

Special Budget Meeting
Hillsborough County Board of Commissioners
June 17, 2011
Bouchard Building, Goffstown, NH
Minutes of the Public and Non-Public Session
(Not Official until Approved by the Board and signed by the Clerk.)

Present: Comm. S. Ziehm, Comm. C. Holden, Comm. T. Pappas, P. Coughlin, D. Hogan, M. Castonguay, C. Kirby, B. Moorehead, J. O'Mara, M. Montminy, M. Rioux, G. Wenger, and L. Stonner.

Also Present: J. Coughlin

1. Call to Order

Comm. Ziehm called the meeting to order at 9:04 a.m.

2. Pledge to the Flag

J. Coughlin led the Pledge of Allegiance.

Mr. Wenger informed the Chair that Ms. Robinson is unable to attend today's meeting, and the Sheriff is engaged up north.

3. Administrative Business

Approval of Payroll Registers

Motion: To rescind the motion to approve the Payroll Register dated June 9, 2011 in the amount of \$2,394,298.76, noting that this was an incorrect amount. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Motion: To approve the Payroll Register dated June 15, 2011, in the amount of \$708.25, subject to review and audit. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Motion: To approve the revised Payroll dated June 9, 2011, in the amount of \$1,578,814.56, subject to review and audit. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Mr. Wenger indicated that he has prepared a draft memorandum to go to the various Departments giving an overview of the potential layoffs as well as a draft cover letter that would go to any employees who are facing a change or elimination of their position.

The Board and Department Heads discussed the letter and the process. Mr. O'Mara suggested that line five be changed from, "the budget as recommended..." to "the budget as recommended by the Executive Committee..." The Board agreed with Mr. O' Mara's suggestion. Mr. Moorehead commented that the letter does not refer to those who might have a reduction of hours and suggested that be added. Mr. Wenger noted that each affected employee will receive a letter from Human Resources that will be unique to the employee's situation. Mr. Wenger added that he will have originals for each Department at the end of the meeting.

Mr. O'Mara commented regarding the sentence that reads, "We regret that your position is among those we have determined will be eliminated;" he indicated that he will accept responsibility for the reduction in force in his organization and does not want to put the responsibility on the Board of Commissioners. He added that while the Board may agree with what he recommends, he does not believe it is fair that the Board "takes the hit." He recommended that the letter be changed so that the Department Head takes the responsibility for the action taken, not the Board.

Comm. Holden indicated that she appreciates the Superintendent's feelings, and while it is the Executive Committee that made the deep cuts, and while the Board regrets the action that has been taken, it is the responsibility of the Board to implement the budget. Mr. Wenger added that the letter under discussion is a cover letter that will go with a package from Human Resources with respect to each employee's separation, their rights, and details about Cobra and the Retirement System. Mr. Wenger added that each letter and each packet will be unique to the individual and the employee's situation. He added that he anticipates arranging a meeting with Primex to review the unemployment rights and the process and to open it up to all employees. Mr. Wenger noted that the packets could be available following the Delegation Meeting.

Mr. Moorehead inquired about whether a notice is required for an employee that is part time whose hours are reduced. Mr. Wenger responded that in this situation, a notice may not be required; he noted that he will discuss it further with Mr. Moorehead. Mr. Wenger added that today's meeting will help coordinate the Departments, identify the positions involved, and work on each situation over the course of the next week.

The Board discussed layoffs on the State level; Comm. Ziehm added that she understands that 200 State employees are being laid off; she inquired about the percentage of laid off State employees in comparison to the percentage of County employees. Mr. Wenger responded that, assuming that 50 County positions are eliminated, that represents approximately 6.25% of the County employees. He added that it is his understanding that well over 1,000 State employee positions are being eliminated, but he does not know the total number of State employees.

Mr. Wenger suggested that the Board meet the following Friday, assuming that the Delegation passes the budget; he added that he will have the packets ready for the Board's signature so that they can be delivered to the employees as soon as possible. There was discussion regarding whether notice would be necessary in some situations such as from full-time to part-time. Following discussion relative to what qualifies as a demotion; Attorney Kirby responded that a reduction in hours is not considered a demotion. Further discussion ensued relative to benefits for certain hours. Mr. Wenger referred to the Policy Manual and explained that full-time is a minimum of 37.5 hours, part-time is a minimum of 20 hours; 35 hours is required to participate in NH Retirement System, and 32 hours is required for Health Insurance.

Mr. O' Mara inquired if it would be appropriate to have a discussion regarding how the County should uniformly treat separations, pay-outs of sick time, and vacation time so that everyone is consistent and some Departments are not doing it differently. Comm. Holden agreed that everyone should be treated the same. Comm. Pappas asked if Mr. Wenger could work with the Departments individually or if it should be discussed at this meeting. Mr. O'Mara responded that it is important to have it on record. Mr. O' Mara mentioned the following scenarios for discussion:

- A separation
- A reduction in hours
- A full time employee-transferring to a lower paying position
- A part-time employee-transferring to a lower paying position

Mr. O'Mara added that anything less than a full-time position requires a pro ration in sick and vacation benefits, for example, an employee who works 30 hours would receive 75% of the sick and vacation benefit.

Mr. Wenger explained that this is a difficult issue for the Business Office because every Department does it differently. He added that he learned of situations the previous day that he was not aware of. Mr. Wenger noted that it is his belief that the policies and the contracts are fairly clear, but things have been done differently in different Departments for different reasons.

Mr. Wenger explained that after an individual has worked one year, he/she receives vacation benefits on his/her anniversary; vacation benefits are accumulated on each year's anniversary date thereafter, and cannot be carried forward from year to year. He added that once an employee has earned vacation time, if he/she leaves County employment, the employee must be paid for the vacation hours less any that have been used. There is no pro-ration of vacation days; for example, if an employee leaves after working for one year and eleven months and if he/she has not taken any vacation time; he/she is entitled to two weeks vacation pay. He added that there are Departments that may pay a proportionate share of the next year's vacation and noted that he is not aware of any contract or policy that requires that.

Mr. Wenger added that sick pay re-imburement is different in that employees do accumulate that throughout the calendar year; a non-affiliated employee earns sick pay at a rate of 1 1/3 days per month; an employee receives 16 days on January 1st of each year, but it is being earned throughout the course of the year. An example would be that if an employee leaves after one month of being awarded sick time; he/she earns 1 1/3 days of sick leave; unused sick leave is paid out on January 1st each year; it is not carried forward. Mr. Wenger added that any comp time would also have to be paid out if any employee leaves. He added that there are some contracts that have a different amount of sick time and ways that it must be paid out.

Mr. O' Mara returned to the scenarios he discussed earlier. He offered, that based on the previous discussion, it is his understanding that in the first case, a separation, the vacation and sick hours balance shown on the employees pay stub is paid to them; Mr. Wenger responded that on January 1st, an employee is given 16 days of sick time to be used during the course of the year, but they are being earned during the course of the year; if an employee were to leave on July 1st, for example, he/she has only earned 8 sick days and will be paid for sick days earned less any that have been used.

Mr. O'Mara referred to the next scenario, a reduction in hours in the same job classification. He added that it is his understanding that there would be no payout when the reduction of hours occurs, but on the employee's anniversary date, and then the next calendar year, the vacation and sick pay benefits are available based on the prorated hours worked, i.e. 3/4 time, 1/2 time, etc. Mr. Wenger responded that this a situation that needs to be discussed so that there is an understanding of when an employee transitions from working 40 hours to 20 hours, for example; he asked, "Is it 16 days based on 40 hours, and then is it 16 days based on 20 hours?" He added, "Is it days, or is it hours?" Mr. O'Mara added that hours are easier to manage. Mr. Wenger added that an employee who has worked for 1 year at 40 hours and moves to 20 hours will initially earn 16 sick days at 40 hours, and then the individual will earn 16 sick days at 20 hours. He added that in such a situation, he would suggest that the employee be paid out the difference in sick time between 40 hours and 20 hours at the time the hours are reduced; the employee would be made whole based on what they have earned at 40 hours. He added that this applies for sick time only. Further discussion ensued regarding earned sick time.

Mr. O' Mara further noted that his next scenario would be when a full-time employee has transferred to another full-time lower paid position. He suggested that at the time of transfer, vacation hours have a value greater than they will after the transfer; i.e. if one goes from \$10 and has 8 sick hours, that employee would

have \$80 worth of sick time, but if the employee is going to an \$8 position, the value of the sick hours is less. He suggested that the employee be paid the difference at the time of transfer, and that the Department establish the cash value of the hours at the time of the change; the same would apply to vacation hours. He added that the employee would keep the same number of hours, but as they used them, their value would be commensurate with the new hourly rate. Discussion ensued relative to higher skilled employees performing a lesser function and the potential of that person looking for a job.

Mr. Wenger added that County Policy states that an employee carries his/her benefits with them; i.e., a 10-year employee would carry his/her 4 weeks of vacation forward, but it would be at the new rate. Mr. Wenger noted that the intent is to make the employees whole based on what they have previously earned so that they are not losing as a result of the transfers or changes.

Mr. O'Mara raised the issue of personal time; he added that it is his understanding that in all contracts, it is, "use it or lose it," and if an employee currently has 2 personal days, that will be carried forward. Further discussion ensued regarding employees moving to a different status.

Mr. Wenger explained that all changes will take effect on August 1st. Discussion ensued relative to situations involving pay rates, pay ranges, pay grades, and bumping rights, as well as how to address years of work and experience. Mr. Moorehead offered that it is important that everyone is consistent. Mr. Wenger added that it could be beneficial to discuss some situations with the bargaining unit. He noted that another situation involves an employee who is a full-time exempt employee who does not have 16 days of sick time, and who then transfers from the current position to a part-time position or goes into a non-exempt position where they have 16 sick days of sick leave. He added that the general consensus of the Business Office is that the person should be paid out remaining sick leave based on the same pro-rated formula as other full-time employees; he asked for the Board's input. He added that not all Departments maintain a record of sick days, and noted that a record of sick and vacation days should be maintained going forward. Comm. Ziehm stressed that the history is important.

A discussion ensued relative to the payouts and the effect that these unanticipated expenses may have on the next budget; the costs related to payouts and roll-ups are not included in the FY 12 budget. Mr. O'Mara added that there may not be sufficient funds in the Salary and related lines to cover all the payouts. Comm. Ziehm asked if the Delegation might approve further funds to which Mr. Wenger responded that he does not see that as a likely occurrence. Mr. Wenger added that there may be different approaches taken in each Department to meet the budget requirements that could include leaving positions vacant or requesting a transfer. Mr. Wenger added that the Board has options that include leaving a position open for a period of time or a transfer; it could essentially freeze hiring. In response to a question from Comm. Ziehm relative to accessing unused funds, Mr. Wenger explained that the Delegation has the authority to approve the budget line by line; the Board oversees spending the funds line by line. He added that if there were extra money in a line today, the Board could authorize spending from that line, but only in that line; an example would be if it is a Salary, it has to be used in the Salary & Wages line. He added that the actions taken in the FY12 budget primarily affect the Salaries & Wages lines; which has to be paid by the last payroll of the fiscal year; it cannot be carried forward or encumbered for the following fiscal year. He explained that the last payroll for the FY11 budget will be the following Wednesday.

Mr. Wenger added that that it is necessary to have everything in writing; the Business Office will not make any changes without an E.I.S. (employee data sheet) sheet signed by the authorized person; he added that any outstanding performance evaluations will need to be in for the following Wednesday's payroll. He added that the next pay will include 9 days from FY11, but because it is paid in FY12, it is considered FY12 funds.

Mr. Wenger informed those present that all expenses other than payroll are due in the Business Office no later than July 15th.

Register Coughlin asked for further clarification regarding payouts in a very tight budget. Mr. Wenger added that a Department could make a decision that it would leave a position open; he added that that could be problematic in small Departments that have no turnover, and the County may have to face these issues going forward. He further added that he is hopeful that the Executive Committee would approve transferring available funds from a line such as Health Insurance to the Salary line. Comm. Holden added that it is her belief that problems are more likely to develop in the later part of the coming fiscal year as issues come to light. She noted that the Board could call a Delegation meeting and request a supplemental appropriation, and added that this is an action that may become necessary, particularly with the Board in the position of operating within a tight budget, and if transfers are not approved. Mr. Wenger added that it is his belief that the Delegation would not approve a supplemental appropriation unless the Board has done everything in its power

to work within the budget and be fair and equitable to employees; he added that it seems unlikely that anyone would criticize the Board for giving employees a 1-month notice.

Comm. Holden added that by doing the memo, the employees have at least one month's advance notice. Mr. Wenger added that today's discussion illustrates that the Board is doing everything possible to resolve any issues that the County will face relative to terminations, elimination of positions, and reduction of hours.

Mr. Wenger added that he will rely heavily on today's discussions. He added that it will be necessary to have E.I.S. Sheets for any changes that are made to a position or employee. He added that the Business Office can help with the process, but each Department will develop its own E.I.S. Sheets; they will be processed through Human Resources and the Business Office, and then the Business Office will address any questions or issues.

Mr. Wenger referred to a discussion held the previous week relative to a raise for all employees below \$60,000 and how the Executive Committee may choose to handle the issue; he added that he has concern that if the response is, "the County Administrator is not providing information," there is going to be an issue. In response to a question, he added that a report could be made available that includes the titles of positions as well as what Department and group they are in, and what their annual salary is currently. He noted that he is concerned because there is an expectation that information will be provided or be available with respect to employees making over \$60,000 and the COLA and Performance Adjustment that they received in FY'11. Comm. Pappas noted that at a prior discussion, it is her understanding that the Board agreed to have the information available, but not present it unless there was clarification. He said the information is not generally available to the Executive Committee and the Delegation because they do not have rights to access the Munis Payroll Software.

Mr. O'Mara asked if the aforementioned payroll information were to be released, would the Business Office not be revealing who got satisfactory and unsatisfactory Performance Evaluations, and would that be appropriate for public consumption. He added that would not lead to questions such as, "who got what?" Mr. Wenger added that Mr. O'Mara's question relates to why he cannot provide the information, particularly since he has not been asked for specific information and is not aware of what information they are looking for, or what should be included. He explained that if the request is to take out everyone who received a 2.5% performance increase, it is probably confidential information; however, if the request is to take out what was budgeted last year for that increase that would be a different situation. Comm. Holden noted that it was not clear what was requested, and there are many different permutations of contracts. Comm. Ziehm asked if the Board needed to make a statement regarding the legality of the request.

The Board agreed to wait for clarification prior to providing any information. Mr. Wenger added that if the Delegation asks for information relative to those making over \$60,000, the Business Office will provide a list of positions that are earning over \$60,000.

Comm. Pappas added that the Executive Committee has asked the Board to cut salaries of those making in excess of \$60,000, and it is her belief that it is not part of their job to set policy, that is the responsibility of the Board. Comm. Ziehm requested verification that if the Delegation decides to cut budget further, the Board will have to find the money somewhere else, and the Board may need to review choices and look at additional layoffs. Mr. Wenger added that hopefully it will not reach the point of additional layoffs, but that is a potential. Comm. Holden added that part of the confusion stems from the Representatives authority to make policy on the State level; but not at the County level; she added that the Commissioners make the policy at the County level. She explained that the Executive Committee can direct the Board to reduce the budget by "x" amount of dollars, but it cannot tell the Commissioners which salaries to take it from. Further discussion ensued relative to the Executive Committee's expectations.

Comm. Ziehm asked if the Board wished to comment at the Public Hearing. There was a general consensus that the Board can make recommendations, but at this point, it is beyond the board's control.

Mr. O' Mara asked if it is not the desire of the Executive Committee to undo the will of last year's entire Delegation based on last year's floor motion that awarded additional compensation for the non-affiliates. He added that now they are looking to re-vote the situation and take away the FY11 increases; he noted that it was asked and answered last year when the Delegation gave increases to the non-affiliated employees. Comm. Holden added that the Executive Committee also removed the increase that the Board approved in the FY12 budget for employees making less than \$54,000. There was discussion regarding whether taking away last year's increase would violate any contracts. The Board agreed to authorize Comm. Ziehm to share the Board's feeling at the Public Hearing. Further discussion ensued regarding the best approach to take at the Public Hearing.

Motion: To move into Non-Public Session with Register Coughlin consistent with RSA 91-A:3 II (a) for a personnel issue, and then to meet with the Department Heads and Elected Officials consistent with RSA 91-A:3 II (a) for personnel issues. Motion by Comm. Holden, second by Comm. Pappas. Ziehm-yes, Pappas-yes, Holden-yes. Motion carried.

The Board moved into Non-Public Session.

The Board met with P. Coughlin, C. Kirby, and Mr. Wenger relative to a personnel issue.

The Board met with the Department Heads and Elected Officials relative to personnel issues.

The Board moved out of non-Public Session at 12:16 p.m.

Motion: To move out of Non-Public Session. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Comm. Holden requested that the Board meet the following Friday morning to take whatever action was appropriate based on the Delegation's actions at the Thursday meeting.

Mr. Wenger added that the business before the Board will be to:

- vote to implement the FY 2012 Budget
- vote to proceed with layoffs
- authorize the Departments to lay off positions
- have the letters to the employees signed, and ready to go

The Board agreed that Comm. Ziehm will speak at the Delegation's Public Hearing regarding the Board's support of the bargaining agreements. Comm. Pappas will speak in support of the DOC Community Service Program. Mr. Wenger will explain the contracts that are pending Delegation approval.

Comm. Holden noted that she fears that the non-affiliated employees will be the losers in the new budget.

Mr. Wenger added that the Delegation's actions may create issues that the Board will be left dealing with if the contracts are not approved.

Comm. Pappas noted that as the budget stands currently, there is no increase for non-affiliated employees; in fact, it is her understanding that some Representatives will be deciding on a motion to put before the Delegation relative to cutting last year's increase.

10. Adjourn

There being no further business before the Board, Comm. Ziehm entertained a motion to adjourn.

Motion: To adjourn the meeting. Motion by Comm. Pappas, second by Comm. Holden. Motion carried

The meeting adjourned at 12:30 p.m.

Signed 9/21/2011

Comm. Carol H. Holden
Vice Chairman/Clerk
Hillsborough County Board of Commissioners

Date