



Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

Thomas F. Cooke - Director of Administrative Services

BOARD OF SELECTMEN MEETING AGENDA SUBMISSION FORM

1. **Title of submission:** FY2014 Compensation for Full-Time Unaffiliated Employees
2. **Date of submission:** August 7, 2013
3. **Date of Board Meeting:** August 12, 2013
4. **Individual or Entity making the submission:**
Thomas F. Cooke – Director of Administrative Services 
5. **Action requested of the Board of Selectmen (Acceptance of gift, creation of reserve, approval of contract, information only, etc. Be as specific as possible with respect to the desired action of the Board.):**
The Individual or Entity making the submission requests:

That the Personnel Sub-Committee and the full Board of Selectmen approve the proposed guidelines for determination of full-time unaffiliated employee compensation for FY2014 and the proposed terms and conditions for full-time unaffiliated employees hired after August 12, 2013.

6. **Individual(s) responsible for submission (Please include complete contact information. The identified individual(s) should be prepared to present information to the Board of Selectmen at the Board Meeting.):**

Thomas F. Cooke – Director of Administrative Services – (860) 658-3230

7. **Summary of Submission (Include in your summary (i) relevant dates and timelines; (ii) parties involved; (iii) a description of financial terms and conditions specifically identifying the financial exposure/commitment of the Town of Simsbury; (iv) whether or not contracts, licenses and other legal documents have been reviewed by the Town's counsel; and (v) other information that will inform the Board of Selectmen's consideration of your submission. Include any additional information in an attached memorandum.):**

At its last meeting the Personnel Sub-Committee reviewed the attached outline identifying elements to be considered in connection with FY2014 compensation for unaffiliated employees. The attached "Compensation Framework" has been prepared with those elements in mind: additional labor negotiations have been concluded since April, the budget process is concluded and the performance review process is nearing completion. The Town has sufficient information to finalize the Compensation Framework which will be used to determine employee compensation.

The Compensation Framework was prepared in conjunction with a proposal that, upon approval of compensation adjustments, unaffiliated employees will contribute 0.5% of base pay to the OPEB Trust (consistent with commitments made in five out of six of the recently negotiated collective bargaining agreements). This would also bring the proposed increases in line with Board of Education compensation adjustments for their unaffiliated employees (which included a 2.5% salary increase and a 0.5% pension contribution from the employee).

In view of recent changes to the Town Charter with respect to the duties of the First Selectman, we recommend that the position of First Selectman be excluded from the Compensation Framework and that a study be conducted to determine the appropriate scope of duties for the First Selectman position.

Finally, the Town is proposing that full-time unaffiliated employees hired after August 12, 2013 be subject to the following:

- Health insurance premium payments of 20%
- OPEB contribution of 2% of base wages
- Retirement benefit:
 - Participation in the defined benefit plan with a 7% contribution; or
 - Participation in the defined contribution plan with the Town matching up to 6% of the employee contribution. The Town contribution would vest over a rolling five year period

While these changes track many of the changes in the union contracts, please bear in mind that unaffiliated employees do not receive annual "step" increases at any point in their employment and, accordingly, their percent increases over time are generally lower than the percent increases received by unionized employees. Decisions with respect to their contributions to retirement and health care should bear that fact in mind.

8. **Description of documents included with submission (All documents must be in final form and signed by the appropriate party.):**

The following documents are included with this submission and attached hereto:

FY2014 Compensation Framework for Unaffiliated Employees
Unaffiliated Employee Compensation Outline, April 22, 2013

Unaffiliated Employee Compensation
Town of Simsbury

April 22, 2013

- I. **Factors for Consideration**
 - a. **Market Reference Range**
 - b. **Experience and Performance**
 - c. **Compensation History**
 - d. **Compensation of other Town Employees**
 - e. **Town Budget**
 - f. **Elements of Compensation**

- II. **Market Reference Range**
 - a. Study conducted in December, 2011
 - b. Market Reference Range adjustments made for two positions effective January, 2012 (Director of Public Works and Deputy Director of Administrative Services)
 - c. Market Reference Range adjustments made for Executive Assistant to the First Selectman and Chief of Police effective July 1, 2012
 - d. Next Market Reference Range study – December, 2013

- III. **Experience and Performance**
 - a. Considered in connection with placement within Market Reference Range
 - b. Performance reviews conducted in June, 2012 included performance goals
 - c. Performance reviews to be conducted in May and June, 2013
 - d. Sufficient performance data available for consideration of performance as a factor in compensation for FY2014

- IV. **History**
 - a. No salary increases from July 1, 2008 to December, 2011 when Market Reference Range adjustments were made for two positions
 - b. Payment in lieu of salary increase, January 2010
 - c. Cost of living increase (2%) and Market Reference Range adjustments for two positions (3.5%) effective July 1, 2012

- V. **Compensation of other Town Employees**
 - a. Differentiation important
 - b. Three CSEA contracts settled with annual 2% wage increases, performance payments for Supervisors, and increased employee contributions for health care, retiree health and pension
 - c. Unaffiliated employees do not receive step increases
 - d. Three other contracts in negotiation

- VI. **Town Budget**
 - a. Cost control remains a primary goal
 - b. Determination of funding available for compensation adjustments

VII. Elements of Compensation

- a. Wages
- b. Payment in lieu of wage increase
- c. Performance recognition (wage increase or bonus)
- d. Retirement and other benefits

FY2014 Compensation Framework for Full-Time Unaffiliated Employees

Performance Rating	Compensation Mix	Market Reference Range		
		LOW	MEDIAN	HIGH
1 Not Satisfactory	Salary Component %	0%	0.50%	0%
	Cash Component %	1%	0.50%	0.50%
2 Meets Standards	Salary Component %	2.50%	2.00%	1.50%
	Cash Component %	0%	0.50%	1.00%
3 Superior	Salary Component %	2.50%	2.00%	1.50%
	Cash Component %	0.50%	1.00%	1.50%

Proposed Benefits Changes for Full-Time Unaffiliated Employees Hired After August 12, 2013

- Health insurance premium payments of 20%
- Contribution to the OPEB trust for other post-employment benefits equal to 2% of base wages
- Retirement benefit:
 - Participation in the defined benefit plan with a 7% contribution; or
 - Participation in the defined contribution plan with the Town matching up to 6% of the employee contribution. The Town contribution would vest over a rolling five year period