

BUDGET REVIEW COMMITTEE AGENDA
PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE
JOINT MEETING

MAY 21, 2007

A meeting of the Budget Review Committee was held Monday, May 21, 2007 at 7:05 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair of the Budget Review Committee, presided.

Members of the Budget Review Committee present:

Alderman-at-Large Fred S. Teeboom, Vice Chair
Alderman-at-Large James R. Tollner
Alderman Greg Williams
Alderman Richard P. Flynn
Alderman Daniel L. Richardson

Members of the Budget Review Committee absent:

Alderman Mark S. Cookson

Members of the Personnel/Administrative Affairs Committee present:

Chair James R. Tollner presided. Alderman-at-Large James R. Tollner, Chair
Alderman Robert A. Dion, Vice Chair
Alderman Daniel Richardson
Alderman David MacLaughlin
Alderman Greg Williams

Also in attendance:

Maureen Lemieux, Division Director, Administrative Services
Carol Anderson, Chief Financial Officer/Comptroller

UNFINISHED BUSINESS

O-07-97

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large David W. Deane
Alderman-at-Large James R. Tollner
Alderman-at-Large David Rootovich

ADOPTION OF PROPOSED FY08 MERIT SALARY SCHEDULE

**MOTION BY ALDERMAN TEEBOOM THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE INTRODUCTION OF A COMMUNICATION RECEIVED AFTER THE AGENDA WAS PREPARED
MOTION CARRIED**

From: Alderman-at-Large Fred S. Teeboom
Re: Merit Handbook

**MOTION BY ALDERMAN TEEBOOM TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

Chairman Deane

Alderman Teeboom has taken this legislation and done quite a bit of work to it. He has a couple of questions.

Alderman Teeboom

In this communication is basically the word document equivalent of the PDF file of the merit handbook. It is word for word identical. What I have done is in recognition that we have changed this ordinance, the ordinance initially started off as a salary schedule review. What the Budget Committee did is went beyond the merit schedule and started to look at and revise some of the language that belongs in the merit manual. Because they made those changes, we do more than just a salary schedule. We are applying language to the salary schedule. What I did is I started taking a look at the manual and recognized that we hadn't really properly amended the 2003 version. What I have done is converted this to a word document to be able to put this into a tracking mode so that the additions I recommend are in blue ink and the deletions are in crossed-out red. With that if you wish we can just proceed page by page.

Chairman Deane

On the top of page #3, we have the introduction is "define employees covered by this manual. Cite the applicable city charter and ordinance(s).

Alderman Teeboom

I would like to start with page 1, which is the ordinance itself. The merit schedule in the ordinance was not called out specifically to be additional to the regulations manual. We changed the title, but we didn't change the words "including the merit salary schedule". Also on the bottom where we said All previous resolutions and ordinances I have added "and/or parts of resolutions and ordinances", which is common language we have been using in all of our previous ordinances.

Chairman Deane

Mrs. Lemieux you got a copy of this. Did you have a chance to review this?

Maureen Lemieux

Yes I did.

Chairman Deane

I agree with adding this language in the body of the resolution.

MOTION BY ALDERMAN DEANE TO AMEND O-07-97 IN THE BODY BY ADDING THE WORDS “, INCLUDING THE MERIT SALARY SCHEDULE” AFTER THE WORDS “MERIT EMPLOYEES RULES AND REGULATIONS MANUAL” IN THE SECOND PARAGRAPH AND BY ADDING THE WORDS “AND/OR PARTS OF RESOLUTIONS AND ORDINANCES” AFTER THE WORDS “ALL PREVIOUS RESOLUTIONS AND ORDINANCES” IN THE LAST SENTENCE
MOTION CARRIED

Alderman Teeboom

Page 2 all I have done is just add the words “Effective July 1, 2007”. Then we go to page 3. A lot of things are administrative or what I call explanatory. It seems to me that the document should have an introductory statement that defines who merit employees are and refer to the charter and ordinances. I brought the NROs with me, and there is a particular part of the charter that deals with the merit program. It is called Article V – Personnel/Administration merit system of section called administration, which is Chapter II of the ordinances. I would like to see that particular article quoted and called out in the introduction, and the fact that the document applies to this part of our code.

Maureen Lemieux

I did not prepare language to that, but I did prepare comments. At this point, if you would allow me the latitude, I would like to thank Alderman Teeboom for all of his hard work. I know he did go through this document diligently, and I do like what he did to the title page, but beyond that the administration has many concerns with all of his hard work. Although you can legally as a Board make changes to this document, I think we really need to think long and hard about the ethical implications in moving forward doing something like this.

This has become more or less a virtual contract, but there is nobody on the other side of the negotiating table. When we started this process Alderman Deane and I had several conversations, and I know in those conversations I expressed to you concern that we might be heading down a slippery slope, and I honestly believe we are getting to that point. Last summer the UAW petitioned for about 40 or 50 positions, merit positions in the city. In the end, we ended up agreeing to allow 20 of our merit positions to move to UAW. That will cost the city a substantial amount of money over time because where we had changed the sick buyback for our merit employees – anyone who was hired after July 1, 1995, as soon as they are absorbed into a union that all goes out the window and they then live by whatever the union rules and regulations are. So for our 20 employees who were absorbed into UAW last summer, if

they were to leave, whether they started with the city after 1 July 1995 or not, they are now entitled to 90 days of sick time, whereas they would have only received 20% of their time if they remained merit employees.

My concern is that the Board tinkering with the language in the merit rules and regulations will only cause more and more of this to happen. I am here really looking to work with you as we did over the last few weeks when we were looking at this document, but really asking you not to move forward with such wholesale changes. You are the policy making board of the city. You are here to set the direction, and we ask you to trust us to implement the policies that you want to set. Although you may not want to hear it, I am really asking you to take a step backward and take a look at what you are really doing.

My concern is that you may, because you can, that you may get sucked into a position of wanting to re-write these rules and regulations, and really creating a contract, but having the merit employees have absolutely no representation in the process. I am quite concerned with where we are going with all of this, and I really needed to express my views to you. Thank you.

Alderman Tollner

I would agree with the comments made by Director Lemieux. I think we discussed these briefly when we were going through the merit grid in the Budget Committee. I think when we looked at it that way that discussion and those decisions were under the purview of the Budget Committee. If they were minor changes, which I think we have already made that is fine, but I do think that we are entering the area where we are over-stepping our authority. Let alone whether it be Personnel where I have stated numerous times this belongs at present after doing work on the grid, but also whether it was to remain in the Budget Committee. I agree with her statements. I appreciate all of the work that Alderman Teeboom did. It was quite extensive. I know he spent a lot of time on it. Sometimes when we push it a little too far it is more apt to come around and backfire and blow up in our face or cause us some additional grief.

Alderman Teeboom

Are we already in trouble when we talk about what the document applies to? I hear all the nice comments. We have already amended things like classification, what the schedule applies to, we have language in here that I haven't touched which is significant in terms of specifying promotions, classifications, and other things. Now we can't even talk about what this document applies to? I can understand the comments. I don't understand the concern. If we are writing an ordinance and defining a salary schedule we have to define what that salary schedule applies to and whom it applies to. I don't even know right now whom it applies to because you don't reference the ordinances. We don't define what a merit employee is frankly. I have no clue what a merit employee is as it was never defined in here. Off the get go if we cannot agree what this document applies to we might as well adjourn at this point and go home. I will not support a salary schedule of any kind unless I know who is covered by it, under what conditions they are covered by it, how you step into this schedule and across this schedule, what you do if you get off the schedule, and most of all who is covered.

Alderman Richardson

I have heard that after it leaves our committees it will go to the Personnel Advisory Board and they will then have some review of it. I am not sure what the potential outcome of that review might be. Could you illuminate on that?

Maureen Lemieux

They are actually meeting tomorrow morning. My understanding is that they will review whatever work has been done on this document and comment on it, but I don't believe there is anywhere in the ordinances that makes their comments binding to you as members of the Board. They comment on it, but that is really the extent of what they do.

Alderman Richardson

You stated tonight that we can do this, that it is legal for us to do it.

Maureen Lemieux

I believe it is.

Alderman Richardson

Have we gotten a more firm view of that from our legal department?

Maureen Lemieux

It is legal.

Alderman Richardson

I have always been worried about whether we will be able to actually achieve what we want to achieve by modifying the merit employee rules and regulations, which is not really hard and fast in ordinances. My worry has been that we are just sort of modifying something that can easily be modified by others and that it would have no staying power and easily amended. I believe we have text in here that says if it is to be modified by anybody else we just have to be notified. I am a little bit worried that we are spending a lot of time modifying this and it will come to not anyhow, and we won't actually be achieving what we want to achieve. I would like to hear a discussion about that.

Chairman Deane

I just want to go back in time a little bit. I think one of the main concerns that I know I had and I believe Aldermen Flynn, Teeboom, and others has was there was no consistency associated with the way people were moving across the grid. In fact, sometimes it just made absolutely no sense. Some people got many more steps or they got pushed up in grades, etc. There was no consistency. I think another concern we had was getting everybody on the grid because then there is different terms used for different years or bumps and double bumps and stipends. We

wanted to get everybody back on the grid so we understand what their grade and step were, and then if they were promoted what the criteria was and where they were placed on the grid and how that was done. Granted I am sure, and I talked with you about this Mrs. Lemieux, there are instances when there are sizable increases paid to people, but they are also moved from a position to another position with sizable authority over many employees. We have to take that into consideration a well. That is where I think the gist of the concerns were between the Policy 40 we dealt with and then the stipends, etc.

I think we have brought a lot of that back in because I think it was in the FY05 year you had to go to all of these different departments and start adding up what people actually made because it was scattered all over the place. My concern was if the employee is making X amount of money then put the X amount of money next to the 11 account in their budget and leave it at that. We shouldn't have to sit here and go through all of this stuff to understand everything because you are going from page to page. I think there has been good explanations associated with why the salary is what it is. If there wasn't a lot of it was questioned why the amounts were at the level they were at. When we got the appendix clarified and we looked at the increases across and added the additional steps that pretty much brought everybody in.

We had talked about going through this document, and I understand there are concerns about it. In some of what I reviewed I agree with and other stuff I think we are over-stepping a little bit and it is best to let the administration define some of this. As for defining employees and things of that nature I think that should be done. We can refer to different charter articles. I think Alderman Teeboom does bring up some good points.

Alderman Richardson

But we have placed in here provisions – says all previous resolutions, ordinances and/or parts of resolutions and ordinances inconsistent with this ordinance are hereby rescinded. Previously several months ago I believe Director Lemieux had given us testimony in a Budget Review Committee that there were several conflicting laws and I am not sure what else, minutes of meetings, etc., that caused the problem where there were going to be bonuses above and beyond the established merit employee schedule step 12. I had been asking for several times among various members what in fact those are, and I believe we were going to have those identified. To date, individuals have indicated to me what they think was referenced, but it has not really been clarified to me exactly what the conflicting items are that lead to having the bonuses above and beyond step 12.

That is a concern of mine because we have this language in front that says that all of these other things are going to be hereby rescinded so I would like to know what is going to be rescinded. Do you happen to have that at hand?

Maureen Lemieux

I do not know what is going to be rescinded. What my comments that I was referring to months ago when I did say that is that back in 1999 merit plan as we know it today was adopted and the plan itself and the transfer of the money actually went through the Finance Committee I believe back at that point in time. We then have, which I did forward to everyone on at least the Budget Committee, the packages that showed the memos that we could find back to that point in time

that clearly identified that the intent all along was that once people if they were at step 12 that they would be in a bonus situation if they had received a satisfactory performance evaluation. We then found the documentation from back in 2001 when we came to the Budget Committee and made several changes to the rules and regulations at that time in particular changing the one that was the most advantageous for the city was changing the sick buyout for anyone who was hired – we did this in 2001, but we backdated it to any employee who was hired after July 1, 1995. That was done without a legal opinion telling us that we needed to do anything by ordinance or resolution or whatever.

When we fast forwarded to this year and talked about doing something different with the healthcare with the merit employees, it was at that time that Attorney Connell told me that we needed either, and I think we still have sitting before you a resolution and an ordinance to deal with the two different pieces of legislation. In fact, when he told us that we needed to come to the Board with either a resolution or ordinance, not that we wouldn't be coming for approval – we would have been doing that, but we would not have done it by resolution. I certainly argued with him because I said there is nothing else of the merit rules and regulations in the ordinance so why would we ever introduce an ordinance that says – and I think it was the \$1,000 equalizer is the piece that was the ordinance that is sitting in your committee – it didn't make any sense to me that would be an ordinance and nothing else to do with the rules and regulations for the merit employees would be an ordinance.

In the ordinances, there is a section that says that the Mayor is the one in charge of, and I knew the number a few weeks ago when we were talking about this, and forget it now, but there is a section that says that the Mayor is the one that is in charge of administering the merit rules and regulations. There is also a clause in the ordinances that says that any changes to the rules and regulations of the merit system – I forget if the wording is shall be done by ordinance or I am not sure of the wording.

Alderman Teeboom

The wording is on page 211 of the NROs, Personnel Administration Merit System, Amendments, Section 2-303(a), "The mayor may submit revisions of the merit plan to the board of aldermen from time to time as changes in conditions and circumstances in the city service justify," and Section 2-303(b), "The merit system may from time to time be amended or changed by ordinance. Prior to the introduction of such amendments or changes by the mayor, division directors and department heads shall have the opportunity to comment on such changes or amendments. For all amendments or changes introduced by the board of aldermen, the views of the director, administrative services division, the human resources department and the personnel advisory board with the mayor shall be sought with respect to each amendment or change. It is very clear that this document has to be done by an ordinance, in my opinion.

Alderman Richardson

I heard nothing about addressing the rules and regulations manual in that text. I was listening for those words.

Alderman Teeboom

That is the reason why this introductory statement because we are in fact enforcing a merit program through this document and by tying this document to this division 5 you now have closure. Without that this document is floating. It is basically meaningless. The salary schedule is amended all by itself until we change the wording. All I am saying is one more step is tie the schedule to the merit – there is no merit schedule attached in the 2003 version. Tie the merit schedule to the regulations, tie the regulations to our book of ordinances, and we have a system.

Alderman Richardson

Would it not be correct for us to in fact change the ordinance to reference the rules and regulations?

Alderman Teeboom

We do. Take a look at the title. I don't know what title you have, but the title was changed. Also to correct you on that it doesn't say review – every three years it gets reviewed.

Chairman Deane

We did that about a month ago. I think you missed that meeting Alderman Richardson.

Alderman Richardson

Thank you.

Alderman Tollner

Maybe we could maybe go through the document, and if there is an item where either Director Lemieux or Mrs. Anderson thinks it isn't under the purview of either committee to address you could state so and maybe we can – I am sure with all the work that Alderman Teeboom did there are a number of areas where it does deserve some change or update and then if we happen to come across one of those items where they are not comfortable they can advise us and we can move forward that way. I think they live with this stuff every day day in and day out for the last 8+ years. I think what we need to do is rely on their experience and go through the document page by page and address some of the ones I think we should, and the ones we are not comfortable with we can deliberate.

Alderman Teeboom

This is precisely why I started off with page 1. I did not write the language. I suggested the connection, but I am not trying to re-write this manual. If you want to write the introduction and say where it applies that would take care of that and would tie this document to our NROs.

Maureen Lemieux

If you want to come up with a statement here we may be better off. My understanding is you would want this to say this document applies to employees covered under Article V, Personnel Merit Administration, Chapter II....

**MOTION BY ALDERMAN TEEBOOM TO AMEND BY ADDING AN INTRODUCTION SECTION READING “THIS DOCUMENT APPLIES TO EMPLOYEES COVERED UNDER CHAPTER 2, ARTICLE 5, “PERSONNEL ADMINISTRATION MERIT SYSTEM”, SECTION 2-304 OF THE NASHUA REVISED ORDINANCES
MOTION CARRIED**

Alderman Teeboom

At the bottom of the page – it mentions the words in the classified title at – nowhere in this document could I find what the words classified title was. What I did is because we are now adding in a later paragraph to include the salary schedule, which was never part of this document before. I suggested we take out the words “in the classified title at” and substitute with “of the attached Merit Salary Schedule (Appendix A).

**MOTION BY ALDERMAN TEEBOOM TO AMEND BY DELETING THE WORDS “IN THE CLASSIFIED TITLE AT” IN THE FIRST SENTENCE UNDER THE SECTION “PROMOTIONS” AND BY ADDING THE WORD “ON” BEFORE THE WORDS “THE DESIGNATED GRADE” AND BY ADDING THE WORDS” OF THE ATTACHED MERIT SALARY SCHEDULE (APPENDIX A) AFTER THE WORDS “THE DESIGNATED GRADE”
MOTION CARRIED**

Alderman Teeboom

Same thing under reclassifications – I noticed that the title is not always the same. This makes the title consistent. We all know we are talking about the merit salary schedule Appendix A so it is consistently referred to.

MOTION BY ALDERMAN TEEBOOM TO AMEND BY DELETING THE WORDS “MERIT PAY SCHEDULE” IN THE SECOND SENTENCE OF THE SECOND PARAGRAPH UNDER “RECLASSIFICATION”, BY ADDING THE WORDS “ATTACHED MERIT SALARY SCHEDULE” AFTER THE WORDS “THE COMPENSATION WILL BE DETERMINED WITHIN THE”, AND BY REPLACING THE WORD “AT” IN THE THIRD SENTENCE OF THE SECOND PARAGRAPH WITH THE WORD “ON”

ON THE QUESTION

Alderman Tollner

I will leave it up to both committees to decide whether they want to take this amendment because I have another amendment after this. Do we want to take this amendment first, and then I will make my amendment afterwards?

Chairman Deane

Yes. I don't want to be intertwining motions.

MOTION CARRIED

MOTION BY ALDERMAN TOLLNER TO FURTHER AMEND UNDER RECLASSIFICATIONS BY ADDING THE SENTENCE "FURTHER ADJUSTMENTS SHALL BE APPROVED BY THE MAYOR WHEN CIRCUMSTANCES WARRANT"

ON THE QUESTION

Chairman Deane

I think I heard that motion echoing through the woods today.

Alderman Tollner

You may have Mr. Chairman sir. Since we made these changes I guess about a month ago, I have spoken with a few people that have come to me and a few I went to visit. Example would be, and I think most of you probably heard the example in the situation where say Mr. Seymour was working in a different area and the Mayor wanted to promote him to be the Director of the Public Works Department – under that scenario, that couldn't take place. I think if my colleagues have a concern with this amendment, the bottom line is the only person that can approve it would be the Mayor. He is the Chief Executive Officer of the City and he/she should have that authority to do so. Otherwise you can't do it, and I think that was the intent of the change that we made a few weeks back.

Alderman Teeboom

I don't quite hear the language that way. This language was worked out in Budget Committee. It says the hiring source may elect to place the employee no more than two steps above his requirement. The way the language read is that the Mayor can make changes to that. What explanation was and what the language read were two different things. If you can read back the language perhaps you could clarify it.

Chairman Deane

What Alderman Tollner has put on the floor is further adjustments shall be approved by the Mayor when circumstances warrant.

Alderman Teeboom

Those are two problems I have with that whole thing. First of all I don't know what further adjustments are because this specifically says no more than 2 steps. Further adjustments could mean 3 or 4 steps.

Alderman Tollner

Exactly.

Alderman Teeboom

Which is not what we have agreed to. The second one is even more vague than that – circumstances – the whole intent we are trying to do with this document is to pin things down, avoid policies, stipends, bonuses, etc. We are trying to be very precise. The two steps allows considerable leeway. If you want the Mayor to approve what the hiring source has done that is different. Giving the Mayor the discretion to just make changes without specifying what those changes are defeats the purpose of what we are trying to do.

Chairman Deane

In what instances would that take affect? The Division Director of Public Works is hired by an employer board, the Board of Public Works. If that individual went from a Superintendent of a department to the Division Director say he went from a grade 12 step 12 to a grade 19 step 10 or whatever – I don't understand what the issue is here.

Maureen Lemieux

Thank you. Perhaps we can do a little something with the wording if the wording is an issue, but if I could share with you we met with the Division Directors probably 2 weeks ago now, and there was a lot of concern that we were really going to discriminate against our own employees and really hinder ourselves if we were looking to promote from within. It had not been something that either Mrs. Anderson or I had thought about beforehand, and Director Seymour is absolutely a case in point that when he was the Superintendent over at the Wastewater Treatment plant, he was earning around, which we didn't realize until we met with them, \$72,000 or \$74,000. When he was offered the position of the Director of Public Works, the Board of Public Works wanted to pay him something that was more within the range of the labor grade 20. Now they did not offer him the highest steps by any stretch of the imagination, but just to bring him up to a salary level that was somewhat commensurate with what the responsibilities that he was going to now have as the Director, they would have had to have exceeded this. What we are asking for is some mechanism that would allow in certain cases when it really is warranted that there would be some way to really promote from within.

If we were bringing someone in from the outside there wouldn't even be a question about this. We could have brought someone in at \$90,000 or whatever and it wouldn't be an issue, but if you had someone who was a great superintendent who was making \$72,000 - \$74,000, you wouldn't be able to bring them up to that level. There was concern about that.

The other thing that may drive decisions that we could make at some point in time would certainly be market conditions. We did have for several years probably more in the late '90s when I.T. personnel were really in high demand that we had issues with hiring people in our I.T. Department, and at that time we ended up the Manager of I.T. that was hired back in the late

'90s was given a contract and did not land on the salary grid because the salary grid was far too low for what those jobs were demanding for pay at the time. There could be different things that may cause whoever the Mayor is to feel that he needs to have a little bit of latitude.

I do believe, which we said when we were with you here a few weeks ago, that not exceeding the two steps as the norm is probably absolutely appropriate, but what I think we are really asking for is some language that allows the Mayor if it is in the best interest of the city to have some latitude here.

Alderman Teeboom

I am a little confused. You mentioned promotions and Alderman Tollner was talking about changing the words in the reclassification. We have to first of all get things pinned down. Are we talking about the promotion paragraph or the reclassification paragraph?

Maureen Lemieux

We are actually talking about both. Whatever we have for wording really needs to be in both paragraphs.

Alderman Teeboom

Perhaps I can suggest some language – under extraordinary circumstances – first of all I think it should only apply to promotions. Reclassification is different. It is someone that works in a different category.

Maureen Lemieux

A reclassification is someone whose job has changed over time and their position needs to be changed to reflect what their current job is. There are certainly some people who their jobs have completely changed and need to be compensated for what their different job is. If you want to start out with under extraordinary circumstances I think that is a good way to start what this sentence ought to say, but I do believe that it is important to have the latitude in both.

Alderman MacLaughlin

What about this – along that line to keep some of the language Alderman Tollner proposed, to read further changes shall be approved by the Mayor when circumstances warrant especially when consideration is necessary for in-house hiring and/or promotion opportunities?

Alderman Teeboom

First of all before you do that is there consensus to make that change? The problem I have is we are trying to nail things down. I don't have a problem with the Mayor having extraordinary circumstance type power, but it should be a very unusual situation. Director Seymour was in a very unusual situation. If someone were to step in your shoes who was many grades below you it would be unusual. It is possible. I consider that to be an extraordinary circumstance. You may want to have it reviewed by the Aldermen if that is an extraordinary circumstance.

Alderman Tollner

Then you are getting into personnel decisions, and that is where we are overstepping.

Alderman MacLaughlin

The word extraordinary to me illustrates the fact that this would be incredibly unusual, but in a system of our size and with a pool of employees that we have in the city I would think it would be a certain level of expectation that sometimes positions can be filled by turning in-house. That was an argument we had advanced especially back when we were debating the pay for a new Superintendent of Schools. There were some of us on this Board who had argued not convincingly so that we should go in-house before we look outside and go national.

I think in the end we proved that the talent in that case was true – it was right here in our own system. Mr. Hottel at the time had been laboring in a different position. Director Seymour was already in our system, and that is the example we are using this evening. There are probably other incredibly strong potential leaders of city divisions and departments in our system now. I just think as long as we point out that as the reason – it is an expectation that is a possibility and when that becomes possible the Mayor needs some flexibility to negotiate.

Alderman Flynn

When we went over this a few weeks ago I thought this was a list that was kind of a compromise.

I did have a list that – I have been involved with this kind of as an instigator or irritant trying to bring this to a boil for 9 months at least, and I thought when we went through this last time this was a compromise. At that point, I was willing to go along with this. I thought we had spent an awful lot of time and in a sense undue time trying to discover what was really happening within the budget and within the A rates and stipends, but if you look through the language as we have it now, and if you look at the pay grade whether you look at the new merit grid or the old grid, someone who is making \$74,000 a year, within the current language without this amendment, can actually make almost another \$10,000 a year by being promoted in house because the way we have it kind of set up is it looks like it is about \$74,000 or pick a number, but if you pick \$74,000 and go down 2-3 lines and work it out the guy ends up making \$84,000.

I think we have been pretty liberal. We had a number of abuses. They weren't extraordinary events, but we had a list that I circulated at a number of meetings – I kept changing it a little bit, but there were a number of people who were getting 25% raises, 18% raises – this new grid at least kind of limited us to a maximum of about 10-12%, and we are talking 10-12% of a big number. These aren't people that are making \$28,000 a year. Most of the examples that I had at that time were people that were making \$75,000 or \$80,000 a year. I am not trying to speak directly to Director Seymour's situation, but if you are a person making \$74,000 and if you are a grade 18 making that and you go to a grade 20 actually bumping up 3 grades you are allowed to now make \$83,000.

That seems a very meaningful raise I would imagine to someone who is working for the city and it certainly is not discouraging from taking a job when you offer someone \$200 more a week or \$5 more an hour. I thought this was a compromise. I would like to have seen us be a little bit less aggressive at rushing people across the page. Maybe there are some very extraordinary

circumstances. I haven't shown us as a city being able to control ourselves to just very extraordinary circumstances. I would be very reluctant to put that kind of language in there recognizing that two weeks ago this was a compromise that solved some things. I think we know that A rates are going to come back and stipends will come back, but at least it was a way at some point in time, this particular year, at least getting rid of the mystery of how people are being paid bonus, the mystery of what is a merit max and kind of focusing on people getting onto the pay grid – at least people that came before us spoke in terms of they had no intention at this time of A rates. We knew that was going to change and we recognize that.

To open this whole thing up to extraordinary circumstances and how fast we will move people again to the right side of the grid, what departments that is really going to involve or how many people – I am very uncomfortable that if I were here in another 2 years I would be again trying to keep track of this list that really didn't serve an awful lot of – didn't benefit an awful lot of people just kind of stirred things up and forced us to spend a lot of undue time in Budget Review. I wouldn't want to spend that kind of time focusing on 100 people. It is just too much work.

Carol Anderson

If I could reply just to a few things. I think something gets lost. I respect everything Alderman Flynn has said, but I think something gets lost when we try to quantify like whether it is by the hour or a \$200 a week raise or whatever because you look at the people who are doing those jobs and you take someone like Director Seymour who went from managing one function, just the treatment plant at that time, but then he has an opportunity and the knowledge to advance himself to take the position of a Division Director. He is taking all the responsibility of an additional 6 departments in all. I don't think you can quantify that one just by an hourly rate. It just can't be done.

The other thing I thought of is it is not only the level of accountability it is the level of responsibility that they are assuming. It is also that when that person takes that position, and this would have been a case in point, he would have gone from like \$74,000 to \$83,000 then you have the other Division Directors all the same level, all the same requirements for education and he would be making between \$8,000 - \$10,000 less than they would, and he never has the opportunity to increase his wage at that point. Seldom does that ever get adjusted. Those are the three things that I think sometimes when you get to those positions that we might miss.

I understand what we say about the positions you know about \$28,000 versus someone making \$75,000, but I think you really need to look hard at what they are responsible for, what they are accountable for. The only other thing I will say is that sometimes when you take someone in that position you keep them in-house. They are not going out the door. We are not losing their knowledge. There is something to be said about retaining, not that there isn't something to be said with pulling in new people, but there certainly is something to be said for the opportunity to advance in the city to keep that knowledge here. I think that is something we don't want to lose so that is why it is an extraordinary circumstance that would occur, but we need that latitude.

Alderman Flynn

Maybe someone could just clear up for me because I have heard this comment about responsibilities that go with the job twice now. If you are a particular commodity code and that

turns out to be a grade 20 whether I am at step 4 or at step 8 don't I have the same responsibilities?

Carol Anderson

When you say that the same responsibility – if it is the same position...

Alderman Flynn

Well it is, it is the same commodity code isn't it? In this case it was Director of Public Works so Director of Public Works is a grade 20 then what is the sense of having a step 3 or 4 or 5 if we don't want to slot anybody into that because they would be making less than other directors who are grade 20s? Why don't we just get rid of all of those squares on the left hand side?

Carol Anderson

There can certainly be times when someone would be coming in, and maybe because of finances whatever is in their budget and because of the person's level of expertise you may want to start them at a lower end of their grade. There can be other individuals coming in as Mrs. Lemieux said that purely because of market conditions you would have to pay higher. It depends on the market. You could pay lower, but for the most part someone starting at the lower end of that spectrum it is because they have experience but they may not have many years of experience, they may be only proven in their position for 5 years instead of someone else coming in that is seasoned and been in a similar position for 10 years.

Alderman Flynn

I think we are saying the same thing – if you don't have the experience that goes with that grade you shouldn't be at step 12 you should be at step 5 or 6 or wherever that puts you. That is how it works for all the positions is when you get promoted from one grade to another grade how do you decide based on the years of experience with the city where they belong on the grid because obviously they don't have experience at that new job – they haven't been doing whatever that might be whether they are department managers or directors – whatever this new position is they haven't been doing that – how do you decide where to slot them into their new found commodity code and position? That is what this description we have is on promotions and I don't understand why it wouldn't apply to everyone or at least – I am very reluctant to leave that open to whatever someone wants to call extraordinary.

Everybody that starts off on a new job is not as obviously had the same experience or skill level of someone who has been doing that job for 6-7 years. We have had a habit just as you pointed out, of trying to pay people exactly what the previous person got. We had that in a number of departments. We had a great controversy about that in the police department how we happened to have a new fire chief that is making the same as the previous chief with whatever his years of experience were. We have made that path to those numbers on the right side of the sheet an easy path to slide down. Under the new merit salary system that we have here at least we tried to control that to something more in line with a maximum of 8-11%. This idea of responsibilities I don't see the difference. It is to me you have the same responsibilities wherever you are in your step it is based on your experience, and we have guidelines on how to handle experience, how to

move people from one step and grade to a new step and grade when they are promoted. I am not arguing back and forth I just wanted to make my position.

Carol Anderson

It wasn't that I was saying the individuals come in and they automatically start at the same level as a person that was there before because that doesn't happen all the time so what I mean is that someone may take a position, be here working for the city and you don't know what past experience they have already brought to the job and there may be other reasons why they are where they are at that point in time so I am not saying that if someone is making \$94,000 a year and they leave that you take someone and automatically pay them \$94,000. Their experience has to warrant that pay.

Alderman Flynn

But we have seen that mistake more than once recently. I am done.

Maureen Lemieux

We have thrown poor Director Seymour's name around a lot in this conversation. I just want to clarify for everyone first of all he absolutely did not come into his position at the same salary level that the former director was making. He came in several steps below. Secondly Director Seymour had stepped up to the plate at least once for a length of time if not on two different occasions to act as the Acting Director of Public Works when we through the '90s were going through directors of public works. He had been the division director on an acting basis for at least one period of time if not two different periods of time.

The only last comment I would want to make is that sometimes when we have moved people several steps along it is not a mistake, and in fact it is quite the contrary, and in his case in particular I would venture to say that I think most people who have worked with Director Seymour don't think it was a mistake at all to move him up further than what 2-3 steps would have allowed him to go. I think certainly everybody is pretty pleased with his performance since the last director ended up leaving. Those are just the comments that I would like to make just on his behalf. We have been throwing his name around and I never really like to do that with anyone.

Chairman Deane

I think his position is nothing more than an example.

Maureen Lemieux

I just wanted to clarify.

Chairman Deane

I don't think anybody in this room was picking him out of a pile of anything.

Alderman Teeboom

Taking Director Seymour as an example – I think he is a terrific guy that does a fantastic job. When he was the manager of the wastewater treatment what grade was he on?

Maureen Lemieux

An 18 is what we are guessing.

Alderman Teeboom

I am looking at the salary schedule – if I put him on 18 and said he was making about \$74,000 at the time that puts him at 18/9. If I jump him now to 20 and I am allowed to jump him at 20 and move him 2 steps forward he is now going from \$74,000 to \$94,000.....

Chairman Deane

You are doing that wrong.

Maureen Lemieux

No. It would go to \$83,327.

Alderman Teeboom

Eighteen right and now going to grade 20...

Maureen Lemieux

You have to put him in as a grade 20 step 4 because that is the next salary that is just above his \$74,000.

Alderman Teeboom

Okay so grade 20, step ...

Maureen Lemieux

You have to go up 1, which is the \$77,400. You are then allowed to go two more so you are allowed to get to the \$83,300.

Alderman Teeboom

A \$9,000 raise that is more than 10%. The argument then is if he is an extraordinary person in my view exceptionally qualified, highly thought of, and the circumstances were it was difficult to find a replacement, then I would consider that to be extraordinary and the Mayor may decide to equalize him. I go along with the extraordinary language.

Alderman Tollner

I just have a question to the previous speaker. If an amendment was added where we stated further adjustments shall be approved by the Mayor when extraordinary circumstances arise you are comfortable with that?

Alderman Teeboom

Extraordinary circumstances the Mayor is able to...

AMENDED MOTION BY ALDERMAN TOLLNER TO FURTHER AMEND UNDER RECLASSIFICATIONS BY ADDING THE SENTENCE “UNDER EXTRAORDINARY CIRCUMSTANCES, THE MAYOR MAY APPROVE FURTHER ADJUSTMENTS”

ON THE QUESTION

Alderman Richardson

I am not averse to taking into account extraordinary circumstances, but as this is stated and all previous versions of it have been stated, it leaves the door wide open for abuse. I can see this just being used for all purposes. It is an all-purpose way to get anything you want, approve any adjustment you want. I would be okay with tightening it up to specify what extraordinary circumstances are, but the way it is worded right now it completely negates everything we have been trying to do here.

Alderman MacLaughlin

I would respond simply by saying that if you start defining extraordinary then you are possibly not going to list all of the possible circumstances that would fall under that as we sit here this evening. A chief executive of the city should be able to identify such circumstances that would warrant this type of exception. Clearly it is referring to the things we have mentioned this evening although there may be some other things we haven't mentioned. I would like to keep in the absence of what I had proposed, the word extraordinary to me encapsulates all possible scenarios, and I don't think it is possible to identify them all to the letter under this paragraph.

Alderman Tollner

I think to Alderman Teeboom's point earlier, I think extraordinary means once in a blue moon. I think the whole premise behind most of this is there has to be a certain level of confidence and trust that you give the city officials to administer these situations day in and day out. I think the word extraordinary if someone is shown to jump say 4 levels and someone sees it what was the premise that it was based on, and if it is just a run of the mill thing and not extraordinary then they can be called on it. The person in the corner office is the one that is going to be responsible for explaining it, and if it is not extraordinary it will take about 5 seconds for 15 members of the Board of Aldermen to decide whether it is extraordinary or not. You may not have agreement of all 15, but chances are if you use the term extraordinary – not that the Board of Aldermen agrees on everything all the time, but I am sure you will have 10 out of the 15 Aldermen agree.

Alderman Flynn

Can we further amend that amendment then and add a sentence that would say and shall notify the Board of Aldermen in writing when this privilege is exercised or something to that affect so that we will get an explanation when this happens as opposed to having to discover when this happens after the fact?

AMENDED MOTION BY ALDERMAN FLYNN TO FURTHER AMEND UNDER RECLASSIFICATIONS BY ADDING THE SENTENCE “UNDER EXTRAORDINARY CIRCUMSTANCES, THE MAYOR MAY APPROVE FURTHER ADJUSTMENTS AND THE MAYOR SHALL NOTIFY THE BOARD OF ALDERMEN IN WRITING WHEN THIS PRIVILEGE IS EXERCISED”

ON THE QUESTION

Alderman Flynn

I think that would keep it more genuine and forthright.

Alderman Richardson

I would like to point out that Alderman Flynn has written an e-mail to Director Lemieux requesting an explanation of the Mayor’s appointments of his daughter and the shifting of Claire Rioux in her job assignments, and how the increases are justified according to the new merit schedule. That was noticed to the Board of Aldermen and I would request if Alderman Flynn has received a reply yet.

Alderman Flynn

No I have not. It is a little bit outside of what we are talking about now however. These are not extraordinary promotions. We do have a situation where someone is being paid outside the grid. I don’t know if that is an extraordinary payment outside the grid. There is quite a bit of confusion over what the new rate is and how the new rate may or may not fall on the grid for another individual that has had their assignments changed. I would have like to have received answers to those questions, and they are probably going to be forthcoming at some point. I don’t think that is exactly what we are talking about now in trying to deal with the extraordinary part of it.

Alderman Richardson

I still don’t see how receiving a notice is beneficial to the Board of Aldermen. I don’t see how the main motion is beneficial, and I don’t see how getting a notice is beneficial. There is nothing the Board of Aldermen can do. It is completely under the purview of the Mayor.

Alderman Flynn

It puts it in the public light. Everybody in the public knows what has changed in the Mayor’s office right now. I think it brings it to the forefront of the citizens at least. If we do nothing about it at least they know what is going on in the way that we are compensating people.

Alderman Richardson

I don't believe we have the ability to do anything about it.

Alderman Flynn

We don't.

Chairman Deane

I think the main reason why Alderman Flynn wanted to add that in the first place was just to be notified of it period. I don't think it had anything to do with controlling it or stopping it. The Mayor just did that through changes in his office, which is fine. I kind of want to get back on track here.

Maureen Lemieux

Actually I only received that e-mail today requesting that so I have come here this evening prepared to answer those questions if you would like.

Chairman Deane

I wouldn't like. I came here this evening to deal with this. We can deal with that – if people want to deal with that under general discussion that is fine. Are there any further questions on the amendment?

Alderman Tollner

I support the amendment. I urge my colleagues that if we continue at this pace we will get done by next Thursday. If you can live with it vote for it. If you can't vote against it as we move forward. I am not trying to stifle the dialogue, but we need to move forward.

Alderman Richardson

I am not familiar with voting in a joint committee. Are we now considered as a group a majority – one body and therefore a majority of the body?

Chairman Deane

I think this is basically a consensus, but it is a joint meeting and that is a good question.

Alderman Tollner

I think what we may want to do is get consensus on the document and then the final document as it is amended we can take a vote as the Budget committee and a vote as the Personnel committee.

MOTION CARRIED

**AMENDED MOTION BY ALDERMAN FLYNN TO FURTHER AMEND UNDER PROMOTIONS BY ADDING THE SENTENCE “UNDER EXTRAORDINARY CIRCUMSTANCES, THE MAYOR MAY APPROVE FURTHER ADJUSTMENTS AND THE MAYOR SHALL NOTIFY THE BOARD OF ALDERMEN IN WRITING WHEN THIS PRIVILEGE IS EXERCISED”
MOTION CARRIED**

Alderman Teeboom

If you recall the salary notifications we get say reclassification, miscellaneous, contractual, and other – we don't define in this document what contractual means. I also never knew what miscellaneous meant. It seemed to me we should have a definition on each of those two terms. We also have not really defined – well contractual is whatever contractual is. Miscellaneous means – Mrs. Lemieux explained it refers to a change in union affiliation, transfers with a division. It seems to me these two definitions need to be included, and if there is a salary action associated with miscellaneous it ought to be defined.

Maureen Lemieux

I didn't understand why you added these. These don't really have anything to do with the merit people. There is no contract with merit so we would never be moving people based on contractual requirements because we have no contract. These are merit people. Even miscellaneous, the only way that merit people move is by being reclassified or promoted or demoted – all of the items that have been delineated in this plan – they don't just arbitrarily move.

Chairman Deane

We can strike these two.

Alderman Teeboom

Let me just understand. I think she is correct, but when it says contractual it has nothing to do with the merit plan?

Maureen Lemieux

No.

Alderman Teeboom

And when she says miscellaneous that has nothing to do with the merit plan?

Maureen Lemieux

No. If we were moving merit people they would either be reclassified or promoted.

Alderman Teeboom

Okay. Getting down to demotions – we have talked about reclassifications and promotions. When we talked about demotions we didn't really define where it falls. It used to say adjusting his/her salary to the step to within the grade of the lower position, and I don't quite know what that means. I proposed the language on the designated lower grade at the same step as previously held. If that is not the same thing then I recommend changing the definition. Perhaps you can explain what the language means.

Maureen Lemieux

First of all we would not want your underlined language because the language you have added would take someone and give them potentially a significant salary demotion far beyond what we may have intended. These demotions can either be voluntary or involuntary. We handle them differently. What may be the better thing is on the phrase that you struck where it says to the step within the grade or the lower position we probably ought to change the first the to the word a so to a step within the grade of the lower position without tying ourselves to where they are going because it is very different if someone is doing this voluntarily for us versus involuntarily when we are doing it to them. Say we had someone who was a grade 12 step 9 who is making \$43,561 say we want to move them down to a grade 10 – what your language does is make them go from a grade 12 step 9 to a grade 10 step 9. We would want to put them on a higher step not necessarily at the same salary that they were making.

If we were demoting them involuntarily we may very well want to put them at the same step that is below we may want to put them even lower so we really need the latitude there depending on how it is that they are moving backwards. They move backwards, move to their demoted grade, and if their salary is above what fits on that new grade they absolutely get adjusted backward.

Alderman Teeboom

Let me understand the example that you had – I am at grade 11, step 9 – you are now demoted intentionally or unintentionally to grade 10 – my proposal says you go into the same step so you go to form \$40,000 to \$35,000 – what you are saying is you can go anywhere in any of those steps. That I can't accept because you can have a guy go from \$40,000 to \$45,000. What kind of a demotion is that? That sounds like a promotion at a lower grade.

Maureen Lemieux

If we wanted to pay you \$45,000 we would not be demoting you.

Alderman Teeboom

Your language allows that. Any step means any step.

Maureen Lemieux

We certainly would not want to be boxed into putting you at the same step. You may be doing this voluntarily for us. We may be happy to put you at \$39,084. We may have a position that

needs to be filled that is a lower grade than what you are – maybe you are nearing retirement and for your own personal reasons you are willing to make that move. We would not want to have to give you a \$5,000 cut in pay, and very often people move 2 grades seems to be the more common thing that happens here.

Alderman Teeboom

Let me propose this – change the word to on the designated lower grade at the same salary or less.

Maureen Lemieux

No. We don't want to be tied into ...

Alderman Teeboom

Same salary or less. Now in your example grade 11, step 9 I am demoted by my request and go from \$40,164 to step 13 grade 10 or if I get unintentionally demoted you would not make less than \$40,000. That is what you are saying. You can jump 5 steps.

Maureen Lemieux

We are not jumping you up obviously.

Alderman Teeboom

That is what you are doing.

Maureen Lemieux

No we are not. We wouldn't be doing that.

Alderman Teeboom

That is why I put it down.

Maureen Lemieux

Some of these things we are really asking you not to tie us to because when we are demoting people, which we do...

Alderman Teeboom

You shouldn't give them the same salary.

Maureen Lemieux

We don't. I shouldn't say we don't. We don't if especially if it is involuntary.

Alderman Teeboom

Then we ought to make a distinction between voluntary and involuntary.

Maureen Lemieux

This is where we begin to really get down that slippery slope.

Alderman Teeboom

Why is it a slippery slope?

Maureen Lemieux

Because you are the one sitting here doing all the negotiating as a board. There is nobody on the other side for these employees.

Alderman Teeboom

It is a demotion. So you get paid more money when you get demoted?

Maureen Lemieux

You don't get paid more money when you get demoted.

Chairman Deane

You have to leave this up to the administration to make these decisions. Alderman Teeboom in some of these instances like this one common sense has to prevail.

Alderman Teeboom

I even buy all that. I am not even insisting necessarily what I am saying, but what I am saying is what I don't understand adjusting his/her salary and look at the cost language – to the step within the grade of the lower position – what does that mean?

Chairman Deane

If you put them in a lower position that that are being demoted from they are put in the step in the grade that is greater to or equal than what they are making. Is that correct?

Maureen Lemieux

We should change the first word the to a step within the grade of the lower position. We would ask you to leave it at that because we are most probably pushing you backwards, but there could be an instance where you have voluntarily moved to something where you have been a great performer and as I say maybe you are nearing retirement maybe things have changed in your

personal life you have been a great performed and we are moving you to a different position – there certainly could be a time when we wouldn't want to lower your salary.

Alderman Teeboom

What about the rest of the changes?

Maureen Lemieux

I think we can just kill the rest of it.

Alderman Deane

We are striking the rest of that paragraph.

Alderman Richardson

Alderman Teeboom talked about this and said he didn't understand it, and I agree with him that the way that the text in red is written I don't understand it really either. Adjusting his or her salary to a step within the grade of the lower position – this is the first time that we are taking about the lower position. We haven't identified what that is. Are we really saying adjusting his or her salary to a step within the lower grade?

Maureen Lemieux

Yes.

Alderman Richardson

It is very confusing to me the way it is worded now.

**MOTION BY ALDERMAN DEANE TO AMEND UNDER DEMOTIONS BY REPLACING THE WORDS “TO THE STEP WITHIN THE GRADE OF THE LOWER POSITION” WITH THE WORDS “TO A STEP WITHIN THE LOWER GRADE” AND BY DELETING THE REMAINDER OF THE PARAGRAPH
MOTION CARRIED**

Alderman Teeboom

Under Compensation, there is no language in the current document. First of all I think we need to introduce the merit salary schedule. Then I introduce the wording that we have been talking about, but haven't nailed down anywhere.

Chairman Deane

We have a problem here on this first paragraph. I think the last three words are not applicable here. Do we have people that are ...we could strike that out of there – unless contractually required?

MOTION BY ALDERMAN TEEBOOM TO ADD THE FOLLOWING UNDER COMPENSATION “COMPENSATION FOR ALL MERIT EMPLOYEES SHALL BE IN COMPLIANCE WITH THE MERIT SALARY SCHEDULE ATTACHED IN APPENDIX A. NO STIPENDS OR FEES OR ADDITIONAL COMPENSATION SHALL BE PAID TO EMPLOYEES UNDER THE MERIT PROGRAM IN ADDITION TO THE SALARIES ENUMERATED IN THE MERIT SALARY SCHEDULE, AS HEREIN DEFINED”

Maureen Lemieux

We are okay with the first sentence of the compensation and the second sentence we definitely have a problem with where it says no stipends or fees or additional compensation shall be paid. This would then negate working out of classification section that we have further along in this document. It would also be a problem for people who are doing something that is totally different that they still do receive a stipend for the emergency preparedness coordinators I believe. We are okay with the first sentence but not the second sentence.

Alderman Teeboom

You mentioned emergency management is a stipend and that is true. That is over and above the merit program. What other stipends are there?

Maureen Lemieux

Anyone who is working out of classification.

Chairman Deane

The problem I see with this other than the stipend part – the additional compensation if you have someone working out of their classification like if you are performing the duties of others – we have had a lot of discussion about that.

Alderman Teeboom

That is the very purpose of re-writing this whole document.

Chairman Deane

We are not re-writing this whole document.

Alderman Teeboom

We are looking at a sentence. Who is talking about a whole document?

Chairman Deane

You just got done saying that was the purpose of re-writing this whole document. I think that is what I heard.

Alderman Teeboom

All right part of the document.

Chairman Deane

If you have someone that you are asking to perform some function that is above and beyond what they are hired to do...

Alderman Teeboom

Then they get reclassified. That is what that is all about.

Chairman Deane

If it is a temporary situation.

Alderman Teeboom

Then they are not reclassified they just do it – they are salaried people. That is what salaried people do. That is my whole objection to all of this stuff. I remember in the PEG Management thing the director wanted someone to keep track of a schedule and that somebody said well if I am going to do that I have to get a stipend. His comment was you have yourself a 40-hour job and you can do that and take care of the schedule, and he said yes I can that is extra work and I want a stipend. He said forget it. If you do additional work that is defined under reclassification then you get reclassified, but if you do it for an hour or two days or whatever that is just part of the job. We shouldn't pay someone stipends just because they do some extra work here or there. I don't understand that whole thing.

Maureen Lemieux

I will just say again we have people who – the emergency management team...

Chairman Deane

Let's take them out of the equation.

Maureen Lemieux

But they are very much a part of it.

Chairman Deane

It is a very small part of it. Let's talk about people...

Maureen Lemieux

Well there aren't very many people who get stipends that are merit employees. There is only 118 to begin with.

Chairman Deane

That is what I said let's take the stipends out of the equation and go on to the additional compensation.

Maureen Lemieux

The most common one even though it isn't that common is the working out of classification so if there is a vacant position above them, they have stepped up to the plate and are doing that position in the meantime, they are receiving additional compensation for doing that, and as soon as you hire that person who will be above them they slide right back into doing what they were doing.

Chairman Deane

I think as Alderman Flynn had stated earlier in one of his motions, I think we should be at least notified that this is going on. If there is a vacancy and someone is partaking in extra workload to help run a department or division I think we should be notified. I think one of the concerns was a lot of this stuff is long term. You have the GIS situation was Mr. Marino did a lot of long-term stuff. Granted we have to go out and shop for people and have them apply and things of that nature so you will have some down time. We are just looking at how the Mayor rolls the process out of re-hiring to begin with because he has to approve the position to be re-hired once it is resigned. I think something should be under compensation. We are kind of handcuffing the administration from being able to compensate people for providing services for those positions that aren't filled.

Your argument, Alderman Teeboom, which I understand to say they are here 40-50 hours a week and should be doing that anyway.

Alderman Teeboom

I didn't say that I said if they work out of classification then they get reclassified.

Chairman Deane

If you have a temporary vacancy you don't reclassify someone for a temporary vacancy.

Alderman Teeboom

No they have to work within 40 hours it says right here.

Alderman MacLaughlin

So far up until this particular article I have agreed with really tweaking the changes that were proposed, but I draw on my own experience working for a major retailer on a salary arrangement.

I myself had been called upon to fill a void for X amount of months while a vacancy existed. In addition to my own responsibilities I had additional ones imposed upon me as a condition of continued employment until the vacancy out of my department was filled. That goes on in the world I worked in, the retail world, and I happen to agree on this point with Alderman Teeboom that department managers and division directors on a temporary basis should be able to expand their oversight on a temporary basis, and that temporary basis definition could be defined in some way, but I don't think it is fair for government supervisors to receive payments for those additional responsibilities when they are temporary because it doesn't exist all the time in the private sector at least not the world that I work in.

I like the language there under this particular paragraph. I would vote to keep it as it is proposed.

Maureen Lemieux

I just want to make the point that although we talk about merit employees, many of them are not supervisors or managers. Where this really comes into play more often than not is if we have someone that is in a staff position; they could be in a clerical position or a professional staff position, and if their manager is the one to leave and we are asking them to not necessarily do all of the functions of the manager but perhaps do many things above and beyond what they really have been hired to do to keep the department together in the month or two or three that there is no manager there. I don't want people to think that everybody in merit is a manager because they are not. It is not a matter of a manager needing to do extra work. More often than not we expect our managers to step up to the plate and they don't get additional compensation for it, it is more if we have people who are staff positions that need to take on the role of keeping a department together.

Alderman Teeboom

Again, under working out of classification when it is determined an employee is assigned to a function of a vacant higher classification they are eligible for a promotional rate of that classification provided he/she has worked a minimum of 4 hours in any one calendar day for an accumulated period of 40 hours within a 24 month period. If you just temporarily do a little extra her and there you don't get anything extra. That covers any of the questions that were just raised. That has nothing to do with whether you are a manager or not.

That is the point of the reclassification. Other than that the whole point is to get rid of all of the other stuff. If there happens to be a stipend here that we find an exception for then it ought to be a very special exception.

Alderman Tollner

I think that stipends piece for the fire department needs to stay in there, and there will be situations where there may be additional compensation. I understand the committee's concern over trying to eliminate it. I will go back to a statement I believe Alderman Deane made, if these

are given out or requested the Board of Aldermen will be notified in writing by the Mayor. I think the issue before was we were not aware of a number of the stipends that were being utilized. The stipends you are going to have so you can't eliminate that unless you want to define the exceptions. There are stipends here and there are people in the fire department that are getting that?

Maureen Lemieux

No they should all be covered under a collective bargaining agreement.

Chairman Deane

The merit stipends will be removed when O-05-105 is rescinded when this is passed. That is the whole thing that drove most of this was these employer boards were generating these policies and we were funding them to make up for the difference in what the rank and file wasn't getting that the union was.

Alderman Tollner

The additional compensation we are only dealing with those employees who may be filling a position on a temporary basis?

Chairman Deane

Like Alderman Teeboom said when you go to working out of classification clearly delineates that.

Maureen Lemieux

I think it negates that paragraph of the working out of classification because this is the beginning of the whole compensation section – if you are saying here no stipends, fees, or additional compensation shall be paid to employees under the merit program in addition to the salaries enumerated in the merit salary schedule as herein defined then the paragraph on working out of classification becomes mute.

Alderman Teeboom

No it doesn't. That is not true. That is just not true. All the other positions like promotion, all those you are in the merit – no matter what salary action is taken you are on the salary grid somehow even with the demotion. It is defined. We are talking here about things above the salary grid. It says so.

Chairman Deane

Let's back up. I agree with Mrs. Lemieux. When you are working out of classification as you stated earlier it lays it out. When you remove it here whether you agree with it or not, and you did turn to this working out of classification and say this is already covered. When you go to what you put here no stipends or fees or additional compensation – working out of classification is additional compensation.

Alderman Teeboom

In addition to the salaries enumerated in the schedule...

Chairman Deane

Or additional compensation...when I go under working out of classification that is additional compensation.

Alderman Teeboom

Only after you reclassify do you get the additional compensation.

Maureen Lemieux

You don't get reclassified.

Chairman Deane

It doesn't say reclassification.

Alderman Teeboom

Working out of classification, which is still...

Chairman Deane

Working out of it doesn't mean you are being reclassified you are working...

Alderman Teeboom

But you are still paid on the merit grid...

Maureen Lemieux

But you are not getting reclassified. If you are working out of classification you are not going to get reclassified most probably unless you become that person who you are working out of classification to fill.

Alderman Teeboom

But the salary is on the grid. If you work out of classification you are still on the grid.

Chairman Deane

Alderman Teeboom I think you have made your point. Quite frankly I wanted to – the compensation part I think is addressed and that is already here under classification. The fees –

are there fees paid to anyone? I don't think the fees and the stipends – what other stipends are being handed out other than emergency management? Automobile stipends?

Carol Anderson

That is not actually considered a stipend. For the most part I think that is all contractual.

Chairman Deane

I know a director that oversees 5-6 departments that uses his own vehicle and he gets motor vehicle stipend. It is in the budget as a stipend. For I.R.S purposes and your accounting purposes you might call it something else.

Carol Anderson

I see a stipend connected to earnable compensation. I don't consider an automobile earnable compensation. That is how we would define it.

Maureen Lemieux

We may have two employees who we consider it a stipend for the snow – additional compensation for the plowing season. We have the emergency preparedness two.

Carol Anderson

I think the solid waste had that special team in place.

Chairman Deane

The asbestos reaction team. They got a bump in their salary.

Alderman Flynn

I am pretty sure that is how we took care of the snow plowing too.

Chairman Deane

That was a sidebar to the contract, but these are the two merit employees. That was added into their...

Carol Anderson

I think Alderman Flynn is correct on that.

Alderman Flynn

That has been added as a permanent fix.

Alderman Williams

I am going to have to leave. I strained my back this morning, and I just can't sit here anymore.

Alderman Richardson

I would like to move the question regarding the stated text change per Alderman Teeboom's communication.

MOTION CARRIED

Division Taken

Alderman Teeboom

We use the words grade and steps and never define them.

Chairman Deane

A grade is on the left of the page and a grade runs west to east on the top of the page.

MOTION BY ALDERMAN DEANE TO ADD UNDER COMPENSATION THE TITLE "MERIT SALARY SCHEDULE" WITH THE DEFINITIONS FOR GRADES AND STEPS AS GRADES BEING ONE THROUGH TWENTY AS SHOWN ON APPENDIX A AND THE STEPS AS ONE THROUGH SEVENTEEN AS SHOWN ON APPENDIX A
MOTION CARRIED

Alderman Teeboom

Under merit pay program...

MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER MERIT PAY PROGRAM BY CHANGING THE WORD "RECRUITMENT" TO "STARTING" AND BY CHANGING THE WORDS "MERIT PAY SCHEDULE" TO "MERIT SALARY SCHEDULE"

ON THE QUESTION

Alderman Teeboom

Let me explain – we never explained the word recruitment, but we defined the word starting.

Chairman Deane

Mrs. Lemieux do you have problems with this language?

Maureen Lemieux

No.

MOTION CARRIED

MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER MERIT PAY PROGRAM SO THAT THE FOURTH PARAGRAPH READS “AN EMPLOYEE WHO HAS REACHED THE MAXIMUM STEP WITHIN HIS/HER DESIGNATED GRADE AND HAS ATTAINED A SATISFACTORY PERFORMANCE EVALUATION SHALL BE ELIGIBLE FOR A SALARY INCREASE EQUAL TO THE THREE (3) YEAR AVERAGE OF THE CPI-U.

ON THE QUESTION

Alderman Teeboom

Let me explain that. It just simply – the definition is to me I don't know what classification meant. We have the terms grades and steps defined. We have no such thing as a classification. The rest of it is just simple vocabulary.

Maureen Lemieux

We are okay with that.

Alderman Richardson

Did that also include the changes in page 7?

Chairman Deane

I guess it could.

MOTION CARRIED

Alderman Teeboom

Under Classification and Compensation it is the same type of change – just again consistent language.

MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER CLASSIFICATION AND COMPENSATION PARAGRAPH ONE TO READ “COMPENSATION WILL BE DETERMINED BY THE DESIGNATED GRADE AND STEP WITHIN THE ATTACHED MERIT SALARY SCHEDULE (APPENDIX A). THE MAYOR, THROUGH THE BOARD OF ALDERMEN, MAY GRANT A COST OF LIVING ADJUSTMENT TO ALL MERIT EMPLOYEES. ANY CHANGES TO THE MERIT SALARY SCHEDULE SHALL BE APPROVED BY THE BOARD OF ALDERMEN BEFORE TAKING EFFECT.”

ON THE QUESTION

Alderman Teeboom

Cost of living allowances seem to have been approved before they were granted.

Chairman Deane

It is through the budget.

Alderman Teeboom

To me this is all grammatical.

Maureen Lemieux

I think we are okay with this. I don't think that we have ever done anything contrary to this.

MOTION CARRIED

Alderman Teeboom

Under Working Out of Classification – I can probably take that one out. Under holidays, I don't understand the presidents Election Day.

Chairman Deane

City Hall is closed.

Alderman Teeboom

City hall is closed the entire election day?

Chairman Deane

Yes.

Alderman Teeboom

Withdrawn.

Chairman Deane

Under vacation – less than 5 years you are looking to take that from 10.8 days to...

Alderman Teeboom

I am withdrawing it given that Director Lemieux said no one has been advised and consulted.

Chairman Deane

On page 10, under benefits, health insurance you want to change the identified indemnity plan..

Alderman Teeboom

First I want to say HMO selected by the city and then take the indemnity plan out, which I believe is a resolution that is coming up that the city will no longer offer the indemnity plan.

Maureen Lemieux

The indemnity plan is offered. I believe on the entire city side there is no one, and I think there may be 8 school employees.

Chairman Deane

So if someone has deep pockets they can sign up for it.

Alderman Teeboom

I thought we had a resolution to take that out.

Maureen Lemieux

Not that I am aware of.

Alderman Tollner

If no one is in it, and administration doesn't object it is better to have the two plans that are in place.

MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER BENEFITS, HEALTH INSURANCE BY ADDING THE WORDS "SELECTED BY THE CITY" AFTER THE WORDS "HEALTH MAINTENANCE ORGANIZATION: (HMO):" AND BY REMOVING THE WORDS "INDEMNITY PLAN"
MOTION CARRIED

Chairman Deane

Under City Contributions, HMO change 95% to 90% and the POS plan 85% to 80%.

Alderman Teeboom

That is consistent with the ordinance.

Chairman Deane

What is the ordinance number? I think we should add some language to take effect upon passage of.. Mrs. Lemieux do you have a problem with that?

Maureen Lemieux

I would prefer if we would wait and change this once the ordinance passes. It will all happen anyway if the ordinance passes. We have really appreciated you holding the ordinance all this time. What we continue to ask is that it not be passed until we have at least one substantial union moving toward a change.

Chairman Deane

Alderman Teeboom why don't we do this – why don't we just forego this section and then when we pass the ordinance they can just go back and amend this? When that day comes they can amend this portion of the merit schedule because it is going to be done by ordinance as it states on the front page...

Alderman Teeboom

Why don't you want to do it now because ...

Chairman Deane

Because we have an ordinance that will do it. I would just assume wait for the ordinance.

Alderman Richardson

All the changes under city contributions are withdrawn?

Alderman Teeboom

No the third one is...

Chairman Deane

We will withdraw the HMO and the POS changes.

Alderman Teeboom

I take it this is effective July 2007 and the other ordinance that matches this will be done before July 2007?

Alderman Tollner

We don't know yet.

Alderman Teeboom

You realize you would have to re-publish the document.

Maureen Lemieux

I think re-publishing the document would be the easy piece.

Chairman Deane

You can always sent out an amended page.

MOTION BY ALDERMAN TEEBOOM TO AMEND BY STRIKING UNDER CITY CONTRIBUTIONS THE WORDS “INDEMNITY THE CITY CONTRIBUTES THE SAME DOLLAR AMOUNT AS IT CONTRIBUTES TO THE POS.”

ON THE QUESTION

Alderman Tollner

For people that are watching – the HMO we will leave at 95% and the POS we will leave for the time being at 85%.

MOTION CARRIED

Chairman Deane

Under dental insurance replacing the words “such as Delta Dental” and replacing it with “selected by the city”

**MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER DENTAL INSURANCE BY CHANGING THE WORDS “SUCH AS DELTA DENTAL” TO “SELECTED BY THE CITY”
MOTION CARRIED**

Chairman Deane

Under Long Term Disability...

Alderman Teeboom

Let me introduce that Mr. Chairman. It is unclear to me what does the city pay for the long-term disability?

Maureen Lemieux

We are self-insured. We do not pay. We only pay if the person is out on long-term disability and they receive I want to say 60% of their pay. We have a long-term disability plan.

Alderman Teeboom

I am talking about the premium.

Maureen Lemieux

We do not pay a premium we are self-insured. I would ask you actually to withdraw this sentence. We don't go out and select a plan...

Alderman Teeboom

The employee pays nothing?

Chairman Deane

We are self insured Alderman Teeboom. The only time it costs us is if we have to implement it, and I believe it is 70%.

Alderman Teeboom

So the employee pays no contribution. This should say pay 100% of cost.

Chairman Deane

If there is a case for it, but there is no premium to pay.

Alderman Teeboom

I will withdraw it.

Chairman Deane

Under flexible spending account, Alderman Teeboom wishes to change the words "up to \$20,000" to the words "up to a maximum amount"

Alderman Teeboom

Let me explain the comment. It says right now \$2,000. It is not clear to me that the I.R.S. still has \$2,000. They keep changing this.

Maureen Lemieux

Thank you. This has nothing to do with the I.R.S. maximum. The average wage in the City of Nashua right is about \$47,000. We do not allow – this is our maximum that we have put in as part of the program. We do not allow any of our employees to put aside more than \$2,000 because a flexible spending account is a use it or lose it account, and we do not want our employees to have the possibility of losing too much money. This is our intent. That is citywide.

Alderman Teeboom

A lot of people don't understand this plan. I withdraw the suggestion.

Alderman Teeboom

Let me introduce the last comment. I thought all that wording seemed to be very unnecessary for a regulation. I took it all out, and substituted with the blue language.

MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER TRANSPORTATION/TRAVEL TO READ “CITY VEHICLES MAY ONLY BE USED FOR WORK RELATED BUSINESS. PERSONAL USE OF CITY VEHICLES, WHEN AUTHORIZED BY THE DIVISION DIRECTOR OR THE DEPARTMENT MANAGER, SHALL BE SUBJECT TO A WITHHOLDING TAX IN ACCORDANCE WITH INTERNAL REVENUE SERVICE (IRS) REGULATIONS.”

ON THE QUESTION

Alderman Teeboom

It seemed to talk a lot about things that didn't seem to apply to this. If all you intended to do is allow use of the city vehicles, and if you did then you as an employee would be subject to It is paid in lieu of salary.

Chairman Deane

The bigger concern I have is Risk Management Department doesn't even have a policy associated with this. I really think that needs to get done. That is a huge liability.

Maureen Lemieux

We are fine with taking the first sentence out, but I would ask you to leave in – although there isn't a policy, people actually do provide a valid driver's license to us. I would ask to keep the last sentence in paragraph 1.

AMENDED MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER TRANSPORTATION/TRAVEL TO READ “CITY VEHICLES MAY ONLY BE USED FOR WORK RELATED BUSINESS. PERSONAL USE OF CITY VEHICLES, WHEN AUTHORIZED BY THE DIVISION DIRECTOR OR THE DEPARTMENT MANAGER, SHALL BE SUBJECT TO A WITHHOLDING TAX IN ACCORDANCE WITH INTERNAL REVENUE SERVICE (IRS) REGULATIONS. AN EMPLOYEE WHO EITHER IS PROVIDED TRANSPORTATION OR REIMBURSED MUST PRESENT A VALID DRIVER'S LICENSE ANNUALLY TO THE RISK MANAGEMENT DEPARTMENT.”

ON THE QUESTION

Carol Anderson

I think it makes it clear – I know it says subject to a withholding tax. I would rather have it say shall be subject to applicable IRS regulations.

AMENDED MOTION BY ALDERMAN TEEBOOM TO AMEND UNDER TRANSPORTATION/TRAVEL TO READ “CITY VEHICLES MAY ONLY BE USED FOR WORK RELATED BUSINESS. PERSONAL USE OF CITY VEHICLES, WHEN AUTHORIZED BY THE DIVISION DIRECTOR OR THE DEPARTMENT MANAGER, SHALL BE SUBJECT TO APPLICABLE INTERNAL REVENUE SERVICE (IRS) REGULATIONS. AN EMPLOYEE WHO EITHER IS PROVIDED TRANSPORTATION OR REIMBURSED MUST PRESENT A VALID DRIVER’S LICENSE ANNUALLY TO THE RISK MANAGEMENT DEPARTMENT.”

ON THE QUESTION

Maureen Lemieux

I think we would want to keep the last paragraph that was struck. Emergency personnel are exempt by IRS from this provision. We cannot tax police and fire.

Alderman Teeboom

It seems to me there ought to be a separate policy outside of this merit employee policy.

Carol Anderson

We do have a travel policy that would address those issues that Alderman Teeboom is speaking about, but one of the things that I am concerned when I read this is there could be times when people would be using a city vehicle and then they have to report their commuting miles and any personal miles and then we end up taxing them accordingly. I am sorry I am misreading it. Personal use of city vehicles – I am okay with that. I am sorry about that. Thank you.

MOTION CARRIED

**MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE OF O-07-97 AS AMENDED BY THE BUDGET REVIEW COMMITTEE
MOTION CARRIED**

**MOTION BY ALDERMAN TOLLNER TO RECOMMEND FINAL PASSAGE OF O-07-97 AS AMENDED BY THE PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE
MOTION CARRIED**

GENERAL DISCUSSION

PUBLIC COMMENT

ADJOURNMENT

**MOTION BY ALDERMAN DION TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 9:43 p.m.

Alderman Daniel Richardson
Committee Clerk