

**APPROVED**

**CHITTENDEN SOLID WASTE DISTRICT**

**Administrative Office**

**WILLISTON, VERMONT**

**February 22, 2022**

**\*Hybrid meeting held in-person and via teleconference.**

**PRESENT**

**Ad Hoc Committee Members:**

Colchester	Liz Hamlin Volz
Essex/Essex Jct	Alan Nye
Jericho	
So. Burlington	Paul Stabler
Shelburne	Tim Loucks
Underhill	Paul Ruess
Williston	Kelton Bogasky
Winooski	Bryn Oakleaf

**STAFF:**

Sarah Reeves  
Amy Jewell

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- AGENDA:**
1. Call to Order & Agenda
  2. Public Comment Period
  3. Consent Agenda
  4. Compensation Philosophy- Final Review
  5. Pay Grade & Step Schedule – proposed Changes
  6. CSWD Benefit Package Discussion
  7. Ad Hoc Committee – Review and Next Steps
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**1. CALL TO ORDER and AGENDA**

P. Ruess called the meeting to order at 5:00 p.m.

**2. PUBLIC COMMENT PERIOD - No members of the public were present**

**3. Consent Agenda - Approved as presented.**

**4. Compensation Philosophy – Final Review**

P. Ruess introduced the Compensation Philosophy, which was discussed and started at the beginning of the Committee’s work in September. As the Committee ends, it is on the agenda again to insure it still matches with the work of the Committee. Paul read the last sentence of the philosophy, which best reflects the belief of the Committee regarding the total benefits package. No Committee members had suggested changes to the philosophy statement.

**5. Pay Grade & Step Schedule – Proposed Changes**

A. Jewell reviewed the goals of the Ad-Hoc Committee, which was to review the Gallagher-Flynn study of total benefits packages at CSWD and propose any changes resulting from this study. The

initial findings of the Gallagher-Flynn (GF) study were positive, with most salaries identified within market-range and the benefit package being robust. Based on comments from the Committee in previous meetings, staffed suggested requesting GF to review and identify possible changes to the pay grade and step schedule to recognize tenure, positions that were out of range, recognize high achieving employees. A.Jewell noted that some changes could be proposed and would then be included in the budget for further review by the Finance Committee, and some changes, like the holiday schedule would require Board approval.

Dan Lyons from GF begun his presentation by discussing the lens on employee retention that the research was conducted with. He then discussed option one, which increases the step amounts over time within the same 20 step system. Option Two featured a 25-step system with three increasing steps over time. Finally, a third option using quartiles was presented but not recommended by GF. Amy Jewell notes that options one and two both significantly increase the salary range within Grades.

Comments/Discussion included:

- A question was raised as to why expanding the range results in an increase. This is due to increasing the ranges from Step 20, with a salary range of 38% or 40% to 56 % after 20 years and 66.9% after 25 years.
- Discussion was held as to why the twenty-five-step option was being discussed after being removed from CSWD in 2013. Sarah Reeves noted that Dan was correct when he said the employee market was very different in 2013, and now employee retention and recruitment are equally important.
- Discussion was also held about when this new option would begin, and what changes would be made in bringing employees into market range. A. Jewell said the proposal would be to move forward for July 1, 2022, if accepted and that employees would be “fit to the plan” so that if a larger step schedule was proposed, the employee would not stay at the same step, but would move the step closest, but not less, than what they were making now. The estimated cost of these would total about \$100,000 if adopted.
- Additional discussion was held on considering a staggered step increase, where some years employees were eligible and other years they would not be. Dan shared that a staggered step increase may risk retention rate.
- P. Ruess raised the question of a COLA. His understanding of COLA was a tool used to insure that employees stay at the market rate, so a dollar today is the same as a dollar tomorrow. Bryn noted that this is a tool typically found in government., Tim shared that the Vermont State employee COLA is less than the COLA authorized for CSWD employees.
- Leslie submitted a written note expressing her objection to a COLA system that imposes a percentage increase on top of a percentage salary increase. She expressed that this would have a larger benefit for higher paid employees in terms of money. She would prefer to see the District adopt a COLA that identifies a dollar rate that is applied to all employee’s salary on the date of adjustment. Alan expressed support for continuing the percentage increase for equality across pay rates. Bryn spoke up to express her understanding of Leslie’s concerns about COLA, but the need for time to consider.
- Dan discussed how to establish more equity between the highest income earners and entry level professionals. They found the median salary between the two, and anyone below that

median was given an across-the-board increase. Anyone who raised above was given a smaller amount (\$1,500 or whatever got them to the median).

- Sarah establishes that the COLA is a variable that can be adjusted every year and can be decided by the Board every year.
- Liz preferred the 25-year step plan, in favor of giving support to and retaining those higher end employees who might otherwise be headhunted or take an early retirement.
- For the sake of clarity, Tim asked on the status of the January 2022 COLA with the question of whether the Board ever approved it. Paul states that Tim is correct that the Executive Director implemented this increase. Tim also questioned why we should include Grades 1,2, and 3 when they are not used. Amy stated that they have been used before and there are other Grades (7) that are also used based on the rating of positions.
- P. Ruess seconded interest in the twenty-five-year step plan.

Amy notes that currently in the FY23 budget, there are no changes being made to the pay grade and step schedule. Unless the committee directs otherwise, that will be the case in the first draft of the budget released in March. Paul asks if they can do this, with an additional budget reflecting the 25-year plan. This change would fit people to the plan and GF would discuss how to fit the outliers into the new plan.

The Committee approved the plan to draft two budgets- status quo and the adjustment of salaries to the plan with adjustments for the outliers. Kelton expressed interest in increasing the incentive funds, hopes to see a few different options to reward high achieving employees.

GF presented the incentive pay proposal. Tim discussed the idea of using pay incentives for higher achiever and focusing on those employees who move the organization forward. Discussion of safeguarding against subjectivity, also noted by Leslie. Liz asked if there was past precedence for an incentive given after reaching a particular goal, or when the organization meets a benchmark of quality. Amy notes that this type of incentive structure, an "achievement award" has some history at CSWD, although with a much smaller budget of \$16,000. Tim asked what percentage of the achievement award is paid out. Amy noted that usually all of it is. Sarah said she has not given out the full amount since she has been Executive Director. Amy noted that prior to 2016 it was most likely 100%. Sarah recommends continuing this conversation later when more detail can be offered.

Amy will bring to the Finance Committee the status quo budget and Budget Option 2, which will be the twenty-five-year plan for review. Employees will be fit to the plan, and costs will be presented to the Board. Work is continuing with Dan Lyons to identify positions outside of market range; these positions will be bought to the Finance Committee.

## **6. CSWD Benefit Package Discussion**

Amy introduced the benefit package discussion and noted that the various benefit changes are being proposed based on the GF report, comments from the Ad Hoc Committee, and the employee survey.

In the current FY22 budget, employees pay 3.25% of salary towards health insurance; previous conversation regarding the high deductible rate being fully funded, so the rate was changed from 3.25 to 3.5% for FY 23. Also, changed in the budget is cost shifting either \$100 or \$200 of the deductible to the employee. Tim said the small change \$6,000 is not worth making the change to. Discussion was held on the robust health insurance package that is offered and whether employees know the value of this package. Sarah noted that a Total Compensation letter is sent out each year with this information. Paul summarizes Tim's suggestion of staying the course with the exception of an extreme raise in insurance rates or another huge mitigating factor. Alan agrees with Tim to stay the course; as does Paul.

Amy reviewed the staff request for increased dental coverage. The proposed increased coverage would not cost CSWD more, it would increase coverage, but come with a higher deductible for employees. This change will be presented to the employees for consideration. It will require that employees choose one plan for CSWD.

Tim asked about retirement and the 6% contribution. Amy noted it was higher than many organizations compared in the GF Study. The one-year waiting period was noted as being too long. There is no vesting option with a 457. The Committee suggested a six-month waiting period, to coincide with the orientation period. Tim asked about offering two different rates and/or waiting periods to employees and to consider managerial level vs other new entry level employees. Amy said she would inquire if we have this option with our plan, but we typically don't differentiate between employees.

Amy noted that life and disability were shown to be low; with the current life insurance plan at 1 x the annual salary capped at \$110,000. There is an option to increase to 1.5 or 2 times the salary. It is proposed to change to 2 x the salary with a cap of \$300,000 for \$6,500. The committee agreed with this change. Further discussion was held on short-term disability rates, but the increased costs were not proposed at this time.

Amy noted that there is concern for the liability for the carry-over of vacation. Currently the carry-over is set at 2x the accrual rate. The proposed review would include the carry over at 1x the salary rate with an effective date of July 1, 2023, so that all employees have the opportunity to use it. The message to employees is that we are asking them to take the time off that they are being offered.

Amy said the staff strongly recommended recognition of Juneteenth as a holiday, potentially taken in place of the Bennington Battle Day if necessary. This change would require Board approval. Kelton notes that introducing a new holiday would affect customers and haulers and would impact the community.

Amy discussed additional benefits, including pass through opportunities for staff. This will include looking at long term care coverage, financial planning, pet insurance and a few other requested benefits. These benefits will be looked at in FY23.

## **7. Ad-Hoc Committee: Review and Next Steps**

Amy noted that this is intended to be the last of the Ad-Hoc Committee meetings. The next step is to prepare a report of the committee to the Board. The summary report would be submitted to the Board, and then a motion to disband this Ad-Hoc Committee will be held. The details of proposed changes would then be included in the budget process and reviewed by the Finance Committee.

**Motion by Alan Nye, Second by Liz Volz to adjourn the meeting. Voting: unanimous, meeting adjourned.** The meeting was adjourned at 6:48 p.m.

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Amy Jewell, Secretary

***I agree that this is an original copy of minutes and they have been approved by motion of the Board of Commissioners at the 03/23/22 meeting held in Williston.***

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***Amy Jewell, Secretary***