



CITY OF DOVER

LABOR POLICY COMMITTEE - MINUTES

Meeting Type: Regular Meeting
Meeting Location: City Manager's Office - 288 Central Avenue, Dover, NH 03820
Meeting Date: **Thursday, October 26, 2006**
Meeting Time: **5:00pm**

1. ATTENDANCE

In Attendance: Councilor DeDe, Councilor Trefethen, Mayor Myers. Also in Attendance, City Manager Joyal, Human Resources Director Sue Daudelin.

2. MINUTES

A. APPROVAL OF MINUTES FROM OCTOBER 19, 2006

Councilor DeDe moved to accept Minutes from the October 19, 2006 Labor Policy Committee meeting; seconded by Councilor Trefethen. Motion passed unanimously.

3. REVIEW REPORT FROM FORMER AD-HOC COMMITTEE

City Manager Joyal provided an overview of the former Labor Policy Committee's recommendations to the City's negotiating team. The recommendations from the former committee have been used as a guideline for negotiation strategy. Additionally, City Manager Joyal updated the committee on the results achieved (or not achieved) from the recommendations. The committee reviewed each of the recommendations and had discussion regarding their continued relevance and preference.

Review of Recommendation #1 – Competitive Wage Schedule:

Councilor DeDe indicated that the move from an 8-step to a 12-step wage schedule was the right thing to do. He stated that many private sector businesses have caps on salaries. Additionally, COLAs are a moving target.

Councilor Trefethen stated we have been doing wage & benefit reports; we should continue to do so and provide comparisons with appropriate communities. Councilor Trefethen indicated that it would be good to not have an increase every now and then because of compounding (Rule of 72). He continued that there has to be recognition of future costs and we must determine where we want to be when comparing against other communities.

Mayor Myers is comfortable with the wage schedule and classification plan that has been put in place. He expressed his approval of getting all unions on the same three-year contract schedule. Additionally, he likes the idea of fixed COLA increases for budgeting purposes and is a proponent of the 12-step wage schedule. He agrees that we must determine where we want to be in comparison to other communities.

Councilor DeDe inquired about the use of volunteers for certain tasks or projects. He also expressed the need for attitudinal changes on both sides of the negotiating table.

Review of Recommendation #2 – Elimination of Merit Pay Plan:

Councilor Trefethen would be for a merit pay system only if it could be administered properly. "Fixed step is probably the way to go. 12-Step is much more palatable."

Mayor Myers agrees that the step pay plan is not perfect, but in a customer service base it is not as easy to administer a merit pay plan. "Step is the way to go."



CITY OF DOVER

LABOR POLICY COMMITTEE - MINUTES

Meeting Type: Regular Meeting
Meeting Location: City Manager's Office - 288 Central Avenue, Dover, NH 03820
Meeting Date: **Thursday, October 26, 2006**
Meeting Time: **5:00pm**

Councilor DeDe indicated it is much easier to do a step system. He believes verbal recognition for a job well done from supervisors, councilors, etc. can go a long way.

Review of Recommendation #3 – Continuation of Longevity:

Councilor DeDe expressed he has an idea in his mind as to how longevity should be handled, but realizes it is probably too complex to administer.

Councilor Trefethen has a problem with longevity payments. He considers the City's contribution toward retirement to be a great longevity bonus. He believes annual longevity payments should be de-emphasized / ratcheted down.

Mayor Myers believes longevity should kick in after someone has reached the top step on the salary schedule and are therefore no longer eligible for step increases.

Review of Recommendation #4 – Annual Bonus Program:

Mayor Myers believes this could be too subjective.

Councilor DeDe would like to consider a bonus program that when departments reach certain efficiencies they would receive special budget considerations for the department.

Councilor Trefethen agreed with the department bonus concept. When there is demonstrable cost savings; reward them for it. City Manager Joyal likened it to a gain sharing concept. If a department shows they saved money, without compromising services, they, as a department, receive a portion of the savings during the budget season to use for a special project, piece of equipment, etc. that will benefit the department.

Mayor Myers does not disagree with the concept, but expressed concern that when going through the budget process, travel, professional development, special equipment, etc. is usually the first to get cut.

City Manager Joyal also suggested the committee think about exploring the area of educational incentives for employees.

Review of Recommendation #5 – Implement Cafeteria Style Benefits:

Councilor DeDe believes wages and benefits should be looked at collectively. He would like to eventually get to this, "This is how much you have, determine how you want to spend it."

Mayor Myers would like to get to a true cafeteria plan with a cap on the amount per employee. He believes there should be incentives put in place to entice employees to take a higher deductible plan or less costly plans.



CITY OF DOVER

LABOR POLICY COMMITTEE - MINUTES

Meeting Type: Regular Meeting
Meeting Location: City Manager's Office - 288 Central Avenue, Dover, NH 03820
Meeting Date: **Thursday, October 26, 2006**
Meeting Time: **5:00pm**

Councilor Trefethen has a problem with the City's buyout program because percentages for buyouts are going up when they should be going down.

Councilor DeDe excused himself from the meeting at 6:35 PM.

Councilor Trefethen expressed a need to coordinate health benefits between the City and School District and that if there is someone working for the City and a spouse working for the School they should not be receiving a buyout. "We should be working toward choices that make sense. Perhaps drop the most expensive plan. We need to consider overall long-range cheaper health plan options."

Review of Recommendation #6 – Implement Consolidated Earned Time Leave Program:

City Manager Joyal pointed out that to go to a consolidated earned time leave program the unions would only consider such a proposition if the total amount of time given is greater than the combined time they get now separately through sick, vacation, etc.

Mayor Myers believes we should look at the amount of time people can bank and the length of time they are able to carry it. Also, we should provide incentive for people to use it or buy-it-down to decrease the City's long-term liability.

Councilor Trefethen stated vacation days are intended for vacations and should be used as such. He too believes we should minimize the carryover time. "The key is in the number of days allowed to carry over each year and for how long they can carry them."

4. NEW BUSINESS

The next meeting will be on November 16, 2006 at 5:00 PM in the City Manager's Office.

Sue provided various documents to committee members to review. The documents are as follows:

- a. NHMA Wage Comparisons
- b. 2 Articles on Benefit Trends
- c. Online Resources for Wage Comparisons
- d. 2001 Organizational Climate Survey Overview

5. ADJOURN

Councilor Trefethen moved to Adjourn at 7:00 PM; Seconded by Mayor Myers. Motion passed unanimously.