



TOWN OF NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • WWW.NL-NH.COM

BOARD OF SELECTMEN MEETING MINUTES November 28, 2012

PRESENT:

Selectmen
Peter Bianchi, Chair
Tina Helm, Selectman
Janet Kidder, Selectman
Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

EMPLOYEE COMMITTEE:

Amy Rankins, Facilitator and Administration Representative
Jo-Ann Roy, Library Representative
John Early, Public Works Department Representative
Donna Larrow, Dispatch & Police Representative
Ed Andersen, Police Representative

OTHERS PRESENT:

Linda Jackman, Administrative Assistant
Joan Pankhurst, Deputy Town Clerk/Tax Collector
Carolyn Fraley, New London Resident
Linda Hardy, Town Clerk/Tax Collector
David Seastrand, Police Chief
Richard Lee, Public Works Director
Mark & Thelma Kaplan, New London Residents
Renate Kannler, New London Resident
Chad Denning, Recreation Director
Heather Wood, Dispatcher
Sandra Licks, Library Director
Kathy Tracy, Tracy Library
Jim Wheeler, Budget Committee Chair
Doug Lyon, New London Resident
Doug Homan, Budget Committee member
Jay Lyon, Fire Chief
Joe Cardillo, Budget Committee member
Celeste Cook, Budget Committee member

Chair Bianchi opened the meeting at 6:00pm and said they were meeting to hear the results of the employee ad-hoc committee that had been studying the Town of New London's personnel policy. He stressed that the purpose of this evening is to hear the report of the committee but that no decisions on changes in employee benefits would be made at that meeting. He noted that it had been a while since the personnel policy has been reviewed for potential changes, so the Selectmen formed the committee to take a look at the policy. Amy Rankins has served as the facilitator of the group. He thanked those on the committee for the time they had spent on the issues at hand.

Amy Rankins began the presentation by thanking the Board of Selectmen and Kim Hallquist, Town Administrator, for providing them the opportunity to review and offer their viewpoints on the current personnel policy and comment on areas that could benefit from revision. The committee was comprised of five employee members, representing various town departments, and they met on five occasions. Members include: Amy Rankins, Administration; John Early, Public Works; Donna Larrow, Police & Dispatch, Ed Andersen, Police; and Jo-Ann Roy, Tracy Library.

The committee used the following resources while conducting their research: towns established by the Board of Selectmen in 2008 as comparable to New London, which are Enfield, Hollis, Hopkinton, Meredith, Moultonboro, Newbury, Rindge, and Sunapee. They also included data from the State of New Hampshire, Kearsarge Regional School District, the Local Government Center (LGC), and some other local businesses.

The following topics were discussed:

1. Holiday, leave, and sick time
2. Health insurance
3. The possibility of incorporating merit -based raises and
4. Other areas of concern and overall consensus of employees

Ms. Rankins noted that generally speaking, employees are pleased with the current policy and are appreciative of what is offered in New London. After reviewing the policy, the committee conducted quite a bit of research in the areas mentioned, and the committee is prepared to present their findings.

Ms. Rankins turned the floor over to Ed Andersen to speak on the topic of Holiday Pay.

Mr. Andersen said that the Town's current policy offers nine paid and two floating holidays. Through their studies, it was found that 11 holidays tended to be the norm (New London provided 9 days plus two floaters). He studied all 62 towns that LGC reported on. The average number of holidays offered to employees matched what they have in New London. There was some concern that part-time employees are no longer being paid overtime for hours worked on holidays. He observed that this offers no incentive for part-time employees to work on a holiday. It would save the town money for part-time employees to get double-pay on a holiday rather than having a higher paid full-time employee working the holiday and getting paid double-pay for the same hours.

John Early spoke on leave and sick time. He looked at the range of vacation days between the comparable towns. New London's leave and sick time was found to be comparable (New London's current policy for vacation time is based on length of service, starting at 17 days annually; sick days are 7 per year regardless of longevity). He also provided information from various businesses in the town and showed the amount of sick time/personal time that was offered. The hospital uses combined time off for vacation, sick and holidays (starting at 28 days, based on length of service). Other towns offer vacation/sick time in a variety of ways. Of those 62 towns only three combined vacation and sick time but there was no information available on how they break that down.

Donna Larrow spoke on health insurance. Ms. Larrow said they hoped to keep the HMO and POS programs currently offered by the town. Comparing the other towns, several pay 100% for benefits. Some charge a percentage only for two-person and family plans, with single plans paid 100% by the town. Some, like New London, offer a POS plan with an increased employee contribution. She offered information about health and dental insurance. Ms. Larrow said she got her info from the 2011 LGC

Wage and Salary Benefits Survey. She looked at other businesses, the Kearsarge Regional school district and the State to see how New London compared. She analyzed what New London has had for health plans over the past several years. Several employees have remarked that benefits change very often. The last few years they have had quite a few changes. It was determined that New London falls on the lower part of the spectrum when it comes to paying for health insurance.

Amy Rankins spoke on employee morale. Ms. Rankins said that employees feel that morale is quite low due to a lack of communication. They would like periodic meetings with the Board of Selectmen and the administration when changes to things, such as health plans, are being discussed.

Ed Andersen spoke on longevity and new hires. Mr. Andersen said the committee feels that benefits have decreased over the past few years. They know it is a sign of the times. It was their suggestion to consider offering fewer benefits to newly hired employees. This would enable them to maintain the benefits that current employees have. It is their desire that the Town maintain the terms the employees were hired under.

Donna Larrow offered a statement at this time, which reads:

One of the first things that has become clear to me, you cannot make comparisons without getting into a bevy of issues. Do you compare based on population? Town Valuation? Demographic economics? Businesses, Schools, seasonal residents? County? There is no easy answer and no exact replica of our community. The sources for the comparison can also be a challenge.

There are many studies comparing municipalities to private sector employment. Even as others try to do an apples v apples, comparison escapes even the most versed and educated professionals. The results always include a disclaimer covering things that make the purpose of the study questionable. The sole factor everyone seems to agree on is the fact that competition drives the private sector. That competition is based on the market. The market is not a factor of production in the municipal arena.

If you ask priority to municipal employees, usually the security and benefits are the reason they stick with their employment. Usually communities, state governments and federal government layoffs are significantly less than private sector layoffs. When layoffs do occur, there are usually fewer people impacted as well. The benefit package is also a factor. Not having to worry about their health benefit, life insurances & retirement, as private sector does, is a huge priority. The willingness to work nights, weekends and holidays is expected to be balanced by the salary benefit package. Municipal employees know that they are probably the largest expense of the budget and do not expect the bonus, perks and significant raises the private sector enjoy.

When you look at employee benefits, you cannot avoid talking about total compensation. If wages were to be excluded from the equation, conclusions could be flawed based on benefit costs, both as expenses to the town and income to the employee.

Jo-Ann Roy spoke on merit pay. Ms. Roy said that at one time, merit pay was used in the town but it was unclear why the practice was stopped. It is believed that the Town could save money by using such raises because raises could be given only to those who are deserving of them, instead of merely a percentage to everyone, across the board.

In conclusion, Ms. Rankins noted that the employees believe that New London prides itself on committed, experienced employees and minimal turn-over. Employees who stay with the organization tend to be hard-working and enjoy their position. When this happens, it becomes a cost savings, as training new employees can be costly.

The overall consensus of the employees is that they are very appreciative of what New London has to offer them. They enjoy working for the Town and believe the residents are happy with the services they receive. To recap, the employees understand that there are communities that are more generous with their employee benefits and there are also towns and businesses that fall below what New London offers. Would the employees like to have more – of course, who wouldn't? However, they all understand the challenges that must be faced within a struggling economy and recognize that this is an unrealistic approach. Employees have proven their understanding of these challenges over the past years by stepping up and making several concessions, such as reduced prescription coverage, contributing more to their health insurance premiums, and paying increased deductibles.

Based on the research they have conducted, New London tends to fall in the middle of the spectrum when it comes to many of the topics discussed that night, which is what they believe has been the goal of administration in order to remain a competitive employer. Those employees who have worked for the town the longest understand that good and bad times tend to be cyclical and many of them have experienced these ups and downs over the years. The town's employees simply request that when times are bad, administration communicates their expectations on how they anticipate being more fiscally conservative and provide open dialogue to keep those lines open. When times are good, they request that administration recognize their hardworking, dedicated employees with ways that make the most sense for the town. At the current time, employees are not asking for more, but simply request that the town maintain the benefits that are currently offered.

In closing, the employee committee was thankful for being given the opportunity to express what they feel is important to both the Town and its employees. This exercise has provided them a means to communicate with administration and for that, they are grateful. The committee requested that the Board allow them to remain in effect so that they may continue to act as liaisons for administration and employees as they believe this will prove to be beneficial. They feel that in addition to what this opportunity has provided, they will be able to brainstorm on other ideas. For instance, Ms. Rankins said she would like to work with the committee on the possibility of implementing an employee-only website that can be used as a resource for staff to obtain information regarding current events, benefits information, any HR-related topics, etc. She sees this as a way to communicate with staff more efficiently by getting information out in a timelier manner.

And finally, on behalf of New London's employees, the committee thanked the Board of Selectmen for taking the time to consider what they had brought forth.

Chair Bianchi thanked the committee for their work and said they have given the Selectmen a lot to think about. He said New London is lucky to have the personnel they have in all the departments. He and his colleagues would take the report and review it and do their best to come up with a fair and equitable conclusion to some of the concerns they had.

Ms. Rankins offered that the Board of Selectmen could contact the committee with any questions they may have as they have done a great amount of research.

Ms. Hallquist noted that she appreciated that these employees were willing to take on this assignment and she felt that they took the assignment seriously and worked hard considering the issues. There were other

employees interested in serving but could not because of schedule conflicts. She was in favor of continuing the committee because she felt that as the Town continues to make changes, it would be a good way to keep communication lines open. She appreciated the work they did.

Ms. Helm agreed with Ms. Hallquist and felt the committee should continue as it was a good vehicle for communication.

Mr. Homan wondered if Chair Bianchi had an agenda on how to move forward with this issue and if there would be additional meetings. Mr. Bianchi said they do not have any more meetings planned but they do have an agenda for the budget and they will have separate meetings to discuss personnel issues. Salaries and the policy are not done department by department but rather by the whole town. That meeting is not yet scheduled. When it is it will be noticed as all meetings are. He anticipated having this work done within the current budget process. By January 23rd he hoped to have any changes in the personnel policy included in the budget that is handed over to the Budget Committee.

Ms. Helm said the policy was last reviewed and approved in January of 2007. It is time to respond to the committee's information diligently.

Ms. Tracy wondered when they would find out about their health plans. Ms. Hallquist said it would be a matter of weeks. The average increase in health insurance quotes are between 12% and 14%.

Chair Bianchi said that health insurance was estimated at 14% and retirement at 18% in the budgets they are coming up with. Salaries have yet to be determined.

Chair Bianchi thanked everyone for coming to the meeting.

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

The meeting adjourned at 6:37pm.

Respectfully submitted,

Kristy Heath, recording Secretary
Town of New London