

JOHNSON SELECTBOARD/TRUSTEE BOARD JOINT MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, DECEMBER 2, 2019

Present:

Selectboard Members: Mike Dunham, Nat Kinney, Doug Molde, Eric Osgood

Village Trustees: Scott Meyer, Brian Raulinaitis, Gordon Smith, Bob Sweetser (by phone), Phil Wilson

Others: Brian Story, Anne Mullings, Raymond Gilcris, Jason Whitehill, Ryan Stygles, Damien Digregorio, Susan Tinker, Francis Tinker, Sue Lovering, Kim Dunkley

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Eric called the selectboard to order at 6:00. Gordy called the trustees to order at 6:00.

2. *Review of Agenda and Any Adjustments, Changes and Additions*

Brian said he believes the board wanted to discuss the issue of having joint employees. That could be part of the compensation discussion or it could come before that. Gordy added on item related to energy efficiency.

3. *Employee Benefits and Compensation*

Brian said we are looking at a pretty substantial increase in the cost of health insurance. He handed out a sheet showing how a couple of different pay increase scenarios (3% raise and 2% raise) would impact cost for the town. Given the rise of inflation and rising healthcare costs, the challenge we face is that our employees may end up taking home less money next year than this year if we are not mindful of that.

Anne Mullins asked, shouldn't the boards discuss the joint employer issue first? Nat said he thinks that will be part of the compensation conversation.

Brian said if we have a pay increase of 2% once we factor in inflation that leaves our employees taking home roughly the same amount they are making now. A 3% pay increase would result in about a 1% increase in their take-home pay once we factor in healthcare coverage and inflation.

Gordy handed out copies of a sheet showing the impact on the four village departments of the health insurance increase.

Nat read from the minutes of the June 3 joint meeting when the question of whether or not the town and village should have joint employees was discussed. It was the consensus of both boards at that time that the town and village should have separate, not joint, employees. Given that, Nat doesn't think the selectboard should constrain ourselves to match the village's wage and benefit adjustment.

Gordy said that he, Eric, Brian and Meredith met to discuss giving one employee a wage adjustment and the trustees decided to put it into effect.

Anne said she feels the boards need to decide tonight about whether to have joint employees. For 20 years town and village employees have been treated the same but this year the trustees decided to treat Susan a lot better than Anne was treated. She does not want to work for the village anymore. The boards do not need to worry about service at the window because when Susan is not there Anne does her job. She and Susan provide the best service possible.

Eric said that brings up the question of whether the boards want to agree that as of January 1 there will be no shared employees. The trustees said that that would be their preference. Eric said in that case the boards don't need to deal with the compensation element tonight.

Brian said we will probably still have Rosemary and Jan as joint employees. They are not employees; they are elected officials. The village would compensate them for their elected duties and the town would as well, so they would get two separate checks.

Kim Dunkley said health benefits are very valuable for those who have them. When there is an increase in health insurance costs there should be shared responsibility. Often the employer does not eat the whole cost. She is hoping that everyone is thinking of the taxpayers and realizing that they may also be getting healthcare increases. If taxes increase, that is not sustainable for people who are getting cuts in their income or seniors who are retiring and don't have the income they used to.

Eric said for some years now the boards have maintained a 91% percent employer contribution and a 9% employee contribution, so 91% of any increase is borne by the employer and 9% by the employee.

Jason Whitehill said he is a taxpayer and an employee. One of the big things about this job is the benefits. Employees appreciate the benefits. There are a lot of places that are paying full health insurance costs for employees. The Town of Wolcott can't find employees and they are giving employees the option to start out with little experience at \$22/hour with full benefits or \$30 an hour without benefits. They have only found two people so far, with no experience in plowing. It's not only Wolcott that is having problems

Doug asked what we have to do to get a memorandum of understanding between town and village regarding work to be done by the people who are no longer joint employees. Gordy said in the past every few years Rosemary has done a study of how much time employees been working for the town and for the village and that is where we have come up with the percentage splits that we have used. Phil asked where the discussions went about joint employees after the last joint meeting. Eric said we were waiting for Brian and Meredith to come back with information. Brian said he and Meredith were going to talk to some other communities. They did not talk to any that had a memorandum of understanding. Either they didn't need one because they had enough employees or they didn't have anything written down and the employees just did the work that was in front of them. The advice he and Meredith would give would be to have a split that reflects the current understanding and then that could be revised in the future. So the initial memorandum of understanding would be that service continues as it has been. We won't be able to gather information on the amount of time spent on town vs. village work without a full year's study. There is not a constant

level of work. It is very seasonal. If the board will agree to it we can say that we will continue as is, maintain the current level of service and study the number of hours. Doug said for him the primary benefit of the memorandum of understanding is clarifying who each employee is answerable to.

Anne said when she first started work here she worked 50% for the town and 50% for the village and she used to get two separate checks. Then she got a single check but the split was still 50/50. Then she and Rosemary discussed and she told Rosemary that she worked more for the town than for the village so they decided to change it to 60/40. There has always been an understanding that if one employee is busy the other will do the work that needs to be done. She has taken on a lot of extra work since she started and never got compensated for it. Once there are no longer joint employees the town and village customers will still get the same service they have always gotten.

Nat moved to separate responsibility for shared town/village employees effective January 1, 2020, with the town taking responsibility for the employee who works a majority of the time for the town, and to put in place as soon as possible a memorandum of understanding between the town and village ensuring reciprocal service. The motion was seconded.

Phil moved to separate responsibility for shared town/village employees effective January 1, 2020, with the village taking responsibility for the employee who works a majority of the time for the village, and to put in place as soon as possible a memorandum of understanding between the town and village ensuring reciprocal service. The motion was seconded

Brian S. asked for clarification. Is it the case that the MOU will say that employees will be on the current split for time and compensation for now? Eric said that is his understanding. Scott said that should be clarified in the MOU. The town and village should keep track of billable hours. Nat said the MOU might not be done by January 1 and in that case the split would be the same as it is now. Scott said he would like to put a definite end date on that.

The makers of both motions agreed to the friendly amendment that the memorandum of understanding is to be in place by the end of January 2020. The selectboard motion was passed. The village trustee motion was passed

Brian said currently we pay 91% of the Gold Blue Cross/Blue Shield plan. Mike said according to the spreadsheet handed out, our healthcare cost is going to go up by \$2,480. That will be a tough increase. And then with wanting a raise on top of that, he doesn't think we can sustain that. He doesn't know if the voters will be very happy about it.

Phil asked if only the Gold plan is offered or if employees can take whatever level they want. Brian said our contribution is set at 91% of the Gold. Phil asked, if an employee takes a cheaper plan can they get the cost 100% covered? Brian said yes and if our contribution is greater than the cost of the plan it goes into a health savings account. Employees will receive the same minimum employer contribution to their health care. And employees that don't

receive healthcare coverage through us instead receive a cash contribution of 50% of what we would pay for healthcare.

Eric asked what the increase in our cost would be for all employees if we maintain the 91/9 split. Brian said \$13,504 would be the town's share of the increase, though it could vary quite a bit depending on what plan people choose. Eric asked, the impact on the employees depends on what plan they're selecting? Brian said that is right. Doug asked what the 9% increase would be for employees. Brian said the total for all employees would go up \$1,300 if they selected the same options.

Gordy said if we stay with a 91/9 split the cost to the village will be \$21,288. The increase to the general department share of that, which affects taxes, will be \$2,800. There is some PILOT money that we could use to offset part of that if the state maintains the same amount of PILOT money going into the general fund. That increase doesn't count any pay raise to the employees.

Anne asked if the sheriff's department pays any part of their insurance. Nat said they do but he doesn't know what percentage they pay.

Jason said the highway department employees don't want to make less next year than they did this year. They're not asking for a raise. They are asking for health insurance to stay about the same.

Mike said we have an increase of almost \$2,500 per employee for healthcare. It is getting out of control. There are people in the community on fixed incomes. Some of their increases don't go up enough to cover their expenses.

Jason said with everything going up, the employees could end up making less. Mike said there are a lot of people in that position. Jason said not with a CDL

Nat brought up an article in this week's News & Citizen. The Town of Wolcott had job openings for the highway department all summer and they didn't get applicants for them and positions continued to be open until November 1. During the November 1 storm they had road washouts just like we did. They were in a really tough spot that day. Our roads were largely back by the end of the weekend. We do need to be aware of the pressure on the taxpayers. We need to be responsible about that. But at the same time it's going to be really difficult to get qualified drivers. Doug said he has no interest in having people on our road crew leaving. There is a cost to bringing in and training new people. He would not like employees to go backward in terms of pay. He thinks employee happiness is very important and there is a big chance of going from the frying pan into the fire if we lose people.

Kim asked if the town can go to the state and ask them if there is any way to dissolve huge increases in healthcare. Doug said this is a problem on the national level that is passed down to us. And it should be solved on a national level. We will get nothing out of the state.

Nat moved to continue with the town paying 91% of the cost of the Gold Blue Cross/Blue Shield plan and the motion was seconded.

Brian R. moved to continue with the village paying 91% of the cost of the Gold Blue Cross/Blue Shield plan and Phil seconded.

Mike said he thinks more than 50 minutes should have been scheduled for this discussion. There has not been a lot of discussion so he is going to vote no.

Nat asked when the rates come out for Blue Cross/Blue Shield. Brian said we get the information in November. We get an estimate of what their costs are going to be near the end of summer but their costs are higher than what was estimated.

The selectboard motion was passed with Mike opposed.

Scott said he will probably vote no because he thinks the cost of living conversation needs to happen at the same time as the health insurance conversation. He believes the social security cost-of-living increase is 1.6%. A lot of people in the town and village just can't afford the increases that have been suggested. He wishes he could give town and village workers full health insurance but it is funded by the taxpayers.

The village trustee motion was passed with Scott opposed.

Eric said compensation for town employees will be brought up at a regular meeting.

4. *Review of November 1st Flood Event*

Eric said on December 12 Vermont Emergency Management will be doing a review of the flood event and everyone is invited.

Scott said most of the village trustees felt left out during the recent flood. They were not brought up to speed or by the time they were people other people had already been working for 8 hours. They would like their contact information to be available so they can be engaged in an emergency. Eric said we will review that in March.

5. *Energy Efficiency Program*

Gordy and Phil explained that the village got a request to participate in a targeted communities program. It will be a townwide program. There will be a year-long targeted outreach throughout the community regarding Efficiency Vermont programs. They will be working with nonprofits and local boards. That will start in January. Gordy and Phil met with Efficiency Vermont last week

6. *Adjourn*

The trustee board meeting was adjourned at 6:54.

The selectboard meeting was adjourned at 6:54.

Minutes submitted by Donna Griffiths