

Eliot Select Board Workshop

June 1, 2017 at 5:30 pm at Town Hall

Compensation Study

Minutes

Attending: Chair Rebecca Davis, Selectmen Hughes, Fernald, Murphy and Pomerleau. Also Town Manager Dana Lee, Consultant Don Jacobs, and from the public, Donna Murphy and Denny Lentz

The Chair opened the meeting at 5:30 pm. She asked the Town manager to recap the pay study's status and tonight's issues to be discussed.

The Town Manager said that due to feedback from some selectmen that the first pay plan was not meeting their expectations, and that Don was asked to develop a step system (no growth band), so the last workshop was cancelled and tonight the group will be looking at the second type of pay plan.

Selectman Murphy and Fernald took issue with the decision to cancel the workshop being made by less than the full board was wrong. They suggested that any such decision could include a courtesy call and to get everyone's opinion. Jack said he knew nothing of this revised system being requested. The Chair said that it was discussed at a SB meeting at least once, and maybe twice. She said there were no "outside communications" on this matter.

Don then began to describe the second pay plan (Plan B). He recapped why we are doing a pay plan – internal equity, external competitiveness, being able to describe the pay rate process to employees, etc. He said that Plan B was premised on 3% between each of the ten steps, versus Plan A which used level dollar amount between steps. He said Plan B omitted the Growth Band which were the salary amounts beyond the maximum market pay. He said that Plan A had a narrower range and would need to be updated more frequently, whereas Plan B had a wider pay range and could be used longer without need to re-sample the marketplace as often. He said that when we do survey towns for update pay data, do so based on demographics and operational similarity; can even survey different towns for each position because of operational similarity. Don said that on Plan B, we already have 4 staffers over the maximum on the pay range and we need to figure out a policy on how to compensate them; he said with Plan A, there is no need to have a second system for paying them.

There was some discussion between Selectman Pomerleau and the consultant about how many towns use straight COLA as the way to pay staff, especially unions. The consultant disagreed and said he knows of no towns that do that. Ultimately this was semantics; COLA and CPI being used interchangeably. It was agreed that the CPI this year was about .3% and we adjusted pay for non-union staffers at 1% so it was not based on using the real COLA, it was a flat percentage based on the CPI, but not the actual CPI. Bob also said that minimally, the pay range should be adjusted by the real local CPI annually. Don said that given that most staff are about 4-5% over benchmark, that maybe in two years or so, we should seek new market data. He said neither plan should be referred to as a "cost of living" pay plan. He said Plan B had hiring starting wages (good) but no growth band. It was suggested that for those above maximum, that only the local CPI be used to hold them harmless until the market data moves them back into the pay scale. Bob said that at Maine Dept. of Labor, if you were over the max pay for the job, you

got “red-lined.” Bob said that currently neither plan uses any semblance of “merit pay.” Bob said unions don’t go for that anyway.

Dana asked if the intent here was an annual 3% pay adjustment for staff for ten years running – no longevity or CPI adjustments? That was confirmed to be what Plan B calls for, and Selectman Pomerleau nodded in agreement.

Selectman Hughes asked the consultant to slow down and to go over his questions so he could understand it better. He asked several questions clarifying differences in the plans and how to administer the plans. Don Jacobs explained each to the group until all seemed to have no more questions about the two pay plans. Dana indicated that Don had done the second plan at no additional costs, and the group thanked him.

Rebecca asked if Dana had been given the “pay system manual.” Dana and Don confirmed that he had the said manual. She voiced concern on handling the overpaid employees; Don said they were not overpaid, they were competitively paid, and that it was a good thing. Bob said retention and turnover in local government is rare and towns do not need to be that competitive as the benefits usually keep them in the job.

Jack asked who would be responsible for annually adjusting the chart and “approving” it. Would this be an annual decision to approve the revised chart, or do we entrust / require the Town Manager to adjust it.

Bob pointed out a few mistakes and illogical things in the background data. Don took note and said he would send corrected sheets shortly.

It was pointed out that now the entire board can choose between the two plans and will need to work together on its implementation and adjustments to the Personnel Policy to reflect the pay plan and how employees’ pay is determined.

Don was thanked for his time, effort and work.

Brad made a motion to adjourn the meeting at 6:55 pm; this was seconded by Jack and was voted 5 – 0.

Approved: 6-22-2017

S: / John J. Murphy, Secretary