

**BOARD OF SELECTMEN
EXECUTIVE SESSION
MINUTES FEBRUARY 18, 2016
APPROVED & RELEASE**

Present: John G. Petropoulos, Chair; Anna Eliot, Vice Chair; Stuart M. Schulman, Clerk; Peter Cunningham; Joshua A. Degen

Also Present: Mark Haddad, Town Manager; Dawn Dunbar, Executive Assistant

Mr. Petropoulos open the meeting at 7:30am.

Mr. Degen at 7:30am moved to enter into Executive Session pursuant to M.G.L. c.30A, §21, Clause 2 "To conduct strategy sessions in preparation for negotiations with non-union personnel or to conduct collective bargaining sessions or contract negotiations with non-union personnel" relative to the Town Manager's contract and not return to open session. Mr. Cunningham seconded the motion. Roll Call: Eliot-aye; Degen-aye; Cunningham-aye; Schulman-aye; Petropoulos-aye

Mr. Petropoulos said that their last meeting left off with an offer from Mr. Haddad. Mr. Schulman said that he ran the numbers and made sheets with the numbers. Mr. Haddad said that based on a vote by the Charter Committee he was more adamant about the 6-month severance. Mr. Haddad said that he sent an email Saturday morning adding the proposal that Mr. Degen made to Finance Committee was bad faith negotiations. He said that he was shocked by the fact that it was made and was concerned about moving forward. Mr. Degen said that he didn't think it was bad faith adding he would never support anything in excess of 2.2% as that was where he wanted to see it stay. He said he didn't think it was disingenuous and it met spirit of budget guidelines. Mr. Haddad said that when you were in active negotiations and no final decision had been made and you make a proposal like that, it was bad faith negotiations. Mr. Petropoulos said that he didn't think being in negotiations made any line item immune and therefore disingenuous. Mr. Cunningham said he understood the point and suggested they caucus.

Mr. Haddad left the room.

Mr. Schulman said that they left off last time with 4% the first year, 2.2% the second and third years. He said that if Mr. Haddad were to take a family plan, 10% of that was a concession. He said that would be \$7K over 3 years being conceded. He said that their offer differs in only two ways. Their annual salary was 2.2% and not 4% and in year 3 their raise was 0% with a 2.2% bonus. Mr. Petropoulos asked if the car was calculated in the salary. Mr. Degen said no adding it was reimbursable kind of like a cafeteria plan with health insurance. He said it would be a separate line item on Mr. Haddad's check that was not salary based. Mr. Schulman said that the same would be true on the life insurance.

Ms. Eliot said that the difference between their offer and Mr. Haddad's was about \$3K. Mr. Degen agreed adding it was a 2% differential overall. Ms. Eliot suggested splitting the difference in half. Mr. Schulman said that the difference was the annual salary in year one and bonus's. Mr. Cunningham said that based on the vote of the Charter Committee they should entertain an opener on that one issue. Mr. Schulman said that they already agreed to that.

Mr. Cunningham suggested that they load more on the front end of the contract by going to 3% and leave years 2 and 3 at 2.2%. Mr. Degen said that he would like to leave it where it is. Mr. Petropoulos reminded everyone that they have a meeting that night about the budget. Mr. Schulman said to remember that health insurance was not in there adding that would help them with the unions moving forward. Mr. Degen said that that approach assumed Mr. Haddad took a family plan. Mr. Cunningham said that could not base decisions on someone needing to change their plan.

Mr. Cunningham said that going back to the unions was a big step. Mr. Cunningham said that Mr. Petropoulos would not be happy with any number other than zero. Mr. Petropoulos did not disagree. Mr. Schulman asked him what number he would be comfortable with. Mr. Petropoulos said a 2.2% annual growth. Mr. Degen said that he too was comfortable with that. Ms. Eliot asked if they would be scrutinizing this if they didn't have a school issue. Mr.

Petropoulos said that he thought they would adding that they should be managing their growth this way. Mr. Degen said that he didn't think Mr. Haddad's salary was out of line adding that a car was compensation.

Mr. Degen said that in year 3 of their offer the bonus was not added to the base. Mr. Degen said that the wild card was the car. Mr. Petropoulos said that it was also the health insurance. Mr. Degen said he didn't think they could figure that out. Ms. Eliot said that 30% on health insurance was a huge compromise on Mr. Haddad's part. Mr. Degen said that he would like to offer a counter proposal with the car in year 1 at \$2,100; year 2; \$2,300; year 3 \$2,500 which was equal to the increase in health insurance or \$4,500 over the life of the contract. Mr. Cunningham said that this was pulling back on their offer. Mr. Schulman said he was not sure he wanted to pull back or go forward. Mr. Cunningham recommended that the year 3 increase of 2.2% goes toward the salary not the bonus. Mr. Cunningham said that 3% in year one would be a little over \$1K. Mr. Degen argued that the base escalates in future years adding that the car was part of the annual salary. Ms. Eliot said that he liked the idea of reducing the car in the first year. Mr. Degen said that he would be willing to up the year 3 salary based on increase in revenue. Mr. Petropoulos said that that was a performance based bonus. Ms. Eliot argued that it was not performance based. Mr. Degen said that it was the town's performance based increase in revenue. Mr. Degen said he didn't think they should move on this adding that at some juncture Mr. Haddad was going to keep coming back if they kept moving. Mr. Cunningham said it was their responsibility to negotiate a contract.

Mr. Degen said that 5.38% growth over 3 years with health insurance was something he could defend. He said it was fair to Mr. Haddad and fair to the tax payer. Mr. Degen asked what the offset in year 1 was percentage wise with the car and health insurance. Mr. Schulman said it was 4.5% if they include the health insurance. Mr. Degen said he thought it was important to factor that in adding it softened the 6.13% in isolation. He said that this contract was giving Mr. Haddad severance, a car, life insurance, an extra personnel day, an extra week's vacation and giving him a 2.2% raise. He said that the bath water was warm and implored upon them to hold their ground. Mr. Cunningham suggested that they sit down with Mr. Haddad with what was on the table. Mr. Degen, Mr. Cunningham and Mr. Schulman were okay with that. Ms. Eliot said she was abstaining.

Mr. Haddad reentered the room at 8:35am.

Mr. Schulman said that they were satisfied with their last offer. Mr. Haddad said that he was not going to agree to a 2.2% raise on 30% health insurance contribution. Mr. Schulman said that they had added a car which totaled a 6.13% increase. Mr. Haddad said that 30% on health insurance was major. Mr. Haddad said that he would agree to 30% health insurance with 4% increase (raise). He said that the schools were at 85/15 split and felt as though he had made major concessions. Mr. Degen said that they felt the same way adding that if they stuck to their offer and he stuck to his they would not go anywhere. Mr. Haddad said that he would agree to 20% on health insurance with the car and 4% year one. Mr. Petropoulos suggested that they come back after they set the budget guidelines later on. Mr. Haddad said that the budget he gave them was a balanced, decent budget and asked if that was going to change the board's decision. Mr. Petropoulos said that they would know what the direction was after their meeting.

Mr. Schulman moved to exit Executive Session at 8:42am. Mr. Cunningham seconded the motion. Roll Call: Eliot-aye; Degen-aye; Cunningham-aye; Schulman-aye; Petropoulos-aye

Approved: _____
Stuart Schulman, Clerk

respectfully submitted,
Dawn Dunbar
Executive Assistant to the Town Manager

Date approved: 3/21/16

BOS Proposed Contract Offer

12-Feb-16

| <u>Item</u> | <u>Current</u> | <u>Year 1</u> | <u>Cost</u> | <u>Percent Change</u> | | | | |
|---------------------------------------|----------------|---------------|---------------|-----------------------|-----------------------|----------|---------|---------|
| Annual Salary | \$ 130,080 | \$ 132,942 | \$ 2,862 | 2.2% | Health Ins. | Cost | 10% | |
| Car | \$ - | \$ 4,500 | \$ 4,500 | 100% | Year 1 | \$21,000 | \$2,100 | |
| Life Insurance | \$ - | \$ 610 | \$ 610 | 100% | Year 2 | \$22,890 | \$2,289 | |
| Total Package | \$ 130,080 | \$ 138,052 | \$ 7,972 | 6.13% | Year 3 | \$24,950 | \$2,495 | |
| | | | | | | | | \$6,884 |
| <u>Item</u> | | <u>Year 1</u> | <u>Year 2</u> | <u>Cost</u> | <u>Percent Change</u> | | | |
| Annual Salary | \$ 132,942 | \$ 135,866 | \$ 2,925 | 2.2% | | | | |
| Car | \$ 4,500 | \$ 4,500 | \$ 4,500 | | | | | |
| Life Insurance | \$ 610 | \$ 610 | \$ 610 | | | | | |
| Total Package | \$ 138,052 | \$ 140,976 | \$ 8,035 | 2.12% | | | | |
| <u>Item</u> | | <u>Year 2</u> | <u>Year 3</u> | <u>Cost</u> | <u>Percent Change</u> | | | |
| Annual Salary | \$ 135,866 | \$ 135,866 | \$ - | | 0.0% | | | |
| Bonus | | \$ 2,989 | \$ 2,989 | | 2.2% | | | |
| Car | \$ 4,500 | \$ 4,500 | \$ 4,500 | | | | | |
| Life Insurance | \$ 610 | \$ 610 | \$ 610 | | | | | |
| Total Package | \$ 140,976 | \$ 143,966 | \$ 8,099 | 2.12% | | | | |
| Total, All Years | | | | | 10.67% | | | |
| Total, Including health Insurance 10% | | | | | 5.38% | | | |

Other items

Severance: Based on Charter, will change to 6 months if charter remove TM changes to majority vote

5 weeks vacation: Yes

1 additional personal day: Yes

Grievance Procedure, pending resolution of potential conflict between TC opinion and Charter

TM Offer

12-Feb-16

| <u>Item</u> | <u>Current</u> | <u>Year 1</u> | | <u>Cost</u> | <u>Percent Change</u> | | | |
|-----------------------------------|----------------|---------------|-----------|-------------|-----------------------|-------------|----------|---------|
| | | | | | | Health Ins. | Cost | 10% |
| Annual Salary | \$ 130,080 | \$ 135,283 | \$ 5,203 | 4.0% | | | | |
| Car | \$ - | \$ 4,500 | \$ 4,500 | 100% | | Year 1 | \$21,000 | \$2,100 |
| Life Insurance | \$ - | \$ 610 | \$ 610 | 100% | | Year 2 | \$22,890 | \$2,289 |
| Total Package | \$ 130,080 | \$ 140,393 | \$ 10,313 | 7.93% | | Year 3 | \$24,950 | \$2,495 |
| | | | | | | | | \$6,884 |
| <u>Item</u> | <u>Year 1</u> | <u>Year 2</u> | | <u>Cost</u> | <u>Percent Change</u> | | | |
| | | | | | | | | |
| Annual Salary | \$ 135,283 | \$ 138,259 | \$ 2,976 | 2.2% | | | | |
| Car | \$ 4,500 | \$ 4,500 | \$ 4,500 | | | | | |
| Life Insurance | \$ 610 | \$ 610 | \$ 610 | | | | | |
| Total Package | \$ 140,393 | \$ 143,369 | \$ 8,086 | 2.12% | | | | |
| <u>Item</u> | <u>Year 2</u> | <u>Year 3</u> | | <u>Cost</u> | <u>Percent Change</u> | | | |
| | | | | | | | | |
| Annual Salary | \$ 138,259 | \$ 141,301 | \$ 3,042 | 2.2% | | | | |
| Bonus | \$ - | \$ - | \$ - | 0.0% | | | | |
| Car | \$ 4,500 | \$ 4,500 | \$ 4,500 | | | | | |
| Life Insurance | \$ 610 | \$ 610 | \$ 610 | | | | | |
| Total Package | \$ 143,369 | \$ 146,411 | \$ 8,152 | 2.12% | | | | |
| Total, All Years | | | | | 12.55% | | | |
| Total, Including health Insurance | | | | | 10% | | | 7.26% |

Other items

Severance: Based on Charter, will change to 6 months if charter remove TM changes to majority vote

5 weeks vacation: Yes

1 additional personal day: Yes

Grievance Procedure, pending resolution of potential conflict between TC opinion and Charter