

## FINANCE COMMITTEE MINUTES

September 18, 2012

The meeting was called to order at 7:30 pm in the Selectmen's Meeting Room of Town Hall. The following members were present: Ken Szajda, Kathleen White, Michelle Zeamer, Michelle Johnson, Anita Ballesteros, Charles Kaslow and Daniel Alfred.

Kathleen White, seconded by Michelle Zeamer, made a MOTION to approve the minutes of June 26, 2012. Passed 4-0-3 (A. Ballesteros, C. Kaslow, D. Alfred abs).

Kathleen White, seconded by Michelle Zeamer, made a MOTION to approve a bill submitted by Faith Antonioli for a June meeting and minutes. Passed 4-0-3 (A. Ballestros, C. Kaslow and D. Alfred abs).

Michelle Zeamer, seconded by Kathleen White, made a MOTION to transfer \$1950.00 from the Reserve Fund to the COA, org.#01541, Prof. Services, obj.#53020. Passed 7-0-0. This is for repairs to the roof at the Senior Center.

Rachel Brown, from Stone Consulting, presented the FinComm and BOS with her report on the Classification and Compensation Study for the Town. Her presentation focused on clerical, contract/management positions and benefits. She said that it was difficult to do the comparatives with the communities specified because there was resistance from these communities to take the market survey. Ms. Brown said that the survey is time consuming and many towns just don't have the personnel to take the time to complete the survey. Size and similar demographics were used to come up with comparative towns. Another issue with the comparisons is that the schools use The Education Cooperative towns to compare themselves to and these are not necessarily comparable to Holliston in size and demographics. She said that presently, Holliston has a 2 dimensional structure made up of grade differentials and steps. She did recommend the collapse of the current structure because it is not financially sustainable. Ms. Brown recommended less levels and adding steps to 10 – this allows flexibility for hiring within the range. She also recommended a shift differential for the dispatcher position.

She said that she had gathered some data from Highway and Water but did not make any recommendations as they have applied to the state to unionize. Ken Szajda commented that Pg. 8 of the report, which shows Holliston's clerical pay to the market to be lower, needs to show the data points. Other members of the committee as well as a member of the public requested additional specific information in regard to the report. Specifically, the underlying detailed data for the charts on pages 8 and 20, the supporting data supporting step 10 on page 13 which was reported as the "going rate" by Ms. Brown, the data supporting the midpoints on page 21 and the private sector data used in the report per the Request For Proposals. When asked where employees would fall with the recommended changes, she said that it would be a bell curve. Ken agreed with Ms. Brown's conclusion that based on the study, Holliston is getting a bargain from its workers. There is not an overpayment problem in town. Anita Ballestros asked how the total personnel budget compared with other towns and Ms. Brown said that she had used the operational budgets for comparisons. Michelle Zeamer asked where the majority of clerical fell within the current structure and was told that most of the principal clerks are at grade #8 and assistant clerks are at #5. Charles Kaslow said that he would like to see the number of employees and how they

fall into the structure. Jay Leary, from the Board of Selectmen, expressed his disappointment that the study was presented to the dept. heads and employees before the town executives. Ms. Brown explained that she chose the format because she felt it was important to report findings to the employees that were being affected before perhaps reading it in the newspaper. Paul LeBeau said that when they rolled out the process there was a lot of discussion and that was how those involved decided it should be done.

Ms. Brown said that although not part of the Request For Proposals, she looked at management as well. She presented a chart of sample management ranges. It is an open range allowing for a “pay for performance” system. She said it is unlikely someone would get to the maximum. The going market rate falls in the middle 1/3 range; new people fall in the lower 1/3 range. This also forms a bell curve. Police, Fire and Dept. of Public Works all fall in the same range. Ms. Brown said it is hard to make comparisons because there is no Dept. of Public Works and the Fire Dept. is an on-call dept. She said with the end of the Quinn Bill, some towns are rolling educational incentives in the base police pay. She said she would recommend a “pay for performance” system first, but it would need to be funded (at more than 2%). Chairman Szajda questioned why “pay for performance” could not be used even if at not greater than 2% increase in payroll. He commented that in the private sector it was not unusual to allocate scarce resource to best performers even if lower performers did not receive an increase. She recommended eliminating longevity because Holliston’s rates are way below most towns, but paying it out in a different way (i.e. - bonuses).

As for benefits, Ms. Brown said that Holliston is not as competitive as other towns. Ken Szajda asked if she looked at the specifics of the plans offered and she said that the towns have similar plan designs. When asked about the appeal process, clerical/administrators appeal to the town administrator.

Sam Tyler discussed Other Post Employment Benefits trust options with the FinComm. He said that creating a trust does not obligate the town to set up a funding schedule. Ken Szajda said he would like to check with Bond Counsel to see how this could affect the town’s bond rating. He also questioned if the town could do a trust outside of a 32B. If not, are the town’s only options to go with a 32B or with specific legislation? Sam said that he would try to get more information and get back to them.

For next week’s meeting, FinComm will go over capital requests for Fall Town Meeting. Ken said that he will be doing the liaison lists, so if anyone has any specific preferences, to let his know.

At 10:50 PM, Kathleen White, seconded by Charles Kaslow, made a MOTION to adjourn the meeting. Passed 7-0-0.

Respectfully submitted,

Date Approved: October 9, 2012

Faith Antonioli, Secretary