COMMITTEE ON HUMAN RESOURCES/INSURANCE

August 5, 2008 **5:00 P.M.**

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen M. Roy, Gatsas, Sullivan, J. Roy, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Smith, Ouellette, Domaingue.

Absent: Alderman Garrity

Messrs: J. Giles, J. Sharry, D. Mara, B. O'Neil, B. Stanley, K. Sheppard, T. Arnold

Chairman Gatsas addressed item 3 of the agenda:

3. Communication from Jane E. Gile, Human Resources Director, recommending the Group Insurance contract with Boston Mutual be extended for one year February 1, 2009, through January 31, 2010 at the current premium rate.

Alderman Lopez moved to discuss this item. Aldermen Pinard duly seconded the motion. There being none opposed, the motion carried.

Alderman Lopez stated I wonder if Jane you could briefly explain so at least I understand what we are doing here in reference to the contract.

Ms. Jane Gile, Human Resources Director, stated the City of Manchester contracts with Boston Mutual for life and AD&D Insurance. We are in the fourth year of our contract with Boston Mutual. Boston Mutual has offered to extend our current rates into the next plan year and that would bring us up to February 1, 2010. We feel that this is a good extension. This is a good option for the City based on our current loss ratio. Currently for the first three years of the plan our loss ratio was at 95% and based on that loss ratio and the offer of Boston Mutual to extend it for another year we feel that that is a pretty good deal for us.

Alderman Lopez stated in reference to the stop loss there, the aggregate $67,000…

Ms. Gile stated no, we are on the Boston Mutual. That's the stop loss; that's a different item.

Chairman Gatsas stated it's on 3-3. I guess my question is if I take a look at the premiums for the three years, the total premiums collected were $368,000 and the claims were $609,000.

Ms. Gile stated yes.

Chairman Gatsas asked is there a reason, if we are looking at this, why we wouldn't self insure it?

Ms. Gile responded there may be a couple of reasons. As you know I am not an insurance professional but I do understand that we do have a massive exposure in terms of if there was some kind of calamity within the City and we had a number of deaths, the payout could be basically in the millions of dollars. The other part of it is that I am also understanding that because if we were to self insure this particular benefit, it would also be a taxable benefit to the beneficiaries and that would cause a little bit of confusion, not only for the beneficiaries but also if there were more than one beneficiary who was the recipient of that particular benefit. So it brings to light some other issues. It is a taxable…

Chairman Gatsas interjected explain to me why if the City was self insured and collecting premium from the employee, why an individual carrier would not show it as a taxable item to the employer and if the City paid out the benefit, that doesn't make sense to me.

Ms. Gile stated I have a question about that myself and I don't know if I can ask Jack Sharry who is our insurance broker to come forward and explain that.

Mr. Jack Sharry, President of Group Benefits Strategies, stated now I don't want to sounds like I am playing up to you, Alderman, but it's a great point. It's thinking outside of the box. However, I have 222 municipalities that I work with and nobody self insures it. One of the reason is that because if you self insure it…and I am not a tax lawyer but I understand that there are tax laws on this point which I have asked a couple of people who sell this life insurance to give me so I could see it. That is, if it is self insured and you have a death, that money would then be paid out directly from the City on a self insured basis to the beneficiary or beneficiaries, who would be taxed for receiving that money, not the municipality. So in essence if it was a $50,000 contractual benefit and we were going to be sending a check out to Mr. Shea who is the beneficiary, then Mr. Shea would be required to pay a tax on the $50,000 based on the tax group schedule he is. If he is

low income he pays less but there are definitely tax ramifications when the entity, that is the City, pays the person directly and then the beneficiary is responsible for the tax and then the beneficiary comes back to the City and says my father had a $50,000 policy. I've got to pay $2,800 for taxes so it's really only worth $47,000 or 48,000. They don't like that so it's advisable to stay and let the insurance carrier handle it. Also again, I don't sell anything but I did look at the ratio and I did see that over the three years the ratio has been about 95%. The carrier is making some bucks. They are not poor and so they have agreed to extend it for one year. This is my suggestion to you. It would be to take the extension but I was the person about three and a half years ago that put the life insurance out to bid. Even though these carriers come in and they'll placate you with lower rates for the basic premiums, they make their money on the voluntary. So I believe that it would be in the best interest this year to take the rate and then we will put together a request for proposal that we will send out to Boston Mutual and other carriers and we will be able to, I think, save some money there too.

Chairman Gatsas asked what's the date that we have to inform them that we are going to extend for an additional year?

Ms. Gile stated if you look at the letter that we received from Peter Cook which is included in the packet, it was dated February 26th, and as you know during that time we were without a permanent HR director so my understanding is it would probably be better sooner than later since it was an offer in February of this year. There is no date certain that they said we have to renew by but I know our benefit people have been asked about the status of that.

Chairman Gatsas asked I guess my question is…and I certainly hear what you are saying about the tax validity but I guess my question is somebody needs to show me that in an IRS code because it makes no sense that if the City pays $50,000 to an employee that it's taxable and if the insurance company pays $50,000 that it's not taxable. If you are insuring a product and whether it's Boston Mutual or the City of Manchester insuring it, I would just like the IRS underlying pinning that says that if the municipality pays the claim that it's taxable. It just doesn't make sense because it's not an advantage to the City by self insuring it. I would then say to you there is reason why IRS would say it is taxable if the City does it and not taxable if the insurance company does it.

Mr. Sharry stated I think that's fair and I can contact Boston Mutual and tell them that the decision has been put off for a period of time whatever it being, when you do meet again. Then I will get tax code information up to Jane who can circulate it to you and then I will come back to the next meeting too because I will read it too. I don't want to put you in a situation without knowing.

Chairman Gatsas stated I appreciate that. I would just like to see an explanation.

Alderman Shea asked Jack, how about the trying to send out an RFP as far as the amount? When would you need to do that? Or when can we do it in order to make sure that we can get the best rates?

Mr. Sharry stated to answer your question, we can do it almost at any time. I would suggest and I am not sure, my recollection that the anniversary of the life insurance contract is July.

Ms. Gile stated the new contract year begins February 1, 2009.

Mr. Sharry stated I haven't seen that. That's a good point then, Alderman. Now I can see why they are pushing to get you to agree to take the rates now so that we don't have to prevent… I have the draft specs of the RFP we put out three years ago so it's not a big deal if in fact the City said, why don't we put it out to bid again? We had a very spirited debate about the life insurance last time, if you remember, those of you who were here. As most of you know, the bucks are in the voluntary. They'll come in and they will give you a good nice rate for the basic and then they will try to sell insurance. So now that I have seen that it's February I don't see any reason to…first of all lets get the tax laws but if in fact the City would like to prepare an RFP and send it out we have plenty of time to do it if the renewal isn't until February.

Chairman Gatsas stated how about if we get a motion that we send out an RFP now and you can get the IRS documentation so that maybe by the meeting in September we might have some concrete offers in and would have clear understand whether we could self insure it without a penalty to the employee based on IRS codes.

Alderman Lopez asked are you saying we have enough time even if we got a new carrier if we went into September or October?

Mr. Sharry responded correct.

Alderman Lopez stated one other question I have for you is on dependent coverage. Is that common Jack, age 14:6 months is $500 only, for life insurance? Am I reading this correct?

Mr. Sharry responded I think it is and but to be honest with you I don't have that in front of me. I will take a look at it.

Alderman Lopez stated the only reason I bring it up is because it's six months less than 23 years is maximum $10,000, if I am reading this correct. Am I Jane?

Ms. Gile responded yes.

Alderman Lopez stated I am just curious because $500 doesn't get anybody anything today. If you lose a child at six months…

Mr. Sharry stated Alderman I will look at that. Before the RFP gets out I will send it up to Jane to have her look at it.

Alderman Shea moved to send out an RFP for life insurance and to have Jack Sharry obtain IRS documentation and forward it to the HR Committee and Director for the September meeting. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 4 of the agenda:

4. Communication from Jane E. Gile, Human Resources Director, recommending that the City of Manchester contracts with American Stop Loss for specific stop loss insurance at the current $200,000 level for the period of July 1, 2008 through June 30, 2009 at an annual premium of $470,528.

Alderman Lopez move to discuss this item. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Ms. Gile stated the City has both aggregate reinsurance and individual stop loss insurance on the policy that we have with Cigna. This reinsurance protects the City against any claims above and beyond what the aggregate is on the plan as well as individual amount of $200,000 per individual. Currently the aggregate of our health insurance is in the vicinity of $22 million. It appears…and according to our consultant Jack, we should continue to insure the aggregate even though it is highly unlikely that we would ever meet that maximum loss ratio of $22 million on the plan. The recommendation coming forth from our consultant is that we drop the aggregate reinsurance and maintain the individual stop loss at $200,000, and if we were to do that based on the quote that we have it would be a savings instead of an increase, in terms of reinsurance cost. It would be a savings of 4%.

Chairman Gatsas asked or $67,000?

Ms. Gile responded or $67,000 that we would not spend to insure the reinsurance on the aggregate.

Mr. Sharry stated yes. As you know, we had quite a discussion about aggregate attachment points a little over a year ago. Generally speaking and particularly when somebody is either moving to a new carrier or more importantly going from a premium to a self funded basis, so that the people who pay the bills can sleep well at night, they like to know what their maximum liability is going to be at all times. Now the insurance carriers, there were days not too far back where they would be bold enough to issue an aggregate policy at 105% of anticipated claims. That would be a pretty good deal to take because that means if claims went over 5% above what was expected then the carrier would be on the hook. They have learned through many years of losses, it's virtually impossible to get an attachment point below 115%. Even when we were making a change it was suggested that they would give it to us at 125%. With Alderman Gatsas's input we did get it to 115%. We tried to get it to 110%; we got it to 115%. Here is what has happened: We do have the past 12 months of incurred claims in. I have got the whole year in now and where the claims that actually came in totaled $14,152,588 in the year past, we would have had to exceed $20,752,000 to be reimbursed for claims. I wasn't surprised at it because an underwriter cleans his desk out and gets fired if they ever find a case where they blow the aggregate and end up paying the client out. It was significantly less than what the attachment point was at. Next year's attached point, being the year we are in right now, would be about $22 million. We have been waiting for this type of a meeting. I now have in actually the first two months of the next period and we are actually running a little bit below what was anticipated. I think it is $67,000 that you could well use in other areas. If I thought it was close I'd said let's go with it another year, but I am absolutely certain that we would not hit the attachment point in the year we are in right now and I would rather see you keep the $67,000 in here. One other point that a lot of people don't realize is that when we have a specific policy, in this case a $200,000 specific policy, any claim that goes over the specific in any one year…let's suppose we have a $500,000 claim and we have a $200,000 specific. We will be recovering back $300,000 on that specific. So the amount of money over the specific $300,000 cannot be applied towards the aggregate because we have already collected on it. So its very, very rare and I can't tell you the last time I have seen anybody blow through an aggregate and it is getting more expensive and I would just as soon see you keep the money.

Alderman Lopez moved to have the City not reinsure with the aggregate. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 5 of the agenda:

5. Communication from Jane E. Gile, Human Resources Director, recommending that the Committee upgrade the part-time parking control officer from a salary grade 10 to a salary grade 11; and upgrade the reserve police officer from a salary grade 18 to a salary grade 19.

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to discuss this item.

Alderman Lopez stated I think we have to do some research on this because when we were in negotiations for the full time police officers and full time firemen, the upgrade and step down was only discussed and I believe you will find in the minutes during that conversation, or it could have been in executive session, that the parking control officers were not part of this. That's the reason I say we should receive and file. Jane, who brought this for you?

Ms. Gile responded there was some leftover information coming from Virginia Lamberton that those two issues needed to be addressed by this committee. It's my understanding that the PCO's are covered by the collective bargaining unit agreement, the regular full time PCO's. This particular request is for one part time PCO who basically does the same work as the full time PCO's who have been affected by that contract, and it's my understanding that they have received those raises that were contractually negotiated.

Alderman Lopez stated this Alderman surely doesn't recall any of that conversation and it's only for full time police officers and full time firemen. The PCO's and reserve officers were not included and that's my…

Chairman Gatsas interjected let me understand what you are saying, and I guess my question, Alderman, is she saying to us that the reserve officers took the step two up and one back?

Ms. Gile responded what I am saying to you is that…

Chairman Gatsas interjected because I agree with you. I didn't know anything about the two up, one back.

Ms. Gile stated I thought that is what you were saying, and maybe I misunderstood you, but the PCO's, the Parking Control Officers, are covered under that collective bargaining unit agreement and the PCO's have received salary increases with the step up and the two steps back according to their contract. That is my

understanding. What we are requesting is that the part time PCO receives the same salary grade that the regular PCO's are currently receiving. The situation with the police officers is a different situation. We do have reserve officers who are paid at a step one of the police officer. That is where they stay. They don't get any additional steps and they are compensated at a step one and what we are asking is that the reserve officers get that elevation to whatever grade they should be at, at a step one. That is where they stay because it's on a temporary eight hour a month basis is what they work.

Chairman Gatsas stated tell me what a grade 18 step one is and what a grade 19 step one is.

Ms. Gile asked you are talking about police officers?

Chairman Gatsas replied yes.

Ms. Gile stated the hourly rate for a police officer as it previously was at an 18 is $19.60 per hour. Step 19 is $20.98 an hour. It is a 7% increase.

Chairman Gatsas stated let me ask a question and maybe this is more for the Chief. If one of these reserve officers is out on street detail for opening up a street are we charging $40 an hour? I am not sure if it's $40 or some other number. What is the hourly rate that we charge a construction site for a police officer?

Ms. Gile responded it's in that vicinity I think. They are two different things.

Chairman Gatsas stated I understand that.

Ms. Gile stated what the City's charge is and what is charged off to the detail.

Chairman Gatsas stated let me ask the question and give me an answer. Is the construction rate that is charged by the City $40 an hour?

Ms. Gile responded I can't figure that out because I don't have a calculator with me. I do have some information here. It's in that vicinity.

Alderman Lopez stated there is a policy in effect on the reserve officers.

Chairman Gatsas stated I just need that answer first because my next question is if we put a reserve officer on that detail, is the City charging $40 and paying the officer $19.

Alderman Lopez stated that's what I was getting at…and that was the reason that we didn't move the reserve officers up because the City was making X number of dollars to go into the reserve fund so that the Chief, if he wanted to use a reserve officer more than allowed under the agreement with the union, could use some of that reserve money to give him more hours a month if that were the case. If you upgrade the reserve officers then you are going to have to increase the charge that you charge the businesses in order to have a reserve officer out there in order to make money for the reserve. This program was started with $20,000 from a business person putting in a reserve. So there was never any intention of doing that other than to make money for the reserve in the event. I think there's about…the last count I had about $40,000 in that reserve account and that was to be utilized by you to use reserve officers where you have to, more than the hours that are agreeable to the union. I was looking for my documentation but there is documentation to that if we go back to the minutes and it's not the same. I think you had one. I don't know if the police officer there on reserve…there was one officer or two officers grandfathered in under the old rate. I want to say it's $36 dollars that they get versus the other full time officers because some of that money got to go into the reserves.

Chairman Gatsas stated in case you can shed some light on it, Chief…

Mr. David Mara, Police Chief, stated there is a difference between the rates that they get. The reserve officers are required to do eight hours a month. That rate that Ms. Gile is talking about is separate from the detail rate. The detail rate is set. We charge the companies the same regardless of whether it is reserve or whether it's a full time officer. The difference is what the reserve gets as opposed to what the full time officer gets. The full time officer would get more.

Alderman Lopez stated if he performed eight hours of duty for you.

Chief Mara stated he would get more on a detail while we would take out more of a percentage for administrative purposes from a reserve officer when he worked detail. We get more money from…

Alderman Lopez stated with a reserve officer, when agreeable by the union, he is allowed to work eight hours a month.

Mr. Mara stated that's correct.

Alderman Lopez asked and what do you pay that reserve officer?

Mr. Mara responded right now we are paying him at the old…

Ms. Gile interjected $19.60 per hour.

Alderman Lopez asked after that he gets paid as a reserve?

Mr. Mara stated yes he gets the money for the eight hours and whatever he makes after that is from details or …

Chairman Gatsas stated let me understand that again. If a reserve officer works… let's say he can work eight hours a month at $19.60. Let's say he does that in the first week of the month. He then can go out and work details at $40 a detail.

Mr. Mara stated he doesn't get $40 and neither does the… out of the amount…

Chairman Gatsas interjected I understand that. I am just using the $40 number as a gross number. The regular officer gets pretty close to that. It's $1.20 for the check, and you are right that he might get $37 or $38 but he is getting the lion's share. What does the reserve officer get paid?

Mr. Mara stated the reserve officer gets less than that. I am sorry I don't have the exact amount. I wasn't prepared to answer that question but the reserve officer does not get as much as a full time officer and we take some of that money and we put it into that reserve fund that Alderman Lopez is talking about.

Chairman Gatsas stated right, but if I am looking at this sheet, if I use a round number and say its $20 times eight hours, that's $160 a month, times twelve months is $1,920. That is what the gross amount is. How do we have people earning $20,000, $35,000, $15,000?

Ms. Gile replied how does that happen? It's because they are doing…

Chairman Gatsas interjected I don't think that was ever the intent of Alderman Lopez's motion. These reserve officers were put into place to serve summons, to take some of the stress off of the regular officer. He could do work and they would serve a summons.

Ms. Gile stated I think what you are seeing is what they are working on a regular reserve status when they go out into the field and they are doing the subpoenas or whatever they are doing in terms of the reserve status but they also are allowed to do extra details and that is where the rate of pay increases according to whatever the detail rate might be.

Chairman Gatsas stated that was never the intent, at least not the intent of this Alderman.

Alderman Lopez stated just as a note, Mr. Chairman, the way I understand the Union contract is you can use a reserve officer, providing none of your other officers want that detail.

Mr. Mara stated that's right. What happens is we have a procedure for details, picking details by seniority and shift, and if that detail can't be filled that is when the reserves are called, if there is a need for a reserve officer.

Alderman Lopez stated but he gets paid under the agreement that we have which is less than the regular officer.

Mr. Mara stated that's correct.

Alderman Lopez stated that's why I think that we see some numbers here…some of the reserve officers I know have worked some of the night clubs when some of the other officers didn't want to do it.

Chief Mara stated that's correct, if there are fireworks or something like that.

Alderman Lopez stated I think what's wrong with the report is that it's not broken down in detail where we really understand it. So whoever is responsible for the report maybe should spread it out. The eight hours is eight hours and then what's detail is detail and hourly rate should be for that detail for reserve officer. I think I would probably understand the report a little bit better.

Chairman Gatsas stated it shows you that.

Ms. Gile stated I think it does show you that.

Chairman Gatsas stated it does show you that. The second column shows you the hourly rate of $19.60. The next column shows you annual salary. That would be the hours they worked their eight hours to get to the number because I was at $19.20 was the gross. Some of them look like they have gotten a little higher than that. The next column is gross wages, additional wages for details that they worked.

Alderman Lopez asked where is it broken out?

Chairman Gatsas stated that amount is what the gross wage was. In other words, it is the additional detail.

Alderman Lopez stated no, I understand that.

Ms. Gile stated then if you go further to the last two columns you can see…

Alderman Lopez interjected oh, extra detail hours.

Chairman Gatsas stated correct. So if you look at some of these: 550 is 10 hours a week and the 945 is roughly 20 hours a week in additional details. But I guess my question is if I take that number of 945 and divide it into these numbers does that equal what their wage is, the hourly wage?

Ms. Gile asked the $19.60? Which are you…

Chairman Gatsas stated if I take the 945 hours and divide that into the $35,394 gross amount, that is at a $37 rate. That's $37 an hour, so they are collecting the rate of what a regular officer would collect on a detail.

Mr. Mara stated it was my understanding…and maybe I am wrong, but it is my understanding that they were making less and that the extra money was going into the reserve fund. That is the way it was explained to me.

Chairman Gatsas stated that's what we all understood, but just doing the simple math here that's not what it looks like.

Alderman Shea stated I just wondered a couple of things. When a regular officer does it, is there sick benefits or health benefits attached to that regular pay or is that not attached to it so that instead of being $37 an hour it might add up to $39 or $40 or something like that?

Mr. Mara explained what happens is he is taxed on that money. That money is taxed at the same rate as if it was just salary. It goes into his gross pay and then it's taxed just like it would be if it was funded by the City, if the City paid the wages.

Chairman Gatsas stated I think that for a regular officer there is also workers compensation. There is also retirement.

Mr. Mara stated that's correct.

Chairman Gatsas stated if he is getting paid the same rate, there is no retirement. He looks like he is getting the gross amount.

Mr. Mara stated I apologize. I don't have those numbers but I am going to have to check that out.

Chairman Gatsas stated that's fine. What it was supposed to be…and I agree with Alderman Lopez, it was supposed to be at a lesser rate. Let's say it was $20 and you were charging $40, the additional $40 would go into a reserve account so that if you wanted to use those reserve officers more than eight hours a month at other details you could draw out of that reserve account and work them almost another hour a month. If they got an hour of extra duty there would be an extra $20 in that number.

Mr. Mara stated that's my understanding as well and I am going to have to talk my budget man and check that out. I am under the impression still, without looking at the report you have, that they are not making as much.

Chairman Gatsas asked Jane, could you give the Chief a copy so that at least he has it so that he knows what we are talking about?

Ms. Gile stated yes. I've got year-to-date as well. Do you want the year-to-date?

Chairman Gatsas stated if you have it. If you look at the gross hours, the total extra detail hours is 2253. If you divide that into $82,000 it comes up with a rate of about $36 per hour and I don't think that that's what the intent of the Board was. I think the intent was that it would be at a lesser amount and the charge would still be the $40 but something would be dropped into that account.

Alderman Lopez stated just one comment Mr. Chairman. I should know but I don't know off the top of my head…Chief, do you know, is it $40 or is it more than $40 an hour now? I think it went up didn't it?

Mr. Mara stated it went up July 1st. I still believe it's right around $40, maybe a little more.

Alderman Lopez stated okay, it's whatever the reserve officer gets minus the retirement because they don't have to pay into retirement. There is supposed to be money for social security, workers compensation and all that. I don't know what Chairman Gatsas said. At $37 it doesn't seem like that portion is missing, so maybe we have to just do some research and see where we are at.

Mr. Mara stated I will get these numbers broken down and I can send over an exact analysis.

Alderman Lopez stated it might help Jane, do you know, have you seen the agreement on the reserve officers?

Ms. Gile responded I did look at the contract. On the reserve officers?

Alderman Lopez stated no not the contract. There is a special agreement on reserve officers.

Ms. Gile stated I do have a copy.

Alderman Lopez stated I just wanted to make sure that you had that. You might want to go back, and some of this could have been done in executive session where there are no minutes. There might be some minutes at the Committee when we pass the regular full time officers and full time firemen. There might be something in there in reference to that. I think there was some conversation. I won't mention one Alderman, because I might be wrong but he brought the point up. It's when we passed the ordinance and it was brought up. This doesn't pertain to PCO's, and this doesn't pertain to reserve officers. I just wanted to make that point clear and I think we just have to do some research and see where we are at here.

Ms. Gile asked are you talking about when the collective bargaining agreement was brought forth to the Board? At that time the discussion was that it did not pertain to the PCO's and reserve officers. Is that what we are referencing?

Alderman Lopez stated there has got to be some language some place.

Alderman Shea moved to table this item. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 6 of the agenda:

6. Communication from Jane E. Gile, Human Resources Director, recommending that the Committee approve the addition of Airport Operations Superintendent (salary grade 21) and the addition of one Canine Handler (salary grade 16) to its complement of authorized positions.

On motion of Alderman Shea, duly seconded by Alderman Lopez, it was voted to discuss this item.

Mr. Brian O'Neil, Airport Director, stated this request comes forward as a technical correction. Back in 2001 then Airport Director Kevin Dillon asked that we reclassify a position from Airport Operations Superintendent to Airport Operations and Facilities, and we at the Airport thought that there was an additional position that was created so we established the new position of manager but we never got rid of the superintendent. So at the Airport we were keeping that

as an active position on our complement. We just didn't fill it. Human Resources didn't have it as an active position so this is a technical correction. We are asking that we have this position be put back onto our active roles.

Ms. Gile stated I agree with Brian that the position was never eliminated particularly that there was no action of the Board to eliminate the Airport Operations Superintendent and there was an upgrade of that position originally to a Manager of Airport Operations and Facilities at a grade 23. This one is a grade 21, the Superintendent position.

Mr. O'Neil stated internally we always kept it as an active position that was unfilled when we promoted Tom Malifox, the Manager of Operations and Facilities so out at the Airport we were under the understanding that it was still part of our complement. However, when we filled the position and working with the Human Resources Department we found that they had taken it off our active complement of positions, even though it still exists.

Chairman Gatsas asked was the salary grade as it existed, a salary grade 21?

Mr. O'Neil responded everything stays the same. I guess the term is we are looking to reactivate that to our complement.

Chairman Gatsas asked and you are not going to come in here next month to increase that salary grade?

Mr. O'Neil responded we are not, and as a matter of fact we are looking to reactivate this position because we are not going to be hiring the Manager of Operations and Facilities so we are looking to fill the Superintendent role.

Alderman Pinard moved to approve the addition of Airport Operations Superintendent. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Mr. O'Neil stated actually the second position is for a fourth canine handling team. Right now the Airport has three canine teams that are funded by the TSA. Medium hub airports across the country are now being asked if they would like to have an additional canine team that would help work with the cargo side of the business. We are just asking for this position to be established. We don't have the money to fill it now but we just want to be ready in case the TSA comes knocking at our door and says, would you guys like another dog and handler? We want to be able to accept it.

Alderman Shea asked this is Homeland Security money which obviously you would fill it with in the event that you get it?

Mr. O'Neil responded it is $50,000 worth of Homeland Security money; that's the same monies we are funding the other three positions with as well.

Alderman Shea moved to approve the addition of one canine handling team. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 7 of the agenda:

7. Communication from Jane E. Gile, Human Resources Director, recommending that the Board of Mayor and Aldermen authorize a full-time custodian position in the Parking Division (job class 5000, pay grade 8) and that the part-time custodian position be eliminated.

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to discuss this item.

Ms. Brandy Stanley, Parking Manager, stated back when this position was first authorized it was authorized as a part time position to help us maintain some of the surface lots and other parking facilities. What we found during the course of the winter, which was pretty tough, without changing relationship with the Traffic Department that it actually ends up really needing to be a full time position. We have taken over…not necessarily taken over but we have actually started doing the duties that were previously done by the Traffic Department and it makes more sense for us to do that and it actually costs us a lot less because typically the requests we have of the Traffic Department are required to be scheduled in advance and on an overtime basis which causes delays and actually costs us more money to get the jobs done.

Alderman Shea asked how much do you think you will save under this situation? Do you have any idea?

Ms. Stanley responded we calculated…we worked with the Traffic Department on how much time it actually takes, and this is just with relation to striping on street and off street parking lots, we worked with them and to stripe all of the on street parking spaces in the downtown area as well as the parking lots it would take the Traffic Department about 195 man hours to do it and that's with a crew of four. That cost at the overtime rate is $23,400 a year alone, not including benefits and not including supplies or any type of rental charges for the equipment so the

addition of about $10,000 for converting this position to full time made a lot of financial sense.

Chairman Gatsas asked is it 195 hours you said with four? That's four times that, or 800 hours?

Ms. Stanley replied yes.

Chairman Gatsas asked and what you are saying is this part time position, moving it to a full time position, can do the 800 hours of work in what kind of time frame?

Ms. Stanley stated we are not going to be able to do it on an annual basis. However we will get a lot of it done. They have actually started with some of it. They did the middle lot but over the course of time we will be able to take care of it. There are many spaces in the downtown where the parking lines are completely gone. Those need to be restriped and we will start with those areas, and as we have the availability to do that we will continue on through the system.

Chairman Gatsas asked how does a custodian position get to be a line…isn't that a cross on classification? Is there somebody that gets paid as a line inserter at a different rate than what we are looking at here, grade 8? That's certainly a desk audit that somebody is going to say, I want an increase in grade. What are these other four people at 195 hours? They are doing the striping. What do they get paid an hour? What grade level are they?

Ms. Stanley responded I don't know the answer to that.

Ms. Gile asked this is in the Traffic Division? Is that what you are talking about?

Ms. Stanley responded yes.

Ms. Gile stated I don't have that right available but I could probably get you that pretty quickly.

Alderman Lopez asked who is doing lines right now? That's not the primary job of the custodian. Is that correct?

Ms. Stanley responded that's correct, and nobody's doing the lines in the downtown area.

Alderman Lopez okay, nobody is doing the lines now so if the Traffic Department was contacted they would have to come down but they would charge you because you are an Enterprise?

Ms. Stanley responded they would have to come down, and they would actually have to do it on overtime so we would be paying an overtime rate for the striping crew.

Alderman Lopez stated there might be some conflict with the union doing that. I can understand a custodian cleaning around a garage and all that stuff but to go out and paint lines I think the union would probably say, hey that's our job. I would crosscheck that before we tell the custodian to do the lines. If the union wants to agree to it and you are paying for it I think…Kevin, you are Highway Department. Would you agree with me? I mean, the Traffic Department could ask for overtime for doing that if they found out.

Mr. Kevin Sheppard, Public Works Director, stated I guess that would be a good question for Jane. I think you raised a good point there and I am not too sure if that's a management prerogative or if that is something the union would be able to push.

Ms. Gile stated I think we would have to review the job descriptions and union contract to see whether or not that is a rational job duty and responsibility for a custodian as well.

Chairman Gatsas stated I think somebody would be asking for a desk audit in about a month.

Alderman Lopez stated as you are checking on it, I think, probably you might do that inside the garage versus outside the street. So I think you have to work around those things but I think the most important thing is the custodian. The line thing is something different.

Alderman Pinard asked Brandy, Kevin, is there any reason why you can't go out on bids on striping? There are a lot of companies out there. I think I have seen the state with one of those independent driving companies. I mean, if we are in a situation that we have to save money maybe we should start looking in the outside world about costs.

Alderman Pinard moved to table this item. There was no second.

Alderman Lopez stated I think we ought to approve the custodian position and move forward with a full time custodian for the Enterprise system. They are paying for it. We have all of these things in the garage that have got to be taken care of, whatever the case may be. Again as I say, the other line thing could probably be worked out.

Chairman Gatsas asked didn't I understand that the reason why this was coming forward to go to a full time position was because we wanted to eliminate four people and 195 hours of overtime to do striping and that's why he was going to a full time position? That's what I heard in the testimony.

Ms. Stanley stated that's the major reason.

Chairman Gatsas stated so we don't need a full time custodian; we need a part time custodian and a part time line drawer.

Alderman Lopez stated I must have missed that.

Alderman Shea stated my understanding was there was a substantial amount of money being saved but was that the only area where you are going to save money? You don't pay overtime now to this part time custodian or anything like that that would justify having a fulltime person.

Ms. Stanley stated actually this person has been working about 39 hours a week since we hired and that's doing a lot of the things that we have done, typically through the Traffic Department. They have taken over a lot of that stuff. So there actually is enough work for a full time position, especially during the winter months when there is snow. Obviously the major additional task that would be taken on if this was a full time position would be to do the striping. But it's not just the striping on the streets. It's in the lots and it's in the parking garage, which is typically contracted out.

Alderman Lopez stated that was my point. We don't necessarily have to use overtime for the people to come down and stripe the streets. Am I correct Kevin? I have seen them out there during the day.

Mr. Sheppard responded we work with Brandy. There is a lot of work that's done for Brandy on an overtime basis and a lot of sign work that has gone in as part of the new parking plans, striping that has gone on as part of the new parking plans. Our priorities are getting crosswalks and straight lines in the City so Brandy works on a certain schedule. She needs certain ordinances implemented so to work the first schedule we tell her we will work overtime. The guys will work overtime to get it done. That is part of the reason. To meet her schedule and complete the amount of work she needs done, it needs to be done on an overtime basis. We could do it on straight time but then we will fall behind on our day to day activities.

Alderman Lopez asked you are not responsible for the parking lots then?

Mr. Sheppard responded currently we are not responsible for parking lots. That used to be under Traffic.

Alderman Lopez stated so if I understood her correctly, right now you have to contract out for your parking lots. Is that correct?

Ms. Stanley responded yes, we have contracted out for the parking lots and I believe, although I may be mistaken, that the parking lots and the garages have been contracted out for a number of years.

Chairman Gatsas stated we are 36 days into a budget that I would think that if somebody was looking for a full time employee, it should have come through the budget process. We had these discussions last year. The departments kept coming to us right after the budget closed to move into full time positions and we had a problem with that. Now I look at this, and it's not a big deal but if we do it once we are going to have a bunch of other people coming in here looking to make changes to personnel.

Ms. Stanley stated this was budgeted and approved in this year's budget as a full time position. So I am not asking for any additional money I am asking for…

Chairman Gatsas interjected right, but I think that if you came forward and said he was working 39 hours instead of saying that we could save four people at 195 hours to do striping because he can't do striping now because he is working 39 hours cleaning areas that need to be cleaned. The striping still has to get done so you are going to have to pay it either with an overtime rate or send it out because this person can't do it.

Alderman Lopez asked what grade would this be? Would that be in comparison to…

Chairman Gatsas interjected no.

Alderman Lopez stated so it would be less. If you are contracting out for the lines in the garage and the parking lots now, that would save you time and money. You are obligated to do that without going to the Highway Department. If you went to the Highway Department, from what I understand from your conversation, you would have to pay overtime at night for them to come down and do that. You can do that now and get somebody else to do it.

Ms. Stanley stated actually if we send it out it's usually about the same as if we asked the Traffic department to do it overtime.

Alderman Lopez stated I guess going along with Alderman Gatsas to a point. This full time custodian, you have enough work for him to do. Forget about the street because the Highway Department is responsible. I think that the question I have is the part time position can go to a full time position for garages and parking lots and do all your cleanup and then we will worry about the street.

Ms. Stanley stated I guess to answer your question, yes there is enough work for him to do as a full time officer. We have deferred some of it. There are rusting stand pipes in the garage that need to be scraped and painted. There are a lot of special projects that we have that we could have actually assigned him and fill up his hours full time whether or not we do the striping.

Alderman Shea asked do you have money in your budget already for a full time person?

Ms. Stanley replied yes.

Alderman Lopez moved to approve the full time custodian position under the circumstances. Alderman Shea duly seconded the motion. The motion carried, with Chairman Gatsas voting in opposition.

Chairman Gatsas addressed item 8 of the agenda:

8. Recommendation from Mayor Guinta regarding a time frame for department head vacancies, if available.

Alderman Lopez moved to receive and file the item until such time when a charter commission is developed. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 9 of the agenda:

9. Recommendation from Thomas Clark, City Solicitor, regarding Section 33.011 Retired Employees; Police on Rehiring, if available.

Alderman Pinard moved to discuss this item. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

Alderman Pinard stated my question on this…and it's in the red book and we have it right in front of us, is about the retired employees. I have been told that there are two different versions of this ordinance. One is depending on what type of retirement system you are on. The article reads that a retired City employee could

only work 24 hours a week, so I would like a clarification of that. Why should two retirement systems be different for people that retired from the City? That, in my opinion, is only taking the job away from somebody from the outside that could have a job. Thank you, Mr. Chairman.

Alderman Lopez stated I recall that this went to the City Solicitor. Where is his answer here? I don't see an answer.

Mr. Tom Arnold, Deputy City Solicitor, stated it has not been prepared yet. It came in while Tom Clark was on vacation. We hope to have it next meeting.

Alderman Lopez moved to receive and file this item. The motion was not seconded.

Chairman Gatsas suggested tabling the item. He stated here is something else that is not on the table and that was the discussion we had about clarification in public hearing on whether a department head needs to live in the City, so how about if we get the two responses to those and bring them forward in the next meeting so that we can have proper communications on it?

Alderman Lopez stated Jane, as you have discussion with the City Solicitor…first of all I want to clarify something. I was given some wrong information in bringing this forward and secondly I think the question was, what's the level playing field? A level playing field in my viewpoint is can a City employee who is retired be contracted and we give him health insurance? Could that be arranged if we want it to? He still draws his retirement but if he were a good employee we could contract him for three months or six months, whatever the case may be. Give them an even playing field, was the only conversation we had, I think. Just so as you talk along with City Solicitor and put a response together.

Chairman Gatsas stated okay, so we are going to add two items to this tabled list so that we can respond to them.

On motion of Alderman Shea, duly seconded by Alderman Pinard, it was voted to table this item duly seconded the motion. There being none opposed the motion carried.

NEW BUSINESS:

Chairman Gatsas stated the last item is a contract with the New Hampshire Group Benefit Strategies extending Mr. Sharry's contract for another year.

Ms. Gile stated the only issue I have with this is a budgetary issue. We have $30,000 allocated for this expense in the HR budget, so we would have to come up with another $5,000 request.

Chairman Gatsas asked can you say that again?

Ms. Gile stated we have $30,000 allocated for this purpose.

Mr. Sharry stated based on that information I would be happy to reduce my fee by $5,000.

Chairman Gatsas stated we are winning $67,000 and another $5,000. We are really working on the next budget. I thank you for that.

Alderman Shea moved to accept the contract extension. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

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

A True Record. Attest.

Clerk of Committee