

COMMITTEE ON HUMAN RESOURCES/INSURANCE

December 7, 1999

6:15 PM

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

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

Absent: Alderman Klock

Messrs: M. Hobson, F. Rusczek

Chairman Sysyn advised that the first purpose of the meeting shall be to address the tabled items.

TABLED ITEMS

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to remove Items 4 and 5 from the table.

4. Report of the Committee on Human Resources/Insurance recommending that the Organization and Management Development Proposal submitted by Yarger Decker & McDonald, Inc., in an amount not to exceed \$189,000 be approved.
5. Communication from the Human Resources Director relative to the structure and status of department head and deputy department head positions in the Yarger Decker pay grade allocation.

Alderman Shea moved to receive and file Items 4 and 5.

Alderman O'Neil stated I had a brief discussion with the Human Resource Director and he has had some conversations with the Mayor-Elect.

Mr. Hobson stated on Item 4, we have a process going right now on Total Quality Management Training for all employees and I spoke with both Mayor Wieczorek and Mayor-Elect Baines and I think they were both relatively in favor of placing some of this money into TQM training for all employees and leaving the rest of the funds in contingency.

Chairman Sysyn asked how much of the \$189,000 do you need for the TQM training. Did they give you a figure on how much of that \$189,000 they would like to use for training?

Mr. Hobson answered based on the time of the year at this point, if we could perhaps do a 50%/50% or a 60%/40% split. My training director is shaking her head so she would like 50%/50%, but either a 50%/50% or 60%/40% split would be sufficient for us. As an FYI, I believe I sent all of you notices. We have 150 people going to training classes in the next week at UNH and then we will be cycling that up to have about 500 people go through training in January and February.

Alderman O'Neil moved to transfer \$95,000 for the TQM training and to transfer the balance to contingency. Alderman Pinard duly seconded the motion.

Alderman Shea asked how do we know how much is in contingency because we have used some of it already.

Chairman Sysyn answered no; we haven't used any of it.

Mr. Hobson stated this money has been separate and laying on the table waiting for us to come to some kind of conclusion. Obviously, if we don't use the money for training it is in the general fund and we can sweep it back into contingency. That is not a problem.

Chairman Sysyn called for a vote on the motion. There being none opposed, the motion carried.

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to receive and file the Organization and Management Development Proposal.

Clerk Bernier suggested that Item 5 remain on the table because there will be an action taken at the next Board meeting that unfinished business would automatically go to the next Board.

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to put Item 5 back on the table.

Chairman Sysyn addressed Item 6 of the agenda:

Ordinances:

"Amending Sections 33.024, 33.025 and 33.026 (Conservationist) of the Code of Ordinances of the City of Manchester, NH."

"Amending Section 33.026 (Electrical Inspector) of the Code of Ordinances of the City of Manchester, NH."

Alderman O'Neil moved to table the Ordinance Amendment relating to the Electrical Inspector and approve the Ordinance Amendment for the Conservationist. Alderman Shea duly seconded the motion. Chairman Sysyn called for a vote. There being none opposed, the motion carried.

Mr. Hobson stated apparently we need to look at some of the other class specifications within the Building Department so it would be good to table that tonight and we will bring it back with some other positions.

Chairman Sysyn addressed Item 7 of the agenda:

Request by Airport to create a new position of Property and Contract Administrator.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to approve the request.

Chairman Sysyn addressed Item 8 of the agenda:

Communication from the Director of Public Health requesting approval to fill a Public Health Specialist II (Environmental Toxicologist) position funded by EPA Combined Sewer Overflow settlement.

Alderman O'Neil moved to approve the request. Alderman Pinard duly seconded the motion.

Alderman Shea asked, Mr. Rusczek, in this budget you have enough to carry it but how about in your 2001 budget.

Mr. Rusczek answered this is funded by the EPA for five years.

Chairman Sysyn called for a vote on the motion. There being none opposed, the motion carried.

Chairman Sysyn addressed Item 9 of the agenda:

Communication from the Public Works Director requesting the creation of a second full-time Inventory Control Specialist, Grade 16 and the elimination of a Laborer-1, Grade 10 position.

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to approve this request.

Chairman Sysyn addressed Item 10 of the agenda:

Communication from Michael Roche, President of Local 8938, United Steelworkers of America, expressing his concerns about the recent cancellation of a labor/management seminar at Harvard University noting that only upper management employees were to attend; and, further that he was being required to use his own personal time and tuition reimbursement when no one else was required to.

Mr. Hobson stated I have had a chance to talk with Mr. Roche and also a chance to talk with the department head and I have a couple of paragraphs that I would just like to share some thoughts with the group so that we are all on the same page. Would that be appropriate?

Chairman Sysyn replied yes.

Mr. Hobson stated the reason why I wanted to put a little something in writing was because frankly a lot of this skirmish was caused by an idea that I had and I just wanted to make it clear to folks that here is where we were coming from. When the Oversight Committee began its work, Harvard University contacted us and said that they had a brand new idea, planning workshop, that they were trying to do to build teams among labor and management and they heard that Manchester was doing some interesting things and they wanted us to attend. We originally planned a three and a half day seminar from Thursday to Saturday. Unfortunately, the timing for that was bad for a lot of people because of the budget process and some other things. Harvard invited us back. It was a little bit shorter session the second time and at that date most of the labor groups could not or did not want to attend and to my knowledge only Michael Roche from the Steelworkers continued to express an interest to attend the seminar on the new date. When we spoke with Harvard, they advised us not to attend the seminar with only one labor representative there. They said it didn't make any sense so we cancelled. Here is the point that I want to make. It was my intent to pay for the expenses of the entire seminar for all of the attendees from Federal funds that we had established for training purposes. Secondly, it was my intent that employees would be paid

for work time Thursday or Friday by the department. The City would not pay employees for weekend hours unless they were scheduled to work on those hours. During this whole process and this is the piece before you now, the Water Works Director, Tom Bowen, sent me a letter expressing some frustration regarding the fact that Mr. Roche had not communicated his intent to attend the seminar properly and then Mr. Bowen also expressed some concerns to me about contract issues and other things regarding the seminar but at that point, frankly, the issue was mute because the seminar was cancelled. We do have a seminar and travel policy. It was amended recently. I think it works for everybody. I think the problem was that there was some unclarity in the department about who was going to be doing what and I think my own office and me in particular, may have confused some folks by not being clear about our intent to pay for the expenses for the entire seminar from those Federal dollars.

Alderman O'Neil stated my concern obviously is that there seems to be some miscommunication between with the specific situation but I want to make sure that everybody is treated the same whether it is Water Works, Health, Highway, Airport, whatever the department the policy is the same for everybody and not that certain people get paid and certain people don't, etc. The policy has to be enforced across the board.

Mr. Hobson replied the policy here says that if an employee is attending a training session that has been approved on a work day then they are paid for that day. We don't have to make people take vacation time or personal time to go to a seminar unless it is something that they won't do for personal growth and development. In this particular case, we were asking the employees on the Oversight Committee, which included two Aldermen, to attend.

Alderman O'Neil responded this is more than just training. If somebody from a department was appointed by the Governor to a Commission that affected their work...say one of Frank Thomas' engineers was put on the Engineering Licensing Board or something, that we would be supporting those activities. What does the policy say with regards to situations like that, not training?

Mr. Hobson replied it always talks about the fact that the department head, that the information has to pertain to the department's mission for it to be eligible and the department head has the authority over the policy if there is a gray area.

Alderman O'Neil responded that is the problem. We could have 26 different opinions when it is not a training issue. I think we need to look at this policy and develop one that is flexible enough but treats everybody the same.

Mr. Hobson stated my only response would be that based on Alderman O'Neil's concern it goes a little bit beyond me and I think the regulation has to go back to the...I believe we would have to make some recommendations to the Committee on Accounts to address that particular issue because I was comfortable with Page 3 of the section that talks about the eligibility, but I think that what you are saying is we need to be clearer or expand it.

Alderman O'Neil replied I don't believe there is a problem when department heads or deputies attend organizations they belong to, but we need to address when it gets down to middle level people or below. That is where I think we are not consistent.

Alderman Shea stated I want to add that I fully concur with Alderman O'Neil. One of the questions that I would like to ask and it is probably after the fact but if Harvard hadn't cancelled the course, would representatives have gone.

Mr. Hobson replied no. We weren't interested in going if labor wasn't there. It didn't make any sense.

Alderman Shea stated but they had to cancel it. You folks didn't give overtures to them to cancel it?

Mr. Hobson replied we called them up and talked to them about it and they said to us if you only have one labor representative going, it probably doesn't make any sense so we said fine.

Alderman Shea responded according to this they advised us not to attend.

Mr. Hobson replied with one labor representative.

Alderman Shea stated I concur that all employees should be treated equally. Labor and management. That is the only way if you are going to follow any kind of guideline. I realize that you probably concur with that.

Mr. Hobson replied I do. 100%.

Alderman Klock stated I agree with making sure that everybody is treated equal but I want to come to Mark's defense on this subject. I was one of the Aldermen that was going to attend this seminar and before Harvard had even cancelled the course, we decided not to go because labor was not able to attend in the right amount of numbers. I do want to come to his defense and say that it had nothing to do with a heavy weight on department heads and management. It was the fact

that labor wasn't represented well enough for the City to attend. I do agree with both of you.

Alderman O'Neil moved to refer this to the Human Resources Department and have them look at the policy to see how it can meet the goals and objectives of the Aldermen. Alderman Shea duly seconded the motion. Chairman Sysyn called for a vote. There being none opposed, the motion carried.

Chairman Sysyn addressed Item 11 of the agenda:

Information to be presented relative to life insurance and Accidental, Death and Dismemberment insurance.

Mr. Hobson stated at our last meeting we brought in the four responses through the RFP process. The Board raised some specific concerns to us about the background of the companies and the pricing and what we could and could not do. We went back and talked to, I believe, three of the folks and discussed pricing issues and other things. Here is what we did. First of all, we asked for the AD&D and Life policy to be in place from January 1 or January 2000 until January 30, 2002 to go along with the contractual bargaining agreements that we have for classified staff. Secondly, we did a review of the cost and also the background and we would like to report to you that we would recommend or we are choosing to go with Medical Life Insurance Company. The broker of record in this case is Foye Insurance Group of Manchester. Servicing the account would be Combined Services LLC of Concord. Combined Services is a known and long-time vendor with the City. They currently provide our COBRA insurance processing and other processing for terminated and retired employees. Combined Services is an arm of the Anthem Blue Cross/Blue Shield Company. Medical Life has an A or excellent rating in the AM Best Products and Services and Standard & Poor lists their bond and financial strength at an A+ or superior rating. Medical Life provided references in both the public and private employment sector. All of their references were positive. Originally, Medical Life proposed rates at 19 cents per thousand for both. We asked them to sharpen their pencils. They came down to 17 cents for an annual cost of \$86,771. The rate is fixed during the contract period. It will not go up and the City budget is set at \$100,000 for this benefit in this fiscal year. Employees are all accepted automatically in the plan for their annual salary at a maximum benefit of \$50,000. Additional insurance for employees and their family members are offered at substantial discounts after the enrollment period in January and information will be sent to employees via the Payroll staff. A little footnote is I did speak with the Superintendent of Schools because all of their classified employees are part of this group. The Superintendent just wanted it to be known that he spoke with Tom Clark and myself and he wanted it to be known that while he personally didn't have a

problem with this he is a little bit concerned going forward regarding exactly what the School Board might choose to do for their classified employees. I told him that obviously I am not a lawyer or involved in the court case, but here is where we are at.

Alderman Shea asked what kind of backing does it have, Mark, in terms of premiums.

Mr. Hobson answered I am not sure what you are asking. Do you means in terms of their rating over a time period?

Alderman Shea asked how much do they have to back up their premiums.

Mr. Hobson answered their financial strength is superior. It is an A+ from Standard & Poor.

Alderman Shea asked are they a company that is a \$15 billion company or \$180 million dollar.

Mr. Hobson answered off the top of my head, I am not sure. I have representatives in the audience tonight. I don't know. All I can tell you is that Standard & Poor are the raters of the world basically and they are giving them an A+. \$42.5 billion someone from the audience just said.

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

A True Record. Attest.

Clerk of Committee