

1. Agenda

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NOVEMBER 14, 2013.PDF

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PERSONNEL COMPENSATION REVIEW COMMITTEE

AGENDA

14 NOVEMBER 2013 – 4:00 PM

PUBLIC SAFETY FACILITY TRAINING ROOM

4 FAIRGROUNDS ROAD

NANTUCKET, MA 02554

- I. ACCEPTANCE OF AGENDA

- II. PUBLIC COMMENT

- III. APPROVAL OF MINUTES
 1. Approval of Minutes of 10 October 2013 at 4:00 PM

- IV. DISCUSSION
 1. Update on the Wage and Compensation Study: Presentation by Mr. Don Jacobs of DIJ Management Consulting Services.

 2. Continuation of discussion from 10 October 2013: The affect of housing and rental costs and availability on recruitment, hiring and retention of full time, part time and seasonal employees, with discussion of potential solutions.

- V. ADJOURNMENT



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PERSONNEL COMPENSATION REVIEW COMMITTEE Meeting Minutes

(Online at www.nantucket-ma.gov/Pages/NantucketMA_webdocs/videoarchive)

Minutes of the meeting of October 10, 2013. The meeting took place in the Public Safety Facility Training Room, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Committee present were Matt Fee, Noni Slavitz, Craig Spery, Jeanette Topham, Robin Harvey. Bruce D. Miller, and John Tiffany were absent. Also present were Assistant Town Manager Gregg Tivnan, Human Resources Director Pat Perris and Human Resources Benefits Assistant Amanda Johnson. Chairman Fee called the meeting to order at 3:59 PM.

I. ACCEPTANCE OF AGENDA

The Agenda was unanimously accepted as presented.

II. PUBLIC COMMENT

Mr. Spery informs the Committee about an open public hearing at the State House on 31 October 2013 regarding a Special Commission on Retiree Healthcare called House 59. Mr. Spery reads a passage regarding age requirements and the potential savings for health reform over the next 20-30 years. He points out that reform is required but this reform from the Governor will have to go through various processes.

Mr. Spery called Mr. Madden regarding the bill because Mr. Madden did not support a previous similar bill due to the grandfathering conditions and asked if he is supportive of this bill (with the grandfathering aside) and he said Mr. Madden is in support of this version. Mr. Spery encourages the Committee to attend and asks their opinion.

Chairman Fee cautions about discussing this matter in detail because it is not on the agenda. He states that the Board of Selectmen are aware of this bill already.

Chief Pittman states that he has spoken with Rep. Madden about this and states that for new employees it might be fine but for he personally, and many employees like him, he is mandated by law to retire at age 65 but with this bill he cannot make retirement until one month beyond age 65. He cannot support this without support some grandfathering or other provisions.



A member of the public asks where hearing the hearing is located? Mr. Spery clarifies it is at the Massachusetts State House on Thursday, October 31, 2013.

III. APPROVAL OF MINUTES

1. Approval of Minutes of 16 September 2013 at 4:00 PM

IV. DISCUSSION

1. UPDATE ON THE WAGE AND COMPENSATION RFP PROCESS.

Chairman Fee asks Mr. Tivnan to give an update. Mr. Tivnan states that DIJ Consulting Company of Holden, MA has been selected but not yet signed the contract, however he is confident that DIJ will sign per an earlier discussion. Mr. Tivnan notes that Administration will be meeting with DIJ on Tuesday, October 22 to kickoff the study. Mr. Tivnan states that the Committee as well as all the unions will be contacted for participation throughout the process.

Mr. Spery notes that DIJ's response does not mention comparable communities outside of Massachusetts but it is specified in the RFP. Mr. Tivnan states that comparable communities are outlined in the contract for signature and will be noted specifically with the consultant on October 22.

2. THE AFFECT OF HOUSING AND RENTAL COSTS AND AVAILABILITY ON RECRUITMENT, HIRING AND RETENTION OF FULL TIME, PART TIME AND SEASONAL EMPLOYEES, WITH DISCUSSION OF POTENTIAL SOLUTIONS.

Ms. Slavitz says she did solicit information about housing from some private businesses but is not sure they know it is for public document but can provide a general update. She notes she sent it to Mr. Tivnan, who responds that he did not include it because she said not to. Ms. Harvey has been away but can get some information for next meeting.

Chairman Fee says he contacted the Juice Bar, Fog Island and Something Natural:

- One of them houses 20% of its staff (4 employees) with priority for key employees; charging \$125/week with a deposit and no pay differential for employees.
- One of them houses 40% of its employees for \$145/week; available to all staff from cooks on up (no priority employees).
- Something Natural has 3 properties to house 20% of its staff; \$105/week for all with a \$25 rebate to each employee if property is clean and the employee stays all season. No pay differential.

Ms. Topham asks if the \$25 rebate is per week if they stay, or per month. Chairman Fee responds that the \$25 is per week if they stay and if they do not damage the property. He also says years ago it was a good incentive, but it is not as much an incentive as it used to be.





Ms. Harvey notes that The Brotherhood of Thieves has been trying to bring in a General Manager for a long time, even through the use of an outside consultant/search firm. It has been unsuccessful with two hires even with a consulting search firm. She believes the “Nantucket Factor” slides in as a reason for failure constantly and that housing and living on Nantucket are parts of the Factor; as is the school system but housing is the glaring piece. This is just a general observation regarding hiring and it is very obvious when deciding between an islander with experience versus an off-islander make a difference.

Mr. Spery has general information from Nantucket Island Resorts (NIR). NIR has 450 FT summer employees; goes down to 80 FT off season. They provides housing for all its employees through a combination of rental housing and their own properties. Their employees expect this housing and because of it they get repeat employees. Housing is important.

Ms. Slavitz asks if any Town employees receive a housing stipend. Ms. Topham says Mr. Rafter (Airport Manager) does not have a housing stipend and no Airport employees commute. Mr. Tivnan says no Town employees receive a housing stipend.

Chairman Fee asks about the Lifeguards. Chief Pittman states that the Town has housing for only 12 Lifeguards at Okorowa Street and 4 Lifeguards on Washington Street but they hire 37 Lifeguards annually so they cannot house all. Some come with housing or friends, the others need housing. This keeps the Town from lifeguarding all beaches. They have plenty of applicants but go through most to get through the 37 because of housing. Need at least 9 more Lifeguards to lifeguard the south shore beaches, which is a critical area to guard.

Mr. Spery asked if the lifeguard housing works well. Chief Pittman says it did not work too well in the past but the present is much different. Without constant management in the past the Town got to a point of almost having to cancel the program, but with NPD they put same rules as Community Services Officers and it works much better. Chief Pittman says if he could, the Town should sell the two properties and create dorms on Town property at 4 Fairgrounds which is easier to maintain and police.

Chairman Fee asks if there is other housing. Chief Pittman says there is the CSO dormitory in Sconset but it is not sufficient and there is not enough room for female CSO's. Town charges \$95/week per CSO, which is put into a fund to maintain the property. No penalty to leave early. Chief Pittman adds that the danger of housing is the age of the employee. The CSO's leave because they go back to school so they are not in the situation of having to remove employees from housing who do not wish to leave. This is a problem with becoming a landlord for non-seasonal employees. DPW had this issue recently. The advantage of younger employees is that they have a school or something else to make them leave.

Ms. Slavitz asks if dormitory space is therefore not an issue. Chief Pittman says a domicile is a domicile, so yes there can be that problem with dormitories, too.



Chairman Fee states that he could never staff his business without the housing they provide as well as providing other incentives such as above minimum wage pay, rebates and college stipends.

Mr. David Gray says the Waste Water Treatment Facility has two duplexes. The rates are reasonable to attract employees. His concern is how would the Town manage housing? It is a challenge for DPW to manage these facilities, which go to Wastewater employees first then open to DPW then rest of Town. But how is housing to be used? Can an employee stay there for the entire career? Is that fair to other employees?

Ms. Topham asks if school housing has a time limit. Ms. Harvey is unaware but thinks there is no limit however moving out is a challenge. The leases are being changed but hard to move people along if they don't want to.

Chairman Fee finally hired a ¾ time property manager who just manages the properties. Chairman Fee answers Mr. Gray: Dormitories are for short term so helps move people along. Believes school's mistake was making the housing too big. Smaller units from studios to lofts would help move people along. Mr. Pittman says that is the problem: employees cannot save enough money to move into another affordable housing. The beginning salaries at 1-5 years do not make enough money to save to buy a house so unfortunately the Town is losing them when they are just becoming valuable to the Town.

Superintendent Bates says a 5-year firefighter cannot afford a home based on Lending Tree's projections of a mortgage payment at 41% of salary; at 5-year firefighter earns \$64,760 which means s/he can afford a home worth \$178,271, which does not exist on Nantucket. The average Worcester home is \$75,000 and a firefighter making \$65,000 annually can afford a mortgage. The ratio works in other municipalities. He personally would never be able to do it know.

Ms. Topham says this housing issue does not affect just police and fire because it is all about food and fuel and other factors. She believes living on Nantucket requires two people with jobs. Ms. Slavitz says many work two jobs to make savings. Superintendent Bates points out that a second job is not for savings anymore, but rather just to make ends meet.

Chairman Fee recalls that in summer they moved to the beach without most amenities so they could rent their house. It is not like that anymore.

Sgt. Mack says that police officers are leaving after 3-5 years move to NH or other more affordable communities and within 2-3 years there they are able to afford homes. A light bulb goes off after a couple of years on the job here and they realize they can do better in quality of living elsewhere and still be cops.

Ms. Topham says there is a belief that people here believe police get educated here on Town money and then leave. Do any experienced officers come TO Nantucket? Chief Pittman says that statement is not accurate. He assumes a new officer is going to stay 2-3 years. If an officer is not anchored here by family, after several years they realize they cannot afford a



family, or a home, etc. Nantucket used to lose guys to hometowns or to bigger cities but now officers are leaving for ANY community. Once the state stopped paying Quinn Bill (educational incentives) they lost 12.5% of salary so it is not worth the struggle to stay on Nantucket for the quality of life. Chief Pittman estimates that 1/3 of new officers stay, 1/3 gone in 2-3 years, and 1/3 gone in 7-9 years. Chairman Fee what would the Chief prefer? Chief Pittman says the Town is rarely sued due to a cop with 7 or so years of experience. It's the new ones who make the rookie mistakes. The Town loses them right when we want them. Additionally, there are some services we cannot provide due to experience such as accident reconstruction. Instead, the Town must wait for off-island expertise.

Ms. Topham asks if anyone has suggestions or solutions. Chief Pittman says big cities have same problem; most officers don't live in the city or if they do, they rent. For Nantucket to build housing is a huge undertaking and expensive. He would rather see the Town offer options through wages or rental subsidies so they can afford their own housing and have a financial commitment to the home and to Nantucket. The suggestion is to provide financial support to employees to buy or rent in the rental market. This could be on sliding scale; almost like a subsidy program.

Sgt. Mack says the hospital does this. If they do not live in hospital housing they get a stipend. He used to rent to a hospital employee.

Chairman Fee asks how would we address the "if he gets \$1,000 I want \$1,000". Superintendent Bates says the way is through the union contract. Chief Pittman disagrees and that a Town-wide housing assistance program should be created instead of doing this through the individual union units; the Town cannot collectively bargain this because it would escalate quickly. Chairman Fee asks if this be done by level of pay? Chief Pittman says it is done for public housing so why not? Chief Pittman notes that the variable is the seasonal versus year round. Many employees jump housing because cannot afford the summer rents.

Superintendent Bates says that this week's Inquirer and Mirror has only 5 year round options not including utilities so just to move in requires \$6,000/mo.

Mr. Sperry says he has visited the Aspen, CO website because they have similar issues as Nantucket. Aspen has a strong public-private affordable housing office. This year they assisted with 2,800 rentals. Lots of rules and processes but seems to be successful.

Chief Pittman gets Nantucket Housing information at the station but all Town employees (at least police and school) are over the minimum requirements to qualify so affordable housing is not an option. Chairman Fee says we are 15-20 years behind Aspen in this regard so looking at their model could be helpful.

Ms. Topham asks for Aspen rates. Mr. Sperry says they are listed but there are qualifications. He will forward to Committee.



Chairman Fee asks Ms. Slavitz if there is any available Covenant inventory. Ms. Slavitz says they are already priced out.

Chief Pittman says there is more to house than just buying it. Some affordable housing in his neighborhood is not kept up because they cannot afford it.

Sgt. Mack says if we start taking things away like longevity so there are less incentives to stay. Employees stay a few summers to enjoy it then leave.

Ms. Topham asks if police has steps and longevity? Chief Pittman says police do but some steps have been eliminated. Longevity has been modified. The steps are the problem; longevity is an incentive. Ms. Slavitz asks about education? Chief Pittman says that is a problem. It is not equal so it is not equal incentive. A teacher with a masters is a good thing but a cop with a masters is not necessarily useful except to themselves. He is not a full supporter of certification pay and other incentives. Wages and longevity have better results.

Chief Pittman uses his MPA example about moving up in government. We don't want our employees to remain at the bottom, we want them to advance.

Chairman Fee says he looks at bottom line increases: 10% is 10%. Mr. Sperry asks if staff would rather get incentives or not. Chief Pittman uses an example from the Town Report that says an officer earned \$109,000 on average on salary, detail and overtime. That figure is disingenuous because this means the employee worked beyond their regular hours to serve the community at the cost of his own free time. And detail and OT is not paid by the Town. Ms. Topham asks why is that breakout in the Town Report? It is because required to be paid in week earned so the Town must pay and then collect therefore it gets reported but it is not correct.

Chairman Fee says he has a different take on that extra pay. He uses the Triathlon as an example and the use of police on details that is paid by the Triathlon is actually money taken away from the scholarship because it is just passed through. He says that is like the Verizon details. Chief Pittman disagrees. These businesses are in it for profits and are going to pass through to the customer no matter how they pay for the services. It's the cost of doing business.

Ms. Topham says this must be made clearer in Town report because that is the public complaint. She also says OT is a complaint but is understandable that it is required to get work done. Why not hire another full time person? Superintendent Bates say that is more costly once you add in retirement and benefits. Also, there is the benefit of using an experienced employee.

Mr. Gray says public must educate themselves. First thing they do is open the back of the book and just look at the number. There is no discussion of quality of life. He personally worked 15 hours overtime already this week. It is not for enjoyment.



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Ms. Topham says all should be salaried like her husband who was on call and if went out at night he just went out. No extra pay. Mr. Tivnan offers that in many cases that is illegal. Ms. Perris says that Fair Labor Standards Act prohibits that.

Chairman Fee says we are off track and we should discuss the “back of the book” further. He believes the overall costs have crowded out what needs to get done. If we drill down and if people are grandfathered and new people come in, there will be a worse disparity. There are fewer employees but more are paid higher so there is the disparity of the new vs old.

Superintendent Bates says Housing Nantucket states that the median wage should be \$109,000 to live on Nantucket.

Ms. Topham wants a number of how many people get stipends and live in housing? She says that many people believe that many get stipends and housing. Asks Ms. Perris to get the data.

Superintendent Bates asks the Committee to look at Yacht Clubs, Westmoor, Stop & Shop, and Nantucket Valet for comparison. Chairman Fee splits up these duties and Ms Harvey says she will call the Boys and Girls Club.

Chairman Fee says it seems like seasonal is sort of being addressed but not full time employees. What are next steps? Chief Pittman offers that the Town needs to decide if we want to be in a housing business or rental assistance business. The difference between building or offering support for the existing rental housing, like the Aspen model. Probably best to subsidize in the current housing market instead of building.

Topics of next meeting: Housing. Chairman Fee will invite Nantucket Housing; Mr. Spery will report on the House meeting at the State House.

Next meeting: November 14, 2013 4:00-6:00

V. ADJOURNMENT Ms. Topham makes motion. Ms. Harvey seconds 17:42

