



TOWN OF  
NEW LONDON, NEW HAMPSHIRE

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**BOARD OF SELECTMEN  
MEETING MINUTES  
May 31, 2016  
9:00 AM**

**PRESENT:**

Bill Helm, Chair  
Nancy Rollins, Selectman  
Janet Kidder, Selectman  
Kim Hallquist, Town Administrator  
Wendy Johnson, Finance Officer

**ALSO PRESENT:**

Scott Blewitt, Recreation Director  
Steve Ensign, Board of Firewards  
Lyndsay Lund, Budget Committee & Recreation Commission  
Frank Anzalone, New London resident  
Sandra Licks, Library Director  
Jo-Ann Roy, Assistant Library Director  
Lucy St. John, Planning & Zoning Administrator  
Jay Lyon, Fire Chief  
Marshall Osgood, Police Detective  
James McKenna, Police Officer  
Eben Lamson, Police Officer  
Donna Larrow, Police Administrative Assistant  
Rick Mastin, Police Officer  
Richard Lee, Public Works Director  
Ed Andersen, Police Chief  
John Wilson, New London resident  
Tom Anderson, Police Lieutenant  
David Keith, Police Sergeant  
Heidi Dunlap, Dispatch Supervisor  
Vahan Sarkisian, New London resident  
Tim Monahan, Police Officer  
Greg Barthol, Dispatcher  
Jaclyn Elise Goddette, *Argus-Champion*

Chair Helm opened the meeting at 9:00am and welcomed Gary Thornton of Thornton and Associates, the consulting firm chosen to conduct a study of the Town's wage and compensation programs.

Mr. Thornton said he was there to explain the reasons for conducting the survey, explain the analysis that his firm used, explain the decisions they made, and determine how the Selectmen will implement the information provided.

Mr. Thornton said the process they used involved interviewing the department heads and sending a survey to different municipalities to check on competing towns and what they pay their talent/labor. Not all the towns were good matches for all the different jobs in New London, due to the uniqueness of some of the jobs, but they were able to use the information as a benchmark.

Mr. Thornton said employee compensations and benefits were examined. He feels it is important that employees understand how employee pay grades are made as well as how they can influence these grades. He created a pay structure in an effort to leave the Town with something reasonable to work with and update during future budget cycles. Once this structure was created, he placed the jobs into it, using the information from the survey.

Selectman Kidder asked about the interviews that were done with the staff. She understood there were some differences in what the staff felt their responsibilities were and what their responsibilities actually were. Mr. Thornton said he feels the differences were benign and the jobs were evaluated with himself and the Town Administrator to determine the responsibilities. Department heads have information on how they can evaluate challenges of the positions and decide what the responsibilities are.

Mr. Thornton read and responded to questions provided by the Selectmen in advance regarding the study.

**1. Why establish 18 pay grades (versus 11 now) with just 40 employees? Should the 18 be consolidated into fewer?**

Mr. Thornton said when he built the pay structure he had a strong opinion that there should be a methodology to it. He said his structure is one that can keep vibrant and alive throughout each budget cycle. There are relationships between each pay grade. At some point, the skill of the employee must outweigh the tribal knowledge. He said the labor market will move 2% or 2.5% in the public sector every 10 or 11 years and this scale will help prevent having to move people too often within the structure.

Chair Helm said they have just two job classifications in pay grades 3-11. He wonders if they are over-building this pay grade structure. He feels it is unlikely they will use all the pay grades and it seems to be a lot of extra "boxes" employees may like to reach but cannot. Mr. Helm commented that given the current circumstances in the Town, perhaps the grades additional grades are more for purity than for application at this point in time. Mr. Thornton agreed with this sentiment, but he cautioned that things don't stay static and at some point they may need to use all the grades.

Mr. Thornton feels it is good that the town doesn't have a step system as it is hard to get away from. He isn't a fan of this kind of pay upgrade system.

**2. The report recommends that changes be "driven by performance", be "targeted to specific positions" and that "changes be based on an assessment and evaluation of an individual". Should not these steps precede changes so that we "get off on the right foot" with our new salary administration program?**

Mr. Thornton said he hoped everyone would agree with him that performance would be a function of wage increase.

**3. Most of the Town employees report to three managers (TA, Police, Public Works). What kind of training for evaluation would be recommended?**

Mr. Thornton said he would recommend that the Town Administrator create an in service day to conduct training in this area and other known leadership deficiencies. He added that it was his observation that the department heads are competent, caring, and committed to their jobs. They need to make sure they are able to evaluate performance, which is only fair.

- 4. On page 19 of the report under the section “Pay Plan Structure - Open Range Plan” it states “An advantage of the open ranges (versus steps) is that New London can make adjustments to the ranges without necessarily giving all employees automatic wage increases. Employees would receive wage increases for their contribution, not for automatic cost of living adjustments.” Please explain the efficacy of this structure in more detail.**

Mr. Thornton said he prefers the open range; as he doesn't like the way step programs tend to be implemented. He explained that a step-based salary structure is a salary range with rates established at specific intervals within the range. An open range salary structure is a salary range with a minimum and maximum value, with no steps in between. An employee's salary can be at any point between the range minimum and maximum. Employees progress through the range via merit increases, based on performance, or via equity adjustments.

Selectman Rollins said in her experience, the step programs work and these steps are the only monetary increase the employee sees if they are not granted a cost of living (COLA) increase. She feels the step program also provides for morale among employees. Mr. Thornton said the only pushback is whether the evaluation is truly a performance evaluation. Ms. Hallquist said the pay ranges change to take into account the COLA, so even if someone makes more due to this adjustment, they will not move up on the pay scale as a result of receiving the COLA.

Mr. Thornton said if it is a truly market-based system, the midpoint, by definition, the employee would move from mid-range to high-range through performance. This can be done within the system he has built. Selectman Rollins said for some positions within the town, vertical moves are not possible and she would like to see some growth capabilities for lateral moves. Chair Helm said looking at people's skills and growth will change where they are on the scale. He would like to get the Board to agree that skill development and performance are dominant in the system instead of automatic increases for all.

- 5. Please explain how the position description questionnaire along with existing job descriptions were developed into new job descriptions.**

Mr. Thornton explained that questionnaires were completed by all employees and reviewed by Department Heads and the Town Administrator before being delivered to the consultant for review. He then created new job descriptions, which incorporate new or changed duties since the last review. He noted that he found the existing job descriptions to be relatively current and not in need of significant changes. He noted that the new job descriptions have been provided to Ms. Hallquist. Each department has them and they are being reviewed. Selectman Rollins said she would wait to see the descriptions as they hadn't been forwarded to the Selectmen yet.

- 6. Is there qualitative analysis between existing job descriptions and the new? Should these new job descriptions, which quantitatively equated to higher labor grades, have been presented to the Board for our approval?**

Mr. Thornton explained that external pay equity exists when employees in the Town perceive that they are being rewarded fairly in relation to those who perform similar jobs in other organizations. External review was achieved through the use of our custom survey. Internal pay equity exists when employees in the Town perceive that they are being rewarded fairly according to the relative value of their jobs when compared to similar jobs in the Town. The position description questionnaires asked employees to detail specifics about their job and provide written comments about their tasks in each area measured. Based on this information, each job class was evaluated by a unique Job Evaluation System. The evaluation from this system resulted in a quantitative score for each job and established the relative ranking of positions within the compensation system. The Consultant met with Department Heads on the use of the Evaluation tool.

Mr. Thornton said the process isn't done but the descriptions will be forwarded to the Selectmen for review.

- 7. What is the timeframe for development for competition administration plan**

Mr. Thornton said he understood that they would have this done in time for the town to deliberate and implement by July 1<sup>st</sup>. The implementation must take into account the fiscal constraints, current salary levels and other variables which are unique to New London. After all of these factors are considered a feasible implementation program should be designed.

**8. Describe the skills and knowledge personnel staff will need to maintain the proposed compensation system**

Mr. Thornton explained that he, Ms. Hallquist and the Department Heads went over the job evaluation system to insure internal equity. They will work together on this process and can contact him should they having any questions going forward.

**9. On page 71 of the report, you present a draft compensation philosophy, shouldn't a performance evaluation process be part of assuring "...that the Town of New London is staffed with highly qualified, fully competent employees..."**

Mr. Thornton answered yes, he couldn't agree more. Evaluation is a function of performance.

**10. Recommendation for next steps?**

Mr. Thornton said he recommends reviewing the report in its entirety to balance the internal and external uniqueness of positions. At the completion of this review, they can say with confidence, this is how they make pay decisions.

Selectman Rollins asked Mr. Thornton to explain the three points in the report that must be considered before making any changes.

Recommendation for immediate next steps:

1. Get input from department heads on the process
2. The board conduct assessment and evaluation of the individual in each job before making any changes
3. The Board should consider internal equity of all positions before any reclassifications are approved.

Mr. Thornton said when all is said in done, he encourages keeping this discussion vibrant and alive; he welcomes Ms. Hallquist to come with him with questions as they move further through the process.

Selectman Rollins noted a difference between a Town Manager and a Town Administrator title. What is the efficacy of one over the other with regards to statutory implications? Mr. Thornton said in a manager's role, many decisions including job descriptions are made by the manager alone. Hiring and firing is only done with the recommendation of a manager. The skill from an administrator is often higher because they have many more bosses to work with. He would say it takes the same skill to be an administrator or a manager, however often the administrator faces more challenges than a manager and must have a more varied skill set.

Chair Helm asked if there were questions from the audience.

Chief Andersen said some of the towns that took the survey used use a step increase. He questioned how can they keep New London vibrant and in competition with these neighboring communities if they don't do the same. Chief Andersen suggested that not having a step system will mean the Town will end up where they are today, having fallen behind other towns in salaries. He stressed that fears not being able to retain his officers without a reliable compensation system in place. He has a concern about the cost of certification of new officers to the Town. Mr. Thornton said he heard that this is a problem in New London. The survey respondents were asked to describe how they do pay increases. Eight were merit only, seven gave raises across the board, and seven were part of a step increase. A different structure could be used in the police department if his recommended structure didn't work for that department.

Chair Helm asked for the names of the towns that fit into the three categories (steps, across the board, merit only). Mr. Thornton said he would provide that information.

Ms. Lund, Budget Committee Member, noticed that New London has the third highest median income of the towns used. Of the 32 positions noted on pages 14-15, nine were slated as underpaid. If this is a performance-based scale in the town, that would break down to 59% of the employees as underperforming. Ms. Hallquist said currently, employees pay is not linked to performance as across the board pay adjustments is the way raises have been given for the past several years. Ms. Lund said to the employees, their rate of pay is based on performance, but the report shows that they are underperforming. Ms. Hallquist said right now, this has to do with comparing salaries of the area, but not within the Town.

Selectman Rollins said they are looking to get equity with surrounding towns. Reevaluating the base for some of the positions is what Mr. Thornton is recommending. It will be critical to hear back from the department heads their views on this and their job descriptions.

Ms. Larrow, Police Department Administrative Assistant, said she has heard others ask how they can compete with the private sector. Mr. Thornton said the survey only includes public sector employees. Selectman Rollins said their survey included not just pay, but total compensation, including benefits. She said it used to be the case that benefits in the public sector outweighed those in the private sector, which is no longer the case.

Chair Helm noted that the report indicates the Town is leading the market in health insurance for grandfathered employees, and lagging in terms of the newer employees, who have to pay more for their coverage. Is what they are offering to the new employees not as good as what is offered in the broad market? Mr. Thornton said everything is relative. The Town of New London is deficient in reimbursement, but not plan design.

Officer McKenna said towns should be competitive with the state agencies with regards to finding and retaining officers. Are these state agencies taken into play too or just town agencies? Mr. Thornton said it was just town agencies in the report.

Chief Lyon asked if the report was considered final. Mr. Thornton said it was unless he hears direction from the board to continue with the process. Chief Lyon said in the beginning they discussed the matrix and he hoped to be able to sit down and talk with him about his department. Chair Helm said this is Mr. Thornton's report; it is now up to the Board of Selectmen to do what they will with it with or without the advice of Mr. Thornton. Chief Lyon was under the belief that they would have had a chance to meet with Mr. Thornton prior to the report being submitted.

Selectman Rollins said to her, the critical next step is a subsequent meeting with the board and department heads to discuss how this moves forward and/or be changed. Now is the time to do this. If the report needs to be changed, they will consult with Mr. Thornton. Chair Helm said there will be no side discussions or decisions made in private. This is a public process. Selectman Rollins said some changes will need to be staged in over a period of time, and this process will be decided with the department heads input.

Selectman Kidder said she was interested in how they would move forward but these questions are not part of the report; they are things she and her colleagues need to decide.

The next meeting is scheduled for June 6, 2016 at 6:00pm. Chair Helm urged the department heads to join them at the meeting to have further discussion.

Other Business

Selectman Kidder feels they should discuss the ability of the Zoning Administrator or the Town Administrator to sign off on building permits so that people don't have to wait so long to get them. This will be discussed at the next meeting.

**IT WAS MOVED (Janet Kidder) AND SECONDED (Nancy Rollins) to adjourn the meeting.  
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 9:23am.

Respectfully submitted,

Kristy Heath, Recording Secretary  
Town of New London