



Finance Committee Meeting Minutes
Thursday, January 26th, 2023 – 6:00 p.m.
City Hall (Downstairs Blue Conference Room)

In attendance: Councilor/Committee Chair Vincent Ribas, Councilor/Committee Member Valerie Blake, Councilor/Committee Member George Dzjuna

Others in attendance: Mayor Jo Brown, City Manager Judie Milner, Finance Director Esandra Gaudette, Councilor Webb, Department Heads and members of the public.

Councilor/Committee Chair Ribas called the meeting to order at 6:00 p.m. and started with the first agenda item right away.

Agenda Item I.

Approval of meeting minutes from October 3, 2022 and November 21, 2022:

Motion – Councilor Dzjuna moved to accept the minutes of October 3, 2022 and November 21, 2022. Seconded by Councilor Blake.

Councilor Ribas noted one grammatical error on the November 21, 2022 minutes where ‘moral’ should be changed to ‘morale’.

All in favor. Motion PASSED.

Agenda Item II.

Pay & Class Study Discussion:

Milner passed out the final pay and class study to the committee and discussed the main points on that along with a handout with scenarios/options to review. These handouts are attached to the end of the minutes.

Milner gave a recap of the study from the last meeting going over the different options per the color-coded lines on the handout:

- The option with no color is the current pay scale as of right now.
- The option in green, is the fully implemented pay & class study. This has no COLA added and step increases would continue in 2024. This also gives a 13-step grade, which there is currently a 12-step grade in place.

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- The option in yellow has no COLA and step increases in FY24. The grade would be based on experience. She reminded everyone that almost every position, if moved to a step 1, would still see an increase in pay from where they are now. However, she would not move every position to a step 1, since that would cause problems with new employees with less experience being hired at the same step or same pay amount.
- The option in orange would get everyone on the new pay scale with no COLA and no step increase for the first year.

Milner stated that the recommended option from her and the Finance Director would be the amounts in orange. The total cost to fully implement this option comes to \$947,164.91.

Finance did receive updated numbers on insurance for FY24 and the employees would now be paying for 10% of their insurance. 10% of the new rate for FY24 comes to \$230,218. Also, the CPIU came to 6.5% without the pickups yet, which equates to \$686,708 for their municipal portion. These two amounts alone make up \$916,926 towards the recommended implementation, leaving a difference of \$30,238.91. This does mean this will take up the entire CPIU amount, but she recommends taking of the city's most important asset this year, which is their employees.

The last pay & class study was done in FY14. She thinks they should definitely be done every 10 years at the minimum.

The committee discussed the recommended option. The department heads also answered questions and let everyone know about their struggles with losing staff due to poor morale from being burnt out and the amount of funds lost after training. They also discussed the struggle with hiring staff without being able to offer a comparable pay rate. The departments that are having the hardest time are fire, police and MSD.

This also started a conversation about the proposed retention bonus that Milner and Gaudette would like to bring forth to the council before June 30th. They discussed that there will be miscellaneous revenue coming in from an unemployment return, ARPA funds, and a couple of lawsuits, including the opioid settlement, that will cover the cost of the retention bonuses for employees. This would help to retain employees until the pay & class study has been implemented.

Milner is looking for a recommendation from this committee to bring forth to the council.

Motion – Councilor Dzujna moved to recommend bringing the pay & class study to the city council, along with the retention bonus. Seconded by Councilor Blake.

A small discussion continued.

All in favor. Motion PASSED.

Agenda Item III.

Other Business:

Councilor Dzujna mentioned that the Joint Finance Committee meeting is on February 9th and they will start talking about equalizing taxes. He stated that maybe they should all start thinking about some solutions so they have answers for them at this meeting.

Milner stated that her and Gaudette would be approaching the superintendent and Jefferson separately before the meeting. She did state that there will be some homework to do.

Councilor Ribas asked what the status was on city audits.

Milner stated that FY21 will be completed very soon and she will be sending that out shortly. The audit for FY22 is going to be done next.

Motion to adjourn was made by Councilor/Committee Member Dzujna and seconded by Councilor/Committee Member Blake.

All in favor. Motion PASSED.

Meeting adjourned at 6:59 p.m.

Respectfully submitted,

Lisa Jones
Executive Secretary

City of Franklin, New Hampshire									
Proposed Retention Bonus - \$3000									
FY2023									
Retention Bonus Rules:									
		Current employees with one year of service or greater will receive bonus in paycheck following approval by the council							
		Current employees with less than one year of service will receive bonus in paycheck following one year of service as long as they remain an active employee							
		Open positions (as of council approval date) hired between approval date and June 30, 2023 will receive bonus in paycheck following one year of service as long as they remain an active employee							
		One time bonus per FY2023 authorized position listing positions							
FY2023 Budget Position Listing									
Approved employees	96								
Unfunded	-2								
Canines	-2								
bldgs & grds custodian change	-1								
library unfilled position	-1								
Employees eligible for bonus	90								
Cost of Bonus by Fund									
	# of positions	Percentage (FY2023 Budget)			Retention Bonus Allocation Amount			Total Amount	
		general	water	sewer	general	water	sewer		
Allocated Employees:									
clerks	3	65%	17.5%	17.5%	\$ 5,850	\$ 1,575	\$ 1,575	\$ 9,000	
finance	3	80%	10%	10%	\$ 7,200	\$ 900	\$ 900	\$ 9,000	
MSD Admin Secretary	1	40%	45%	15%	\$ 1,200	\$ 1,350	\$ 450	\$ 3,000	
MSD Deputy Director	1	40%	45%	15%	\$ 1,200	\$ 1,350	\$ 450	\$ 3,000	
MSD Director	1	20%	65%	15%	\$ 600	\$ 1,950	\$ 450	\$ 3,000	
mechanics	2	90%	5%	5%	\$ 5,400	\$ 300	\$ 300	\$ 6,000	
water/sewer ee's	4		50%	50%		\$ 6,000	\$ 6,000	\$ 12,000	
water/sewer ee's	2		90%	10%		\$ 5,400	\$ 600	\$ 6,000	
Non Allocated Employees:									
general employees	73	100%			\$ 219,000			\$ 219,000	
Total Bonus	90				\$ 240,450	\$ 18,825	\$ 10,725	\$ 270,000	
Social Security (6.2%)	53				\$ 9,858	\$ 1,167	\$ 665	\$ 11,690	
Medicare (1.45%)	90				\$ 3,487	\$ 273	\$ 156	\$ 3,915	
Total Expenditure/Expense					\$ 253,795	\$ 20,265	\$ 11,545	\$ 285,605	
Sources of Funding									
Wage & Benefit Unspent Appropriations for Open Positions					\$ (85,043)	\$ (20,265)	\$ (11,545)	\$ (116,853)	
Unspent FY2022 ARPA funding					\$ (68,486)			\$ (68,486)	
One Time State Return of 7.5% Police & Fire Retirement					\$ (61,964)			\$ (61,964)	
Opioid Lawsuit Settlements Received					\$ (25,020)			\$ (25,020)	
Primex Worker's Comp Return of Contribution					\$ (12,292)			\$ (12,292)	
Primex Unemployment Return of Contribution					\$ (990)			\$ (990)	
Total Sources of Funding					\$ (253,795)	\$ (20,265)	\$ (11,545)	\$ (285,605)	
(Excess)Shortfall of funding					\$ (0)	\$ 0	\$ 0	\$ 0	
Amounts that need to be appropriated through a resolution in FY2023			\$ 100,266						

City of Franklin, New Hampshire														
Pay & Class Study Scenarios														
FY2024 Recommended Implementation														
Scenario Description	Scenario #	Gross Pay	Social Security	Medicare	NHRS	WC	Unemployment	Health	Dental	Life/AD&D	STD	LTD	Grand Total Salary & Benefits	Comments
Base - current payscale		5,298,267.13	170,389.10	76,824.87	1,121,868.46	212,871.74	3,220.00	2,159,153.48	85,068.60	2,156.12	25,943.81	11,128.56	9,166,891.87	
Scenario as is difference from base	1	6,662,045.46 (1,363,778.33)	217,619.33 (47,230.23)	96,599.66 (19,774.79)	1,401,501.08 (279,632.62)	273,652.77 (60,781.03)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	32,632.48 (6,688.67)	13,991.80 (2,863.24)	10,931,033.01 (1,764,141.14)	assumes steps; no COLA; people hired at top steps in current pay plan to compensate for low pay
Based on experience difference from base	2	6,108,736.11 (810,468.98)	198,933.89 (28,544.79)	88,576.67 (11,751.80)	1,285,440.70 (163,572.24)	250,338.64 (37,466.89)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	29,866.67 (3,922.86)	12,813.56 (1,685.00)	10,207,696.68 (1,040,804.82)	assumes steps; no cola; based on experience
Based on experience no steps difference from base		6,037,016.08 (738,748.95)	196,553.01 (26,163.91)	87,536.73 (10,711.86)	1,270,408.38 (148,539.92)	247,372.05 (34,500.31)	3,220.00 -	2,159,153.48 -	85,068.60 -	2,156.12 -	29,517.33 (3,573.52)	12,662.75 (1,534.19)	10,114,056.77 (947,164.91)	assumes no steps; no cola; based on experience
closest without going over doesn't work because a lot will be at step 1 creating compression from the start														
Health Insurance 10%		230,218	7.29% NTE											
CPIU-municipal portion		686,708	6.50%											
		916,926												
		(30,238.91)												