Present via ZOOM:
Commissioner Baker                      Jon Moore, GMT General Manager
Commissioner Derenthal                 Trish Redalieu, Director of Human Resources
Commissioner Sharlow                   Nick Foss, Director of Finance
Commissioner Wallis                    Jamie Smith, Director of Marketing and Planning
Commissioner Waninger                  Commissioner Polyte
Karin Tierney, Director of Strategic HR Service, Hickcok & Boardman
Barry Blixt II, HR & Benefits Consultant, Hickcok & Boardman

Absent:

Meeting called to Order
Meeting Opened- 9:48AM

Adjustment of the Agenda
There were no adjustments to the agenda.

Public Comment
No public comment.

Approval of Committee Minutes • December 7th 2020
Quorum was present. Meeting minutes were approved.

Compensation and Benefits Market Assessment Presentation & Discussion
In November 2020 GMT contracted Hickcok & Boardman to conduct an analysis of GMT’s compensation and benefits system, in comparison to other organizations. Ms. Redalieu provided a quick overview of scope of the project, before introducing Hickcok & Boardman’s Karin Tierney (Director of Strategic HR Service, Hickcok & Boardman) and Barry Blixt (HR & Benefits Consultant, Hickcok & Boardman).

Mrs. Tierney elaborated on the phases of the analysis, which included a review of GMT’s total rewards systems, job classifications, pay structure, minimum requirements for positions and understanding how each have changed over time.

Using this data, a comparative analysis was conducted using Hickcok & Boardman’s proprietary database of compensation rates of similar positions and organizations, as well as metrics from the Bureau of Labor Statistics (BLS).

Based on their analysis, notable recommendations where:

1. Pay Grade System: Adoption of a five-tier pay grade system for benchmarking GMT pay ranges at a 40% range spread, with grade minimums and maximums.
2. Benefits Funding Arrangements: Consideration of a future RFP for a less costly medical plan available on the market, to lower the benefits administration costs. They also suggested the addition of co-pays and/or increased deductibles to reduce plan administration costs.
3. Voluntary Benefits: Offering employees the option of subscribing to voluntary low cost additional life/disability plans to reduce group rates on other plans.

4. Customizable Benefits Plans: Offering employees the ability to choose their coverage level and remove benefits that they may not be interested in.

5. Combine Time Off: Limiting financial liability by adding caps on CTO accruals, cash-out and rollover benefits

The consultants also recommended clearly communicating the employee base how GMT’s benefits costs compare to other municipalities, both in their level of coverage and shared cost amounts between employees and employer.

Commissioner Waninger inquired if a wage off-set could be implemented in the first year after a new benefits plan is adopted, to temporarily shield employees from the change in costs to them. Mr. Blixt stated that is done, but rarely on a company wide basis, because at a flat offset value would be a more significant impact lower salaried positions.

Commissioner Baker suggested GMT leadership reach out to other municipalities (such as South Burlington) who have utilized a new creative cost saving health care plan model, and may be interested in partnering with GMT. Mr. Blixt offered to make an introduction to South Burlington plan administrator(s) with Ms. Redalieu to discuss their health care plan further.

Commissioner Derenthal questioned what the implications on the insurance market of managed care though OneCare Vermont. Specifically on how people pay for their benefits and how plans are managed. Mr. Blixt explained that the OneCare model would be based on cost savings to providers who serve to keep their population healthy. However, the current issue is that the current model although attractive, does not have the buy-in necessary to be widely adopted in the near future.

**Paid Time Off Policy Presentation and Discussion**

Mr. Moore reiterated that GMT’s current paid time off policy in the long run is unsustainable and as a liability will only increase without decisive action to mitigate it as a cost pressure. Mr. Moore suggested the addition of safeguards to slow the growth of that liability and prompt the usage of accrued time off.

Commissioner Baker inquired how GMT’s time off policy companies to other organizations such as the City of Burlington and State of Vermont. Ms. Redalieu stated that through her research, GMT’s current leave policy is significantly more generous than those in the comparison group, in both their amount and usage requirements.

Mr. Moore elaborated that the proposed policy would not significantly reduce the accrual amounts of employees, but would rather incentivize the use of their accrued time, which in turn would reduce workplace stress and burnout. All while keeping the policy fair to employees, while robust enough to retain and attract personnel.

The proposed Paid Time Off (PTO) policy adds usage restrictions in the forms of:

a. Breaking down the current Combined Time Off (CTO) policy into three distinct PTO categories: Vacation, Sick and Personal Time.

b. Sick and Personal time are non-compensable.

c. 60hr. limit on the annual roll over and cash-out amounts for Vacation time.

d. Elimination of the 30+ yr. tier of accrual rate of 416 hrs. per year
   - This would not affect employees who are already at this accrual tier at the time of rollout
Commissioner Wallis inquired if common practice was the elimination of leave categories in favor of a CTO policy, why GMT was going to a three category time off system. Mr. Moore clarified that internally, this policy would be easier to both administer and for employee understanding, while ensuring GMT can meet its service obligations.

Commissioner Waninger stated that in the past (2006), the board was told that a CTO policy was easier to administer, and what changes make it necessary to go to a PTO policy. Mr. Moore stated that although a CTO policy was easy to administer because only one type of leave to be tracked, whereas a PTO policy with usage requirements allows employees to utilize leave more often and employees still have the ability to accumulate sick time.

Mr. Moore intends to bring this proposal to the next Operations Committee meeting (February 8th 2021) and seek board approval in February 2021 for comment and potential approval.

Mr. Moore also disclosed that GMT is investigating taking a loan for the CTO liability amount with a banking vendor, and the repayment amounts are notably lower than what is currently being budgeted for the current CTO accrual liability.

Commissioner Baker inquired if any conversations have been had with employees regarding the potential policy change. Mr. Moore stated that there has been little conversation about it to date, but with no changes to the accruals there is little expected resistance. However, there are outreach programs in development to communicate this and the value of GMT’s total rewards system. And regarding union changes, all would be based on negotiations, which are expected to be reopened by April 1st at the latest (per the CBA).

Adjourn

Commissioner Wallis motioned to adjourn; Commissioner Baker seconded, all others agreed. Meeting adjourned at 10:59AM.