

2020 03 02 Human Resources Subcommittee Report on FY21 Human Resources and Benefits Budgets

The Personnel Subcommittee of the Advisory Committee held a public hearing on March 2, 2020 at 6:30 p.m. to consider the FY 21 budget requests for the Human Resources Department and Personnel Benefits. In attendance were subcommittee members Janet Gelbart, Carol Caro, Chuck Swartz, and Christine Westphal; Deputy Town Administrator Melissa Goff.; Director of Human Resources Ann Braga; Assistant Director of Human Resources Leslea Noble; AC member Janice Kahn (TMM 15); and Frank Caro (TMM 10).

Human Resources Budget

The Human Resources budget is found on page IV-5 of the FY 21 Financial Plan. The budget proposal of \$638,785 represents a decrease of \$14,710 (-2.25%) over the FY 20 budget. The line item changes are summarized in the chart below.

FY 21 HR Budget

Expenditure Class	FY19 Actual	FY20 Budget	FY21 Budget	Variance \$	Variance %
Salaries	226,545.00	313,646.00	312,086.00	(1,560.00)	-0.50%
Services	267,162.00	286,809.00	278,659.00	(8,150.00)	-2.84%
Supplies	19,484.00	20,400.00	14,900.00	(5,500.00)	-26.96%
Other	12,017.00	31,000.00	31,500.00	500.00	1.61%
Capital	1,288.00	1,640.00	1,640.00	-	0.00%
Total	526,497.00	653,495.00	638,785.00	(14,710.00)	-2.25%

Salaries decreased slightly due to the turnover within the department. The reduction in services is the result of a planned gradual reduction in outside counsel expenses (-\$25,000) which is offset by increases in costs for pre-employment physicals (\$15,000), drug testing (\$2,000) and other minor adjustments. Supplies decreased \$5,500 because of elimination of the flu clinic.

The Subcommittee **voted unanimously (4-0-0)** to recommend approval of the FY 21 Human Resources Department proposed budget of \$638,785.

Discussion

Ann Braga joined the department as Director of Human Resources eight months ago and initiated several meet and greet events with Town staff to promote perception of HR staff as partners, not disciplinarians. She conducted a landscape survey to determine departmental “pain points” and how HR could best support departmental needs. Approximately 40% of her and Deputy Director Leslea Noble’s time is devoted to employee relations issues and discipline. Specific accomplishments over the past year include:

- implementing a new voluntary benefit -- Accident, Disability and Critical Illness insurance available from Colonial Life
- implementing pre-tax payroll deductions for T-passes
- transitioning to PhysiciansOne Urgent Care for occupational health after New England Baptist closed its clinic
- working with CDICR in developing an implementation plan for the changes to the diversity, inclusion and community relations bylaw
- participating with GARE in developing new definitions for the harassment, discrimination and retaliation policy
- conducting a department head salary survey in conjunction with Suffolk University
- teaming with the new labor attorney in Town Counsel's office to respond to employee relations issues proactively

An expansion request for a new position (\$68,886) to support training was denied. The thrust of the training is to build a culture of a respectful workplace throughout the Town. Examples include:

- new employee orientation in small groups around harassment, discrimination and orientation
- supervisory training in how to stop inappropriate conduct before it escalates and to get help by partnering with HR
- the dos and don'ts of hiring training, which is now required for participation in hiring panels.
- how to hold effective difficult conversations in a diverse environment that do not trigger feelings of micro aggression

The subcommittee also asked Director Braga to comment on turnover and retention. Reasons given in exit interviews include opportunities for better pay and shorter commutes. HR is currently working with the police, fire and dispatcher unions to find short- and long-term solutions to a severe shortage of dispatchers.

Finally, the subcommittee noted that the list of positions not subject to the Town's living wage law was not included in this year's budget book. It was added last year in response to a resolution of Town Meeting in May, 2018. Deputy Administrator Melissa Goff indicated it would be included in the Annual Report instead.

Personnel Benefits

The Personnel Benefits Budget is found on page IV-105 of the FY 21 Financial Plan and is summarized in the chart below. The budget proposal of \$68,898,264 represents an increase of \$\$2,591,567 (3.91%) driven by increases of \$1,654,412 (6.64%) in pensions, \$1,312,325 (4.16%) in group health, and \$174,830 (6.7%) in Medicare contributions. Contributions to retiree health declined by \$350,000 (-7.32%) because there was no additional appropriation available from free cash.

The current balances in the workers comp and unemployment trust funds were sufficient to allow for a \$200,000 reduction (-8.89%) in transfers to those funds.

Benefits Summary

	FY19 Actual	FY20 Budget	FY21 Budget	\$ Variance	% Variance
Public Safety Medical Disability	659,850	40,000	40,000	-	0.00%
Medicare Contribution	2,452,935	2,609,403	2,784,233	174,830	6.70%
Group Health	29,560,605	31,518,881	32,831,206	1,312,325	4.16%
Life Insurance	132,351	145,000	145,000	-	0.00%
Contributory Retirement	23,144,765	24,915,433	26,569,845	1,654,412	6.64%
Noncontributory Retirement	79,573	-	-	-	
EAP Premiums	2,075	-	-	-	
Long Term Disability	43,808	46,000	46,000	-	0.00%
Retiree Health	4,570,465	4,781,980	4,431,980	(350,000)	-7.32%
Transfers to Unemployment & Work Comp Trust Funds	1,850,000	2,250,000	2,050,000	(200,000)	-8.89%
Total	62,522,920	66,306,697	68,898,264	2,591,567	3.91%

The Subcommittee **voted unanimously (4-0-0)** to recommend approval of the FY 20 Personnel Benefits Budget of \$68,898,264.