



Town Council MEETING MINUTES

Monday, May 23, 2022 - 4:30 PM
Council Chambers, Easton Town Office
14 S Harrison Street

4:30 PM: Call to Order by President Cook.

Mayor Robert C. Willey
Mr. Al Silverstein
Mr. Don Abbatiello
Mr. Ron Engle
Rev. Elmer Davis
President Megan Cook

Also present was the Town Manager, Mr. Don Richardson, Town Attorney Mrs. Sharon VanEmburch, Finance Officer Carol Callahan, Chief Human Resource Officer Rick Farr and Chief of Police Alan Lowrey. The Town Clerk was excused.

Department Budget Items/Discussion

At 4:30 p.m., President Cook called the workshop to order and stated that the council has questions that they hope to address tonight. Mayor Willey discussed a memo distributed that shows allocations for grant submissions. He stated at the advice of attorney, he discussed two applicants for CDBG and asked if the council is in agreement with changing the names on the BAAM application. Mr. Silverstein asked for the amount of the grant and Mayor Willey stated it is for \$700,000. He stated it is for \$500,000 and the American Legion is \$200,000. The consensus was to move forward and write a letter of support.

President Cook thanked Rick Farr for his insight and stated she is struggling with salaries and going from non-exempt to exempt. She stated she feels at times there is a rush. President Cook asked if there is any interest in going back to the original plan for salaries and do a comprehensive salary across the board to ensure we are competitive on all levels. She stated there is a huge range for the managers.

Mr. Silverstein stated he has had concerns previously because there were no exempt employees. He stated he asked for a salary study in February. He stated he is not willing to go forward without creating exempt employees in the budget. Mr. Silverstein stated he is concerned that the law is not being followed. He expressed concern in just receiving the information for the meeting. Mr. Silverstein discussed a salary study received from MML. Mr. Richardson stated this is a national study. He stated the Town of Easton recently paid for the study and that is what is presented. He stated the data had not been updated but shows we are in the marketplace for all those positions.

Mr. Silverstein discussed proposed raises in the upcoming budget, which is currently 4.2% plus \$5,000 per person. Mr. Richardson explained how the compensation would be adjusted. Mr. Silverstein asked how the overtime is approved. Mr. Richardson stated that managers approve overtime. President Cook stated that the study makes it apparent that there are departments working a remarkable amount of overtime which may be worth hiring another person to help.

Mr. Richardson discussed overtime and the values related to additional employees.

Rev. Davis stated that a pay increase is not necessary to justify an employee. He stated he does not think everyone across the board should get a raise and the budget may not be able to be maintained. Rev. Davis stated that cut-offs should be implemented.

Mr. Richardson discussed using the MML study and the pay band ranges Easton Utilities uses. He stated the 17 positions are in line with the study.

Mr. Farr asked if there is a need to have a salary study completed in the private sector and government agencies that may design pay bands to see where you are based on experience and years of service. He stated that some of the data is not updated and some municipalities are not sharing their information. He stated his recommendation is to look at getting true accurate data that is current. In the perspective, it is minimal cost to see if we are compatible in pay to attract and retain our employees. Mr. Farr stated that the Town is still 8-10% below the average.

Mr. Silverstein stated that in the future, the Town is going to have to go to the taxpayers to sustain the budget.

Mr. Richardson stated that moving to exempt to non-exempt is from the council's direction. He stated that the budget has increased approximately 6% each year. Mr. Richardson discussed a decrease in

tax assessments although the tax base is growing. He said the budget is balanced today but he understands the council needs a consensus on several things. Insurance costs were discussed as well as employee deductibles and out of pocket maximums. Mr. Richardson discussed the Town of Easton's costs for each employee.

Mr. Silverstein stated it is important to let employees know what prescriptions will cost employees.

Ms. Callahan stated that maintenance drugs will be free to employees in the upcoming year.

Mr. Farr stated that a robust benefit plan outline will be handed to employees and retirees so they know and understand their benefits. He stated it will start with open enrollment.

Mr. Abbatiello asked if the Town has to legally have exempt employees.

The Town Attorney stated that it is actually the opposite. She stated you have to pay overtime if they are not exempt, but you are not required to have exempt.

Mr. Abbatiello discussed doing a salary study.

Mr. Farr stated that a salary study will take several months.

Mr. Abbatiello discussed his concerns about making the 17 employees exempt.

Mr. Richardson discussed the disadvantages in making employees exempt and not paying what they had been making in overtime.

Mr. Abbatiello stated his concerns are the budget and making sure it is fair and sustainable.

Mr. Farr discussed salary aversions and possible reductions due to the study.

Mr. Engle discussed overtime and his experience with expectations. He questioned the process for approving overtime.

Chief Lowrey stated this disparity would not work for his department.

Mr. Richardson stated that in the latest version of the budget, the lieutenants and the IT Director were removed from exempt. He discussed who was getting 4.2% and the differential from going from non-exempt to exempt. Mr. Richardson discussed the Town being behind the market.

President Cook stated she thinks this scenario is reasonable.

Mr. Silverstein stated he thinks we should still get on the exempt.

Rev. Davis stated he wants to be the tree not what falls from the tree. He discussed Mayor Willey stating that the budget is not sustainable. Rev. Davis discussed a clerk making \$98,000 and stated he doesn't know what kind of clerk that is and proposing to go to \$112,000 and stated he is not quite sure.

Mr. Richardson stated in the MML survey, that the numbers provided would put that position in the 90th percentile.

Rev. Davis asked what the scales are based on population. Mr. Richardson stated that he compared salaries to Bowie based on employee numbers.

Mr. Engle stated that he thinks what Mr. Farr is proposing is the right thing to do. He discussed being budget tight but we need to do a proper study.

Mr. Silverstein agreed that the Town needs a good study. He suggested going back to the budget, alleviating the exempt scenario and getting a study to compare salaries.

President Cook asked if the study will be back in time for next year's budget. Mr. Farr confirmed that it would.

Mr. Silverstein suggested that he hopes that the budget process and information coming to the council come to the council earlier next year. Mayor Willey stated that the process was started in December.

Rev. Davis asked Chief Lowrey how the proposed raises would affect his department. He stated it would put his new hires around \$1,000 below neighboring jurisdictions.

Mr. Farr stated that it is his recommendation to give a 4.2 % percent raise and \$5,000 across the board putting the employees 8 - 10% below what will be highlighted in the study.

Mr. Silverstein asked if the Town has seen Talbot County's salary survey. Mr. Richardson stated we have not as it just became available to them.

Mr. Silverstein wondered if now is the time to add a Public Relations employee. He discussed EEDC's public relations being done for the town. He stated that the PR could be done by EEDC and the additional employee could be eliminated.

Mr. Engle stated that he disagrees. He stated that the Town needs a Public Relations person to get the word out highlighting what the Town is doing as well as the Police Department. Mr. Engle stated that this is not Natalie's job. Mayor Willey stated that it is not in Natalie's purview to disseminate information about the police department and fire department at a fire scene or an accident scene. Mayor Willey stated with the tasks she has been given, she has been great but she is not the information officer you see such as someone that could put out press releases.

Rev. Davis stated what we're not good at is communicating information across the whole city. You'll find someone that is leaving the city and no one knows about it. He stated it makes no sense.

Mr. Silverstein asked if we draw back some money from EEDC say \$100,000 as they won't be doing some of the functions they are currently doing and make it \$312,000 and allocate that for the public information person.

Mr. Richardson stated that the money is already in the budget for that person and it is balanced.

Mayor Willey stated some of their budget is spent on events.

Mr. Richardson stated they are funding EEDC quarterly and they are not self-sufficient.

Mr. Silverstein discussed running economic development and the Chamber functions for 38 years. The arrangement was never going to win and to make them self-sufficient is never going to happen and if we're going to fund them, we need to make sure they are doing the things we want. He discussed them just losing their exec and having that substantial salary. He stated he hopes that funding is used for music and events instead of buying high-priced personnel. He said if Holly was to move in to that position, she definitely would need a substantial raise. Mr. Silverstein stated he previously saw money being spent in ways that did not make him comfortable.

The Town Attorney stated that an agreement with EEDC has previously been approved by the Council.

Mr. Silverstein stated he understands but everything is subject to budget. He said he wants to make sure we get it out in the open.

Rev. Davis asked who would be supervising that person. Mr. Richardson stated that the position would be under his supervision.

Mr. Silverstein stated he had his questions answered.

Rev. Davis thanked everyone for coming as he likes to hear from those positions. He stated he likes having the department heads present even for council meetings in case there is a question and getting the latest information. He stated he appreciates the narratives given this evening. He stated he does not want to take away from any employee. He wants to pay the best and be the best and work diligently within the town of Easton. He prefers to be the tree other than what falls from the tree. Rev. Davis stated we can recruit the best and have those expectations out of those individuals. He wants to be fair and have factual information that we can make great recommendations so if we get pushback in the community, we have a study we have dealt with and it is an approach, that he supports 110% and if the information comes in the expectation is on the town to put the proper increase where the person is, take the personality out and were move forward for that kind of work although when you have a study, the people that might not deserve it might slip in too as the overall approach is done and that is respectful.

President Cook asked Rev. Davis if another work session should be scheduled to address any additional questions.

Rev. Davis stated he is good.

Mr. Richardson asked for confirmation that he is to put in to the budget 4.2% plus \$5,000 across the board.

President Cook stated, please.

Mr. Richardson stated that the rest of the money would go in to a pot should you choose to use it.

Rev. Davis stated that a study should be looked into immediately, not without delay so they get that information and have an opportunity to digest it themselves. He asked Mr. Farr to give them the information as soon as it is received.

The council thanked the department heads.

President Cook stated that they need to talk about the 35 hour employees. She stated there are a couple employees that are 35 hours and it has been talked about before.

Mr. Farr stated he does not know the back history of that but he does know there are a couple of employees that want to be made 40 hour employees and whatever it takes is the right thing to do. Figuring that out how it equates to a difference in salary and bringing them up to where they need to be, is important. He stated that he feels to be transparent, if not it could be a risk to the Town. Mr. Farr stated that he would recommend in his position that the council would seek an approval to raise these individuals to the 40 hour threshold to those positions that are actually working 40 hours. Mr. Farr stated there are three employees.

Rev. Davis asked what the overall cost is.

Mr. Richardson stated that the cost would be \$162,000 because we are dealing with compression. He displayed a spreadsheet showing the affect. He discussed the compression and the effect on other employees. He stated if that employee goes over top of supervisors or department heads, each one is a rolling domino effect.

Rev. Davis stated he gets it but this didn't start yesterday. He stated that it needs to be fixed.

Mr. Richardson stated that the office hours are 8:30 a.m. to 4:00 p.m. which is a 37.5 hour work week. He stated when he was hired 16 years ago, that is what he was told his hours were which never worked out. He stated that these 35 hour employees pre date that time period so at some point they went from 37.5 hours to 35 hours with paid time for their lunch.

Mr. Silverstein asked if those employees were hired tomorrow, would they be hired at 40 hours.

Mr. Farr replied in the affirmative.

Mr. Richardson stated that the midpoint would be \$75,775 according to the study and data we have. They all still maintain in the mid to max threshold except for one position.

Mr. Silverstein asked if it is because of longevity and Mr. Richardson replied yes, but not entirely. Mr. Silverstein stated it would be nice to see a proposed fix.

Mr. Richardson stated that the proposed fix he has presented to the council is \$162,000. He stated there will 2.5 more hours of work from them with an afternoon 15 minute break. He stated he is ok with it, he just needs to get direction.

Mayor Willey asked what happens to the other employees.

Mr. Abbatiello asked if this could lead to a possible lawsuit to the town.

Mr. Farr answered in the affirmative.

Mr. Abbatiello asked how much a lawsuit would cost. He stated it would be a lot more than \$162,000.

Mr. Richardson stated that the direction is to convert the 35 hour employees to 40 hours and come up with \$162,000.

President Cook thanked everyone for their time.

Adjournment.

At 5:47 p.m., President Cook adjourned the scheduled workshop.

Respectfully submitted,

Kathy M. Ruf, Town Clerk