



Fairhaven Board of Selectmen

May 2, 2018 Meeting Minutes

Present: Members of the Board of Selectmen: Chairman Daniel Freitas, Vice Chairman Charles Murphy, Clerk Robert Espindola Town Administrator Mark Rees, Human Resources Director, Anne O'Brien and Administrative Assistant Vicki Paquette.

Members of the Finance Committee: Chairman Pat Elliot, Vice- Chair Lisa Plante, Kathleen Carter, Bernard Roderick, Tom Alden, Tracy Diggins, Jessica Dwelly, Robert Furtado and Finance Director, Wendy Graves.

Mr. Freitas called the meeting to order in the Hastings Middle School, Room 20 at 6:11 p.m.

Mr. Freitas explained the purpose of the meeting was to discuss the Pay and Classification Implementation Options. Mr. Rees passed out a memo with the options. (See Attachment) Mr. Freitas asked each person to speak for 2 minutes with their options.

Pat Elliot said he has been trying to rationalize the changes. In the past when the economy was bad employees weren't given much for pay raises. Now that the economy is better it is time to give the employees the pay raises. He would like to see Option 3.

Lisa Plante said she has decided to trust Mr. Rees and Ms. O'Brien with what they have done with the consultant. She still has some questions with the steps, therefore she would like to see Option 3.

Kathleen Carter said she agrees with Mr. Elliot but thinks there needs to be more time to vet out the plan. Because of the disparity with some of the salaries she is worried about the moral among the employees. She would like to see Option 3.

Bernie Roderick also echoed Mr. Elliot's sentiment. He feels there is no immediate reason for this to get done in the three days before Town Meeting. He would like to see this put off until the fall to make sure it is done fairly. He would like to see Option 3.

Tom Alden feels this is long overdue. He couldn't believe some of the comments from Department Heads in the detailed plan. He thanked Mr. Rees for the background and the legality. He feels that this shouldn't be rushed. He would like to see Option 3.

Mrs. Diggins said she didn't see much difference between option 1 and option 3, other than option one allows for changes to be made retroactive to July 1, 2017. She would like to see Option 1.

Ms. Dwelly feels professionals have done this report and research. This is normal in the corporate world. Two months is plenty of time to vet this. She would like to see Option 1.

Mr. Furtado feels that they knew this was coming. Town Meeting put this in place last year. Vetting should be done by and outside source who has no ties to employees. He trusts the professionals, so let's put this in place and get this moving. He is in favor of Option 3.

Selectman Murphy feels the money has been put aside already for this purpose. This has been put off long enough. The study was done and now it's time to use the money that was put aside. He is in favor of Option 1.

Selectman Espindola is sensitive to everyone's concerns. He feels that option 3 will give more time to vet the plan. He is in favor of Option 3.

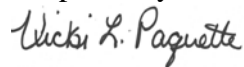
Selectman Freitas has looked at all the options. He is worried about moral with the employees. He would like to see everyone start at step 2 so they don't lose 2017. He is in favor of Option 3.

Mr. Rees will prepare the documents for Town Meeting with the recommendations.

Both committees adjourned to the Precinct meeting in the cafeteria.

At 8:45 p.m. Mr. Murphy made a motion to adjourn at the end of the precinct meeting. Mr. Espindola seconded. Vote was unanimous. (3-0)

Respectfully



Vicki L. Paquette
Administrative Assistant
(Approved on 5/14/2018)

**Documents appended:
A: Pay and Classification Implementation Options**

Attachment A

Memorandum

To: Board of Selectmen
Finance Committee
From: Mark Rees, Town Administrator 
Date: May 1, 2018
RE: Pay and Classification Plan Implementation Options

Background:

The need to do a Wage and Classification Plan was identified in 2015, when the then Personnel Board¹ received funding from Town Meeting to update the Pay and Classification System for Non-Union employees². Reasons to do regular and comprehensive updates to an organizations pay and classification system include:

- Internal equity to make sure people get equal pay for equal work; failure to do so could result in discrimination lawsuits³
- To be competitive in the market place so that we can recruit and retain qualified employees.
- To ensure parity between union and non-union employees

Further underscoring the need to update the pay and classification plan was the Selectmen's policy goals and objectives that included as a major goal "To strengthen the town's Human Resources operation in a ways that will enhance employee productivity, create an atmosphere of mutual respect, *develop an equitable and competitive compensation and benefits plan* and foster employee accountability for job performance". (*Emphasis added*)

Unfortunately, in 2015 there were only funds sufficient to draft job descriptions for the employees, not to do pay and classification portion of the project. To complete the project, the town successfully applied for and received a State Community Compact Technical Assistance Grant in the amount of \$20,000 to finish the project. With that grant we hired a highly regarded expert consultant, Human Resources Services, Inc. (HRS) who has done numerous pay and classification studies for municipalities throughout Massachusetts. In anticipation of the updated pay and classification plan being implemented in FY18, \$150,000 was recommended by the Board of Selectmen and Finance Committee be placed in a reserve account which Town

¹ The Personnel Board was disbanded upon to passage of the Town Administrator Special Act which transferred the responsibility of the Personnel Board to the Town Administrator.

² Certain non-union employees are not part of the Pay and Classification System because they have separate employment contracts (BPW Superintendent and Water Superintendent) or their salary is based on a ratio to rank and file department employee (Police Chief, Police Captain, Police Lieutenant, Fire Chief, Deputy Fire Chief)

³ The adoption of an updated pay and classification system, however, would act as an affirmative defense against such a law suit. The Massachusetts Equal Pay Law provides for "a complete defense for any employer that, within the previous three years...has conducted a good faith, reasonable self-evaluation of its pay practices.

Meeting approved at the May 2017 Annual Town Meeting. Similarly, the recommended FY19 budget also provides for a reserve of \$150,000 for the implementation of the pay and classification plan along with \$47,000 for a 2% COLA increase. The intent for establishing these reserves was to ensure there would be sufficient funds to transfer to individual department Salary and Wages line times the amount necessary to pay for the implementation of the pay and classification plan once completed.

Current Status:

At the request of management, HRS submitted a draft pay and classification plan to the Town in April of 2018. The reason for the request was to determine how much funds should be distributed to FY18 and FY19 Department Wage and Salaries accounts at the May 5, 2018 Annual Town Meeting. This would allow for the implementation the wage and classification plan should it be adopted by the Board of Selectmen pursuant to Chapter 61 of the Town's by-laws (See Attachment A). Although funds would be transferred into these Wage and Salary line items from the respective reserve accounts based on information contained in the draft pay and classification plan, the money would not be spent until the pay and classification plan was finalized and adopted by the Board of Selectmen.

Based on the information in the consultants draft report, the Human Resources Department estimated the cost of implementation to be as follows:

FY18 General Fund: Pay and Classification- \$74,300 (5/5/18 Annual Town Meeting Art. 5)

FY18 Sewer Ent. Fund: Pay and Classification - \$5,000 (5/5/18 Annual Town Meeting Art. 7)

FY19 General Fund: Pay and Classification- \$87,100 (5/5/18 Annual Town Meeting Art 10)

FY19 General Fund: 2% COLA - \$36,800 (5/5/18 Annual Town Meeting Art 10)

FY19 Sewer Ent. Fund: Pay and Classification - \$6,900 (5/5/18 Annual Town Meeting Art. 12)

FY19 Sewer Ent. Fund: 2% COLA-\$3,200 (5/5/18 Annual Town Meeting Art. 12)

Implementation Options

Option 1:

- At the May 5, 2018 Annual Town Meeting distribute all of the reserve funds identified above to various FY18 and FY19 Salary and Wage line items.
- Board of Selectmen approve final pay and classification plan prior to June 30, 2018
- Salary adjustments are made retroactive to July 1, 2017 (not to exceed amount in revised Wage and Salaries line items; if less, remaining funds go to free cash (fund balance)
- 2% COLA implemented July 1, 2018

- Step increases consistent with the approved Pay and Classification Plan are provided in FY19 subject to performance review. (not to exceed amount in revised Wage and Salaries line items; if less, remaining funds go to free cash (fund balance))

Option 2

- At the May 5, 2018 Annual Town Meeting distribute only the FY19 reserve funds to various FY19 Salary and Wage line items identified above.
- Board of Selectmen approve final pay and classification plan prior to June 30, 2018
- Salary adjustments are made on July 1, 2018 (not to exceed amount in revised Wage and Salaries line items; if less, remaining funds go to free cash (fund balance))
- 2% COLA implemented July 1, 2018

Option 3

- At the May 5, 2018 Annual Town Meeting, \$150,000 is placed in the Wage and Salary Reserve Account and \$40,000 is distributed from the COLA for Non Union Employees Reserve Account to various Wage and Salary line items to fund the 2% COLA.
- 2% COLA is implemented July 1, 2018.
- Prior to the Fall Town Meeting the Board of Selectmen approve the final pay and classification Plan.
- At the Fall Town Meeting, funds from Wage and Salary Reserve Account are transferred to various Salaries and Wages Accounts to fund the approved Pay and Classification Plan.
- Salary adjustments are implemented retroactive to July 1, 2018

Option 4

- At the May 5, 2018 Annual Town Meeting, \$150,000 is placed in the Wage and Salary Reserve Account and \$47,000 is placed in the COLA for Non-Union Employees Reserve Account.
- Prior to the Fall Town Meeting the Board of Selectmen approve the final pay and classification Plan.
- At the Fall Town Meeting, funds from Wage and Salary Reserve Account are transferred to various Salaries and Wages Accounts to fund the approved Pay and Classification Plan. Funds in the COLA for Non-union employees is transferred to various Salaries and Wage Accounts to pay for the 2% COLA
- Salary adjustments related to the approved pay and classification plan are implemented retroactive to July 1, 2018
- Salary adjustments related to the 2% COLA are implemented retroactive to July 1, 2018.

Recommendations:

It is recommended that Option 1 be recommended at Town Meeting because that was the intent when the Wage and Salary Reserve was approved at the May, 2017 Annual Town Meeting. Option 1 is based on the creditable and objective recommendations of an outside consultant and is consistent with the Board of Selectmen Policy Goals. However, it is also my opinion that this option must be strongly supported by both the Board of Selectmen and the Finance Committee at Town meeting to be successfully approved. If there is not that commitment to fully support Option 1, then my secondary recommendation would be Option 3.

Attachment A

Town of Fairhaven, MA
Tuesday, May 1, 2018

Chapter 61. Personnel

§ 61-1. Purpose and authorization.

The purpose of this chapter is to establish fair and equitable personnel policies and to establish a system of personnel administration based on merit principles that ensures a uniform, fair and efficient application of personnel policies. This chapter is adopted pursuant to the authority granted by Article LXXXIX of the Constitution of the Commonwealth, MGL c. 41, §§ 108A and 108C, and Chapter 381 of the Acts of 2014, An Act Establishing the Position of Town Administrator in the Town Of Fairhaven.

§ 61-2. Applicability.

All departments and positions shall be subject to the provisions of this chapter, except elected officers, employees of the School Department, and any other employee who is excluded by law. Notwithstanding anything contained herein to the contrary, the Town Administrator shall not be subject to the provisions of this chapter. Any department head may be exempted from the provisions of this chapter upon recommendation by the Town Administrator and vote of the Board of Selectmen. Any such exemption shall take effect upon the adoption of an employment contract between the Town and the department head. If there is a conflict between this chapter or any plans, policies, rules or regulations promulgated pursuant to this chapter and an approved collective bargaining agreement, the provisions of the collective bargaining agreement shall prevail.

§ 61-3. Human Resources Director.

With the approval of the Board of Selectmen, the Town Administrator shall appoint a Human Resources Director who by experience and education is qualified to administer this chapter and any plans, policies, rules or regulations promulgated pursuant to this chapter.

§ 61-4. Personnel system.

A personnel system shall be established by the promulgation of policies pursuant to § 61-5. The personnel system shall make use of modern concepts of personnel management and shall include but not be limited to the following elements:

- A. Method of administration. A system of administration will be incorporated which assigns specific responsibilities for all elements of the personnel system, including maintaining personnel records, implementing effective recruitment and selection processes, maintaining the classification and compensation plans, monitoring the application of personnel policies and periodic reviews and evaluation of the personnel system.

- B. Classification plan. A position classification plan for all employees subject to this chapter shall be established, based on similarity of duties performed and the responsibilities assumed, so that the same qualifications may be reasonably required for and the same schedule of pay may be equitably applied to all positions in the same class. No employee may be appointed to a position not included in the classification plan.
- C. Compensation plan. A compensation plan for all positions subject to this chapter shall consist of a schedule of pay grades, which may include minimum, maximum and intermediate rates for each grade; an official list indicating the assignment of each position to specific pay grades; and vacations, holidays, sick leave, other leave and all other benefits, provided that the payment of such wages and benefits may not exceed the amount appropriated, or otherwise made lawfully available, therefor.
- D. Recruitment and selection policy. A recruitment, employment, promotion and transfer policy shall be established to ensure that reasonable effort is made to attract qualified persons and that selection criteria are job related.
- E. Personnel records. A centralized personnel recordkeeping system shall be established to maintain essential personnel records.
- F. Equal opportunity. The Town shall provide equal opportunity in employment without discrimination based upon race, color, religion, national origin, sex or age, or as otherwise prohibited by law.

§ 61-5. Adoption and amendment of policies and plans.

The Town Administrator, with approval of the Selectmen, shall promulgate personnel policies and plans defining the rights, benefits and obligations of employees subject to this chapter. Policies and plans shall be adopted or amended as follows:

- A. Preparation of policies and classification and compensation plans. The Town Administrator shall prepare or amend policies and plans with the approval of the Selectmen. Any member of the Board of Selectmen, any administrative authority, or any three persons may suggest amendments for consideration by the Town Administrator. The Town Administrator need not consider any proposal already considered in the preceding six months. All new proposals or amendments shall be submitted to the Town Administrator in writing. The Town Administrator shall hold a public hearing on any proposed policies or amendments. Any proposed policy or plan or amendment thereto shall be posted at least five days prior to the public hearing in prominent work locations. Copies of proposals shall be provided to representatives of each employee collective bargaining unit and a copy shall be filed with the Selectmen.
- B. Public hearing. The Town Administrator shall present the proposed policies or amendments, the purpose of the proposal and the implications of any proposed change at the public hearing. Any person may attend the hearing, speak and present information. Within 20 days after the public hearing, the Town Administrator shall make a determination on the proposed policies and shall recommend that the Selectmen adopt the policies or amendments, with or without modifications, reject the policies or amendments or indicate that further study is necessary.
- C. Recommended policies. The Town Administrator shall transmit recommendations, in writing, to the Selectmen within 20 days after determination on the proposed recommendations or amendments. The recommendations of the Town Administrator shall contain the text of the policy and any explanation that is deemed necessary. The Selectmen may adopt, reject or return the recommendations for further study to the Town Administrator. The Selectmen need only act on proposed policies which the Town Administrator has recommended for adoption.

Policies shall become effective upon their filing with the Town Clerk following approval by the Selectmen, unless some later date is specified.

§ 61-6. Severability.

The provisions of this chapter and any policies adopted pursuant to this chapter are severable. If any bylaw or policy provision is held invalid, the remaining provisions of the bylaw or policy shall not be affected.

§ 61-7. Effective date.

This chapter is amended to eliminate the Personnel Board and to designate the Town Administrator as the sole authority over the administration of personnel policies, effective as voted at the May 6, 2017, Annual Town Meeting. Notwithstanding the elimination of the Personnel Board, all actions taken prior to the appointment of the Town Administrator by the Personnel Board within its authority, or by any other Town official or board, with respect to personnel, including the appointment of all officers and employees, shall continue in full force and effect subject to future action by the Town Administrator within the Town Administrator's authority.