

COMMITTEE ON HUMAN RESOURCES/INSURANCE

November 12, 2008

6:00 PM

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Shea, Lopez, Garrity, Pinard

Messrs: J. Gile, T. Arnold, B. Stanley, G. Simmons

Chairman Gatsas addressed item 3 of the agenda:

3. Discussion relative to the New Hampshire Retirement System pursuant to RSA 100-A.

*(Note: Referred from the Board of Mayor and Aldermen on 9/16/08.
Recommendation to be submitted from Human Resources Department)*

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

Ms. Jane Gile, Human Resources Director, stated the communication you have in front of you talks about changes made to House Bill 1645 which was passed into law this year by Governor Lynch on June 30, 2008. The question did come up, Alderman Gatsas did ask, are we employers responsible for an unfunded band aid that is being required by the State of New Hampshire to fund the medical subsidy portion of the benefit that is awarded to retirees through the state retirement system?

Chairman Gatsas added after the year 2000.

Ms. Gile replied well no. After year 2000 for Police and Fire personnel and teachers who are on the school side, if they don't retire before June 30, 2009, they are not eligible after that date. For group two members it is the year 2000. Currently the legislation through RSA 100, which is the state retirement system, basically says that employees in group two who are hired after the year 2000 are not currently eligible for the medical subsidy. Now there is some precedent in the

past when funding becomes more available they do add on additional years to that so in the past there have been some years added to that to make them eligible. For the sake of this discussion we will just go with those who are eligible currently under state law. What I have done here is just kind of outline what the medical subsidy is and for those of you who aren't aware of it, it is a provision that is provided to retirees where there is an amount of money that is awarded or that eligible retirees get toward the cost of their employer's health insurance and those rates are specified in this document on page one. The rates typically in the past have increased by 8% each year. However, in 2008 those rates were not increased and that was through an act of the New Hampshire Retirement System Board of Trustees. The tricky part of this, if you looked at attachment number one, those are the current rates that are being paid into the retirement system and the current percentages that are paid by the employee groups into the retirement system. The effective dates are July 1, 2007 to June 30, 2009. Of these percentages, currently the employer's share toward the cost of that subsidy is 25%. If you look in the past, what had happened prior to July 1, 2007, that 25%, if you look at attachment two, was reimbursed to the City through a special account so that the pension fund was being reimbursed that amount. In 2007 the legislature or the retirement system said no, you can't do that anymore. What has happened is that 25% now is going toward the medical subsidy, part of it, and not being replenished in the pension funds. It is a complicated process but the bottom line is the City of Manchester currently contributes and the employee also contributes to the retirement system set on certain percentages. Since the beginning of the calendar year, between the teachers, the police officers and the fire fighters, about \$12 million has been the combined contribution to the retirement system by the employer and the employee rate. About \$6.8 million is the City's contribution and that includes the teachers, the police officers and the fire fighters.

Chairman Gatsas asked basically, what you are saying is the numbers that you are showing us are only from January to September, which would be nine months?

Ms. Gile replied correct. That would be nine months. That is three fourths of this calendar year.

Chairman Gatsas replied if we said the total was \$12 million, we could add another \$4 million and pay \$16 million. That includes all retirees? Not Fire or Police that were hired after 2000; they are making that contribution also.

Ms. Gile stated these are the total contributions for the retirement system, the employer and the employee. It's not just for the medical subsidy. It is the city's contributions. Currently 25% of the City contribution goes toward the medical subsidy or about \$1.7 million out of this three fourths.

Chairman Gatsas asked does any portion of the employee's go towards medical?

Ms. Gile replied no.

Chairman Gatsas asked of that the City employees included teachers, fire and police? If I were just going to say and I think I can only speak for Fire and Police because I looked at those numbers when I discussed this bill previously. Let's assume that it's a split of \$800,000 for teachers and \$800,000 just for discussion purposes for Fire and Police. Of that number roughly 50% of Fire and Police have been hired after the year 2000.

Ms. Gile stated this is on page two and three of your document. It tells you exactly. 104 of the 214 current police officers were hired after July 1, 2000 and 86 of the 237 firefighters were hired after July 1, 2000.

Chairman Gatsas stated so it is not quite 50/50 but let's use it as a 50/50. So the City's contribution for some roughly 190 employees, the city is contributing to a medical plan or to a medical subsidy that that employee will never be entitled to.

Ms. Gile stated that is the question. Will they be ever entitled to it or not and the answer is, I can't tell you that for sure. According to the current legislation, they are not. They do not meet the eligibility requirements according to RSA 100 because it's that cut off of July 1. However it is my understanding that there is a medical subsidy committee that is studying the medical subsidy and they are due to have their initial report December 1, 2008 and a final report on December 1, 2009. Now, what we were just talking about were rates for this year, the 2008 year. The next biennium rates, if you look on attachment 4, it segregates the rates for the medical subsidy so they could be less than 25% or more than 25%. Not any more than 25% of the employer contribution. The total employer rate has gone up but of that rate, a certain percentage is clearly defined as going toward the medical subsidy.

Chairman Gatsas asked in both the employer and state contribution?

Ms. Gile replied yes, that's correct.

Alderman Lopez stated I want to make sure I completely understand. We are talking about people that are not retired. Is that correct?

Chairman Gatsas replied current working employees.

Alderman Lopez asked once they retire, we don't contribute anything?

Ms. Gile stated well, the rate for 2009 is a solvency rate so what that does is, that rate covers... It is my understanding, and I did talk to Mal O'Connor, that it supports those that are retired as well as those that are eligible to retire so there is no new money to fund any extension of the program. It is just a solvency rate basically.

Alderman Lopez stated just so that I understand and I am clear, my colleague is retired from the Fire Department, we don't contribute anything anymore? Is that correct and that is going to continue?

Ms. Gile replied he doesn't contribute anything but the City does. The City contributes...

Alderman Lopez interjected that goes back to a question that I asked months ago in reference to retirement contribution?

Ms. Gile stated the employer rate is assessed on the payroll so the payroll rate is actuarially determined. The employer rates are actuarially determined through an actuary assessment of the program to see how much money is needed to maintain the medical subsidy. In that light, I believe that the City is contributing to maintain that medical subsidy program for the retirees that are in the system currently as well as those that are eligible to retire. We do have employees that are still working right now and there are many police officers and many firefighters that are working, that have not retired yet, and that were hired before July 1. In order to assure that liability for their medical subsidy, these contributions into the fund, and within that medical 401H sub trust fund, it is divided into the political employee's subdivision: police subdivision, fire subdivision, and teachers, so they all have different rates and they all are actuarially determined as to what the employer rate should be relative to those employees.

Alderman Garrity stated I want to put this in a nutshell to make sure I have it right. I am looking at the pension percentage in group one, medical subsidy percentage, total employer percentage and I am looking at all three columns. Column three, is it the new law that the employers have to contribute a medical subsidy. Is that correct?

Ms. Gile replied yes.

Alderman Garrity asked does the law state that there has to be no contribution from the employees?

Ms. Gile replied yes.

Alderman Garrity stated so as I look across the board, teachers are up less than 1% that we will be paying more. For Police there is an added almost 1.5% and Fire is 1.5%. In total dollars is there a fiscal impact on the City and do we know what that fiscal impact is?

Ms. Gile replied the new contribution rates for fiscal year 2010 to 2011...

Alderman Garrity interjected I understand the fiscal impact. I guess I worded it incorrectly. What is the added fiscal impact on the City?

Ms. Gile replied teachers rates have gone up overall in terms of the employer part of that, in terms of the city's contribution. The teachers have gone up 20%. There would be a fiscal impact yes.

Chairman Gatsas stated I think the problem, Alderman Garrity, is when somebody says 20%, when you look at a 20% number, it doesn't sound like a lot until you compare what the increase is on a percentage basis. If somebody says to you that it is 5.7% now and Ms. Gile says to you that it is a 20% increase, that percentage goes from 5.7% to somewhere in the vicinity of 7% and change. That is pretty significant when you start looking at that as payroll. I think we are getting a little away from what my concern was. My concern is that for the 190 employees, Fire and Police, that were hired after the year 2000, we are paying roughly \$400,000 a year. I want to say that is roughly because I took eight and eight and took half. It is probably a little less than that.

Alderman Garrity asked these percentages are going to cost us \$800,000, so you split it in half?

Chairman Gatsas responded no. We are going to have to pay it. They are saying that we have to pay it but I don't believe that we should be paying for a benefit that our employees are never going to see; I don't think that is fair to the employee, I don't think that is fair to the City.

Alderman Garrity asked in the bill, why would the employer have to contribute to the medical subsidy and not the employees?

Chairman Gatsas stated there is an awful long history on that, Alderman; it took them some eight weeks to try and delve through that. I can't give it to you in a real short answer.

Alderman Garrity stated if we are going to give somebody a medical subsidy, I think it's only right that the employees contribute to it also. That doesn't make any sense.

Chairman Gatsas stated the way it used to work, the contribution used to go in to the corpus of the fund and then they used to take 25% out and put it into the medical fund. IRS came back and said you can't do that. If you are going to contribute to medical it has got to be contributed to medical. It can't go to the corpus and then come out. That is a real short answer which should have taken some lawyer an hour to explain to you. That is the crux of it.

Ms. Gile stated the other part of it too is that one of the issues with the whole retirement system is that the way that it was originally funded, the employer rate never really was enough. There have been years that the employers have not provided sufficient funds into the account. It always looked like it was a healthy account but it was an unrealistic healthy account because they were taking into consideration some of the other things so the employer rates through the years have not been sufficient and unfortunately that has had some repercussions in terms of the corpus of the pension plan itself.

Alderman Shea stated what Alderman Gatsas was referring to, the \$400,000 that is now being taken out of the police officers and so forth, my understanding is that particular amount of money is subsidizing those people who are now retired. Is that correct?

Ms. Gile stated I believe it is providing solvency to the fund and once the fund becomes solvent, in terms of being able to cover those retirees long term, I am not sure how that subsidy percentage will be affected. I would imagine it might be.

Alderman Shea asked if that money were taken out of the subsidy of the particular fund now, where would that money be made up? Would the retirement funds be depleted to the point where they would not exist beyond a certain amount of time?

Ms. Gile replied I think if in fact the employer did not contribute to the fund then that medical subsidy would be depleted. If you look at the last sentence, the employer contribution if it was to stop entirely, statewide, that medical subsidy would run out of money in a few years. The teachers would be in 2011, Police 2015 and Fire in 2017.

Alderman Shea asked what benefit does a police officer receive by contributing to a subsidy which they cannot benefit by? In other words why would they want to contribute to this if they are not going to benefit? What benefit would they get out of it if any?

Chairman Gatsas stated it is not the police officer that contributes. It is only the City that contributes. That police officer once he retires would not be eligible. So we are contributing for officer John Doe that was hired eight months ago and if he works for the entire time, we will be paying but he will never be entitled to that subsidy.

Alderman Shea asked so what you are saying is, he is not paying but the City is paying?

Ms. Gile stated that is the employer's share toward the medical subsidy and the other thing is that basically the eligibility requirements are set through the statute so that is something that the legislature would have to change. It is nothing that the City could particularly change. It is a state statute that delegates who is eligible.

Chairman Gatsas stated the way that was structured was they came to the legislature in 2000 so that the extension for medical benefits would stay the same and the contribution would remain the same. They said any new hire after this date would not participate. Now, I don't have to tell you that once the other 200 fire fighters and police officers retire and with a full complement on both sides that were hired after 2000, somebody is going to say what about me?

Alderman Garrity asked are we required as the employer to pay for that subsidy if those 190 employees are not going to receive it? Are we required by law?

Ms. Gile stated yes.

Chairman Gatsas stated again I will step back and state that is a 28A issue. It is an unfunded mandate. They are telling us we have to pay for something that our employees aren't collecting so I think it is certainly a challenge that we should find out what that number is. I am not saying that we should take the money and spend it. I would think that we might as a Board vote to hold it in escrow. Again, Manchester and Nashua has the biggest group paying into this.

Alderman Garrity asked so your suggestion would be to hold, I guess it's \$400,000, whatever that number is, hold it in escrow in our account so that the folks hired after 2000 would have that same medical subsidy as the other firefighters and police officers hired.

Chairman Gatsas stated there needs to be a discussion at the state level on how they are going to handle those people because I don't think it is fair that we hire a police officer today and because he is under the 2000 rule, that working for 20-25 years and he looks for medical subsidy.

Alderman Garrity asked does that have to happen at the state level or is there a provision in the bill where we could hold it in escrow for those employees who were hired after 2000?

Chairman Gatsas responded no. It happened at the state level and we would have to change it at that level.

Alderman Lopez asked for clarification, Jane, are we paying the fund?

Ms. Gile replied we are paying our employer contribution and employees are paying their percentage and contribution.

Alderman Lopez stated you made the statement that once the fund is solvent... Do we continue to pay?

Ms. Gile replied I asked the question regarding the political subdivision of employees. If you notice the employer is not contributing toward the medical subsidy and what I was told is that it is based on solvency so there is no need because they are in good shape. Their portion of the medical subsidy fund is in good shape so the employee doesn't need to pay a percentage of that medical subsidy. I am not an expert on this but I believe that is true.

Alderman Lopez asked let's use the figure of \$400,000 for 190 citywide employees who do not meet the current eligibility, if we want to just hold that money in escrow, what do we have to do for the state? Who do we have to notify that we are not going to pay it until the bill is cleaned up?

Mr. Tom Arnold, Deputy City Solicitor, stated as a practical matter, yes. Obviously if you want to put it into an escrow account, you are going to have to inform the state of that at some point. What the reaction of the state will be, I couldn't tell you. To that extent I couldn't answer your question but you would certainly want to notify them that you are putting that sum into an escrow account.

Alderman Garrity stated speaking for myself and not the rest of my colleagues, I would think it would be the intention of this Committee and this Board that rather than those 190 employees don't have this medical subsidy that we put it in an escrow account and tell the state we are just not going to send you the check. We are going to take care of those 190 employees.

Chairman Gatsas stated it is going to cost you much more than that.

Alderman Garrity stated obviously the more employees that have come on that aren't qualified for the subsidy...could the state sue us?

Chairman Gatsas stated I think what this does is, it brings it to a head. My concern is protecting the employees in the City of Manchester.

Alderman Garrity stated I think that is everybody's intent.

Chairman Gatsas stated right, for a medical subsidy that they are never going to get. The guy that was hired in 1999 is going to get the medical subsidy and the guy that was hired a year later behind him is not going to get it. If you take a look at these contributions and employee percentages and put them next to each other there is one in here that ends in 2009 and then the next one starts up. If you look at attachment one and attachment four, right now you will see what we are paying up to the year 2009. If you go to attachment four, that tells you what the percentages are that go up. You can see what the differences are in the medical subsidy shares and how those move. Right now when you see the number in 2007, there is no medical subsidy.

Alderman Garrity asked if I look at attachment one and attachment four that is comparing July 1, 2007 to the farthest column, that is the real percentage increase?

Chairman Gatsas replied correct. Now, if you take a look at attachment four, the employer contribution for medical subsidy for a teacher is 8.6%. If you go down to Police it's 1.41% of the payroll. Now that doesn't sound like much but when you are talking about a \$50,000 a year position, that is somewhere in the vicinity of \$750 we are paying for an employee and the employee doesn't get the subsidy back. We are funding it but they are not seeing it. I made the statement on the Senate floor obviously we being the largest city, our split is about 50/50. Somebody needs to take a position to protect the employees. I don't have a problem paying but the employees should get the benefit. I am not sure that we are ready to make that decision now and maybe what we should do is set up a subcommittee of this Committee to sit down with Jane so that we can spend two or three hours and she can go through it and get more information. Then we can come back and at least have a decision from there. However many people want to sit with her. I don't have a problem doing that.

Alderman Garrity stated I don't need to sit with Jane. I think I pretty much have it figured out. We are sending letters from the Board continually to the Senate and the House of Representatives up at the State House backing a bill or opposing a bill and I think that is what should happen at the full Board tonight.

Chairman Gatsas stated I don't disagree with you but I think they are coming out with that report in the next two months.

Alderman Garrity stated December 1st, that is right.

Alderman Shea asked so I am clear too, it is not only Police and Fire but teachers as well who are contributing to this fund?

Ms. Gile replied and it is for the City of Manchester. In most other cities it is other employees but in the City of Manchester it is the teachers, administrators, Police and Fire.

Alderman Shea moved to table this item with a concurrent motion that requests the City Solicitor, Finance Officer, School Department and the Human Resources Director to come up with an idea of how to pursue this to make sure the employees hired after 2000 are protected on a medical subsidy. Alderman Garrity duly seconded the motion. There being none opposed, the motion carried.

Chairman Gatsas addressed item 4 of the agenda:

4. Discussion relative to the guidelines of the Bright Ideas Evaluation committee awards.

(Note: Referred from the Board of Mayor and Aldermen on 9/16/08)

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

Alderman Lopez stated I was originally involved with Bright Ideas. I wish that Quality Council would have been invited because I think they had a lot of input. Also Alderman Roy was the president of the Council at one time. I think we need input into this but there is one clarification that I think this Committee has to make in the meantime so that this doesn't happen again. The whole intent was if one employee gets an award let's say of \$1,000 for an idea, if it is two employees awarded, it is \$1,000.

Chairman Gatsas asked it is split between the two, so \$500 each?

Alderman Lopez stated if you look at the suggested award on the page, last time we let it go and we passed it because they were already promised \$3,500 a piece. If ten employees come up with the same idea, you don't give them the same amount. They split the amount. I just want to bring that to the Committee's attention.

Alderman Shea moved to make the correction on the payment for ideas. Alderman Lopez duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to table the Bright Ideas Evaluation.

Chairman Gatsas addressed item 5 of the agenda:

5. Request from the Manchester Public Library to convert one full-time Library Clerk II position to two part-time Library Clerk I positions.

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

Alderman Garrity asked is there a cost savings? There is no fiscal impact?

Ms. Gile replied yes. There is a cost savings.

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

Chairman Gatsas addressed item 6 of the agenda:

6. Request for reclassification of Custodian, salary grade 8, at the Parking Division to a new classification of Parking Maintenance Worker, salary grade 10 and that the Custodian positions at the Parking Division are eliminated.

Alderman Lopez moved to approve this item. Alderman Shea duly seconded the motion.

Alderman Garrity asked is there a fiscal impact on this action?

Ms. Gile stated it would be the difference between a pay grade 8 and a pay grade 10, about \$6,000.

Alderman Garrity stated I don't think it's appropriate at this time, in the economic situations that we are in nationally, in the state and in our City to go up two pay grades on any employee. I don't care if they are Enterprise employees or not, so I would be strongly opposed to this.

Alderman Lopez stated I think we have had discussion before and this was in your budget in the beginning. Is that correct or am I incorrect?

Ms. Brandy Stanley, Parking Manager, stated this is not actually in the budget. The reason we are trying to do this is because we are trying to get the on-street parking spaces striped. They have not been striped in three years and the Traffic Division will do it but they will do it after hours on an overtime basis. If we change the job description of our existing maintenance workers to reflect their ability to do striping as well as some of the other things that they are doing then that will give us the ability to do it.

Alderman Lopez asked didn't we have some conversation about this at one of our other meetings or another committee? Am I wrong?

Ms. Gile stated at the last meeting when Brandy had requested that a part-time custodian become a full time custodian there was discussion about additional responsibilities and at that time it was requested that Human Resources look at that to determine whether or not the custodial position fit the duties and responsibilities of the new position. So we did an analysis of that position, looked at the additional responsibilities, looked at comparative positions in the City, scored the position based on those additional responsibilities and if in fact that position is going to be required to do those kinds of things, the classification would need to change.

Alderman Shea asked is this within your budget to meet this obligation?

Ms. Stanley stated the pay grade of 10 is not in my budget and that is the \$6,000 extra cost.

Alderman Shea asked so in other words the money for this extra cost would have to come out of contingency or something of that sort? Or would you make it up in other areas of your own budget?

Ms. Stanley stated I believe I can make it up in other areas, yes.

Alderman Shea asked would you save money because you would have this person available to do this type of work that you wouldn't have to pay outside sources to do?

Ms. Stanley replied yes, approximately \$15,000.

Alderman Shea asked you would save about \$15,000 by having this person, in your judgment, do this work?

Alderman Garrity stated I don't know when the Traffic Division quits striping but it is November 12th and if we were to upgrade these employees, when would you plan on doing the striping? When it was snowing?

Ms. Stanley replied we will start immediately. We do have some good weather left to be able to do it.

Alderman Garrity asked do you have an estimated time that it's going to take to complete the entire striping that needs to be done?

Ms. Stanley replied it is probably going to take us another month to finish the on street spaces that we need to do. We might be able to get it done; we might not, but we will at least get it started.

Alderman Garrity asked when you say finish the on-street striping, who is currently doing that now?

Ms. Stanley replied nobody.

Alderman Garrity stated you said finish though. Has it been started?

Ms. Stanley replied no. I apologize. I misspoke. It has not been started. I think there has been five spaces that have been striped. We held off based on our conversation at the last HR meeting.

Alderman Garrity asked who did those five spaces? Was that the Traffic Division?

Ms. Stanley replied that was my two maintenance guys, and based on our conversations we wanted to make sure we didn't have any issues with the job description or anything so we stopped.

Alderman Garrity asked how long did it take to stripe those five spaces?

Ms. Stanley replied the actual striping probably took about three minutes. The set up and take down of the machine, I am sure took substantially longer.

Chairman Gatsas asked didn't I understand when we first went into these new kiosks, that we weren't going to do striping because we might be able to pick up more spaces, people parking closer together? Don't I remember that as part of the testimony that you made for this new parking?

Ms. Stanley replied I think what you are recalling is, on the parallel parking spaces, the spaces that are parallel to the curb, there is a parking box that goes from the beginning of the first space to the end of the last space and it basically forms a box. What we had before is each individual space was striped in the middle. We took those lines out but we still maintained a box around the outside of the parking area. It is less striping than we were doing before but we still need to do striping, as well as the angle parking spaces.

Chairman Gatsas stated the understanding that I had was I thought we were going to eliminate all striping so that people would tend to park closer together.

Ms. Stanley replied no. We just eliminated the lines in between the parking spaces so that they could park closer together but not the box that goes around the area.

Chairman Gatsas asked can you tell me, Ms. Gile, the difference between an exempt employee and a non-exempt employee?

Ms. Gile stated an exempt employee has to meet three particular criteria. Professional, administrative and executive and exempt employees are not subject to overtime but there are strict requirements as to who qualifies as exempt. Non-exempt employees are basically hourly employees.

Chairman Gatsas asked can you explain to me then why this section 33.025 'compensation of positions be amended as follows' and then if you go to 33.026, 'class specifications be amended as follows', so is that telling me that this grade 10 is not going to be entitled to overtime or he is?

Ms. Gile replied he is going to be subject to overtime. It's a non-exempt employee.

Chairman Gatsas asked why doesn't it say in the first compensation that he would be non-exempt? Establishing parking maintenance working class code 5205, grade 10, why doesn't it say non-exempt and it would only say it down below?

Ms. Gile replied I believe that the way that it is set up but it is a non-exempt employee.

Chairman Gatsas asked so currently he is part time?

Ms. Gile replied no, these are full-time positions.

Chairman Gatsas asked going from a grade 8 is he a non-exempt or exempt?

Ms. Gile stated a grade 8 is a non-exempt employee.

Chairman Gatsas asked so they would be entitled to overtime?

Ms. Gile replied yes.

Chairman Gatsas asked so any overtime that he would be receiving would be at the higher rate.

Ms. Gile stated yes.

Chairman Gatsas asked has this employee ever worked overtime?

Ms. Stanley replied occasionally. Not as a matter of course, no.

Alderman Lopez moved to approve the position. Alderman Shea duly seconded the motion. The motion failed, with Aldermen Garrity, Pinard and Chairman Gatsas voting in opposition.

Alderman Lopez stated just as a comment, the work won't get done.

Alderman Garrity added it could be snowing in a week, Alderman.

Alderman Lopez stated Mr. Chairman; I would like to make a minority report for number six.

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

Chairman Gatsas addressed item 7 of the agenda:

7. Request for change in class specifications of Housing Inspector, Class Code Number 5120.

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

Alderman Garrity asked is there a fiscal impact?

Ms. Gile replied there is no fiscal impact. It is just eliminating any discrepancy in current codes.

On motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to approve the request for change in class specifications of Housing Inspector, class code number 5120.

Chairman Gatsas addressed item 8 of the agenda:

8. Communication from Police Chief David Mara, submitting details related to current pay for Reserve Officers.

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

Mr. Gary Simmons, Deputy Police Chief, stated apparently there was discussion and I believe it's relative to tabled item number ten, relative to increasing the pay for reserves or upgrading their grade from a pay grade 18 to a grade 19. It is my understanding there was discussion about that when it was brought up at the last meeting and as a result at the questions, they asked the Chief to provide a brief letter to the Committee relative to the current pay for reserve officers, which he did.

Alderman Garrity stated I would assume there is a fiscal impact.

Mr. Simmons stated yes, I think going from a grade 18 to a 19 there would be a fiscal impact. I think it's a 3% jump to the next step. The rest would come out of the reserve account that is currently being built up so that would be about, \$1,000 I believe.

Alderman Garrity asked do you have the money in your budget?

Mr. Simmons replied that is certainly questionable at this point.

Alderman Garrity asked so there is a \$1,000 impact on your operating budget?

Mr. Simmons replied correct, that would come out of our account. After the four reserves that were kind of grandfathered in, anything additional to that, if for whatever reason we had those reserves work more hours, it would come out of the reserve account which is being built up at this time.

Alderman Lopez asked Gary, is that just for eight hours?

Mr. Simmons replied that is just for the eight hours they work for the department. Correct, that is not detail issues or anything like that.

Alderman Lopez asked the money coming out of reserve; would it have to be requested by the Police Department? You don't automatically have the authority to take money out of there?

Mr. Simmons replied no that is correct. We would have to ask for a transfer.

Alderman Lopez stated yes, you would have to ask for a transfer out of there because you are using the officers for more than eight hours.

Mr. Simmons stated that is correct. That is for those four.

Alderman Lopez asked have you checked how much money we have in that account now?

Mr. Simmons responded I actually did a brief run on it. As of June 30th there is actually about \$54,000 in there but of that amount \$34,000 is salary related. \$20,000 of that were donations which are to be used for equipment.

Chairman Gatsas asked \$30,000?

Alderman Lopez responded \$30,000 was donated to start the fund by Dobles Chevrolet at that time.

Mr. Simmons stated that's correct.

Alderman Shea asked how much service do these officers do? Are they doing services that are very instrumental in the running of the Police Department?

Mr. Simmons replied right now they are primarily doing subpoena service. This past summer, however, we have had them occasionally do assistant booking or assist in other areas where additional personnel were required so that has helped us a little bit in that regard.

Alderman Shea asked if we agree to this increase in pay, and are you saying it would mean in your budget, during the course of 2009 about \$1,000? Is that what you are saying?

Mr. Simmons replied that would be for the eight hours yes. That's only for the four that we currently take out of our salary. The rest would come out of that reserve account.

Alderman Shea asked that is for the whole year, right?

Mr. Simmons stated yes, about that, if we only used them for that eight hours. It's eight hours, per month for twelve months.

Alderman Shea asked the \$1,000 that you are saying that would be needed, in other words, would have to come out of your budget?

Mr. Simmons replied it will come out of our salary line.

Alderman Shea asked not \$1,000 a month, just \$1,000 for 2009?

Mr. Simmons replied correct. Actually at this point it probably wouldn't be that much because we are almost halfway through the year.

Alderman Garrity stated you said if you used them for eight hours it would be \$1,000 impact or potentially could be more if you use them...

Mr. Simmons interjected I kind of did a rough calculation Alderman. Right now for those reserves we pay about \$156 for eight hours. So you multiply that by 12 and then multiply the four, it comes up to that amount. Then what I did was, I didn't have the actual change from a grade 18 to a grade 19, so I just did a rough calculation of 3% based on the hourly rate.

Alderman Garrity stated if you used them for more than eight hours, it could be a larger fiscal impact and you have just stated that your budget is questionable.

Mr. Simmons stated yes.

Chairman Gatsas asked wasn't the reason that this came up because we had seen that some of the reserve officers were making...

Alderman Lopez interjected which is spelled out.

Chairman Gatsas asked where is it spelled out?

Alderman Lopez stated it is spelled out that any officer hired after 2006 only gets \$32 an hour and the rest goes into the fund.

Mr. Simmons stated that is correct.

Chairman Gatsas asked you said that the fund has about \$30,000 in it right now?

Mr. Simmons replied it's about \$34,000.

Chairman Gatsas stated that is roughly 2,200 hours. Some of these people were making an awful lot more money than that. That is a total of 2,200 hours.

Alderman Lopez stated just a point that I want to get out: the eight hours is agreeable by union contract for those reserve officers. That is an agreement and I think that you have to go to the union if you are going to use them for anything more.

Mr. Simmons stated we would have to go the union if we wanted to use them for things that could impact their overtime or money they could obtain.

Alderman Lopez stated right, so there is a written agreement there.

Mr. Simmons stated if we increase their hours, we could do that without going to the union as long as it didn't impact the union itself.

Chairman Gatsas stated here is a clarification. If he says there is \$30,000 in that account and a divide that account by the \$13.27 that goes into that account per hour that comes up to 2,260 hours. If I multiply the 2,260 by \$32 an hour, by what that police officer is earning, I know that the sheet that we saw showed us police officers of reservists making more than \$72,000 combined.

Mr. Simmons stated I am not prepared to go over all your calculations, Alderman. However; it was after those four that were grandfathered that we started contributing into this fund.

Chairman Gatsas asked the four that aren't, what are they getting paid?

Mr. Simmons replied their share is \$39 an hour as of today. The only thing that goes into the fund of those four is the state retirement money.

Chairman Gatsas asked the \$5.36 an hour? Why is that?

Mr. Simmons replied we build the company as we would any detail and when it's broken down...

Chairman Gatsas asked why are those four entitled to something different than the other four?

Mr. Simmons replied I think only because when it was brought forward and we discussed it, the thought process was to grandfather the four that have been reservists for several years.

Alderman Lopez stated the reason for that is just basically what he said. I don't think it was four officers at that time because two retired and they got out of it and they ended up with two reserve officers and making out the agreement with the union and all that to move forward with this, to give \$32 an hour in order to try and build up that fund and try to get 20 reserve officers. That is how all of this transpired. Once those four officers are retired, the ones that you are speaking of, they leave you. That is it. Everybody is at \$32 an hour.

Mr. Simmons replied that is correct.

Alderman Lopez stated we are making money.

Chairman Gatsas stated yes, I know, but we have a scale that is tipped.

Alderman Lopez replied I know but it is a union agreement that was done with the police chief and the union people as we move forward with this particular plan so it is a written document and you might want to get that document. Is that here the complete agreement?

Mr. Simmons responded I don't have that with me, Alderman.

Chairman Gatsas asked can you get us a list of the reserve officers and who gets the additional funding, what they have gotten and how many details they have worked year to date?

Mr. Simmons replied sure.

Alderman Lopez asked that is just for information, right?

Chairman Gatsas replied obviously this came up because we looked at some numbers.

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

Chairman Gatsas addressed item 9 of the agenda:

9. Recommendation of the Special Committee on Parking in the vicinity of high schools to approve immediately a Seasonal Parking Control Officer for the Parking Division to enforce the new regulations for a new Residential Parking Permit Zone #8.
(Note: Referred to the Committee by the Board of Mayor and Aldermen on 9/2/08)

Alderman Garrity stated I don't have any documentation here on this.

Chairman Gatsas stated I agree I don't have anything on this either.

Alderman Shea asked what is going on now at the schools?

Chairman Gatsas replied I can't tell you what is going on right now.

On motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to table this item.

TABLED ITEMS

10. 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.
(Tabled 8/5/08)

This item remained on the table.

11. Recommendation from Thomas Clark, City Solicitor, regarding Section 33.011 Retired Employees; Police on Rehiring, if available.
(Tabled 8/5/08)

This item remained on the table.

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