have any step freezes during that process, I think what I heard from them is that we will be able to do this with them. I do think, Madame Chairman, the last time we met we talked about whether we should have one, or two or three year agreements. If you look at the process of an employee development program, it is going to take a year from the time an employee agrees and the supervisor agrees that they are going to have this employee development plan and this is what they are going to be measured on that it would take...obviously they would need to perform for that period of time, eight months to a year, before you can determine how they are ranked. So on the face of it, that means that we ought to be looking at at least a two year agreement instead of a one year agreement which I thought we could do the last time I was here, a one year agreement, but I don't think that works. Based on what I have heard so far, and this could change tomorrow, but based on what I have heard so far, I think there is a possibility between now and July, if we work on it really hard, I think we can achieve two and three year agreements that would be satisfactory to management, satisfactory to the Mayor and Board of Aldermen, and satisfactory to the bargaining units as well. I am not guaranteeing that, but I don't see any reason not to try. There are still some tough issues, I think. I think we can get past the performance evaluation participation. I think we can do that. I think there will be some issues that will come up such as longevity and new hires versus old hires and how they are treated. That is employees who are coming on board now and employees who have been here for a long time. I think there will be some issues like that, that will raise their head but they don't seem to me to be killer issues. So all in all, I am really encouraged about what has come out of this. I am really encouraged about how the Oversight Committee and bargaining units have worked together with the Mayor and Board of Aldermen and I think we have some great opportunities in front of us to address some really tough things and do well.

Mr. Hobson stated there are a couple of things that I would like to add to Floyd's presentation about the labor piece and obviously I have asked David Hodgen to participate in this meeting and at least be with us. As I think all of you know, David works in the Human Resources Department and he is our Employee Relations Manager. That is a very small portion of his job. The rest of his job is

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as Negotiator for the Board of Mayor and Aldermen and for the Board of School Committee. He reports to you, not to me and not to Floyd Decker. David is

clearly our negotiator. That is number one. Number two, you as a group have put money in my budget to have a facilitative approach this year to bargaining because, you as a group, also passed the Yarger, Decker & Associations Study and we have pretty much been holding it firm with our bargaining units saying this is the plan that we all want to move towards and we feel that the field is big enough for everybody to work in. The third piece, and not to try and make it confusing but to realize that there are a lot stakeholders involved, the third piece is that we have asked the Oversight Committee, which as you see we have labor leadership sitting at the table with us because they are stakeholders and they have a say in this obviously that we have an equal relationship here. When you get down to labor and management issues, usually two things come up. Labor is obviously concerned about maintaining jobs and having good benefits and good wages for that employee. Management, obviously, is concerned about the bottom line, about public service, about the tax dollars. I think everybody here realizes that we have to have neutral interests. That both sides have to share that same type of vision. So because of that, I feel that we can do some concerted, in concert, bargaining with these representatives and David and Mr. Decker and Howard Tawney from my office has been asked by the Mayor to make sure that the Yarger Decker highlighted pieces are covered when we go into collective bargaining, but these are our opinions and these are our feelings but you obviously as the Aldermen, you have to give David his direction and where he ultimately needs to go. What we are doing tonight, more or less, is to bring these people around the table so they can share their feelings with you or participate in this discussion. I think Floyd has done a very nice job, however, of capsulizing and at this point in time I will shut up and ask Frank if he has anything to add to that.

Mr. Thomas stated I just wanted to restate that a study of this magnitude, every employee in the City is not going to be happy. There are still going to be employees out there that are not satisfied with their classification, their grade, their pay, whatever and I think we noted that to the Board of Mayor and Aldermen when we first went into the study that not everybody is going to be happy. I think what has happened here is that those that are still not happy have had the chance of going through the appeal process, have had the opportunity to have their case looked at again, and even if they are still not happy with this appeal committee, they still have the ability to appear in front of the appeals committee or the HR Committee if there is a straight denial. Again, you may hear some grumblings out there. I think they are few and far between considering the amount of employees that have been covered by this study. Also, as Mark and Floyd mentioned, I think that it has always been the intent right from day one to try to implement the study on a broad brush basis to all employees in the City and I think that is what Mark and Floyd are talking about now as we enter into the next phase of trying to implement it with the bargaining units. The bargaining units have been very

supportive as mentioned. Are we going to have some glitches and problems along

the line? I am sure we are. I think some of the group type bargaining negotiations may have some benefits to speed up the process. Is it different than the way we have done business in the past? Yes. Hopefully, we are all taking a step into the future.

Mr. Decker stated I would like to bring up a couple of other points and that is that when we met with the unions there were a couple of major problems that we made some real progress on. One is how to handle cost of living in some of these agreements. I am not saying that we have an agreement with them, but I think we got consensus around the table that we could approach in kind of the following way. That is that for the first year, this year it would be zero. The next year we would try to estimate a range. Lets say 1.5 to 1.8 and if that range ended up being low, then it would be an add-on the following year to whatever that number was. If it ended up being high, it would be a subtraction from that. The way we would arrive at determining that cost of living number is in the following ways. One is there is a cost of living UPI-U that really covers the Boston and New Hampshire area. You can look at that in combination with some of your utilities. Your power company, your water company, your banks. They have their own cost of living figures for this area that deals more specifically with Manchester so you could do some sort of a blending of those figures. You could kind of work out how that blending was going to be with the bargaining unit. Obviously, you don't want to work off of Cambridge numbers. On the other hand, you don't want to work off of some rural NH number either so I think that is one area where we would just simply try to find out, from a neutral party that deals with that on a day-to-day basis as far as their business, agree on who those neutral parties may be to find out what the cost of living is. One of the things that I think everyone agreed to is that the cost of living is the same for Mike Rockwell as it is for Frank Thomas. It is the same for a custodian or for the courier as it is for the City Solicitor. Another issue that will come up and that you are going to get more flack about probably than any other issue I know of is you recall that we said that employees who are exempt from the Fair Labor Standards Act, which means that they do not get overtime, we clearly specified that those employees would not receive overtime anymore unless they were on a list that we gave you that you acted on several weeks ago. I think there were 17 of them. We have a number of employees who are not real happy with that. Now the law requires, to refresh your memory, that if an employee is non-exempt it means that if they work overtime you have to give it to them in cash, not in compensatory time unless the employee agrees, but in cash. If an employee is exempt, it means you don't have to pay them overtime but you can if you want to or if there is a reason to do so or if that is already included in a collective bargaining agreement and you have bargained that in obviously for the same reasons that you thought there was a good reason to do so. You are going to get some of that when the appeals process has been completed. Like Frank said,

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you are going to continue to get employees who are not happy but I would hope

that you would remember that we have about 2,000 employees here and you probably have about 50 that are not happy with us. If we wait a year and let things cool down, I think you will find that it will dwindle even further after people think about it. I think that is not bad. So for those with bargaining units, I want to make it clear that even if they are exempt from the Fair Labor Standards Act and they are covered by a collective bargaining agreement, then obviously that doesn't change.

Alderman Shea stated I would like to go back to the performance objective. Will a department head start with developed objective standards in terms of an employee? In other words, is it going to be weighed in terms of individual judgments on the part of a department head or are there certain objective developed standards that an employee has to adhere to before they will be given additional performance pay?

Mr. Decker replied the process would work like this. There would be certain core values that all employees would be expected to demonstrate.

Alderman Shea asked in each department.

Mr. Decker answered everywhere. Like honesty, attendance, promptness, timeliness, being there. Things that are easily measurable and observable. If someone is tardy or has a high degree of absenteeism for a long period of time and doesn't call in, you know those kind of things that neither management nor labor would really question because it is there. From that point forward, you need to develop work related attributes and measurements that are directly related to the work being performed. Lets say that, like you said, the City Planner. Well you want to make sure that what you list as the duties and responsibilities for the City Planner that they are going to be measured on are directly related to the job of a City Planner. You are not going to ask a laborer to be measured by the same standards that you would apply to a completely different job. Then the person that would develop that would be, that person's supervisor would sit down with them and together they would say all right for the coming year here are the things that you are going to be asked to do and the things that you are going to be measured on that your performance is going to be measured on and more importantly than that, how it is going to be measured. Both agree, okay that is going to be what we are going to do so that at the end of the period of time the employee could virtually rank themselves. They would know whether or not they performed that well or not and then you would sit down at the end of the period and go over it and have the evaluator ranking and you would meet with the employee again and say here is what we decided and you would have that discussion again. Part of the value of this, Alderman, is that it brings the employee and the supervisor together

to really sit down and talk about what the job is all about, what they want to achieve the next year, how they are going to be measured on that so that in the interim throughout the year they can chat about it because they really have worked

together on it to begin with. Now in some instances, like where you have in Frank Thomas' case where you have a lot of employees that do the same thing like equipment operators or truck drivers or whatever, and the Fire Department where you have a lot of people that do the same thing and the Police Department, you may be able to do that in group meetings where you can get all of the patrolmen together, all of the firefighters together and say we are going to develop a list of standards together in kind of a team setting where it doesn't make any sense to meet with one firefighter right after another to do that. We are going to do some experimenting on that. Does that answer the question that you were concerned about?

Alderman Shea stated the hardest part is being objective when one is evaluated and I guess we could talk forever about that. In other words, being human we all bring that into the equation. It is just difficult, in my opinion, to be fair with everyone. In other words, if somebody is working at the Fire House Engine 7 and that person does something because of close living and antagonizes a particular supervisor, regardless of how well that person may perform overall, because of that close relationship if the person that has been antagonized has to evaluate that person or is in some way...it could be a downer. It is so difficult and that is why I think there should be objective standards to begin with so that there isn't any kind of subjectivity and then weight that against the subjectivity. In other words, objectivity 80% and 20% or whatever. It is totally subjective in terms of an employee. Those that tend to please by nature, the hi/hi, how are you doing kind of deal, I am a friend of yours, lets go out for a drink after work, etc., they are the guys or the women who tend to move up and the guy who is quiet but does the job isn't as well recognized.

Mr. Decker replied that is exactly right. You hit the nail right on the head. That is the main challenge that we have and part of it is to work, which we will be doing, to develop a supervisory management process handbook and training of individual supervisors. You can say, well you may think if you are my supervisor you can say I knew Floyd Decker when he was in high school and he was a jerk then and he is a bigger jerk today. I just never have liked him and I may be doing a great job but there is just something that you don't like about me. I may not like you either. We need to find a way that if that is the case, that the supervisor is big enough to say I have a problem, I may be biased regarding this employee so the supervisor asks for help from someone else to evaluate this person. There is nothing wrong with saying I need some help or admitting that, but you are absolutely right and as I said at the beginning one of the reasons these systems traditionally have failed, both in the public and private sectors, is for that very reason. It is really tough. We can sit here and talk about appeals committees and all the rest, but we need to take as much subjectivity out of it as we can and we are

going to try to do that. Now there is always going to be subjectivity, but if we

have the appeals process to back that up, I think we have a good chance of having something that is a lot better than what you have now which is nothing or in some cases a little bit too subjective.

Mr. Hobson stated there are some pieces with that employee development program that it has been awhile since we have talked to you about. John Luthy, Dr. John Luthy, has developed basically seven phases or seven parts of it. We are adopting six of those pretty much right off the bat. One of those includes employee to supervisor feedback. That is anonymous. How am I doing as a manager? How am I doing as a supervisor? The department heads unanimously voted that they felt that should be there. Of those six pieces, there will be a performance summary sheet. That is really the nub that takes the development plan over here on this side and then you have the summary issues or the performance issues that get summarized on this document that goes into the employees' file. We have involved labor and division heads and non-affiliated employees right from the get go in everything that John Luthy has done. There is not a presentation that John Luthy has made that there were not rank and file employees or their representatives who were there because we want this process to be honest. We are also spending a good deal of money and time in leadership development and supervisory training, management training and leadership training because there are varying degrees in that. One of the other pieces that we feel is real important that John Luthy has developed is something called emotional intelligence. It is not John's idea, but it is something that John has used and brought into the piece and I think it is critical because, and I agree with John on this, as I have heard people say well they are a really good accountant, but they don't know how to relate to people or they are a really good technician and a really good technical manager but they can't really manage their staff very well. They are kind of rough around the edges. I think that is a bunch of bologna. If you are paying somebody to be an employee of the City, you expect them to have some good, quality customer service skills and that customer service and that public service translate to more than just the people that they might talk to on the phone. It translates with the people they talk to interdepartmentally. I don't know of one job in this City that you put somebody in a closet and say here, you never have to deal with another human being. So we want, yes, we want people to have that emotional intelligence. We want them to have that public service. We want them to have that drive and all those other things that Floyd talked about and that is one of the reasons why you are putting together a plan that is going to pay people well because that is who we want to retain. We want to retain and promote the best possible employees that we can for the City of Manchester.

Chairman Sysyn asked how does labor feel about all of this.

Mr. Roche stated just to go over some of the facts with a labor spin on them or at least my opinion, there were three waves of appeals. Floyd you missed the last meeting but we took up maybe 20 or 25. For the most part, if 90% of the employees are going to be frozen according to Mr. Decker's earlier testimony, then they don't have another shot or they can't go before the appeals committee for one year which contradicts what Frank Thomas said earlier. They don't have another chance without waiting that cooling off period which is a 12 month period. The figures earlier involved 110. If you take into account the people from four unions, ASCME, Water Works, School Support and Police Support, there is a minimum of 70 to 80 that are part of that overall appeal so that would bring the total up to about 180 and in my estimation there is probably not going to be 10% of the people that do appeal because I do serve on that committee that are not going to be entitled to what they are looking for so the people saying earlier, like Floyd said there are about 50 people who are still unhappy, well there are probably going to be 150 before everything is said and done. So it is just the numbers. We are working, obviously, the unions are working with Floyd and Mr. Hobson. Coordinating bargaining, concerted effort, I think that is the way to go. That is my opinion. That was first discussed in December. The performance, you know Alderman Shea brought up a lot of good points. That is going to be a big hurdle to overcome and, Madame Chair, one year agreement we would want as a minimum. You would have to probably have a two year and maybe if it could be done on a trial basis if it is not working. I think the question often asked that no one has really discussed and it has been brought up and if you look at the way the system is designed, my biggest question is where is the funding going to come from. If you look at all the past history of this where 97% of the people are satisfactory employees, which means that and that is a 3% raise and if you figure into a COLA, if you actually do a real COLA and you take what the cost of living has been for the last decade in this area, I don't care what index you use, it has been averaging about 2.5%. Between 2.5 and 3%. So if you couple a 3% for 97% of the employees and you add a 2.5% plus if you take the 3% that do not qualify for satisfactory employees, on the other end there are 3% that are going to be entitled to 8% or 9%. It all looks good on paper, but where is the money going to come from. I have been negotiating since 1982. I have seen the good times. I have been here since 1971 and I have seen the bad times. You can put a mechanism in place but if you don't have the money to support it, it is not going to last a year. It may sound good, but the funding has to be there and the unions are obviously going to be concerned with that. Thank you.

Mr. Decker stated, Madame Chairman, I don't disagree with Mike's numbers when he corrected me as to whether it was 50 or 150. He may be correct there. I didn't do a careful review when we were here. I would say that if you look at, and I think he is also correct, that we need to take a hard look at what the numbers

actually are and what it is going to cost. Obviously, I think that in general terms,

very general terms, you average annual increase, if you took the average annual increase each year of the bargaining units over the past four, five or six years you are looking at somewhere in the neighborhood of 4.5% which you have been granting, roughly. Of course, some got none but 4.5% I think is what we showed in our report. Now our annual increase is based on performance at 3%. So you have a 1.5% savings right there. Our longevity program is about .5% more than what you have been doing so you have that down to about a 1% savings so far. Now that doesn't pay for the long range costs as the Alderman pointed out earlier in one of our previous meetings, but it does say that the initial year implementation cost is affordable and now we need to look and make sure that what we are doing in the collective bargaining process is reasonable and fair and affordable and I agree with him but I think the only way we are going to find that out is to get into the details of it and see what we have got and try to cost them out as you go through it. I agree with Mr. Roche that we don't want to have agreements that we can't live up to. The worst thing in the world to do would be to say to employees that if you perform well and if you do this, you have 3% coming and then you find out you can't do it. You have destroyed the system right there. There may be times in the future where, as you had here before in Manchester, where you have an economic downturn and you may have to go with just the cost of living increase and suspend merit increases for a year or two but if you suspend them, you ought to suspend them for everybody, not just selected groups.

Alderman Shea asked, David, would you have those figures for us. In other words what a two year or three year contract would be? Would you be able to provide that in a reasonable time-frame to the Aldermen?

Mr. Hodgen answered I think I would depend on Mr. Tawny and the THE system to come up with the numbers assuming particular percentage increases, but that is a function of calculating the base wages and then doing the percentages.

Alderman Shea stated in other words the lowest and the highest versus...in other words including performance objectives and pay versus cost of living versus COLA.

Mr. Hodgen replied there would have to be some assumptions that perhaps everybody on average would get the 3% increase. Some wouldn't get any and others would get the extraordinary amount and then there would have to be some assumptions about what the cost of living increases would be and that then would be a percentage of the base wages. I think that could be done relatively easily on a gross basis. To do it on a refined basis is more difficult and is something that I need to do when I come to ratify contracts anyway. A lot of times there are other

factors involved. I don't want to mention something like clothing allowance which is putting small issue with police officers, but there can be other cost items

in a collective bargaining agreement that need to be identified and cosseted out for the Board of Mayor and Aldermen as well. I think some estimates could be made about long-term impact, but it would have to be based on some assumptions. What are the cost of living increases going to be into the future?

Alderman Shea asked, Mark, if the Yarger Decker Study is fully implemented, is there any City employee who will not get a pay raise or a pay increase. Are there any or does everyone, because of the classification and compensation, do they, I know that I looked at certain raises and some are making, I don't want to be specific, but people are increasing. Some \$500 and some \$4,000 or \$5,000. Are there any that aren't getting anything? I know that no one asked not to get anything but is there anyone not getting anything.

Mr. Hobson answered yes. The point of the classification study was to put everybody within these ranges and you have a number of positions. Most of those positions, due to their longevity, the people have been in the City in those positions for quite awhile so they have hit the top of their range and they are not going to see a whole lot of money. I remember seeing one go up \$1.50. Now that does not mean, that is the study, boom. That puts everybody into the process. The next part of that is that you are looking at a development plan that includes a pay for performance basis and within that system, yes, everybody would qualify for the basic three percent of funds that Floyd is talking about in terms of either a step or in cash if there are no more steps. The bottom line that Howard Tawny, myself, Floyd Decker and we involved some people from Finance in terms of looking over the numbers, this is now months old, many months old, was 6/10 of a 1% increase to our bottom line more than what we have already done on a regular basis. Now we have done some tweaking and I wholeheartedly agree with David that we need to look at, which we are doing right now by the way as part of the budget process, we are taking each one of these departments and we are going through position by position and taking a look at what they look like within the Decker study. I agree with you, we have to hold, ultimately, the department heads accountable for how they work within their budget and our office for providing those figures.

Mr. Decker stated, Alderman, I think and this is a pure guess because I am going back several months, but I think there were 12 to 15 employees who were in positions where their current pay was higher than the maximum that we had for that type of position. It could have been more, but comparative to the total number of employees, there weren't that many and those were cases, usually, where the employee had been here for a long time, they had a lot of raises and increases and so forth and their current pay was simply higher than what the market indicated the maximum should be. So they end up, Alderman, retaining their current level of pay and will continue to get that until the cost of living

increases the pay matrix for the maximum above their current pay, but they would still be eligible for the

extraordinary performance bonus. There is a maximum level for a given job. I think we can all agree that a truck driver shouldn't get more than \$200,000 a year although Mr. Rockwell might disagree. There is a maximum level for a given job. In a few cases we thought we had reached that level on a few jobs, but not many.

Chairman Sysyn stated I want to thank everyone for coming. Overall, I think this is a good thing for the City myself and I think it is long overdue.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Klock, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee