

Benefit Proposal

Prepared by: Gareth Backhaus, Michael Johnson, Melissa Noe, Maynard Forbes, Rich Crittenden, Peter LePrevost and Lyman Thomson

Date: November 8, 2011

To: Wayne, Jon, Scott, Michael, Stanley and Dan;

We understand that the Select Board and Finance Committee have been reviewing the benefits compensation package offered to full time employees and that you have focused only on the health insurance. We have read in the Select Board minutes as well as in a recent survey distributed the suggested changes that the Board and Finance Committee are considering and would like to offer the following for you to consider which we will discuss in greater detail with you at our 6pm meeting on November 14th.

In reviewing the minutes and memos from 2006 – 2009 of the Employee Compensation Committee we'd like to point out the following comments and recommendations they made which support our view that it is unfair to only address one aspect of the benefits compensation package for full time employees:

- The Employee Compensation Committee (ECC) was formed in 2006 with the “goal of having the Select Board take a more responsible leadership approach, righting past wrongs and not balancing the budget on the employees were high priorities”. It was agreed at this meeting (12/8/06) that the ECC’s most important issues to tackle first were salaries and then in the upcoming years they would tackle other benefits and then review part time benefits and elected official’s salaries.
- In January of 2007 the ECC provided an “Employee Compensation Committee Report and Recommendations” (attached) the ECC made suggested salary increases for FY08 with benefits to be further evaluated for inclusion in the FY09 budget. The report stated that “while the managerial and hourly categories varied in job description from town to town, generally Monterey was in the lower half or the lowest in most categories for both cash compensation and benefits.” The Committee stressed that town meetings that have included heated debates about individual compensation based upon frequently misinformed information about job descriptions/duties have been very wounding and disappointing to the full time employees and this is still the case. It was agreed in this report that while all salaries were increased in their proposal some would still not be fully competitive with other towns in the area.
- In July and November of 2007 the ECC met and discussed how to establish fair employee benefits. Members were going to obtain information from surrounding towns and the Treasurer on long and short term disability insurance, dental insurance, on call pay, clothing allowances and sick time.
- From December of 2008 – January of 2009 the ECC met several times to discuss health benefits, dental insurance options, vacation time for full time employees, sick time, COLA and part time employee wages. In February of 2009 a memorandum was sent to the Select Board and Finance Committee from the ECC (attached) with their FY10 recommendations which included:
 - Creating a standardized policy that health insurance only be offered to full time officials and that elected officials and part time employees were not eligible.

- Consolidating the Registrar's Clerk and Town Clerk line items into one line item as they are related to a single position.
- Amending the current vacation policy from 2 weeks at 2 years and 3 weeks at 6 years to 1 week at 1 year, 2 weeks at 2 years, 3 weeks at 5 years and 4 weeks at 11 years.
- Offering employees the option to cash out up to 15 sick days of sick time earned but not used at the end of each FY after the maximum of 90 days has been banked.
- Formalizing, standardizing and scheduling the employee review process and review merit based raises for FY11 and
- Raising one highway crew member's salary
- The ECC met again in March of 2009 and sent the Select Board and Finance Committee another memo with regards to the health insurance benefit and suggested last minute changes that the Treasurer proposed. The Committee and employees were concerned that the proposed change would substantially offset or negate the 3% COLA they were to receive. It was also determined that the dental insurance options available were not advantageous and that most employees were not interested in that benefit as proposed. They noted that the ECC's goal was to establish a reliable process where the whole package of cash compensation and benefits could be reviewed to be compared with peers in nearby towns. They also noted that the ECC's "goal was to establish a reliable process where the whole package of cash compensation and benefits could be reviewed to be compared with peers in nearby towns and that **any proposed changes to any aspect of the package should be evaluated in the context of the whole package. If each part of the package is evaluated or compared in isolation, it is difficult to establish parity overall.**" It is with this in mind that we ask you to consider the whole package and not just focus on the health insurance.

The 7 full time employees of Monterey suggest the following changes to the benefits package offered:

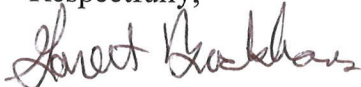
- Vacation time: keep as is and keep in mind that most towns surveyed offer up to 5 weeks and Monterey stops at a max of 4 weeks.
- Holidays: keep as is (11 per year) and keep in mind that the school offers 12 and several surrounding towns offer additional days or half days before Christmas and New Year's
- Personal time: keep as is as this is in line with the surrounding towns
- Clothing allowance: Provide a \$400 per year per person clothing and boot allowance to the highway department keeping in mind that most towns offer a boot allowance and either a clothing allowance in addition or provide uniforms through a service.
- On call pay: Provide a per shift stipend to Officers and a \$150 per month stipend during the winter months (Nov – March) for Highway members
- Snow days: Create a snow day policy that allows administrative staff to work from home when school is cancelled without using their own sick/personal or vacation time to do so
- Step program: Create a step program for each full time position with raises
- Offer 3 year employee contracts and negotiate raises at contract times
- Compensation Committee: The Employees would like to see the Select Board bring back the Employee Compensation Committee to explore these issues and make recommendations to the Finance Committee and Select Board each year.

The employees would like to have representation on this committee and have offered to expand the duties to include working with legislators to help reform health care to a single payer system. We were disappointed to see that the Select Board had discontinued this committee earlier this year.

- Sick Time: The 10/24/11 Select Board minutes and audio recording state that you would be content leaving the sick time policy as is but would like to clean up the policy on extended sick leaves. We agree with this and would like to point out that the current policy does state that any time beyond 3 days requires a doctor's note. We'd like to see the ECC's recommendation above put into place offering the option to buy back unused time either on a yearly basis or at retirement as this would encourage people not to use them. We have no issues with the bank of time being put into an "account" which would cover extended illnesses. The school has a "sick bank" that we might want to look at and model our own plan after.
- Health Insurance:
 - With regards to the current split, we recommend either;
 - Keeping the split as is (90/10) for current employees and splitting any premium increase over 15% - 50/50 (as the school does) and any new employees hired would come on at 80/20. So if the increase is 16%, the town and employee would split 50/50 the 1% over 15% or
 - go to a 85/15 split contingent upon salary increases being approved to cover the difference in a separate article from any COLA's or merit raises being given with no 50/50 split of increases and the current retiree policy be amended to state that any retirees that have not reached Medicare age be provided health insurance at an 85/15 split until Medicare age when they would then go to 50/50.
 - We would also request that you find someone to handle the health insurance that is available full time and more responsive to employee's needs and questions
- Longevity Bonuses: Consider adding longevity bonuses as the school does; \$800 at 10 years, \$1,200 at 12 years and \$1,500 at 15 years and longer.

In closing we'd like the Board and Finance Committee to consider the added benefits the town receives currently by having 5 of the 7 employees living right in town and the remaining 2 living within 13 miles and the responsiveness and devotion of the 7 employees in times of emergency. We'd also ask that you consider how much money the employees have saved the town over the years by searching and applying for many grants and using our own personal tools and vehicles to perform town related jobs.

Respectfully,



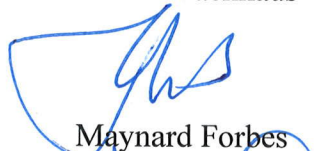
Gareth Backhaus



Michael Johnson



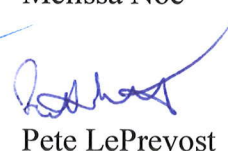
Melissa Noe



Maynard Forbes



Rich Crittenden



Pete LePrevost



Lyman Thomson

**Employee Compensation Committee
Report and Recommendations
January 2007**

Committee Members: Michael Storch, Dan Moriarty, Maynard Forbes,
Gareth Backhaus, Janet Cathcart

The Employee Compensation Committee was appointed by the Select Board to evaluate the compensation and benefits paid to Monterey's seven full time employees.

Salary Recommendations for Fiscal Year 2008

Director of Operations	\$60,000	10% increase includes COLA
Chief of Police	\$49,500	10% includes COLA

Interdepartmental Secretary:

Town Secretary	\$29,845	plus COLA
Secretary to Select Board	\$4,500	plus COLA
Secretary to Board of Health	\$4,500	
Secretary to Building Commissioner	\$1,950	

Hourly Rate Recommendations for Fiscal Year 2008

Highway Department:

Foreman	\$19.97/hour	6% increase includes COLA
Highway 2	\$18.82/hour	6% increase includes COLA
Highway 3	\$17.36/hour	10% increase includes COLA

Police Department:

2nd Officer	\$17.51/hour - current rate	plus COLA
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Benefits to be further evaluated for inclusion in FY 2009 Budget.

Review of Comparable Rates in Surrounding Towns

The Employment Compensation Committee reviewed comparable salaries and hourly rates for some or all categories from seven surrounding towns. While the managerial and hourly categories varied in job description from town to town, generally Monterey was in the lower half or the lowest in most categories for both cash compensation and benefits.

Review of Monterey's Employment Compensation History

Monterey's full time employees have not received increases routinely or for many years with the exception of COLA for some in the past several years. Previous compensation committees, reviews of specific positions or employees, and in some cases promises of increases, have not resulted in the inclusion of recommended or expected increases in the budget process.

Recent Town Meetings have included heated debates about individual compensation and frequently misinformed discussions about actual job descriptions, duties and comparisons with surrounding towns. Such debates and discussions have been wounding and disappointing to our full time employees who strive to perform the services needed by our citizens.

Because of failed previous attempts to address fair and competitive compensation for our full time employees, the Select Board appointed a committee to again evaluate the parameters, to work with the Finance Committee and Select Board to make recommendations to redress past omissions and begin to establish an ongoing and routine review for future recommendations.

The Committee decided to recommend catch-up in cash compensation for FY 2008 while continuing a review of benefit packages to be recommended for FY 2009. Some recommended salaries will still not be fully competitive with others in our area, but the Committee concluded that our process of clearing up past discrepancies and providing substantial increases for FY 2008 is the first step in establishing regular review procedures and possible further catch-up in future years. It is important to note that the Committee gave great weight to the affordability issues our employees face in trying to remain our neighbors in or close to Monterey.

Further Explanations for 3 positions

Most of the salary and hourly recommendations are a percentage increase over current amounts. Three positions require further explanation to establish the base for the increase.

Director of Operations:

The base salary of \$49,527.36 was supplemented by a \$5000 bonus for a total of \$54,527.36 for this position in FY 2007. This bonus was paid in an effort to compensate the Director for additional services performed to cover extra plowing for which no part time employees could be found and a decision to add an additional full time position was delayed and ultimately rejected.

The job description for this position has expanded beyond the management of the Highway Department and led to the title of Director of Operations. In addition, extra plowing has frequently been required by the Director for the reasons stated above. In order to put to rest arguments about managerial vs. employee compensation packages, the Committee recommends that a competitive salary for the Director of Operations be established for FY 2008 at \$60,000. This managerial salary is to fully compensate the Director for any and all duties undertaken to manage the Operations Department as well as pitching in to accomplish extra services as needed including, but not limited to, extra or "overtime" snow plowing. A 10% increase over the compensation package for FY 2007 is within a few dollars of the \$60,000 proposed salary recommended by the Committee. Similar positions in some neighboring towns have higher salaries with less duties, but the Committee felt that this salary increase is the first step in the establishment of a more fair managerial salary for the Director of this department.

Highway Position 3:

The individual currently in this position has worked for Monterey for over 20 years. He left the job for a number of years, and when he returned his hourly rate was set at an entry level rate. The increase of 10% from \$15.32 to 16.85 per hour is recommended to more fairly compensate the current employee in this position.

Interdepartmental Secretary:

Beginning with the Town Budget for FY 2007, the salary for the Interdepartmental Secretary (aka Town Secretary) was broken out by each department employing secretarial assistance from the individual in this position. While this caused some confusion about the aggregate salary and its components, the Committee, in consultation with the Finance Committee and the Select Board, decided to recommend the continuation of this break out or division of the salary into its component parts. Among other reasons, the Committee decided that this gave more flexibility to the employee and the various departments to continue or discontinue the specific work sought or performed either during the fiscal year or from year to year. In FY 2008 the salary paid to the Town Secretary for adding the secretarial duties for the Select Board will be \$4,500 which is a decrease from the & \$8,667 paid to the previous Board Secretary. In addition, the Board of Health and the Building Commissioner will hire secretarial assistance from the individual in this position at the same rates as FY 2007 with no COLA increase.

In Conclusion

All the above recommendations by the Employment Compensation Committee were unanimously agreed to by the members of the Committee. The participation by Maynard Forbes, Director of Operations and Gareth Backhaus, Chief of Police has been

instrumental in informing and in some sense negotiating the specifics of these recommendations. The Committee offers these recommendations for approval by the Select Board and the Finance Committee in that spirit with the expectation that this process will finally lead to overdue approval at Town Meeting.

Report Prepared by Janet Cathcart
January 24, 2007



Town of Monterey Memorandum

TO: Wayne Burkhart, Select Board Chair, Scott Jenssen, Select Board Member, Jonathan Sylbert, Select Board Member, Daniel Moriarity, Finance Committee Chair, Michael Storch, Finance Committee Member and Maryellen Brown, Finance Committee Member

FROM: Janet Cathcart, Michael Storch and Scott Jenssen, Employee Compensation Committee Members

DATE: February 2, 2009

SUBJ: FY10 Recommendations

The Employee Compensation Committee has held several meetings since December of 2008 regarding the FY10 salaries and benefits for our full and part time employees. Below please find our recommendations with attached supporting documents:

1. The committee recommends that the Select Board create a standardized policy, effective July 1, 2009, that health insurance is only available to full time employees and that elected officials (working less than a posted 20 hours every week) and part-time employees are not eligible.
2. The committee recommends that the Select Board revisit the separation/consolidation of the Board of Registrars Clerk and Town Clerk line items as they are related to a single position. We also recommend that the parameters of the job description and salary for that the position be clarified.
3. The committee recommends that the current vacation policy be changed from 2 weeks at 2 years and 3 weeks at 6 years to 1 week after 1 year (for when new employees are hired), 2 weeks after 2 years, 3 weeks after 5 years and 4 weeks after 11 years.
4. The committee recommends that an employee be given the option to cash out up to 15 days of sick time earned but not used at the end of each fiscal year after their maximum of 90 sick days allowed to be banked has been met. Note: if an employee didn't take any sick days, it takes 6 years to bank 90 days. Only after the full 90 days is banked would an employee have days to be paid out if unused. (See attached payout chart)
5. The committee recommends that the Select Board formalize, standardize and schedule the review process. The recommendation to review merit based raises will be visited next year.
6. In light of the current economic situation the Committee would like to address any inequities in the Highway Crew salaries. The Committee agreed to recommend the following for raises in the Highway Department:
 - *Raise Highway Member #3 to the current salary of Highway Member #2 (\$40,891/yr).