

MINUTES

Fiscal Policy Advisory Committee
March 20, 2014 / 4:30-6:00 PM
Second Floor Conference Room

In Attendance: Chairman – Allen Bennett; Mayor Bouley; City Councilors – Mark Coen, Fred Keach, Jan McClure, Amanda Grady-Sexton, Dan St. Hilaire; City Staff – Tom Aspell, City Manager; Brian LeBrun, Deputy City Manager-Finance; Katie Graff, Assistant Finance Director; Bob McManus, OMB Director; Jennifer Johnston, Human Resources and Labor Relations Director; Rick Jones, Jones Consulting Management

Excused: Councilor Candace CW Bouchard

- 1) **Approval of January 16, 2014 Meeting Minutes:** Chairman Bennett called the meeting to order at 4:31 PM and requested a motion to approve the minutes of the January 16, 2014 meeting. There were no minutes for the February meeting since a quorum of the committee was not in attendance. **Councilor Keach moved to accept the minutes, seconded by Councilor Grady-Sexton. The minutes were unanimously approved as presented.**

- 2) **Presentation by Rick Jones, Jones Management Consulting re: Health Insurance Benefits** – Mr. Jones discussed the future of Health Benefits for the City of Concord and how health care reform will impact these benefits. He described that the long term inflationary increases have averaged about 10% annually. Fortunately, the City has recognized low or no increases over the last four renewals. If not for the fees associated with Health Care reform of \$2.00 per covered person for patient centered outcome research, \$63.00 per person for reinsurance and 2½ % tax on premiums to pay for the exchanges, the City would have realized a decrease in premiums in FY 2014. Mr. Jones indicated that many communities are struggling with the requirements to provide health insurance to part-time employees who work more than 30 hours/week and that Concord is doing an appropriate job managing that group of employees. One of the next big hurdles to get through is the Cadillac tax, which is scheduled for implementation in 2018 and would add a 40% tax to health insurance companies on the excess premium on health plans that are above \$10,200 for a single plan and \$27,500 for a family plan. Because it is likely that a new President will be in office by that time, it very well may change, but it will not be known for a couple of years if and what the changes will be.

- 3) **Personnel Rules Changes** – Jennifer Johnston, Human Resources and Labor Relations Director, discussed the following proposed personnel rules changes under ordinance items:
 - a. 43-4-9; change severance payout to employees who leave the City after ten years of service and not the current requirement of retiring under the New Hampshire Retirement System.
 - b. 34-11-1; strike language which states that annual hours will not be paid out for terminations due to cause; clarify payout language for Department Heads hired prior to 1-1-10; and increase non-contractual annual leave rate for parity with union contracts.

- c. 34-11-2; no longer automatically require employees to bring in a doctor's note for sick absences in excess of three days and leave it as an option for managers.
- d. 34-11-4; change parental leave so that it does not add to Family Medical Leave.
- e. 34-11-7; clarify the definition of Civil Duty and requirements to work non-court hour shifts.
- f. 34-11-7; allow the Director of Human Resources to establish and modify leave procedures.

The Director of Human Resources indicated that these revisions are not projected to incur any significant increase to costs, as most of the changes only codify practices already in place.

The committee provided a consensus agreement of all items except for 43-4-9, as they do not favor paying out severance under the personnel rules to employees who leave to go to other employment and are not retiring under the New Hampshire Retirement System.

- 4) **Presentation by Deputy City Manager Baia Re: Developments** – Deputy City Manager Baia discussed the Overall Economic Development (OEDP) Annual Report and indicated that the City is doing remarkably well with overall vacancy rates and a low unemployment rate of 4.9%. Policom rated the City as #1 again this year; housing starts are picking up; and the median purchase price of primary homes has gone from \$177,000 to \$199,500. He also indicated that office and industrial vacancy rates have remained relatively unchanged at 10.3%. The complete report can be found in the March City Council Packet.
- 5) **Finance Committee Budget Schedule** – Deputy City Manager LeBrun distributed two versions of proposed FY 2015 budget schedules. One that maintained budget meetings on the Monday/Thursday schedule through the end of June, and a second one that proposed only three evening budget meetings and one Saturday meeting. The committee reviewed each proposal and by consensus recommended the second schedule that reviewed all departments on one Saturday, May 31st, and on three other evenings. The recommended budget schedule will be presented to the full City Council at its regular April meeting.
- 6) **Solid Waste Fund/Revenue Review for Solid Waste Advisory Committee** – Deputy City Manager LeBrun and City Manager Aspell recalled the FY 2014 City Manager's Budget Transmittal Letter which recommended that the Solid Waste Advisory Committee (SWAC) take up the revenue issues for the Solid Waste Fund and, specifically, the Pay-As-You-Throw (PAYT) bag prices. SWAC Chairman Keith Nyhan discussed the need for SWAC to undertake this project and make any change recommendations to the full City Council before the FY 2016 budget preparation begins in December 2015.
- 7) **Questions Regarding February FPAC meeting items** – there were no specific questions regarding the February FPAC meeting items.
- 8) **Non Public – the committee did not hold a non-public session and will postpone this agenda item until the April FPAC meeting** – A non-public meeting was not held.

9) Adjournment - A motion was made by Councilor St. Hilaire to adjourn, seconded by Councilor Coen, and a unanimous vote brought the meeting to an end at 5:55 PM.

Respectfully submitted,

Brian LeBrun
Deputy City Manager – Finance