

COMMITTEE ON HUMAN RESOURCES/INSURANCE

March 21, 2000

6:00 PM

Chairman Lopez called the meeting to order.

The Clerk called the roll.

Present: Aldermen Lopez, Sysyn, Shea, Vaillancourt, O'Neil

Messrs: M. Hobson, D. Muller, D. Hodgen, Chief Driscoll

Chairman Lopez addressed Item 3 of the agenda:

Ratify and confirm poll conducted on 2/22/00 approving to rescind previous action and refer the matter pertaining to the MTA issue to the Special CIP Sub-Committee (Re: MTA).

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to ratify and confirm the poll.

Chairman Lopez addressed Item 4 of the agenda:

Communication from the Chairman of the Board of Assessors requesting additional funding for severance pay due to the retirement of Ken Pitman (Engineering Technician II) effective 5/2/00.

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

Alderman Shea asked is there someone here from the Assessors Office or could Mark answer a question for me. How much money is available in their budget to help to fund the severance pay due him?

Mr. Hobson answered we are asking for an amount of money not to exceed \$17,200. That would mean that we want their department to do, and Mayor Baines has already directed them that he wants them to do everything that they can to lessen whatever the amount that has to come from salary adjustment or contingency. There are funds in salary adjustment and contingency to cover it, but Mayor Baines instructed them to do everything they can so it is less than \$17,200.

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

Deputy Clerk Johnson asked that Item 5 be held until the end of the meeting.

Chairman Lopez addressed Item 6 of the agenda:

Communication from the Chief of Police requesting that 302 hours of sick leave be restored to Robert Josephson (Information Support Specialist).
(Note: HR Director recommends denial based on City Solicitor ruling.)

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

Mr. Hobson stated I would just like to make a point of clarification. Mr. Josephson, his break in service was only 52 calendar days, not three months. That was a mistake in my department and I apologize for that. I guess I would like to give a broad-brush comment and Dan Muller from the Solicitor's Office is here as well. We have had similar cases in the past and we have asked for some clarification from the City Solicitor's Office in terms of how the ordinance applies to different employees and different employee groups. I feel that they gave us a very clear letter and I met with the Chief and I explained to him that while they may have had past practice in their department of doing it, the City Solicitor has clearly ruled to us now that we should not be doing it in the future. Therefore, that is the stance I have taken. I am agreeing with the Solicitor's ruling and unfortunately I am disagreeing with the Chief and Mr. Josephson.

Mr. Muller stated very briefly, this issue has come up before. It is my office's position that once you separate from the City either by ordinance or by collective bargaining agreement, the sick leave credits are cancelled or otherwise disposed of. Accordingly, if you return to service there are no sick leave credits to restore. As such, the request here must be denied. Furthermore, I am not aware of any authority to change that situation as it currently exists in the ordinance or under any collective bargaining agreement. As such, it was our opinion that the request should be denied.

Alderman O'Neil asked are you basing that on the collective bargaining agreement or ordinance.

Mr. Muller answered in this case my understanding is that Mr. Josephson was an affiliated employee at the time and looking at the contract, the contract provided for a similar treatment that upon separation the sick leave credits, if any, are disposed of and accordingly in this case it makes no difference whatsoever. They are cancelled and, therefore, if he comes back there are no credits to be restored.

Alderman O'Neil replied you kind of spun it a little bit. Based on collective bargaining agreement or ordinance? It can't be both. It has to be one or the other.

Mr. Muller responded in this case he was an affiliated member. That is my understanding.

Alderman O'Neil asked is it specifically on the collective bargaining agreement and not by ordinance of the City.

Mr. Muller answered in this case, they were disposed of pursuant to a collective bargaining agreement.

Alderman O'Neil asked and that would be similar to other collective bargaining agreements in this City.

Mr. Muller answered my understanding is yes. Mr. Hodgen, I believe, is here and could more specifically address that but I believe that is the case.

Alderman O'Neil asked, Mr. Hodgen, this is not unique. Is this in all collective bargaining agreements or are there exceptions?

Mr. Hodgen answered I cannot remember any exceptions. There may be one. I do not remember any. The collective bargaining agreements mirror the ordinance. I think they were negotiated originally to say the same thing that the City ordinance says. As Atty. Muller said, they say that when an employee leaves the service of the City, all sick leave credits are cancelled. In some instances, those accumulated sick leave days are worth money in the case of retirement or death or disability retirement, but if an employee leaves to go work for another employer, any accrued sick leaves are lost when he leaves the service of the City.

Alderman O'Neil stated we had a case that came before us a short time ago with an employee who terminated with one department and came to work for another. He lost all of his sick time at that point?

Mr. Muller replied that case, Alderman, involved a retirement so yes. That was the issue there. This was not a retirement. This was a separation from service, but essentially the mechanism is still the same. Whether it is a collective bargaining agreement or ordinance, both appear to provide for a disposition of sick leave credits upon termination.

Alderman O'Neil asked does that mean if they left for one day. I just want to make sure that I understand this. What is the time period where that line is drawn?

Mr. Muller answered as far as I can tell the period of time is irrelevant.

Alderman O'Neil stated so one day would be the same. What about for a non-affiliated employee?

Mr. Muller replied as David indicated, the collective bargaining agreements appear to mirror the ordinance. The ordinance can specifically state...does provide for cancellation. Again, I am not aware that time is a factor. Once you separate from service that comes into effect.

Alderman O'Neil stated so that is in effect for all City employees.

Mr. Hobson stated after we received Atty. Muller's letter, we did have a non-affiliated employee that this came up with and this is exactly how we treated it.

Alderman Shea asked to your knowledge, David or Mark, when this employee left did they get any compensation for unused sick days. Would they qualify for that?

Mr. Hodgen answered to the best of my knowledge I would not believe that he did because he didn't qualify. The only way that you get any payment for unused sick leave days is if you take paid retirement or duty disability retirement or you die. That isn't the case here.

Alderman Vaillancourt asked this employee left completely voluntarily. There was no coercion of any sort? There was no request that he leave? There was no suggestion that he leave? It was completely on his own initiative. Is that correct?

Mr. Hodgen answered to the best of my knowledge. Someone else would be better versed to answer that question, but I believe he left voluntarily to take employment somewhere else.

Chief Driscoll stated I would like to introduce you to Bob Josephson. Bob Josephson is an Information Support Specialist, Grade 19, at the Manchester Police Department. He started his employment on February 19, 1997 and terminated his employment on October 8, 1999. He left for a much higher paying job in the State of Maine working for the State of Maine. Within a short time, 52 days to be exact, he returned believing that Manchester was a good place to live and a good place to work. He came back to us and I was just delighted to have him back as an employee. When he left, he had 302 hours of sick leave on the books. That sick leave was cancelled as Mr. Muller and Mr. Hobson had said. I was under the impression that when he returned that would be reinstated. I have five examples going back almost 10 years.

Alderman Vaillancourt interjected point of order. I asked a specific question.

Chairman Lopez asked Chief Driscoll to direct the answer to the question from Alderman Vaillancourt.

Alderman Vaillancourt stated the question was did this gentleman leave completely voluntarily with no coercion, with no suggestion that he leave. Was this his own decision?

Chief Driscoll replied absolutely.

Alderman Shea asked, Chief, was this employee aware of the fact that he would lose his sick days. Was he made aware of what the implications were when he left? My second question is, could he have requested a leave of absence for a particular period of time to test out the job that he was going to?

Chief Driscoll answered I don't know if he could have requested a leave of absence or not. If he told me that he wanted to go to another place of employment, I don't think I would have granted a leave of absence. I would have checked with Human Resources and the City Negotiator, but I would have frowned upon that.

Alderman Shea asked was he aware of all of the implications.

Chief Driscoll answered I don't know. He could probably answer that better than I. I can tell you that when he did return, I believed as the Chief of Police and I know that the folks that spoke with him believed that as had happened in the past, those 302 hours would be reinstated. He came back at the same rate of pay that he had risen to. He also came back with the same seniority, so we were of the belief that it would be returned. I would also point out that he has been with the City for almost three years and during that three years he has used 9.5 hours of sick leave.

The man doesn't use his sick leave. The man is one of the most dedicated employees we have here. From our perspective and I think from his, this is a matter of principle.

Chairman Lopez stated I can understand that in past practice you might have done this, but I think the letter that was given to us by the Deputy Director of Human Resources through Mark Hobson states that this is not allowed and the Solicitor has ruled that this is not allowed. I think that whatever has happened in the past, we have to move forward. It is up to the Committee to decide this, but we have to go on the basis of the facts that we are given and at this time of the request and what has been ruled by the City Solicitor and the Negotiator.

Alderman Vaillancourt stated I just want to clarify one point that you made, Chief. You said that he doesn't use his sick leave. I don't want anyone to believe or get the impression that you are suggesting that some people would use their sick leave for something other than sickness. Is that what you want us to believe?

Chief Driscoll replied that is not what I am saying at all. What I am saying is that this is a very conscientious employee and I am not trying to get him back something. Sick leave is only to be used very sparingly and I just wanted to point out that this conscientious employee is that type of an individual.

Alderman O'Neil asked, Mark, as a "new employee" Mr. Josephson is and I don't know what his official date was that he came back, but after 30 days he was granted health benefits, correct.

Chief Driscoll answered that is correct.

Alderman O'Neil asked what would be his sick days. Explain to me how that accrues.

Mr. Hobson answered he probably accrues at 15 days a year and that would most likely be a day and a quarter a month or so or a little less than that.

Alderman O'Neil asked how long has he been back.

Chief Driscoll replied he has been back since November 29.

Alderman O'Neil asked so he does have some sick days as of today.

Chief Driscoll answered yes.

Alderman Shea stated Chief I side with you in the sense that he is a conscientious worker. That is why you hired him back, because of his conscientiousness. I think that is to his advantage, but on the other hand there are precedents that have been set and obviously consistency is the better part of valor.

Chief Driscoll stated this case is being compared with another case that this Committee reviewed recently and I see that they are totally different. The other case, the individual separated from the City, he cashed in his retirement, he cashed in his sick leave, he profited from those and then wanted the left over to be credited to him in a new position if I am correct and I think that is my understanding of it. This gentleman simply left, came back and everybody was under the belief and understanding that, in fact, this would be restored. It says that it will be cancelled. The ordinance says that it will be cancelled or terminated, but it doesn't say that it will never come back again. I just think that this whole ordinance and the letter from the City Solicitor is subject to interpretation.

Mr. Hobson stated in one of the documents that I sent to you I did refer...well actually I didn't refer to it but in an e-mail that is copied in here I just want you to understand that there was communication going back and forth and I do refer to another individual in another case. The person...when you asked me about a non-affiliated person, that is not this individual. That is another person who worked with the Highway Department and Mr. Thomas was here and we had to agonize over a similar situation. Again, with all respect to the Chief and Mr. Josephson and Paul Beaudoin who is the representative, we are trying to do what we think is the very best thing for all employees.

Chairman Lopez stated I think we have to look at this case and this case alone at this time and what the ruling of the City Solicitor was.

Alderman O'Neil stated one of the things that I hoped we would get out of Yarger Decker is consistency. There has been a long-standing practice in this City to be inconsistent with personnel issues. I think we need to be consistent on all matters.

On motion of Alderman Vaillancourt, duly seconded by Alderman O'Neil, it was voted to deny the request based on the City Solicitor's ruling.

Chairman Lopez addressed Item 5 of the agenda:

Communication from the City Clerk requesting to discuss re-organization of the City Clerk's Office.

Deputy Clerk Johnson stated the City Clerk is presently clerking another meeting so I am going to make the presentation on this if you don't mind. We submitted to you a City Clerk organizational chart. This is a proposed chart. It is not what we have currently. It is what we are proposing to do. The breakouts are basically not much different than we have now except that you would note that our Deputy of Licensing Enforcement and Elections, which was formerly Mr. Bergeron's job, is not listed there. We have changed it somewhat and broken that out. The second page of the handout reflects the reasons for the changes that we are asking for and then the final page gives you an exact breakdown of the positions and what we are doing with them. Basically, the office has experienced a lot of different growing climates. We are utilizing a lot more programs than we ever have been. Dog licensing is up to 8,000 dogs at this point and we do civil forfeitures, as you know because I am sure you get some calls on those on occasion. We are backlogged about 12,000 voter registration files right now and we know that we have another 8,000 or so coming up in November so we are trying to get that all cleaned up. There has been a continual backlog of a lot of basic clerical things and while it was wonderful to have Paul with us and have the archives set-up and the business licensing set-up, we are now beyond that standard although we do need some administrative level positions. What we are proposing to do is to eliminate the Grade 23 position that we had, which was Mr. Bergeron's position and to in essence eliminate from our complement the License Enforcement Inspector and from that create one and a half clerical positions, basic clerical positions called Customer Service Representative III's, which is what our front counter people are. In addition to, in essence, upgrading two positions although the grade level only changes on one. We would have a Deputy of Licensing and Enforcement. The Grade 23 previously basically would turn into the License Enforcement Inspector going to the Deputy Clerk of License Enforcement and Administration. The grade level would stay the same, although we would ask for a letter increment. We propose to change our Administrative Service Manager to a Deputy Clerk of Financial Systems and Administration because that allows us the information support stuff internally to work with Info. Systems that we need. That would, in essence, go from a Grade 16 to a Grade 17. That is what we are proposing at this time. We have a Deputy Clerk of Administrative Services and that would become a Deputy Clerk of Records Administration. That again, would be at a Grade 17 to a Grade 17. The reason we request them to be entitled deputies is because of the Clerk's Office having to certify records. If they are not technically considered a deputy, they cannot certify our records and that becomes a problem if I am in Concord and Leo is at a meeting and Paula wants to go to lunch and she can't because nobody is there to sign documents. We have always tried to maintain that level and that is one of the reasons we had Paul as a deputy originally. We did speak with Mark today about this and walked through it a little. We are not looking for approval of the whole thing this evening. We would like to

conceptually have some kind of an approval to go forward with Mark and sit down and work out all of the details of the job descriptions and then submit that to the Board for approval. We wanted to initiate the process because we are in the budgeting cycle. The bottom line is we are not projecting any change in our bottom line salaries. We are just kind of reappropriating the monies around to different positions.

Mr. Hobson stated the timing was good because Mr. Decker was in town so we were able to sit down and walk through the class specification. At first blush, I feel pretty good about it because overall it will be a decrease in the bottom line of their salary account, but I feel the need to spend a little bit more time studying it and making sure the class specifications are okay and making sure that I understand all of the intentions of the City Clerk and the Deputy City Clerk.

Alderman Vaillancourt stated sometimes we look at decreases for the present and ignore increases projecting out into the future. I would just hope that when you look at this you will look at what it is going to be like two or three years from now. Not just in the salary account, but if you add another person you are adding to the benefits account and I hope that we are not going to come to the point where we say that this half time position is going to have to be full-time next year because once you add a new position I learned in budgeting in Concord, you never get it back.

Alderman Shea replied I was going to say the same thing.

On motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted to refer the item to the HR Director.

Chairman Lopez addressed Item 7 of the agenda:

Communication from M.A.P.S. President requesting a correction to the salary inequity caused by the contract ratification with the Patrolman's Union.

(Note: Chief Negotiator recommends denial.)

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

Mr. Hobson stated since the recommendation came from or the request came from Mr. Beaudoin, we have had a slight adjustment. It is not the same amount of people that they thought. There is a case I was told yesterday of one Police Sargent who is making less than a police officer with a good deal of longevity. The Chief Negotiator, in my opinion, spent a great deal of time going through this

issue, studying it and then coming up with a recommendation. I guess I would like to, if I could, direct questions to him because I feel he has got a better handle on the contract and on the issue if that would be okay. However, right now in light of what I know, I would support what the Negotiator is recommending and that is a denial of this item.

Alderman O'Neil stated we paid a substantial amount of money, I thought, to clear up these kind of items. I am disappointed that they still come back to us and we try to throw it into negotiations. My understanding was that it wasn't supposed to happen. We have had cases where at one point the Deputy Director of Public Works made more money than the Director of Public Works. I thought, when we accepted this plan that it wasn't supposed to happen.

Mr. Hobson replied that is absolutely correct. This type of thing should be avoided. There may or may not be the rare case where someone has just an enormous amount of time and may, in fact, pass their supervisor but the salary scale is established so that it shouldn't happen. In the Decker recommendation, there were two pay grades proposed for police officers. One for officers and one for specialists or detectives. Through negotiations, the funds for the Grade 19 position was deleted and those funds were diverted to the senior patrolmen and when that happened as merit dates were due and such, some of these senior people bypassed their Sargent and we have what we call in the industry compression. I have to say that I don't feel that was part of the Decker design.

Alderman O'Neil responded I don't buy that this is collective bargaining. This was not supposed to happen. It is not supposed to happen in any situation in the city of Manchester and all I want to know is what do we have to do to correct it. Again, Mr. Chairman, my position is that this has nothing to do with negotiated contracts. This has to do with an employee classification study that we paid for and was to prevent these types of situations from happening.

Chairman Lopez replied I realize that. I just wanted to hear from Mr. Hodgen in case this Committee decides not to deny or do something else. I want to make sure that we are not opening up a can of worms.

Mr. Hodgen stated I expect that you read the memorandum that I sent. This is not the first time that this sort of claim has been made by this particular bargaining unit, which is the police supervisors. The claim essentially is that they are entitled to their benefits under the collective bargaining agreement and over and above that they are also entitled to benefits under the City ordinance and that has been ruled on by the Superior Court and upheld by the New Hampshire Supreme Court as not being valid. I attached a copy of a newspaper article to show what happened the last time we had that sort of claim. The Board knows I am sure, that these issues

are mandatory subjects of bargaining and the Decker study was modified somewhat at the collective bargaining table. Not just here, but in other places. Nonetheless, the basic rule is that unless the collective bargaining agreement makes a specific reference to a City ordinance, that the collective bargaining agreement controls and not the City ordinance. Now the rationale and the reasons for eliminating pay grade 19 for certain police officers and paying them all at grade 18 is a lengthy story and I will go into that if you would like. Basically, we will open a can of worms. We will start a precedent that all unions are not only entitled to their rights under their bargaining agreement, but are also entitled to greater rights if those exist in the City ordinance and I think in the long run that would be expensive to the City and I recommended against it.

Alderman O'Neil stated if they were non-affiliated this wouldn't affect you, but let me ask Mr. Hobs. If they were non-affiliated this wouldn't be an issue would it? This would be worked out. They would have been brought up to the next step.

Mr. Hobson replied I would say most likely yes.

Alderman O'Neil stated that was the intent of what we paid Floyd to do. If somehow this got messed up in negotiations, David, I just don't buy that. If I work for you, I shouldn't make more money than you. That is what we are saying here. I am going to make a motion that this get fixed. I don't care how it gets fixed. Get the necessary parties together. Floyd if you have to be part of this discussion, I ask you to be part of it. Let's fix the problem.

Alderman O'Neil moved to fix the problem. Alderman Shea duly seconded the motion.

Chairman Lopez stated you are saying, David, that because they didn't cite the ordinance, but other unions because they were smart enough to cite the ordinance in their contract that is sufficient but these people weren't smart enough to cite the ordinance.

Mr. Hodgen replied to the best of my recollection, I don't believe that any other union cited this particular section of the ordinance. There are specific references to other parts of the ordinance here and there in the various City contracts with the unions, but I don't think any union cited this one and I don't think...

Chairman Lopez interjected my point is this. It is up to the unions to cite the ordinance of the city of Manchester when they are negotiating and if one union does not cite the ordinance they are not entitled to that particular portion.

Mr. Hodgen responded in my opinion, yes, and that has been upheld by the Superior Court and the Supreme Court.

Chairman Lopez asked and you have no obligation whatsoever to inform this Board or did you inform this Board of that particular philosophy.

Mr. Hodgen answered I don't believe so. I believe it was public information at the time. It is my practice to inform the Board of the agreements that have been reached and not the things that we didn't discuss or reach agreement on.

Mr. Hobson stated I want to make sure that I better answer Alderman O'Neil's point. 33.051 is the ordinance that we are referring to and that does have to do with supervisors and supervisory management. The Solicitor is represented here tonight as well so I didn't know if there was something we should try to flush out to answer his question.

Alderman O'Neil stated I just want to make sure that I am clear on this. If these positions were not part of collective bargaining groups, this would not be an issue before us today. Is that correct?

Mr. Muller replied if this was non-affiliated, assuming that the issue of...I believe the ordinance contains the definition of subordinate and also deals with supervisor. Assuming that is met, if this was a non-affiliated situation the ordinance would apply.

Alderman O'Neil asked which would not allow this to happen.

Mr. Muller answered correct.

Mr. Hobson stated it excludes overtime and longevity as well.

Alderman Vaillancourt stated the point is that the City during the course of collective bargaining loses certain things. You do. You were talking about your obligation. Your obligation is to get the best deal you can for the City, but you obviously have to lose certain dollars that we give up as part of the process. Is it your obligation and I think the answer is sort of self-explanatory, it is not your obligation to get the best deal for the police officers is it?

Mr. Hodgen replied no.

Alderman Vaillancourt stated the major question here is again, like with the City Clerk's proposal, not just a question of what this is going to cost us now but extrapolating into the future and also what this is going to cost us in other holes that we might discover. Do you have any idea of what they might be?

Mr. Hodgen replied I know that other holes so-called do exist with other employees that are covered by collective bargaining agreements and with non-affiliates. In fact, we are wrestling with some of them right now. As Atty. Muller said, part of the decision would rest on whether someone is truly a supervisor under the terms of the ordinance which means that they discipline the employee among other things. Even with non-affiliates, it is not a clear-cut case. The person has to be a bonafide supervisor and direct work, approve vacations and absences and discipline the employee before he is judged to be a true supervisor and entitled to the benefits of the ordinance. As I said, the ordinance does not apply to this bargaining unit or any other one in my opinion.

Alderman Shea stated what concerns me primarily is and maybe I didn't hear correctly, but as we employ people for the City do we as Aldermen and people making decisions have two sets of standards. One for people who are unionized and one for people that are not unionized. In other words, if that is the case then I am not for that really. I think that all employees should be treated the same and not give preferential treatment to a certain element because of their being non-union or whatever. That is what concerns me. Until we straighten that out, I don't care how many holes we have. We have to do that. Every employee is entitled to be treated fairly and that is where I find discrepancies.

Mr. Hodgen replied I appreciate that sentiment. The only difficulty is that we are lawfully obligated to negotiation with the unions and we cannot impose things unilaterally. When other issues arise as did arise in the case of the two pay grades in the police union, pay grade 19 and 18, that set up an awful lot of other dynamics and it seemed to me and to the people that were representing the Police Department that the way that we resolved that was in the best interest of the Police Department and the City. It did cause this problem that we are wrestling with tonight.

Alderman Shea responded by not asking you benefit and by asking you don't. In other words, what you are saying is we give to those people who don't negotiate under unions better benefits because they don't ask for a collective bargaining sort to speak. They are given certain benefits. It is a no brainer as far as I am concerned. We penalize people who are trying to get a just wage and we are saying to other people we are going to give this to you without having to negotiate. That is the understanding I get from what you said.

Chairman Lopez stated in union negotiations, we recognize the unions and the City negotiates with those unions and the unions and the negotiator work out the differences and if the unions can get something in their contract, he is obligated by law to either say no or go back to the Aldermen and say this is what they want in order to sign the contract. I think that is why you see so many different variations in some of the contracts.

Mr. Hodgen replied that is true. In this case, we are getting a rebound with the police supervisors from an agreement that was reached with the police patrolmen. In that case, the police patrolmen gave up their rights to pay grade 19's for approximately 60 of them, but we spent the money in a different way. That resulted in some of the police patrolmen passing people who supervise them and sets up this dilemma. Does the ordinance apply or not? I understand the dilemma, but it is still my position that the ordinance does not apply and I think I am on firm ground because Judge Lynn and the NH Supreme Court have ruled that way in previous cases.

Alderman O'Neil asked do all new employees in the city of Manchester whether they are affiliated or non-affiliated get health insurance after 30 days.

Mr. Hobson answered yes. Thirty days or less.

Alderman O'Neil asked so that was something that got cleared up with Yarger Decker, correct.

Mr. Hobson answered yes. We have one small group that is still negotiating.

Alderman O'Neil stated that was not necessarily a negotiated item. That was kind of a given. All employees would get health benefits after 30 days.

Mr. Hobson replied we did have to negotiate it. We offered it to them.

Alderman O'Neil stated Alderman Sysyn, Alderman Shea and myself sat on the last Human Resource Committee and I don't want to speak for them, but we had hoped to clear up all of those types of issues and I use that as an example, the health benefits. David can sit there and say that this was negotiated. This should have been straightened out and that is what I am disappointed in. David, I don't want a finger saying that you have to speak. This should have been straightened out so that in any department in the city of Manchester with affiliated employees or non-affiliated employees, that you would not have a supervisor making less money. That was supposed to be taken care of. I don't know who is to blame and I agree with Alderman Shea. If there are holes, we need to fix them because it was

not my intent when I supported Yarger Decker and it was not my intent when I supported collective bargaining agreements that we would be coming back to this stuff. I thought this would all be cleared up and I am very disappointed about this. My motion still stands to direct the parties to get together and work this out. Whatever needs to be done, get it done and bring a recommendation back to this Committee.

Chairman Lopez stated I would like to hear from the City Solicitor regarding this motion.

Mr. Muller replied the problem here obviously and I think that David can speak to this in terms of the practical problems, is that you are in fact dealing with collective bargaining units and, therefore, you would have to go back and negotiate. Whether that is possible, I would need to look at the contracts and David may be able to answer that. There may be some practical difficulties in attempting to deal with this. I agree with the Chief Negotiator that the ordinance doesn't apply and, therefore, this would have to be corrected through the collective bargaining process.

Chairman Lopez stated I understand Alderman O'Neil and Alderman Shea's points, but do we have sidebars where something like this could be negotiated with the unions.

Mr. Hodgen replied I think it is possible to ask the unions to negotiate over it and I suspect that they would agree but resolving it is a more difficult task and the thing that really worries me here is the principle. If they are entitled to the benefits under Section 33.051 then arguably they are entitled to the benefits under all of the City ordinances, including the two or three that they lost when they sued us a few years ago. It is a bad precedent with all due respect.

Alderman Vaillancourt stated I am not quite sure that I understand the motion. The motion, as I understand it, states that you are going to grant these increases. Is that correct?

Alderman O'Neil replied correct.

Alderman Vaillancourt stated the motion is innocuous but if it were to grant the increases I would be voting against it because I think that when you are negotiating you can't tie the hands of your negotiator. You can't say we are going to give you this and if for some reason you don't get this too, we are going to come back and give you this also. I would never do anything to tie the hands of this gentleman.

Alderman O'Neil stated there are basic principles that we should have in this City and treat the employees the same in as many instances as we can. This is certainly one of them. If you are non-affiliated and this situation happened, you would be bounced up to the next step to correct it, but if you are affiliated we can't do it. My motion is to direct the necessary parties to get together and make a recommendation back to us for our meeting next month.

Alderman Shea stated if his motion is that way, then non-affiliates should be paid less than affiliated ones if, in fact, we want to get a true picture on this situation. In other words, correct the whole situation. What he is saying is that if non-affiliates are bounced up as you said then I say let's do away with that too. Why should we penalize affiliated people and not non-affiliated people. Treat everyone the same. That is what I say.

Alderman Sysyn stated when we put the Yarger Decker thing in, you offered it to everybody. Now the unions did not accept Yarger Decker right away if I am not mistaken.

Mr. Hodgen replied yes. As I said earlier, the specific issue that arguably caused this was the patrolmen's decision that they did not want some of them to be a grade 18 and others to be a grade 19. Now I am not sure at all that this problem would not have happened if the patrolmen had accepted Yarger Decker's recommendation as it was made. We might well be here with the same problem.

Chairman Lopez asked if this motion prevails that Alderman O'Neil made, in looking at the facts and what you are saying you indicated that you could open up a can of worms. What recommendation would you come back with even if you sat down with anybody? The City Solicitor has indicated that...

Mr. Hodgen answered hopefully part of my responsibility is to be creative. I do not know if it would be acceptable to the unions, but a potential resolution is that yes, we would pay the supervisors who currently make less than their subordinates but that it would set a precedent and that it would not apply in the case of any other ordinance. Whether that is acceptable to the Police Supervisor's Union or not, I do not know.

Alderman Vaillancourt stated another solution instead of bumping these people up you could bump the other ones down. Do you think the union would go along with that?

Mr. Hodgen replied no.

Alderman Vaillancourt stated they always get the best of both worlds. Why can't we?

Chairman Lopez replied because they are good negotiators.

Alderman Vaillancourt stated apparently, not too good.

Chairman Lopez called for a vote on the motion to refer this item to Mr. Hobson, Mr. Decker, the Chief Negotiator and the City Solicitor to discuss it and make a recommendation back to this Committee. There being none opposed, the motion carried.

Chairman Lopez addressed Item 8 of the agenda:

Communication from the Superintendent of the Hillsborough County Department of Corrections announcing that the Community Service - Inmate Work Program is due to resume on or about March 27, 2000.

Chairman Lopez stated this is information. If it is okay with the Committee, the City Clerk can inform Parks & Recreation and Highway of this correspondence and see if they can use these people or any other City department.

Deputy Clerk Johnson suggested that the item be referred to the HR Director so that he can inform all of the departments.

On motion of Alderman O'Neil duly seconded by Alderman Shea, it was voted to refer the item to the HR Director to inform all departments.

Chairman Lopez addressed Item 9 of the agenda:

Draft Employee Education Policy --
(Note: forwarded under separate cover to Committee members by HR.)

Mr. Hobson stated we were asked by the previous HR Committee to develop a draft policy for the employee education system and we were trying to make sure that we weren't usurping anything that was happening in the travel policy in the Committee of Accounts. We came up with a draft for you tonight and I would sincerely ask for you to accept this as a draft, take no action and allow us to come back next month with a final recommendation. In fact, I still have to talk with one of the individuals who proposed the information initially.

On motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to table this item.

Chairman Lopez addressed Item 10 of the agenda:

New employee and termination listings submitted by the HR Director for informational purposes.

Alderman O'Neil moved to receive and file the item. Alderman Sysyn duly seconded the motion.

Chairman Lopez asked is this something that we want to keep receiving as a Committee.

Alderman O'Neil answered I read it every month.

Alderman Shea stated this is just my own observation and I am going to alienate a lot of people by this, but six people terminated and they all lived in Manchester. Eight were hired and five live out of town. I know that there is no rule, but still if we are taxpayers here and people are taking money from the City they should make an effort to live in the City. If they can get money from the City, they should live in the City, particularly new employees. I know that it is discriminatory. You have to hire the best employee but I say if two employees are before a Committee and they are both of equal status, I don't see any reason why the one living in Manchester shouldn't at least be given consideration. One-third of the employees in the City live out of town. We need all of the money we can get as far as taxpayers.

Mr. Hobson replied we lost that case twice in court.

Alderman Shea stated I am not saying you can do it.

Alderman O'Neil stated we have lost cases in court, but there are other cities that have it as condition of employment, which has stood up in court. It is how it has been handled in the past is why we have lost in court.

Chairman Lopez replied maybe the Solicitor's Office could check on that and report back to the Committee to see if there is something we could do.

Chairman Lopez addressed Item 11 of the agenda:

Presentation by Yarger Decker and McDonald relative to review of frozen employee appeals from classification and compensation study.

Alderman O'Neil stated there are a number of employees here tonight who have had situations come up. I am not even sure they have officially been submitted. I know that there is a group that has to do with longevity steps and there are some other employees that somehow the paperwork never got processed. Is that all going to be addressed as part of this?

Chairman Lopez replied yes. After we hear from Mark and some of the correspondence that you have received from HR through the Committee and bringing Mr. Decker back. I think there are about 85 cases out there they are going to be looking at.

Alderman O'Neil responded that is my point. Some of these aren't on file as appeals. That is the problem.

Chairman Lopez stated I think there was an appeals process. I will let the HR Director answer that, but as I understand it there was an appeals process and people had the right to appeal.

Mr. Hobson stated I understood that that was the sentiment of the Board that we wanted to get all of these things that were out there outstanding fixed. I also spoke with the Mayor about that and he said absolutely. Whatever has been brought up to your attention whether it is issues with ordinances, whether it is issues with longevity, whether it is affiliated or non-affiliated, get it in front of Mr. Decker for his recommendation so we did send him a package that included information that was not just the people listed as frozen appeals.

Alderman O'Neil stated so the group from the Highway that it took nine years to get a longevity step, that is included in what Mr. Decker is going to be taking a look at and I know there are others out there.

Mr. Hobson replied yes. If there is anything else that anyone here or anywhere else knows about, I would certainly encourage them to get the information to our office by Friday if possible.

Chairman Lopez responded that is very important because I know that in talking to some of the Aldermen that we would like to get this thing squared up to and move on in the City. It is unfortunate or fortunate that you have the negotiations. Before I ask Mr. Decker to speak, I think with all good intentions and they were very good intentions of classifying the people and bringing them up to par and the implementation of Decker, now some of us don't like some parts of it and that is fine but it did serve a great purpose for the employees of this City. More so today

than it was before. With that, I think I will let Mr. Decker speak and then we will ask for questions.

Mr. Decker stated for the record my name is Floyd Decker and I am the President of Yarger Decker and McDonald. For those of you that I haven't met, nice to meet you. For those of you I haven't met, it is nice to meet you. We have worked long hours with this Committee and with the Mayor and Board of Aldermen on the implementation and the development of the classification and pay plan. What I would like to do is very briefly and I am going to leave most of the time for questions and comments, is to explain to you what we are doing and what we found so far. Last week, Mr. Hobson sent me a package of some of the matters that he said were still dangling as a result of appeals that had been frozen for a year plus some other matters that had arisen as a result of collective bargaining negotiations and other issues that have come up. What we are doing this week starting yesterday in addition to having already reviewed many of the documents sent to me last week is we are meeting with all affected parties – the employees, the department heads, the supervisors, others that have an interest in issues before us to listen to their comments and their concerns and then we will be developing recommendations this week and next week to get back to you and to the Human Resources Department for your reaction. These are the documents that were sent to us. They represent largely employee appeals, many of which we have seen before. I want to tell you that based on what I have seen today and in talking with the employees, the supervisors, and department heads, we will recommend very, very few changes from what we initially recommended. The appeals come in several forms. Some employees say well Floyd your initial recommendation said such and such but your final recommendation after we put it out for employee reaction said another and we want to go back to your initial recommendations that we first saw. Secondly, the appeal would be what we call "used to be's". I used to be in pay grade 15 with John and now John is at a pay grade 25 and I am at a pay grade 24 and I want to be at a pay grade 25. I used to be where John is and now I want to be where John is now. Another is the appeals are based on extremely narrow differences and minor changes in the work now versus what they did before when we were here. Other employees seem to be saying to us and some have, well I had nothing to lose to file an additional appeal and I thought I would give it a shot; the door is still open. There are others who say that they want not changes in their pay grade, but changes in the step upon which we placed them in the pay grade because they have greater years of service than they feel they should have. In other words, if they were at the top of their pay grade under your old system they feel that they should be at the top of the pay grade under our new system and that they have earned that through longevity or years of service and as I indicated to all of you when we started this, you can't afford that. That would be a huge increase if we follow it. If you allow one employee to go from pay step D to E within a certain pay grade because of longevity, you have just opened the

door to letting every single employee appeal on that basis. Some say that they are now new employees. They weren't here when the Yarger Decker study was implemented and they have higher personal qualifications and greater experience than the previous incumbent so they think they should be placed higher in the pay grade and finally some have submitted pay data that shows that they think their class of position should be paid higher based upon national survey data or data from a different market or different markets than we collected for all of the other positions. There has been some fallout from actions taken in collective bargaining and in all due respect and I hope you don't take this wrong, from requests from some members of the Board of Mayor and Aldermen to increase pay grades for certain individuals during the study. For example, since we left and I don't want to mention any employee's name, but there was a switchboard operator that works in a certain department. We classified that Switchboard Operator as a Customer Service Representative I. Somehow since then, that person has been changed to a Customer Service Representative II and they are now at the same pay grade as an Accounting Technician working in the same department as the Switchboard Operator. That is a problem. Some appeals are based on changes in the market and those are valid. I am not saying that this is a situation that we have faced yet. I would not be the least bit surprised if there haven't been changes in the market for Information Technology positions. We deal with that about once every three or six months. There have been some organizational changes. For example, what the City Clerk talked with you about a few minutes ago. Those are legitimate. In closing, I would say that based on what I have seen today, I would expect that out of 70 or 80 items that are pending, we may recommend 2 or 3 changes and that would be about it.

Chairman Lopez stated in looking at this, I believe it served a purpose as I said and there are good union contracts until 2002. I think there are some good benefits in there. There is one area that I am very much concerned with and that is the department heads and the deputies and equalizing them with the employees. The working employees versus executive employees. I believe that the CEO, the Mayor, as a department head and deputies as executive officers sort to speak. I believe that they should be rated on performance pay of how their department does and not just sit back and say we don't have enough money. I think that there is something wrong with that whole system as far as department heads and deputies receiving the same thing as the working line when you hire that individual at \$100,000 and he gets equal pay as well as someone who is getting \$30,000. That is an area that I am very much concerned with and I think we have a better system today although he mentioned some of the fallout. The other area I am concerned with very much only because I have heard from some Aldermen is whether or not we should be and I am not shirking any duties here if the Board of Mayor and Aldermen as a body wants this Committee to be the appeal process, I am willing to accept that duty. I am wondering if that is the process and maybe a

recommendation from you on how other cities do it because any time a politician is going to get involved with it we are going to have the telephone calls. That is normal. We are all human beings. I want a pay grade two steps higher or whatever the case may be. It is like a bid process. I will go for two and get one and I noticed in the last 64 cases that 70% of the cases got approved and you have indicated that that has created a problem. I am wondering, and it is up to the Board of Mayor and Aldermen to direct whether we will be doing the appeals, but I was wondering if there would be a recommendation in the end maybe as to how we should handle these appeals or whether the political people should be in the process of handling the appeals because they become emotional sometimes and I can understand that.

Alderman Vaillancourt stated I think that Mr. Decker has already told us that he is only going to recommend two or three out of the 70 or 80. I am willing to just say no. I don't care how many people call me. My question to you Sir is in your study...we got the Mayor's CIP proposal a couple of weeks ago and we saw that the salary line for the City is going to go up 25% or 30%. How many, what percentage of the employees in Manchester did better under your study than previously? Was it a very high percentage? Was it 100%?

Mr. Decker replied I think it would be fair...the quick answer to that is that for most classes and positions and by that I mean categories and types of positions, most classes and positions had the minimum pay range and the maximum pay range increased in order to be more competitive in the market in terms of the range. Then there was an implementation methodology. How does an employee...what do we do with the employees? Now for the non-affiliated employees they went from their current pay to the next highest step in that pay grade. In some cases that was a few dollars and in some cases it would obviously be less than 3% because there was only a 3% differential between steps and a pay plan so they would fall somewhere short of 3%. It would be a few dollars to 3%. We also recommended a single pay matrix for all employees whether they be affiliated or non-affiliated and recommended a similar implementation methodology. I can't speak to, because I don't know yet, I haven't seen all of the full impacts yet but I can't speak to the issue of and this was what you were implementing...1998, Mark?

Mr. Hobson replied yes.

Mr. Decker stated those were 1998 implementation figures. The big increases would have gone to...in 1998, those employees whose current pay was below the minimum and they came from below the minimum to the minimum. That could have been well in excess of 3%. I would say that maybe 10% of the employees or maybe less were in that kind of a situation. That could have ranged anywhere

from a few dollars to a few thousand dollars. It also occurred with some of the department heads who we found to be substantially underpaid at the minimum level. Any employee who was above the maximum of what we had represented we froze the pay. Now the appeal process, I think, and I don't want to say this as a factual matter because I haven't looked at it hard enough yet but the appeals process I promise you we did not have a single department head, supervisor, employee or member of the Board of Aldermen who came to me and said I want you to reduce your recommendation for that employee. It was always there is nothing wrong with this pay plan that a 2-4 pay grade increase for every employee wouldn't solve. The problem is if you gave them two grades someone else would want four because you caught them up there. How many employees got an increase...most employees got an increase of around 3%. I think for many of you and other members of the Board of Aldermen, we knew when we got ready to implement the plan approximately how much money you could afford that year. It was around 3%. We came in at that target. We are there approximately now. How much the increase cost beyond that as a result of the appeals and the collective bargaining process, I don't know yet.

Alderman Shea stated I received this letter that Dan brought up from members of the Highway Department and just read, "as you may be aware the Decker study changed the longevity steps to every five years up to 45 years whereas the pre-existing contract calls for increases after five, ten and so forth. As a result, some of the employees will have to work up to nine years without a longevity increase." Are you going to correct this in terms of fairness towards those people? I might add that these are those people who are at the lower rung of the financial ladder. These are the people that really don't make that much money in comparison to others. Is that something that is a legitimate concern on your part?

Mr. Decker replied I met today with Mr. Mike Rockwell who gave you that information and I asked him to show me where he was talking about nine years. I think there is one employee that might be in that. We are going to meet again and I am going to look at that and see the validity of that. It is almost similar to the previous issue that you were discussing and that is that is a contractual issue with the union. That is what they decided to do. That question you were talking about before with the police sergeants, that situation did not exist under the plan that we submitted to the City. It was when they decided to change those recommendations that they had a problem. It is a contractual issue, but I think that is a problem that we should look at and see why that occurred and see if there is a way that we can fix that.

Alderman O'Neil stated I just want to make sure that, one of the problems that has arose was some employees don't believe they were able to get their paperwork in. Mark, how did we inform the employees to get paperwork in?

Mr. Hobson answered to my knowledge, as of late yesterday because I have received calls, I believe everybody who had an issue got the information to us one way or another through their representative or their department head. We sent out numerous notices and e-mails. We did not send a notice to every employee.

Alderman O'Neil asked through department heads, through if they were members of a collective bargaining group, what about just asking departments to post it on their board.

Mr. Hobson answered we also sent it to the non-affiliated representatives.

Alderman O'Neil stated I just want to make sure that the information got out because that was one of the problems. Some employees turned their appeals into department heads and they never got forwarded. That is factual. I am willing to go through this process with Mr. Decker one more time but I just want to make sure that everybody has an opportunity.

Mr. Hobson replied he is here and we will use him as best as we can and as much as we can.

Chairman Lopez stated I think the Alderman makes a very valid point. I have heard that some people didn't have a chance to appeal or their department head didn't submit their appeal. I know exactly what he is talking about. Today is Tuesday and maybe when they get their paycheck you ought to have a flyer in there if that is something that you can do to make sure. I don't want to open up a whole can of worms, but we have to understand that if we brought him in here to handle the appeals and at the same time we want to make sure that everything is taken care of because I don't think he likes to fly out here that often.

Mr. Hobson stated we could send out another global message. That is not a problem.

Chairman Lopez replied I think that another global message and to insure that the instructions are given to...whatever you have to do to work it out with the Mayor but direct the department heads to make sure that all of their employees are well aware that he is here.

Alderman O'Neil stated I think what Alderman Lopez was getting at with an earlier comment and I don't want to speak for him but I know you have heard this from me a number of times, I know that I didn't feel good after going through this appeals process. It got out of control and I am willing to stand behind recommendations that come back and then freeze them for awhile. I do remember

a statement that you made publicly here when you made your formal presentation that it was probably about 98% correct and what I had hoped we would do through that appeals process was correct that 2%. It might have gotten a little out of control. That is all I am asking you is to correct that small amount and let's do the right thing with it.

Alderman Vaillancourt stated I don't mind this universal mail out again, but I think if we could think of the Latin word for employee we could use the phrase "caveat emptor", to the buyer beware. I think there is such a thing as individual responsibility in this world and that employees of the City should be responsible and realize that it is time to come forward. I don't mind doing this as a gesture of good faith, but there is a certain individual initiative that people should be responsible for in life.

Chairman Lopez replied I think you hit the word good faith with the employees of the City of Manchester so they can do an excellent job for us and that is all we are saying. I think if there are no other questions...

Alderman Shea interjected there is a letter here and I think that Alderman Gatsas has raised this and I am not speaking for him but he has raised the point of view of the insurance reserve fund.

Chairman Lopez stated just a minute. I want to thank Mr. Decker. We await your recommendations. Alderman Shea, what was your point now? Alderman Gatsas do you want to make a statement?

Alderman Shea asked, Alderman Gatsas, would you like to address the insurance reserve fund.

Alderman Gatsas stated the question I have is for Mark Hobson. I don't think this has to do with the health side area and not the worker's compensation side so I will direct the question to Mark. Currently, our reserves are at what level?

Mr. Hobson replied our reserves for the health insurance are down just a tail amount covering about 90 to 120 days of the tail probably at about \$1.2 million. The other reserves for catastrophic issues are gone. That is for health insurance now. We have other reserves throughout the City.

Alderman Gatsas responded so what you are saying is that right now our reserves for paying claims has about 120 days, however our catastrophic is zero.

Mr. Hobson stated we have enough money in our account at this time to handle the municipal issues for the health insurance. As you know, there is the whole issue

about what is happening with the School District and the \$1.4 million and whether or not we are going to have enough funds to pay for that. The municipal side is fine in that respect for the year.

Alderman Gatsas replied if you are telling me that we only have 120 days, I think there are exactly 120 days left, four months.

Mr. Hobson stated I am saying that the tail reserve that we have for our health insurance basically would cover let's say if we were to switch insurance and go from insurance X to insurance Y and that would cover about another 120 days beyond the current fiscal cycle.

Alderman Gatsas replied I understand that. If we were to be actuarially sound. Have we had an actuary study done on our health plan?

Mr. Hobson answered I believe the last one was conducted by the Finance Office and I want to say that was before my time. I am not 100% sure. I don't know for a fact. Can I get back to you on that?

Alderman Gatsas stated yes, if you would. I believe that if you went to an actuary to look for an actuarially sound plan they are probably going to tell you that we should be somewhere in the vicinity of 26% to 28% of premium in reserve to be sound. Do you agree or disagree with that?

Mr. Hobson answered I have a strong concern that our reserves are too low.

Alderman Gatsas replied that is not the question I asked you. The question I asked you was...I will give you 25% and make it 3% less than what I asked.

Mr. Hobson responded I would say that that would be a good number.

Alderman Gatsas stated so 25% of \$6 million is roughly \$1.5 million and what do we have in reserve right now.

Mr. Hobson replied \$1.2 million.

Alderman Gatsas asked that is for the tail.

Mr. Hobson replied right.

Alderman Gatsas responded so that is really not in reserve.

Mr. Hobson stated that is correct. Our reserve is zero.

Chairman Lopez stated I appreciate those questions but I am pressed for time. I would suggest that the HR Director at some point give us a breakdown in language that we all understand.

Alderman Vaillancourt stated just to put this in perspective, could you give us a historical context of how the situation we are in now compares to how we have been for the last 10 years.

Chairman Lopez asked could you do that, Mark.

Mr. Hobson answered yes. We had up to \$4 million in reserves three years ago.

Chairman Lopez stated give us the complete breakdown so that we can analyze it and maybe we can all understand exactly what the Alderman from Ward 2 is speaking of so we can ask other questions.

TABLED ITEMS

12. 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.

This item remained on the table.

13. Ordinance:

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

This item remained on the table.

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

A True Record. Attest.

Clerk of Committee