SALARY AND BENEFITS COMPENSATION COMPARISON COMMITTEE

The Salary and Benefits Compensation Comparison Committee meeting was held on February 28, 2012 at 6:01 p.m. with Mr. Perza presiding. Members present were Mr. Cook, Mr. Horne, Mr. Machtinger, and Dr. Warfield. Mr. Karia and Ms. Kaza were absent. Councilman McGlumphy was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Horne moved for approval of the agenda as presented, seconded by Mr. Cook and unanimously carried.

Review and Discussion of Final Report

Members were provided a draft Special Report on Salaries and Benefits for The City of Dover - March 2012 ***(Attachment #1)***. Mr. Perza explained that this document was initially drafted during the month of February by Mr. Cook and information from the materials that were collected and reviewed by the Committee during the past six (6) months were incorporated. Mr. Perza explained that he reviewed Mr. Cook's draft and "blocked off" observations or recommendations that were included by italicizing and indenting them to separate them from general comparisons. He indicated that members would decide whether or not these observations and recommendations should be included or removed from the report prior to forwarding it to the Legislative, Finance, and Administration Committee for consideration. He explained that the members' current goal was to review and finalize the report.

Mr. Horne suggested that public comments be considered prior to discussion of the final report in order to afford those present an opportunity to comment before the Committee continued with a working session to review the draft document.

By unanimous consent, members agreed to amend the agenda to consider Agenda Item #2, Public Comment Period, prior to the Review and Discussion of the Final Report.

Public Comment Period

Mr. Perza stated his intent to include public comments as an appendix to the final report. *(Clerk's Office Note: Public comments were included in the Committee's meeting minutes.)*

Mr. Richard Gardner, 233 Squawigm Road (Electric Department), stated that the report had been distributed to the public earlier in the day and he felt that it appeared to be very biased, with a tone that was "against the employees." He noted the disclaimer in the document which stated that "any weight or value that may be attributed to this Report is solely within the purview of the reader." He felt that the language that was used conveyed the writer's intent to persuade the reader by the inclusion of such terms as "the gift that keeps on giving." He suggested that Committee members should be working for the benefit of the project and should utilize facts rather than personal feelings.

Mr. Horne stated that he felt that one of the goals for the meeting was to remove editorial comments from the report. He noted that the document was a first draft compiled by one Committee member and emphasized that it was not a final document.

Ms. Kathy Divver, 102 King's Court, Harrington, (Customer Services Department) stated that she has worked for the City of Dover for 21 years and found City employees to be very dedicated. She noted that she understood that "times have changed" and that municipalities must take steps accordingly. Ms. Divver acknowledged that the document was a final first draft; however, she found the terms used in the report to be disturbing and the content condescending and degrading to employees who are committed to doing a good job for the City of Dover. Ms. Divver indicated that, upon employment, many City employees were offered certain conditions and were asked in return to "give 110%" to the City, and that most employees have done so, some for as long as 20-30 years. She stated that, although she had ultimate respect for Committee members, certain phrases included were offensive since members were not familiar with employees or their job responsibilities. Ms. Divver noted that she wished to go on record as standing up for City of Dover employees. She requested that members be respectful of employees when making changes or recommendations.

Mrs. Marlene Loomis, 946 Irish Hill Road, Felton (IT Department) stated that she has worked for the City for 26 years. She questioned members regarding the data that was used to compare jobs with similar titles and inquired if this information would be available for employees to examine. Mrs. Loomis explained that her position is titled Computer Operator which is a label that is sometimes applied to individuals who print reports and prepare tapes for back-up; however, her responsibilities include system administration tasks such as loading software and applying security. She questioned what the findings were on her job title or other job titles within the City. Mrs. Loomis also noted that City benefits had been compared with those of federal workers and the report indicated that City workers receive 27 vacation days versus a maximum of 26 for federal workers, and the City pays 100% of health care coverage versus 60% paid for federal workers. She questioned what other benefits federal workers may receive which may compensate for this difference. She felt that the wording included in the report was upsetting because she has always put 100% into her job duties, noting that she works when sick and has accumulated 124 sick days. Mrs. Loomis felt that the remarks included in the report (such as the reference to the City's "generous benefit package") were "a slap in the face" and advised members that there was no room for growth in her current position.

Ms. Dee Glisson, 426 Acorn Forest Drive, Felton (IT Department), stated that she has worked for the City for 26 years and agreed with other speakers that the tone of the language in the report was inappropriate. She disagreed with the recommendation included to eliminate Medicare Part B reimbursement for non-bargaining employees. Ms. Glisson noted that this benefit had been eliminated for union workers and new hires and now applies only to a small group of employees. She questioned members about whether they had researched benefits that were offered by other municipalities but were not available to City employees, including longevity pay, a death benefit (as provided by the State of Delaware), and full dental benefits (compared to the City's benefit that covers only the employee). She felt that there was no incentive for an employee to stay with the City, especially in view of the possibility of the elimination of existing benefits. She respectfully requested that no current benefits be eliminated, especially Medicare Part B.

Dr. McGlumphy advised those present that action on the report would be taken by Council and that the Committee prepared the report based on the information they were given to compare. He noted that several speakers had mentioned the language included and stated that it would be beneficial to highlight those passages that were considered offensive in order to eliminate ill feeling. He did not feel that members intended to offend employees and emphasized that the report was a draft document.

Mr. Horne stated that comments noted by speakers regarding language were valid and indicated that he did not believe that they would be included in the next draft.

In response to Mrs. Loomis, Mr. Perza stated that when the report is forwarded to Council, all of the support information would go to Council as well, so interested parties could review the data used to compare positions. He noted that throughout the process it has been pointed out that the information is not always accurate. Mr. Perza stated that comparisons would not be performed between each job description in each jurisdiction.

Ms. Margery Cyr, Library Director, noted that two (2) copies of the relevant material were available in the Dover Public Library, one (1) set at the reference desk and one (1) set in her office.

Dr. McGlumphy reminded those present that job descriptions differ between jurisdictions. He felt that the City's job descriptions, which were rewritten as a result of a study conducted by the Public Administration Service (PAS), did not accurately reflect job duties and surmised that some of these were based on generic descriptions contained in the PAS database.

Mr. Perza stated that members reviewed job classifications but not job descriptions. He stated that he and Mr. Horne reviewed electrical position classifications and met with Mr. Ron Lunt (former Utilities Director) and obtained specific information regarding job duties in Dover, which were compared with those in Newark's Electric Department. He noted that direct comparisons were not always possible because job duties and salaries differed from place to place.

Ms. Carolyn Courtney, 24 Lamplighter Lane (Parks and Recreation Department) stated that when she was hired she received a benefit package that included Medicare Part B. She noted that employee raises have not been granted recently and it appeared that they would not be granted in 2012. She felt that continuing to take from employees (i.e., consideration of cutting the benefit package and requiring employees to pay for health care) indicated that employees are not being looked after. Ms. Courtney stated that there were many long-term, dedicated employees in the City who would consider this "a slap in the face." She felt that the verbage in the report was a poor reflection of how employees are viewed by members of the Committee. She requested that the workforce be considered, as well as the fact that many employees have been working for the City for many years, and asked that the City not "take from us now."

Mr. Horne stated that the points made were valid and he suggested that these comments be made to City Council because he did not believe that it was the intent of the Committee to recommend eliminating Medicare Part B. He stated that he felt that the Committee should state that the City of Dover offers Medicare Part B and the other nine (9) jurisdictions examined do not, and it would be Council's responsibility to decide what action, if any, should be taken. He stated that the responsibility of the Salary and Benefits Compensation Comparison Committee was to merely compare the municipalities.

In regard to health benefits, Mr. Perza stated that members noted that other towns across the State are gradually requiring a greater employee contribution for health care costs. He envisioned that the final report would reflect the practices in Dover and those in other municipalities. He stated that he did not feel that the Committee would make any specific suggestions to the Legislative, Finance, and Administration Committee regarding what action should be taken.

Mrs. Courtney questioned if salary increases that other municipalities may be receiving would be included in the report.

Mr. Perza stated that information received was condensed into summary charts comparing a number of relevant factors and would be provided with the report, as well as other information reviewed.

Mr. Gardner stated that he had worked for the electric department for 27 years. He noted that the City's electrical workers were compared to those in Milford, Middletown, Seaford, and Newark, and that some Electric Department employees met with members of the Committee. He noted that the other municipalities do not have substations and do not have the same grids; however, the Committee concluded that the City's employees were compensated equally, except for senior employees who were compensated higher. Mr. Gardner stated that employees desired to discuss this type of information with members prior to submission of the report to Council to ensure that the information is accurate. He advised members that Dover is not part of the Delaware Municipal Electric Cooperative (DEMEC) because the City is larger, more specialized, and better organized.

Mr. Horne noted that Committee members were able to match some electrical positions, such as lineworkers; however, some of the engineers and other higher-level, senior, more technically experienced workers are not employed in other jurisdictions. Specific matches were only found at the Delaware Electric Cooperative, which is not a government organization.

Ms. Margery Cyr, Library Director, 25 Addy Road, Bethany Beach stated that she made the decision to work for the City of Dover, not because of "excessive" salary and benefits offered but based on the fact that the City of Dover offered an environment in which each employee is a valued member of a team. Her concern was that she felt that this environment was eroding and she indicated that she would find the City a disheartening place to work if further erosion occurred. Ms. Cyr stated that she had been observing the work of the Committee since its first meeting and had gathered the information reviewed by members for employees to view if desired. She noted that she was impressed by the work of the Committee and that up to this point, the data appeared for the most part

"black and white." However, she felt that the draft Special Report on Salaries and Benefits for the City of Dover was very different in tone from previous data and was much more subjective than other material that came out of the Committee. She felt it would be a positive move and demonstrate professionalism if members "cleaned up" the report.

In addition, Ms. Cyr shared her concerns regarding a recommendation in the report that an ordinance be passed to mandate that only individuals who are willing to move to the City of Dover within six (6) months could be considered for hire. She advised members that she is a native Delmarvian who bought a house in Bethany Beach 15 years ago, and spent the last 15 years looking for a professional opportunity that would allow her to move to Delaware to live full time. This opportunity came to her three and one-half years ago when she accepted a position as the City's Library Director, and she brought 20 years of professional experience gained in five (5) different states and one foreign country with her. Ms. Cyr stated that she has worked very hard for the City of Dover since September 2008, and her residency in Bethany Beach has not affected the quality of work that she has performed, her attendance, nor her dedication to the City of Dover. She noted that she also belongs to several professional and social organizations in the City. Ms. Cyr objected to the belief that only those willing to be residents of the City of Dover have the qualifications to give the City what is needed to fulfill certain jobs. Additionally, she stated that, as Library Director, she hires professional staff with advanced degrees as well as paraprofessionals, and if she was restricted to hiring from a job force within the City of Dover or those willing to relocate to the City of Dover, this would limit the number of candidates for consideration and hamper her ability to hire the best candidate for the position.

Ms. Cyr stated that she believed that the Committee was established by Council because they wanted experienced community members to provide an objective look at salaries and benefits and that Council would weigh heavily the report that comes from the Committee and expressed her hope that the document that Council receives would be an objective report.

Mrs. Lisa Gardner, 233 Squawigm Road (retiree, Public Utilities Department), stated that she had concerns about the integrity of the document and the mindset that it revealed. She felt that members' way of thinking, not just the report, should be "cleaned up" and that employees were concerned about the way members feel. Mrs. Gardner noted that City Council Members are also employees of the City and stated that she attended meetings when Council pay and benefits information was displayed. She inquired why Council's information was not included in the Committee's deliberations since they are employees as well.

Mr. Cook stated that salaries for the Mayor and members Council and standing committees were considered by the Compensation Commission whose deliberations were completed in September 2011.

Mrs. Traci McDowell, 115 Nixon Lane (City Clerk), suggested that members amend their recommendation to reduce the lump sum benefit for future retirees to apply to "future non-bargaining employees" because she felt that this provision could be negotiated by union employees; however,

non-bargaining employees have no voice in this matter and have no means of appeal. Mrs. McDowell requested that this provision be applied only to future employees since she was promised the ability to "sell back" a set number of days when she was hired by the City 25 years ago. Regarding the Committee's recommendation for education payments to be restricted to job-related courses, she explained that this provision had been broadened by the City several years ago in order to encourage employee advancement within the City.

In regard to the comments in the report regarding employee retention, Mrs. McDowell noted that the City Clerk's Office experiences a great deal of turnover. She explained that a staff member recently accepted a position with the State of Delaware where she was offered better benefits, a shorter retirement vesting period, earlier retirement eligibility, and less job stress, and another staff member was currently seeking work elsewhere. Mrs. McDowell stated that her office has a long history of losing employees to other City departments and that some employees have left to assume positions with less stress or better pay. She advised members that although they were told that turnover is not a problem within the City, this is not true in all departments.

In regard to Medicare Part B, Mrs. McDowell questioned if other retiree benefits were considered when other municipalities were examined. In addition, she felt that there must be an offset created by decreased payment by the City when retirees are transferred to Medicare.

Review and Discussion of Final Report

After further discussion, Mr. Perza suggested that members reject the report as written and form a smaller group to rewrite the document.

Mr. Horne moved to reject the report as written and to form a subcommittee to edit the report to make it more objective and include footnotes referencing the source information that was used to create it, for a report back to the Committee. The motion was seconded by Mr. Perza and unanimously carried.

Mrs. McDowell advised members that the subcommittee could distribute the draft document and receive comments from Committee members for inclusion in subsequent drafts and the final report; however, she cautioned members against conducting a serial meeting by discussing the report via email. She noted that any discussion of the document by a quorum of members should be conducted via a public meeting and any related documents would be public.

Mr. Horne moved that Mr. Cook, Mr. Perza, and Mr. Horne be appointed to a subcomittee to redraft the Special Report on Salaries and Benefits for The City of Dover, that subsequent versions of the document be emailed to members for their review by Mr. Perza, that additional comments be submitted to Mr. Perza, and that this process be followed until the report is complete. The motion was seconded by Mr. Perza and unanimously carried.

In regard to the section of the report that pertains to the Fraternal Order of Police (FOP), Mr. Horne recommended incorporating information regarding the number of crimes committed and the number of officers in each municipality as well. Dr. McGlumphy advised members that crime statistics are available online through the Federal Bureau of Investigation (FBI) website.

Responding to Mr. Cook, Ms. Denise Devine (Assistant City Clerk) stated that the draft report was distributed to Members of the Salary and Benefits Compensation Comparison Committee, members of City Council, Department Heads, and Secretaries and Assistants.

Mr. Cook moved to request staff to notify all recipients of the Draft Special Report on Salaries and Benefits for The City of Dover that the members voted to reject the report as submitted and refer it to a subcommittee of the members for review and a report back to the full Committee at a future meeting. The motion was seconded by Mr. Horne and unanimously carried.

By unanimous consent, the meeting adjourned at 7:40 P.M.

Adam Perza
Chairman

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Attachment
Attachment #1 - Draft Special Report on Salaries and Benefits for The City of Dover dated March 2012

Special Report on Salaries and Benefits for The City of Dover

DRAFT

March 2012

Purpose and Scope of this Report: The Dover City Council requested a pay and benefits compensation review of Dover City employment. The City Council established a committee to examine, compare, and analyze data relating to personnel/payroll costs. Guidelines for that Committee were unspecific thereby allowing any issue, concern, or observation that could either directly or indirectly affect pay or benefits to be addressed in this Report. Committee members looked for reasonable comparisons of pay and benefits to nine cities and municipalities in Delaware, Kent County, and other government employees; this was not a locality wage survey of comparable private sector or the local commuting area jobs. The term "committee" used in this report refers to that the Salary and Benefits Compensation Committee only. This Report represents the findings of the Committee; it is divided into four (4) parts. Each part is dedicated to findings on a specific group of employees, i.e., one for each of the three (3) separate bargaining units, and one for employees who are not represented by a union.

Background and Disclaimer: Employees are not responsible for determining compensation. That responsibility rests with the City Council based on recommendations of the City Manager. City Council trusts the City Manager to request only pay increases or benefit changes that are reasonable, necessary, and in the public interest. That includes all pay and benefit concessions made to any of the three (3) Dover labor unions. No comment, observation, or conclusion that may be drawn from any part of this Report may be interpreted as blaming any employee, worker, or group of employees. All Recommendations in this Report are intended to be consistent with the premise that citizens are entitled to the best possible services at the lowest practical cost. Any perceived redundancies in this Report are strictly editorial. The Committee recognizes that recommendations involving employees represented by a union requires both approval of City Council and collective bargaining agreement before any change can be implemented. Any weight or value that may be attributed to this Report is solely within the purview of the reader.

DRAFT

The International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communication Workers of America, Local 88315

This part of the Report covers approximately 145 employees in jobs covered by the IUE/CWA. The classification plan appears to have an abundance of job classes, e.g., there are Customer Service Clerks, Library Clerks, Office Assistants, Police Clerks, Account Clerks, Library Assistants and Central Maintenance Clerks. This made pay comparisons with other jurisdictions much more difficult. The pay for IUE/CWA positions is consistent with requirements of their Collective Bargaining Agreement (CBA). Salary ranges within the IUE/CWA appear to be in line with the comparator jurisdictions. However, the personnel cost to the City for this group of employees is inflated because 50% of IUE/CWA employees are at the top of their pay ranges. The high number of workers at the top of their pay ranges along with the specificity of job classifications, as noted above, tends to limit career mobility, advancement, and promotional opportunities. Those factors in turn create pressure to increase pay (annually) and/or stress the job classification system to inflate grade levels.

> ***Practical Observation:*** *The City Council should consider establishing a classification committee (consisting of the City Manager, HR Director & all department heads) to review all job re-grading, reclassifications, title changes, and position establishments. This will help infuse*

integrity in the process, e.g., improve internal consistency, fair unbiased review, and support the concept of equal pay for substantially equal work.

Benefits: The 42% benefits package, as a percentage of salaries, appears to be high. Many years ago, the City picked up the Medicare Part **B** for City retirees. That benefit has been phased out for current unionized employees via collective bargaining, but the expectation of that benefit still exists for some current non bargaining unit employees. As such, that must be considered an outlier and as the gift that keeps on giving to those employees/future retirees.

IEU/CWA employees enjoy a generous retirement sick leave buy-back policy. This is staggered with 150 days as the maximum with 25 years of service; 130 days with 20 years of service and so on, down to 100 days, regardless of the length of service. This means that an employee is paid for 150 accumulated sick days (maximum) upon retirement. 150 days represents a significant part of an actual work year since regularly scheduled full time employees normally only work 249 days if no vacation days is taken. Under the present situation, an employee retiring in March 2012 would receive paychecks till October 2012. Other city governments that pay "lump sum" for accrued sick leave days pay a maximum of 90 days.

Recommendation: *City Council should consider reducing this lump sum expense for future retirees, beginning perhaps in FY 2015. Unused sick leave days (in excess of any new maximum determined by City Council) could be added to length of service time to enhance retirement calculation in any ratio, for example, 1 added retirement day for each 2 unused sick leave days.*

The Educational Assistance Program (EAP) benefits the employer and encourages employees to better themselves. Payment is based on grades, with 100% tuition reimbursement with all. However, there isn't a requirement specifying that educational courses must be job related.

Recommendation: *City Council should consider a policy that educational payments be restricted to job related courses only and that employees be required to pay a small portion of the costs for books, lab fees, etc. Even though the savings would be minimal, this idea encourages employees to be co owners of the process. Management should be encouraged to adjust work schedules as possible for employees who take advantage of educational opportunities either under this provision or wholly at the employee's expense.*

DRAFT

Non-Bargaining Unit Employees

This part of the Report applies to non-bargaining unit employees. The term "non-bargaining unit employee" refers to those Dover city positions/employees that are not represented by a union; those are the directors, managers, supervisors, Professional, confidential, and others whose positions are not included in one of Dover's three unions. Pay increases or benefit changes for this group are not dictated by a CBA. The City Council approves changes in pay and benefits for this group that the City Manager recommends as reasonable, necessary, and in the public interest.

Overview: The Human Resources Director explained that there isn't significant job turnover, and there hasn't been difficulty in finding qualified candidates to fill vacant positions. Based on the pay increases granted over the past eight + years, pay increases for many employees in this

group grew beyond that which would reasonably seen in a down economy. Decisions to increase pay appear to have had little regard to the potential impact that these increases place on the City budget. Pay for Performance policies requires salary increases for non-bargaining unit employees to be granted at the same rate as those given to any Dover union employees via collective bargaining. As such, that policy expresses a clear conflict of interest (COI) for any management official who is responsible for negotiating a collective bargaining agreement (CBA) with any of Dover's three labor unions. In addition, Dover's non-bargaining unit employees also benefit from a fairly liberal "pay for performance" program which allows management to conflate one-time annual bonuses (as reward for current performance) with permanent pay increases. That, and the pay parity clause with the three Dover city unions resulted in pay for non-bargaining unit employees to be highly competitive. City personnel policies also allow an "obligation for parity" for non-bargaining unit employees regarding benefits granted to Dover's unions. All of the above should cause a reviewer to question how much actual representation the Dover taxpayers have in collective bargaining with any of Dover's three labor unions.

Pay Issues: Pay for eighty (80) positions of the 85 reviewed was within the range indicated for the grade levels assigned; this represented 94.1% of the positions reviewed. Four (4) positions, (one each in grade levels: 109, 118, 122, and 130), are being paid above the maximum for the grade level of those positions. No explanation was provided that would exempt those four positions from the pay setting policies or allow for the higher pay.

Pay Conclusions: Information and data provided to the committee from nine (9) Delaware municipalities was reviewed for position matches, and pay was compared against a Dover non bargaining unit positions. This was not a locality pay comparison. Job titles were used for comparison matches; 119 title matches were found. Dover city non-bargaining unit employees are compensated at a highly competitive rate with a greater number of the positions at the higher grade levels paid above the average compared to counterpart positions in the cities/towns reviewed. That observation lessens for the middle and lower graded positions. Pay is fairly consistent with what should be expected when senior employees (those with long tenure) have congregated at the top of the pay scale for their positions. There was no indication of underpay for any "group" of Dover non-bargaining unit positions. This is no evidence of significant attrition or turnover in this part of the Dover workforce, and no evidence of any recruiting concerns (lack of applicants) even in the lower grade level jobs. Based on this review there should be no valid basis for any broad-brush claim that Dover city non-bargaining unit employees are not being fairly (monetarily) compensated for their work.

> ***Practical Observation:*** *The City Council could review and consider rescinding all parts of the pay for performance, and benefits parity policies that give a perception of impropriety or conflict of interest. Elimination those provisions should also help improve the appearance of integrity.*
>
> *City Council should only consider raising pay for non-bargaining unit positions when there is evidence that pay is beginning to have a negative impact employee retention, applicant recruitment, customer service, productivity, or is increasing cost to the taxpayer, e.g. through a huge increase in overtime expenses. City Council should consider allowing ad hoc bonuses (in lieu of permanent pay increases) to address specific retention or recruiting problems. It is necessary to review the pay setting for the four positions paid "over maximum" as noted above.*

DRAFT

Benefit Issues: A generous benefit package, considered as the "golden handcuffs of employment", was historically true for this group until changes came about to ensure pay comparability with the other municipalities, the private sector, and parity with unions. Pay increases were granted, as requested by the City Manager and with the consent of City Council, without any apparent offset of benefits. One example of this is the obligation to reimburse Medicare Part **B** for retiring non-bargaining unit employees. The total average cost of the benefit package for all 372 Dover City employees (above base salary) is 41.8%. The overall benefit cost to the city is 42.2% for employees compensated from the General Fund. Compare that to the 25% to 28% benefit package costs for federal employees. Dover employee's benefit packages cost the City at least 13% more than that of the average federal worker in the commuting area. In addition, City employees enjoy an additional paid holiday over federal workers; and get 27 vacation days versus a maximum of 26 for federal workers. The largest expense to the City may be the 100% employer paid health care coverage versus 60% that the federal government pays for federal workers' health care plans.

***Recommendations**: Consider eliminating the employer obligation to pay Medicare Part **B** except for those who are now receiving that benefit. Consider requiring all newly hired employees to pick up a percentage of their health benefits costs.*

***Observation**: Based on the job titles in the information provided to the committee, there could be responsibility overlap in several positions with the word "coordinator" in the title. These include the Economic Development Coordinator, the Community Development Coordinator, and the Downtown Coordinator. Since these positions are not paid out of the same divisional funds, the conclusion is that they are not collocated under the same organizational structure.*

***Recommendations**: Consider aligning those jobs under the same organizational umbrella to increase efficiencies as a test. Regardless of any job overlap, that should allow for increased communications, job coverage when someone is away from work, and more effective operations. Consider a review of all positions for potential responsibility overlap and/or position fragmentation. Require an annual certification to City Council that all positions are necessary, essential, and that work is assigned in the most cost effective manner to ensure efficient and successful business operations.*

***Observation**: City employees should to have an interest in the cost and conduct of city business.*

***Recommendation**: Consider an ordinance requiring all newly hired city employees to reside within the city within six (6) months after employment.*

DRAFT

International Brotherhood of Electrical Workers, Local 1238

This part of the Report involves about 35 positions. Assessment of comparable data from Middletown, Milford, Newark and Seaford for (lineman/techs/workers) is that the Dover appears to pay a very good and competitive salary for experienced workers. The more senior a position is classified the more competitive the salary is in comparison to other municipalities use for comparison. Hourly rates for specific positions such as crew leaders and the three lineman classes trend to the higher hourly range.

Positions classified in lower pay grades fell within the range of similarly classified jobs in municipalities across the state, but tended not to be compensated at the high end. A specific example is the position of Meter Tech. Dover Meter Tech's appeared well compensated in in Newark. Dover's Groundworkers appeared to fall in the lower end of the range (across the board) compared to other municipalities in this study. Differences in salaries are probably caused by the scope of responsibilities assigned to similarly titled positions in other municipalities. The Dover Electric Director explained that Dover's Electrical system is not comparable to other municipalities in the State. Smaller municipalities may assign work not necessarily comparable to the expertise needed to service the more complicated Dover electrical equipment. Retaining well trained employees is crucial to maintaining a well serviced system. The specialized knowledge required to service Dover's system generally limits lateral movement from town to town, i.e., for employees moving to Dover, or vice versa.

Dover's Electric employees are well compensated in comparison to other municipalities across our State. Senior positions are the best compensated, because our City values and rewards experience, technical expertise, and prefers to retain employees with the specialized knowledge required of the Dover systems. Compensation for entry level positions compares favorably to similarly classified jobs in municipalities across the State; these do not trend on the upper limits of the compensation ranges reviewed. A salary comparison was also made with the Delaware Electric Co-Op. Hourly rates paid to DECO employees were $2 to $5 per hour higher than City employees in similar positions. This is a $4,000 to $10,000 difference in annual salary.

> ***Recommendation:*** *Conduct a further analysis of the benefits package offered to DECO employees to determine total compensation costs. This should respond to and clarify any concerns over the apparent salary differential favoring DECO employees.*

DRAFT

Fraternal Order of Police, Lodge #15

Information provided from nine FOP jurisdictions were reviewed and compared to the Dover's 93 Police Department (PD) positions. The findings revealed that out of the approximate eight police positions (from Police Chief to Patrolman), that Dover PD pay exceeded the Wilmington Police Department in four positions as follows:

Dover Position Title & Pay	*Wilmington* Position Title & Pay
Police Captain - $97,760.00	Police Captain - $96,829.92
Police Master Corporal - $75,150.00	Police Master Corporal - $73,679.30
Patrolman First Class - $53,830.40	Patrolman First Class - $51,403.77
Patrolman - $45,094.40	Patrolman - $44,573.83

The City of Wilmington's Police Department is three times larger than Dover Police Department. Wilmington's population is 70,851, (1,243 shy of doubling Dover's 36,047). The comparative ratio for the Wilmington PD is 4.56 officers per 1000 people compared to the Dover PD's 2.43 officers per 1000 people. Wilmington's crime rate is almost double that of Dover. The City of Newark's has a population of 31,454 with approximately 64 police officers, (2.36 officers per 1000 people). Patrolman's starting salary is ($46,946) which exceeds both the Dover and Wilmington Police Departments. Newark's crime rate is less than Dover's. The New York City Police Department serves a population of 8,008,278 with approximately 35,100 police

officers. An NYPD Patrolman's salary is $41,970; that is approximately $3,124 lower than the same job in the Dover Police Department.

Observation: *Pay for the City of Dover Police Department exceeds that of Wilmington, which is a larger populated municipality, and in four out of the eight other FOP positions matched. There is no evidence of recruiting or retention problems with Dover's FOP employment.*

Recommendations: *City Council should consider reducing the in-hire-rate for new "basic" patrolman to only slightly higher than the average of competitive municipalities. In addition, Management's position on future collective bargaining on Dover FOP pay raises should be limited to that which is considered reasonable, necessary and in the public interest.*

Observation: *The City of Dover provides a great benefits package to the FOP including bonus programs such as the STOP Program (Sensibly Taking Off Pounds) which is a weight loss incentive program; the Breathe Program (Smoking Cessation Incentive); and the SHAPE Program (So have a physical exam).*

Recommendations: *City Council should consider encouraging future collective bargaining to eliminate these and use the set-aside monies to recruit new patrolman.*

Observation: *There was little evidence that the Educational Assistance Program (EAP) was being used.*

Recommendations: *City Council should consider discontinuing this program and apply the funding to other FOP employment needs.*

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Overall Conclusions

Better than average pay, generous benefits, and good working conditions are three major reasons for low attrition, and relatively easy recruitment in the Dover city workforce. Long tenured (senior) employee's pay tends to aggregate at the high end of their pay ranges. As changes came about to ensure comparability with private sector pay, and that of other municipalities pay increases were requested by the City Manager and granted with consent of City Council, all without any apparent offset of benefits. This may have seemed logical at the time, but it simply means that revenue will ultimately have to be increased merely to maintain pace with the rising employment costs in the out-years; some refer to this phenomenon as a "pay and benefits death spiral." Pay and benefits determined through the Collective Bargaining processes with Dover's three unions presents another challenge. Any increase granted to one union merely encourages "whipsaw" from the other two unions when they renegotiate labor management contracts with the City. Management, (when engaged in the collective bargaining process), must recognize that they represent the City of Dover and its citizenry, and that concessions made at the bargaining table may have far reaching effects. Dover is the only city in this survey that reimburses for Medicare Part **B**. We believe that practical, effective austerity measures can be implemented that would improve the efficiency of City cost operations without negative impact on employees. Absent any clear and convincing evidence that pay or benefits is having a negative affect on employee retention, applicant recruitment, customer service, productivity, or is increasing cost to the taxpayer, e.g. through a huge increase in overtime expenses there would be little logic to increase pay or benefits.

Signed_____
Adam Perza, Chairman, Salary & Benefits Committee

Members:
Dr. Kimberly Warfield
Mr. Alan Machtinger
Ms. Praemela Kaza
Mr. Michael Karia
Mr. Tim Horne
Mr. Richard Cook

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