

**BOARD OF SELECTMEN
EXECUTIVE SESSION
MINUTES JUNE 22, 2016
APPROVED & RELEASE**

Present: John G. Petropoulos, Chair; Joshua A. Degen, Vice Chair; Barry A. Pease, Clerk; Peter S. Cunningham; Anna Eliot

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

Mr. Petropoulos called the meeting to order at 7:10am.

Mr. Cunningham moved to enter into Executive Session pursuant to MGL c.30A, §21, Clause "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." – Police Chief's Contract. Mr. Degen seconded the motion. Roll Call: Cunningham-aye; Degen-aye; Petropoulos-aye; Pease-aye (Ms. Eliot was not present at this point.)

Mr. Haddad said that he and Mr. Cunningham met with the Chief last week and put the Board's proposal on the table of a three (3) year contract of 4/2/2 with health insurance at 80/75/70. He said that the Chief was adamant on \$137K in the first year. He said that they talked about how they could get there in a few different ways. He said that he and Mr. Cunningham needed further direction from the Board. Mr. Petropoulos asked, just so he was clear, that the Chief wanted a 10% increase in the first year. Mr. Haddad said "yes." Mr. Haddad said that Chief Palma's position was clear that he wanted to be in line with area chiefs in the first year and was primarily looking to be in line with Pepperell's Chief. Mr. Petropoulos asked if Chief Palma had seen the Personnel Board's salary survey. Mr. Haddad said yes, that he had.

Mr. Degen said that the Chief's current salary was \$126K. Mr. Haddad said that was correct. Mr. Petropoulos asked if everyone was receiving calls from residents. The Board said they were. Mr. Cunningham said that when the Chief was hired, he came for somewhat short money. He said that the Chief felt as though he had done a lot to turn the department around. Mr. Pease said that he was disappointed adding he didn't see how he could do anything more within the salary. Mr. Petropoulos said he wondered why people in the community didn't think they were going to renew the contract. Mr. Cunningham said that the message from the Board has been sustainability and holding the line. Mr. Pease said that negotiations had also taken a long time with Town Meeting and budgets being the primary focus.

Mr. Degen asked what would happen if they were to offer \$137K in year 1 and 0% in years 2 and 3. He said he was not suggesting it but just curious. Mr. Haddad said that the Chief may argue that yes, you catch him up the first year but he loses out in years 2 and 3.

Ms. Eliot arrived at 7:16am.

Mr. Cunningham said that an 8% raise the first year would bring his salary to \$136K. He said that if they wanted to keep the Chief, the contract needed to be front loaded. Mr. Pease said that the numbers were close if they brought him in at \$137K year 1 and kept his salary flat for years 2 and 3. Mr. Haddad said that the Chief would consider health insurance at 70% in the first year if he got to \$137K in the first year. Mr. Cunningham agreed. Mr. Pease said that they were talking about a difference of \$13K over three (3) years. He said that front loading the contract fit because of how the officer's contract was designed this last time. He thought that if they were to agree to this that would be it. He said he would not agree to any bonuses adding that was his top line. Mr. Degen said it worked out to be around 9% the first year and averaged down. He reiterated that it wasn't a proposal but something he wanted to throw out there for discussion. Mr. Cunningham said that he thought it was a proposal they could present to him adding that they needed to do it quickly. Mr. Haddad said that if his contract were to expire, the Chief would continue at the same rate until a new contract was finalized. Mr. Petropoulos said he was flabbergasted that the Board was taking the position of 'trying to find a way to give the Chief what he wants rather than trying to find the right salary. Ms. Eliot said that they were just discussing options and were not taking positions at that time adding this was part of negotiations. Mr. Petropoulos said that this was not negotiation. Mr. Pease agreed they were not negotiating but drawing a line in the sand. He said he didn't see the response as a reasonable response. Mr. Degen said that they needed to weigh what the individual does and how important they are to the organization. He said that

they also needed to ask themselves if the number was sustainable and if not could they find someone else to do as good of a job. Mr. Degen said that the Chief was capable and had turned that department around. He said he was duly compensated according to survey but wanted to be at the top of the scale. Ms. Eliot said that the figures the Chief provided were individual figures of departments that had gone through this same process and may have not been included in their comparatives. She said that the Chief was looking at his value to the community. Mr. Petropoulos said that the Personnel Board presented neutral numbers and the Chief picked others. Ms. Eliot said that he chose abutting communities. Mr. Pease said that the reality was that there were always outliers on a bell curve. He said that they had a fiduciary responsibility to the Town and yes he was valuable in his opinion. He said that part of being an elected official was being willing to face any potential heat. Mr. Petropoulos said that the argument that Chief Palma was irreplaceable was an empty argument in his opinion.

Mr. Degen asked how much Quinn was in his current contract and if they had to pay the State's portion of Quinn. Mr. Haddad said that they don't pay new employees Quinn but had been paying existing employees. Mr. Haddad said that they took the Quinn benefit out of the Chief's contract in 2010 and included that \$20K in his salary. He said that the FY 11 salary number was \$116,854 which did not include a Quinn payment because they negotiated that out of the contract.

Mr. Degen said that it was his goal is to hit \$135K at the end of year 1 and should maybe look at reinstating Quinn to get there. Mr. Haddad said that he would still be eligible for it even though they removed it from his contract because of his hire date. Mr. Cunningham said he thought they should stay away from Quinn.

Mr. Cunningham offered the following proposal for consideration: 3 year contract of 8%/2%/2%.

Mr. Degen said that he could not support that. Mr. Cunningham said that the salary number would be \$136,605/\$139,338/\$142,224. He said that he appreciated fiscal responsibility but thought they had a responsibility to recognize what the Chief had done for the community and his department. He said that it would be a huge expenses to get someone else in that position. He said that they would also have a huge issue with the community and the morale in the department. Mr. Petropoulos said that the replacement expense would be incurred anyway and was not a good argument. He said that the community would be unhappy if they gave him a 10% increase and if they didn't give him what he wants.

Mr. Degen offered his original proposal again for discussion of 5%/3%/3%. He said that it got him to where he wanted to be but just wasn't as escalated as he might like. Ms. Eliot said she didn't think they offered him that. Mr. Haddad said that was correct. Mr. Pease said that they were right about the same money. Ms. Eliot said she could go either way. Mr. Petropoulos argued that they were being out negotiated. Mr. Hadad disagreed. Mr. Degen said that this was not a union negotiation. He said he may not have agreed with what Mr. Haddad received but needed to consider what the Chief had done and what it would cost to replace him. Mr. Degen said that if the net delta ended up in the \$20K range over 3 years, he thought it was worth paying for knowing what they would get over the next three (3) years. Mr. Haddad said he thought Chief Palma was a known commodity and was worth the cost as compared to an unknown. Ms. Eliot said that trust was a huge deal and could potentially affect union negotiations in the future. Mr. Petropoulos said that they should consider the fact that the unions would come back at 5/3/3 next round of negotiations. Mr. Haddad disagreed adding that he didn't think because they gave the Chief one thing, the unions would ask for the same. He said that the police unions received a 6/0/0 in their last contract.

Mr. Degen said that his proposal of \$137K the first year with 0/0 in the second and third years was in line with the patrolman and puts the Chief in line where he should be. Mr. Pease said that the police were a priority and he was willing to pay for it. He said that if they were going to pay the Chief, he was hearing that it would be a change from the past to have him and a safety appeal. Mr. Petropoulos said that it was a zero sum game adding you give more here and take some here. Mr. Cunningham said he thought the community understood that adding they would get support from some and pushback from others no matter what.

Discussion ensued about the different proposals that had been discussed. Mr. Petropoulos said that the offer of 4/2/2 was too much for him but he was willing to go along with it. Ms. Eliot said that the Chief turned that down. Mr. Cunningham offered 5/3/3 and 2% bonus. Ms. Eliot said she thought they wanted bonuses out of there. Mr. Pease said he could not do 3% the third year adding he would rather do stuff earlier. Mr. Degen said that 8.1/0/0 would get

him to \$137K the first year and asked how much different it was from the current police contract. He said it was a heavy front load with a light back end. Mr. Pease said that 5/4/2 was \$100 less than 5/3/3.

Mr. Degen moved that they offer the Chief a three (3) year contract at \$137K/\$137K/\$137K with an immediate reduction in his health insurance contribution down to 70/70/70. Ms. Eliot seconded the motion. Roll Call: Cunningham-aye; Degen-aye; Petropoulos-nay; Eliot-aye;

Mr. Pease said that he needed to hear from the Board that they understood they were not in a vacuum and that the police were a priority and should receive more of the pie. He said that he would vote in favor of this if that was the case. He noted that if the Chief's salary increased by more than the average then other salaries would have to increase below average. Mr. Haddad said that public safety could be their priority. Mr. Petropoulos said that they would hear the same arguments from the unions adding that he had no faith they would follow-up on the commitment Mr. Pease was asking for. Ms. Eliot said that they were not going to base future negotiations on what they were talking about in Executive Session. She said it was a policy decision.

Mr. Pease voted in favor of this offer.

Mr. Degen moved to exit Executive Session at 8:12am. Mr. Cunningham seconded the motion. Roll Call: Cunningham-aye; Degen-aye; Petropoulos-nay; Eliot-aye; Pease-aye

Approved: _____
Barry Pease, Clerk

respectfully submitted,
Dawn Dunbar
Executive Assistant to the Town Manager

Date approved: 7/25/16