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**TOWN OF WINCHENDON
BOARD OF SELECTMEN
EXECUTIVE SESSION MINUTES
MONDAY, DECEMBER 4, 2017
Town Hall, 4th Floor Town Manager's Office
109 Front Street, Winchendon, Mass.**

Present:

Barbara Anderson, Chair
Audrey LaBrie, Vice Chair
Michael Barbaro
Charles Husselbee

Keith R. Hickey, Town Manager
Linda Daigle, Executive Assistant

Absent:

Austin Cyganiewicz

List of Documents Presented at Meeting:

- Fire Chief Tom Smith's Existing Employment Agreement (filed)
 - Fire Chief Tom Smith's Proposed Employment Agreement (filed)
 - Town Manager Keith Hickey's Existing Employment Agreement (filed)
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EXECUTIVE SESSION EXEMPTION NO 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. Subjects: Fire Chief and Town Manager Contracts

Barbaro moved to open Executive Session; LaBrie seconded. By roll call vote of all aye, Executive Session was called to order at 7:03 p.m.

The Town Manager informed the Board he was approached by Fire Chief Tom Smith for his new employee contract with the Town. The new contract has been modified to be consistent with the Police Chief in form and in substance where appropriate. This is the second contract that has been drafted since Bernie Lynch came in with his presentation on the personnel rules and regulations. He's tried to modify primarily the benefits to have it more accurately reflect those rules and regulations the Board adopted for non-union employees. He is also trying to address in union negotiations trying to have the core benefits to be consistent as possible for all employees. Some of the union contracts made so far are starting to reflect those. The Fire Chief's major change is his vacation being reduced from five weeks to three. He has been here for almost six years now. A person would normally get three weeks' vacation and he is proposing in his contract to reduce it to three weeks and also reduce his bereavement benefit from five days to three days to be consistent with the personnel rules and regulations. He has proposed an increase in his wages from \$85,446 to \$90,500. It's an increase of about \$5,000 and is consistent with the personnel policy and pay plan put together by Mr. Lynch a few months ago. Anderson asked what that percentage was and Hickey replied it is a 5.9% increase. He also has done a comparison with other communities. The \$90,000 is less than the average. One of the things Tom has in his contract is the ability to buy back two weeks' vacation. He probably would have bumped the salary up a bit if that was not in the contract. He informed the Board that the Chief was somewhat surprised and took some of the reductions and benefits personally. He tried to explain it didn't have anything to do with his performance, but that he was trying to have some continuity with benefit packages. Over the weekend, Tom sent him a counter proposal. He is looking to be compensated for the two weeks' vacation and bereavement leave value. Hickey believes the package he has put together is fair with other employees of the Town and other fire chief's in the area. He may bring back a minor change next meeting in public session with the

Board where this has to be voted. He wanted to make sure the Board was comfortable with what he is presenting to Tom. Tom is hoping for some modifications that all center on increasing the monetary value of the contract that he can't justify. He told the Board he'd be happy to answer any questions they may have on either the existing contract or the proposed contract that he had provided for them.

Anderson asked if evaluations were done on Department Heads. Hickey replied yes.

LaBrie asked if he was putting his base salary a little below but allowing him to continue to have vacation buyback. Hickey confirmed that putting those two together about average to the communities used in our compensation study. He noted some communities allow vacation buyback but not many. Tom is hoping to receive an educational incentive. Two communities, Ayer and Gardner, have college stipends so he didn't think it necessary even though the police do. The Chief has a Master's Degree in public administration and he teaches at the Mount. Anderson feels vacation buyback should be an exception and not the rule. Husselbee asked what the equivalent of the buyback is. Hickey replied \$3,400. Husselbee said he would prefer to get rid of buyback and to include the amount in his contract salary.

Barbaro noted some concerns he has with the Fire Chief with the ambulance un-collectibles and his spending money on things specifically mentioning the ladder truck and how it was presented at Town Meeting circumventing processes and also the ambulance purchase. He was willing to give vacation buyback as a one time payout in FY19. Barbaro asked about funding for raises. Hickey explained in the last couple years, he has asked for a pot of money for compensation with approval by the Board, the Finance Committee and Town Meeting. People have gotten their cost of living adjustments. This is how Dept. Heads and non-union people have gotten their raises. Tom had asked for a 3% increase a year and he is not going to do that. He explained every non-affiliated employee received a 1.5% raise. He wants to stay consistent. The Town has not had performance based compensation before. It is something we can work towards in the future. He wanted to get the personnel study in first.

Hickey wanted to respond to Barbaro's comments and said he believes the Fire Chief had the blessing of the previous Town Manager to circumvent the budget system and seek an exemption. Tom had asked him to do the same thing and he replied no. The Town Manager said he's not an expert on fire apparatus, but wants to ask why a box type ambulance like the one in Peterborough couldn't be used. It's not as heavy and is much more energy efficient, less expensive to operate and thinks it makes sense to explore.

Overall the ambulance write-off stuff could have been done earlier. He thinks Tony Roselli and the former Town Accountant were busy trying to bail out the sinking ship and while you work through things you can make the same comment with deficiencies in school funds, or water/sewer write-offs. He felt if the Town wasn't dealing with other financial issues completely overshadowing the ambulance collections, it may have been addressed. The Fire Chief has been doing the ambulance billing and sending to the ambulance company himself. This is certainly not something a Fire Chief should have been doing. With the hiring of the part time person, billing is being done much more timely and much more accurately and the percentage of revenues we are collecting is greater than in the past. Hickey added that the Town invoices based on rates that have been approved, but Medicare and Medicaid only pay a certain amount so you have to write those off. In the past, records were not kept as well. You need to get the billing information at least and sometimes you aren't able to get it at the time of service and have to go back to get it. The Chief is aware it is a huge revenue generator for us and he needs to do a better job to increase the collection rate as soon as possible. Things have improved greatly with the hiring of the part time person but there will be right-offs every single year.

Hickey's concern in FY19 if he does buy the two weeks back, they would slip back \$3,500 from what a Fire Chief in the area is compensated with. Some of this is catch up because of the challenges the Town faced. Some employees took little or no raises in the past to assist the Town to get out of the bind they were in. He feels Tom is very loyal to the community and does what he can to promote the Fire Department and does a good job. He is concerned this is a short term fix and does not address the long term problem.

Anderson noted Chief Smith is an asset to Winchendon. He is visible. He teaches at the Mount. The kids love him. He's smart; he really should be compensated for his education level. He's not an average Fire Chief and she is

happy with him and feels his work has been great in the community. He posts on Facebook all the time; he's out in the community. He does over and above.

After further discussion on vacation buyback, the Town Manager suggested from their comments to eliminate the vacation buyback language and to provide him with an educational incentive that would closer align with the value of two weeks' vacation, roughly \$3,500. The Board liked his suggestion.

The Town Manager would bring this back to the Board at their December 18th meeting for them to vote formerly in open session.

Town Manager Contract Renewal

Mr. Hickey left the room so Board members could discuss amongst themselves before speaking with the Town Manager. The time was 7:50 p.m.

Barbaro said the Town Manager's contract has no mechanism to compensate him salary-wise and they needed to address that. He's very cognizant of the fact of what the rest of the employees are getting and the salary structure but he pointed out that in the two years he's been fully in charge here, we are almost out of debt. In the grand scheme of things when things are going 100% great, you want to compensate that person that is making the ship run smoothly. He noted the Town has a lot of things going on. He said the school contracts are based on cost of living adjustments and performance. We can set what we want but he would like to see something built into the contract that says what the cost of living and performance percentage increases would be. Audrey noted he started at \$120,000 and increased last year \$5,000 to \$125,000. They both commented they didn't want to lose the Town Manager. Husselbee commented that Mr. Hickey was such an asset and didn't want to lose him; this would be very appropriate.

The Board discussed what the percentages of the increase would be and whether or not to list it in the contract. They recognized they would be deciding what to do this current year and with the renewal of his contract next year.

Barbaro said he wanted to renew the Town Manager's contract that expires December 2018. The Board discussed the terms of the renewed contract whether a one year contract with two additional one year contracts, a three year contract or to offer a five year contract giving him long time stability.

LaBrie asked if we should have a full Board present for these decisions. It was noted that the vote would be taken in public session and that Mr. Cyganiewicz gave Mr. Hickey the highest score of all fives.

After some discussion on the percentage of his salary increase, the Board realizing the value of the Town Manager agreed that they would give Mr. Hickey a 5% Merit and COLA increase with the amount being \$6,250 for this current year. There wasn't anything in the contract that they wanted to change noting a lot had already been taken out before.

The Board decided no language change in how compensation would be done each year. They preferred to re-negotiate each year after his performance evaluation.

LaBrie summarized their discussion:

- Mr. Hickey will receive a compensation increase this year.
- No language changes to the contract.
- Discuss with Mr. Hickey the term of his contract seeking his advice

The Town Manager was invited to rejoin the meeting at 8:02 p.m.

Anderson informed him the Board has come to a couple decisions. First, based on his evaluation, they would like to offer him a 5% increase in his current pay scale this year in the amount of \$6,250. Hickey thanked the Board. Secondly, she said she would feel more comfortable asking his opinion on the renewed contract terms. Barbaro said they want to offer him a 3-year contract with 2 additional one-year optional years. They were looking to give him

some security and trying to find a middle ground with those that want to offer more than a 3-year contract but concerned about a red flag with past history. The two additional years would be triggered by a Board vote to renew. Hickey offered that there are two things he hates about being a Town Manager. One is there is not anywhere near the longevity because of Board changes, etc. Secondly, he appreciates the Board's willingness to address his contract now instead of waiting six months. It takes a long time to find a Town Manager and would be looking if this was not being addressed. His two cents, having two one-year options are nice but you are either all in or not. If you are not comfortable with it, he understands there is still a memory there and he is ok with a three year contract. At the end of the day, the two year options don't really mean much and he would rather sit down in three years and re-negotiate another three years.

Mr. Hickey said he feels like Winchendon is a fit for him and he loves this Town Manager position. It's been great and he appreciates all the kind words and doesn't think he'd be where he was today without the help from everyone.

Anderson informed Mr. Hickey that they see no language changes to the contract. He replied that he wasn't looking for any content changes and is very happy with what he has.

The vote to increase Mr. Hickey's salary and the 3-year contract renewal would be placed on the agenda for the Board's next public meeting schedule on December 18th.

Barbaro asked the Town Manager if he would accept a three year contract extension. Mr. Hickey replied he would and thanked the Board.

Hickey noted he was beginning collective bargaining with the clerical union tomorrow and would be setting some ground rules tomorrow. He is going to propose a one year contract wanting all contracts to be consistent and expire June 30, 2019. He doesn't see many language changes and will propose wage adjustments for one year.

One of the things he is looking to change is getting rid of some of the holidays. With Fridays off, he thinks there are too many holidays around this time of year and around Thanksgiving. He offered to get them a copy of the contract and noted there are memorandums of understanding but the complete contract hasn't been reviewed for the past ten years. One topic discussed was the holiday time around Thanksgiving and the Board agreed to a half day before Thanksgiving should be negotiated.

Barbaro moved to adjourn Executive Session to Open Session; LaBrie seconded. By roll call vote of all aye, Executive Session adjourned into Open Session at 8:24 p.m.

LaBrie moved to adjourn; Husselbee seconded. By a vote of all aye, the meeting adjourned at 8:24 p.m.

Respectfully submitted,



Linda Daigle
Executive Assistant