



Board of Aldermen
Shelton, Connecticut
FINANCE COMMITTEE – MARCH 3, 2005

Call to Order / Pledge of Allegiance

Alderman Stanley Kudej, Chairman, called the meeting to order at 5:08 p.m. All those present rose and pledged allegiance to the flag.

Roll Call - Finance Committee

Alderman Stanley Kudej, Chairman, present
Aldermanic President John F. Anglace, Jr. - present
Alderman Nancy Minotti - present

Public Session

Alderman Kudej asked if any member of the public wished to address the Finance Committee. Being none, Alderman Kudej declared the public session closed.

1. Position Evaluation – Office of the Mayor – City of Shelton

Alderman Anglace explained, as you will recall, this has been going on for several months. Initially, Ed Ulosis, the gentleman who did the study for us in the past, passed away, so we had to go out for Requests for Qualifications to find a replacement. Two firms qualified, and we selected the closest one, from Fall River, Massachusetts, William White Associates. In accordance with the Ordinance in place, number 758, relating to the salary of the mayor, there is a specific protocol that has been set up to conduct the study and the evaluation. That was followed. He came in several times and I worked with him, and I took the liberty of involving the Administrative Assistant because she had access to far more information than I had and she made the job go a lot easier, and I thank her for that. Bill White did the study, and I'll see if I can summarize it.

The purpose of the study is to arrive at a basis for the salary to be paid to the holder of the position of Mayor of the City of Shelton, beginning December 1, 2005 and through the two-year term in office.

He makes comments with respect to, *"salaries in the private sector are most often established in order to attract and retain good performers; elected officials usually seek office for reasons other than pay. Even so, community leaders pay attention to salaries of the elected as they relate to the pay of others within the administration, organization and corresponding positions in the surrounding communities."*

The survey was conducted using several sources of data and information. He use the 2005 edition salary survey from the Connecticut Conference of Municipalities (CCM), titled "Municipal Officials' Salaries for Fiscal Year 2004-2005." That is the latest salary data that is available from CCM. He used the Connecticut Economic Research Council Findings information, and he used information received from Alan Cameron of Shelton Public Schools, and he used City of Shelton salaries information for the year 2004, and he used Bureau of Labor Statistics Cost of Living Index, and he used the Mercer Human Resource Consulting Survey. These are all of the documents that he used – and they are available with the Administrative Assistant if you want to see them.

He measured and he did an external comparison, a comparison of salaries being paid for similar positions externally, and for cities of comparable size. He did an internal equity study – a study looking at position responsibilities within the City of Shelton, both in the Board of Education side – that's why Al Cameron gave us all of their information - and those management positions on the City side. Let me read this section because it's important: *"Looking at the City of Shelton's top 20 annual wages for 2004, we find that they range from \$75,300 to \$99,300 – that's on the City side. It is expected that overtime pay contributed to some of the higher listed amounts of pay. What you see on the \$99,000, it's true - overtime is included in there. The highest paid Merit System employee of 2004 received \$86,990 with a review due July 1, 2005, so that is going to change."*

The highest paid contract employee received \$86,000 effective March 1, 2005. Union employees received between 3 and 5 percent increases in 2004."

He talks about the Shelton Public Schools have budgeted 3.9 percent for salary increases for 2004-2005 and the Shelton High School Headmaster is scheduled to be paid \$107,926.

Here are his conclusions. "It would appear that consideration should be given to increase the salary of the position," he's talking about the position of Office of the Mayor, "compared to the pay in other municipalities, progress has been made, but given Shelton's stature as a growing, progressive community, you may not want to fall too far back in ranking. Also, it is unusual to have subordinates to be paid more than their supervisor. But in this case here, at least two individuals are in that category."

His further recommendations – "the following recommendation is based more on internal equity than external. The external influence is believed to be minor. Once the salary is in the 'ballpark' of comparable communities, on the other hand, the salary should be viewed as fair when compared to internal salaries paid. The position of Mayor holds significant responsibilities, 24 hours a day, seven days a week, and this should be recognized in the pay. Part of the respect for the position as it interfaces with community, county, state and business leaders, is reflected in the value placed on the position by the city itself. We suggest a target salary of \$91,800 to be reached in increments over the next two years. In December," - which would be December 1, 2005 because this has to be coincident with the date that the Mayor takes office and I think that date is December 1st, their suggestion is, "the current \$82,250 salary be increased to \$88,250, and the amount of the 2005 increase recognizes that there has been no increase in the salary since 2002." Nothing in 2003, nothing in 2004, so it's three years to 2005 – it will be four years actually that there has been no change. He is recommending that November of 2006, that the \$88,250 be increased to \$91,800 and that would be December 1, 2006.

It is consistent with past studies, recommending salary change in mid-term, and not frontloading it, but spreading it out.

That in essence is the recommendation. You can see in Exhibit A he has included the other towns in the survey and made some comparisons.

As we know from doing these studies, his recommendation is, why do you guys do a study? And my response, his recommendation would be, don't do a study, just increase it by cost of living. I think that is grossly unfair to anybody occupying the position, and I'll tell you why. Because when you come into this position, the Office of Mayor, you do not have to bring with you any qualifications, they don't care what your education is, they don't care what your experience is, they don't care what levels of responsibilities you've had. Anybody can put their name in and be elected to the position. Our community is no different than any other community. What you get as a result of the process, is that you get salaries in communities our size jumping all over the place. If our community grows, and we're on the borderline – we are at 38,000 and 40,000 is the next break point in the study range – what he did this year was he took our range and he took some of the lower ones in the next range. But if we grow enough as a city, and get into the next range, you'll have a whole different set of circumstances. So to give a cost of living increase, it would be arbitrary. I think that we should let the study take place – let it be done by the third party – let him come in and let him make a recommendation, and then we look at it and say, "is this reasonable?" This is what we have done, historically, and we've been consistent, and we've brought the salary to the point where it is attracting people of the caliber that – that want to do the job. That is the real purpose of making the salary attractive, so people of substance want to do the job.

If you recall, four years ago, when we did this, we agreed that we moved to make the position, make it clear and understood in the ordinance, that this was a full time 24/7 position, and the status assigned to this position was that of exempt employee under the definition of exempt employee under the Fair Labor Standards Act. That took away all the business of part-time full-time. I think we've come a long way – he's not recommending a change - he agrees with what we did back then, he's reviewed the history and he feels that all we need to change at this point is to change the salary and he has reflected the fact that there has been no salary change in four years.

I told him that I didn't think it necessary for him to come down today, but we definitely want him to come here for the public hearing to answer any questions that may be generated. He has agreed to do that.

Alderman Kudej stated, I think he did a good job. I just have one question. Why did he stop at the headmaster's salary and didn't include the superintendent's. That's about another \$20,000 difference.

Alderman Anglace stated, he has all the data – it was all given to him – Al Cameron gave him all of the top Board of Ed salaries. You're right. He doesn't mention that in his report, but it's roughly \$136,000 plus. But in all fairness, here is probably the best explanation I can give. Your Superintendent of Schools is required to have certain qualifications under the State Board of Education's rules to become certified to be a superintendent. Now the position of Mayor of the City of Shelton, while it has huge responsibilities, has no prescribed qualifications. That is not something – I think if you were to say, this level of position of Mayor requires that you have a master's degree - we'd be laughed out of the community.

Alderman Kudej stated, that's why we have elections every two years, in case you don't meet up to the standard, you don't hold that job any more.

Alderman Anglace stated, I think the superintendent's salary is negotiated with a committee of the Board of Ed and then agreed to by the Board of Ed. I'm not sure how often they do that.

Alderman Kudej stated, other than that, I go along with everything you said here.

Alderman Minotti stated, I think it's fair.

If you think it's fair, and you have no questions, I would recommend that we submit this to the full Board.

The current ordinance, simply plugs in the numbers that we just talked about, so this has to go to the Board per the recommendation of the Finance Committee that it become effective November 20th – with the understanding that the date the new term begins is the effective date that the ordinance begins. If that isn't November 20th, it's December 1st. I'm not sure which it is. As long as we understand, and the record shows, that it is effective the first day of the new term for whoever is elected.

The significant parts of the ordinance are that the annual salary is \$88,250 effective 12/1/2005 and \$91,800 for 12/1/2006.

Alderman Anglace MOVED to recommend to the full Board adoption of the Ordinance, effective 12/1/2005 and that the annual salary of \$88,250 be established for the position of Mayor as of 12/1/2005; and such salary shall be further adjusted to \$91,800 as of 12/1/2006, and the rest of the ordinance is not amended and stays as is; SECONDED by Alderman Minotti. A voice vote was taken and the MOTION PASSED 3-0.

Adjournment

At approximately 5:30 p.m., Alderman Minotti MOVED to adjourn; SECONDED by Alderman Anglace. A voice vote was taken and the MOTION PASSED 3-0.

Respectfully submitted,

Patricia M. Bruder
Clerk, Board of Aldermen