

UPDATES to the ADVISORY COMMITTEE REPORT for the November 14, 2011 Special Town Meeting

November 10, 2011

After the Report was mailed to Town Meeting Members the Advisory Committee received updated information, further considered the motions expected under Articles 4, 5 and 6 and made its recommendations on each. Additions to the write-ups previously published in the Report are in bold and italics below.

ARTICLE 4. To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled "Salary Plan – Pay Schedule" established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

(Board of Selectmen)

This article seeks Town Meeting approval to amend Article 31 of the Town Bylaws to make changes to salary and wage schedules consistent with the collective bargaining agreement reached with the Wellesley Firefighters Local 1795, International Association of Fire Fighters (IAFF). Schedule B sets the rates of pay for all Town employees except School Department personnel.

The agreement achieves the Town's four key collective bargaining objectives: Maintain an educated Fire Department; remain competitive in terms of pay levels; gain flexibility with regard to hiring and promotions; and control costs. A central feature of the agreement is the removal of the Fire Department from the provisions of Civil Service, effective January 1, 2012 (*see Article 5*) and the addition of a Secondary Education Incentive Program (SEIP).

Due to the increased and more complex demands on the Fire Department over the past decade the BOS and Fire Department have identified an increased need for a skilled and educated staff. An increase in EMS/service calls, changes in building construction materials and technology (requiring knowledge of hazardous materials and technological expertise) and greater emphasis on fire prevention (inspectional services, regulatory requirements) require an increased level of education. The removal from Civil Service in conjunction with the SEIP provides the incentive and opportunity to enable the development of a Fire Department able to effectively meet the current demands.

Base Salary Increase

Under the agreement, base salary increases for the 55 Fire Department employees under union contract will be as follows:

FY12	1.0%
FY13	1.5%
FY14	2.0%

Secondary Education Incentive Program

In addition to these salary and wage adjustments, the agreement contains a provision for the establishment of a *Secondary Education Incentive Program*. The program is designed to encourage employees to pursue relevant secondary education by providing the following increases upon completion of:

Bachelor's/Master's Degree	\$4,000/year additional compensation
Associate's Degree or 20 years career experience	\$2,000/year additional compensation
Fire-Service Certification Pay (up to a max of 4 certifications)	\$275/year/certification

There are currently 6 Fire Department employees eligible for the Bachelor's/Masters Degree increase and 17 eligible for the Associate's Degree/20 years increase. These employees will receive the relevant increases effective July 1, 2012. This program is similar to the post-Quinn Bill education incentives provided by the Wellesley Police Department and consistent with that provided by comparable communities.

EMT Recognition

The contract also provides increases for employees who are active Emergency Medical Technicians (EMTs):

- In FY12: An increase in the EMT stipend from \$45 to \$55 per week (effective July 1, 2011);
- In FY13: An increase in the EMT stipend to the amount equivalent of 5% of the base pay for a 4th step Lieutenant (in FY13, this will be \$60.02 per week).

The net budget impact of the negotiated agreement is as follows:

Fiscal Year	Net Budget Impact (%)	Net Budget Impact (\$)	Comments
FY12	+1.5%	\$67,647	This increase is covered by the appropriation to the Fire Department under the FY12 operating budget and does not require a supplemental appropriation.
FY13	+5.0%* +4.6%*	\$228,446*	The net budget impact for FY 13 includes estimated payments for the SEIP as well as salary and wage increases. In FY13, this increase will be partially offset by a proposed reduction in the Fire Department Operating Budget.*
FY14	+2.0%	\$87,000	

**The increase associated with the agreement will be partially offset in the Fire Department FY13 Operating Budget (now under development) by the elimination of the ambulance subsidy for an annual savings of \$80,000. The net budget impact in FY13 including this reduction is +3.2% (\$148,446).*

The agreement has been approved by the Board of Selectmen and has been ratified by the Wellesley Firefighters Local 1795, IAFF. Schedule B sets forth the adjustments to the Town's salary and wage schedule based on this agreement.

**SCHEDULE B
SALARY PLAN - PAY SCHEDULE**

Effective July 1, 2011 (1%)

Classification	1st Step	2nd Step	3rd Step	4th Step
Captain of Special Services	1,262.41	1,336.88	1,411.17	1,485.44
Captain	1,179.82	1,249.42	1,318.86	1,388.26
Lieutenant	1,005.25	1,064.31	1,123.49	1,182.59
Firefighter	874.10	925.55	976.85	1,028.32

Effective July 1, 2012 (1.5%)

Classification	1st Step	2nd Step	3rd Step	4th Step
Captain of Special Services	1,281.35	1,356.93	1,432.34	1,507.72
Captain	1,197.52	1,268.16	1,338.64	1,409.08
Lieutenant	1,020.33	1,080.27	1,140.34	1,200.33
Firefighter	887.21	939.43	991.50	1,043.74

Effective July 1, 2013 (2%)

Classification	1st Step	2nd Step	3rd Step	4th Step
Captain of Special Services	1,306.98	1,384.07	1,460.99	1,537.87
Captain	1,221.47	1,293.52	1,365.41	1,437.26
Lieutenant	1,040.74	1,101.88	1,163.15	1,224.34
Firefighter	904.95	958.22	1,011.33	1,064.61

After review, Advisory concludes that the negotiated agreement provides fair and reasonable compensation while affording the Town the benefits of removing the Fire Department from the provisions of Civil Service (see also Article 5).

Advisory agrees that removal from Civil Service is the key benefit to the Town since it provides the Fire Department a significantly larger, more educated and more diverse pool of applicants for hiring. This will enable the development of a Fire Department that meets the needs of today and into the future.

Advisory agrees that the annual increases stipulated in the 3-year agreement retroactive to July 1, 2011, (1% in FY12, 1.5% in FY13 and 2.0% in FY14) are reasonable and consistent with increases in other Town departments.

The Secondary Education Incentive Program (SEIP) is the major addition to the Fire Department compensation package and drives much of the cost of the contract, specifically in FY13 and going forward. While the FY13 payments and ongoing incentives were concessions for removal from Civil Service, they remunerate/motivate advanced education and certification which is consistent with Fire Department objectives.

Initially, some on Advisory expressed concern about the total budget impact in FY13 (an increase of 5% over FY12 or ~\$288,000), given the expected Town deficit. However, this concern was addressed upon further review of the components of the increase:

- **The 1.5% annual increase (~ \$70,000)**
- **The first year increase in the EMT payments (~ \$10,000)**
- **The first year funding of the SEIP (~\$208,000) bringing all current employees' compensation in line with the incentives.**

The first year funding of the SEIP is less than that incurred when Town Meeting voted to remove the Police Department from Civil Service (~\$223,000 total for assuming the unfunded portion of the Quinn Bill cost and the addition of new fixed-dollar incentives). It was noted that the Police Department had a pre-existing program under the Quinn Bill while the Fire Department does not; however, Advisory felt the relative cost associated with the SEIP is reasonable given the comparable value obtained.

Lastly, benchmark data indicate that the total FY13 compensation package provided in this agreement will bring the Fire Department more in line with 19 neighboring and comparable towns (it has in the past been lagging below).

Based on this review, Advisory concludes the negotiated agreement is fair, reasonable and provides significant benefit to the Town.

Advisory recommends favorable action 14 to 0.

ARTICLE 5. To see if the Town will vote to remove the Fire Department from the provisions of the Civil Service Laws, and the rules and regulations relating to the same, by revoking the Town's acceptance of Section 48 of Chapter 31 of the General Laws voted under Article 27 of the Warrant for the 1922 Annual Town Meeting; or take any other action relative thereto.

(Board of Selectmen)

This article seeks the approval of Town Meeting to remove all uniformed Fire Department personnel from the provisions of the Civil Service laws as part of a negotiated agreement between the Town of Wellesley and the Wellesley Fire Fighters Local 1795, IAFF ("the Union").

Town Meeting first accepted the statute to put the Wellesley Fire Department under Civil Service in 1922. The original objectives of Civil Service were to ensure fair and equal opportunities for all applicants and employees and to create an efficient work environment. By establishing a standard exam required for hire, the Civil Service provided protections for employees in non-military government agencies specifically to mitigate an environment of political influence and patronage.

Today, however, the Civil Service system is fraught with inefficiency and antiquated hiring and promotion procedures such that it constrains the ability of the Town to maintain a highly competent, educated and diverse Fire Department. Further, the Civil Service statutory protections afforded employees with respect to external review of disciplinary matters have been replaced by a negotiated grievance and arbitration process, which is generally agreed to provide resolution on a considerably more timely basis.

In 2010, Town Meeting voted to remove the Police Department from the provisions of the Civil Service laws for the same reasons. The experience over the last year has been an increased pool of applicants for open positions leading to the hiring and promotion of qualified, highly educated and diverse individuals. It is the opinion of the Chief of Police that the value attained so far and the anticipated future value to the Department have been and will be worth the costs associated with the decision.

Upon approval by Town Meeting, the negotiated agreement between the Town and the Union will remove the Wellesley Fire Department from the provisions of Civil Service, effective January 1, 2012 (applicable to all new hires and new promotions; current employees remain grandfathered in Civil Service). In its stead, the Fire Department will strictly adhere to non-civil service hiring procedures detailed in the agreement which are designed to identify the best qualified candidates to meet the Town and Department's needs. These procedures use a wider spectrum of selection tools than are available under Civil Service, including tactical exercises (interactive simulations) and the evaluation of communication skills which are elements absent from the Civil Service written exam. The procedures for promotion detailed in the agreement also expand the factors that will be considered when a lieutenant or captain position is filled. The Fire Chief will have final authority to recommend candidates for hiring and promotion. Final appointing authority remains with the Board of Selectmen.

Advisory has considered the costs associated with the removal of the Fire Department from Civil Service, as detailed in the negotiated agreement, and has determined that they are reasonable and provide significant value to the Town.

Advisory recommends favorable action 14 to 0.

**ARTICLE 6. To see what sum of money the Town will raise and appropriate, or otherwise provide, in addition to the amount appropriated under motion 1 of Article 17 of the Warrant for the 2010 Annual Town Meeting, for architectural, engineering and/or other services for plans and specifications for the construction of a Municipal Light Plant Administration Building, and for the construction, reconstruction, remodeling, rehabilitation and/or modernization and furnishing of the same; and for other services in connection therewith; to determine whether such sums shall be raised by taxation, through borrowing, transfer, or otherwise; or take any other action relative thereto.
(Municipal Light Board)**

The Municipal Light Plant Board (MLP) requests an appropriation **of \$819,975** to be expended under the direction of the Permanent Building Committee (PBC), for the construction of a two-story, 8,220 square foot addition to the existing Municipal Light Plant garage, located at 2 Municipal Way, to accommodate administrative, engineering and customer service personnel.

This request is for an appropriation incremental to \$1,920,000 already authorized for this project by ATM 2010, **for a total of \$2,739,975**. The entire appropriation, including the incremental amount for this project will be from MLP funds and will have no tax impact.

The amount of the 2010 request was based on the project architect's estimate for an addition constructed using modular components. At that time, it was believed that this form of construction would save the MLP between \$300,000 and \$500,000 in construction costs, though bids had not yet been received. The original project was advertised for bid in August 2010. Four bids were received ranging from \$2.6M to \$3.1M, substantially more than projected. The PBC and MLP reviewed the bids and agreed that the expected benefits of modular construction were not realized in the bids. The project was not awarded to any of the bidding contractors.

In January 2011, the MLP engaged a new architectural firm, Gienapp Architects, to prepare revised contract documents for the purpose of re-bidding the project to be constructed by standard construction methods. The scope and size of the project are substantially unchanged from the initial building project presented in 2010, but for additional elements required to comply with the Stretch Building Code and a highly efficient HVAC system

The inadequacies of the current MLP/DPW administrative building have been well documented at previous Town Meetings. Advisory agrees that an MLP administrative building addition is needed and will provide benefits to the Town and MLP without tax impact. The MLP has sufficient cash reserves to complete this project and has no plan to issue debt or increase rates for this purpose.

Advisory believes that the MLP and the PBC made an appropriate decision to reject the initial bids for modular construction when the expected cost benefits were not realized and to rebid this as a standard construction project.

~~Advisory will further evaluate this request following MLP's receipt of bids for the project. MLP's current cost estimate for construction of this project is \$2,739,975, which would necessitate a request for an incremental appropriation of \$819,975 from MLP funds to the PBC.~~

Seventeen bids were recently received, all in the \$2.5 to 3.1 million range and generally consistent with the current architects' cost estimate for the project.

Advisory notes that the range of bids in the current round was similar to the range in the first round of bids (for the modular construction). There was some concern expressed by Advisory about the bid process in which bidders in the second round were privy to public information about bids in the first round. The MLP and PBC believe, however, that the recent round of bids was highly competitive and that the accepted low bid is reasonable.

The MLP now projects the costs as follows:

<i>ATM 2010 Appropriation</i>	<i>\$1,920,000</i>	<i>Appropriated from MLP to PBC</i>
<i>STM 2011 Request</i>	<i>\$819,975</i>	<i>Request for transfer from MLP to PBC</i>
<i>Total transfer to PBC</i>	<i>\$2,739,975</i>	<i>Total hard costs based on bids and contingency</i>
<i>MLP direct funding</i>	<i>\$522,340</i>	<i>Total soft costs (design, project management and other soft costs) funded or to be funded by MLP directly</i>
<i>Total Project Cost</i>	<i>\$3,262,315</i>	

Advisory believes that it is reasonable and appropriate for the MLP, under the direction of the PBC, to move forward with this project.

Advisory recommends favorable action 13 to 1.