



Town of Reading
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October 23, 2002

Catherine Martin, Chair
Finance Committee
Reading, MA 01867

Dear Catherine:

As Chair of the Board of Selectmen, I am requesting that the following attached information be shared with the Finance Committee at your next meeting. What needs attention is the equity and lack of consistency in the extension of personnel benefits between the Town and School Departments.

At the end of the fiscal year (FY 2002), the School Committee voted to extend vacation buyback, bonuses and equity increases to some members of their administrative staff. The concerns for the Board of Selectmen are as follows:

1. The Town does not pay vacation buyback for administrative staff.
2. The Town does not pay bonuses to administrative personnel.
3. Total Town administrative salaries are fully disclosed in the budget as line items.

These issues were raised at a recent meeting, which included the Superintendent of Schools, Town Manager, Chair of the School Committee Bill Griset, Vice-Chair of the School Committee Pete Dahl, Vice-Chair of the Board of Selectmen, Matt Cummings and myself. Upon my request, the meeting was held and Matt and I raised the issues of inequity and disclosure.

Our position on vacation buyback is that it is a personnel benefit that should be governed by a consistent policy for all employees. In addition, amounts spent on bonuses, vacation buyback and equity adjustments need to be clearly disclosed as line items in the budget for both school and town.

Finally, it is very important that we have consistent policy and disclosure requirements for all expenditures. I am requesting that the Finance Committee evaluate current practices and require such consistency in budget preparation and format.

Sincerely,


Camille Anthony, Chair

cc: Bill Griset

Attachments

COMPARISON OF SCHOOL AND TOWN SALARIES FOR ADMINISTRATORS

<u>POSITION</u>	<u>Base Pay</u>	<u>Vacation</u>	<u>Merit</u>	<u>Holiday</u>	<u>Stipends</u>	<u>Total Pay</u>	<u>Equity</u>	<u>Base Pay</u>	<u>Base Pay</u>
	<u>FY 2002</u>	<u>Buyback</u>	<u>Pay</u>	<u>Pay</u>	<u>Overtime</u>	<u>FY 2002</u>	<u>6/30/02</u>	<u>FY 2003</u>	<u>% Increase</u>
	\$					\$	**		
Superintendent *	119,966	4,415	5,000			129,381	N/A	124,164	3.5%
Assoc. Superintendent	92,250		3,500			95,750	5,000	100,653	9.1%
Principal RMHS	90,200	1,735	1,000			92,935	2,000	95,427	5.8%
Principal Parker	76,875	1,478	1,700			80,053	5,000	84,740	10.2%
Principal Coolidge	82,000	1,577	2,000			85,577	4,000	89,010	8.5%
Principal Killam	82,000	1,577	2,200			85,777	N/A	84,870	3.5%
Principal Birch Meadow	79,950	1,538	2,300			83,788	2,000	84,818	6.1%
Principal Barrows	76,875	1,478	1,500			79,853	5,000	84,740	10.2%
Principal Joshua Eaton	76,875	887	2,200			79,962	5,000	84,740	10.2%
SPED Director	80,500	1,548	1,700			83,748	3,000	86,422	7.4%
Asst. Principal RMHS	68,675	1,321	600			70,596	N/A	71,078	3.5%
Asst. Principal RMHS	70,725	1,360				72,085	N/A	73,200	3.5%
Asst. Principal Parker	64,000	738				64,738	3,000	69,345	8.4%
Director of Nursing	39,975		1,000			40,975	N/A	41,374	3.5%
Asst. Principal Coolidge	67,650	1,041	2,300			70,991	6,000	76,227	12.7%
Athletic Director	76,000		1,900			77,900	N/A	78,660	3.5%
Cafeteria Director	44,075	1,095	1,000			46,170	3,000	48,722	10.5%
Director of Facilities	63,564	840	1,000			65,404	N/A	65,789	3.5%
Secretary to Superintendent	39,463		1,500		1,653	42,616	5,000	46,019	16.6%
TOTALS	1,391,618	22,628	32,400	0	1,653	1,448,299	48,000	1,489,998	7.07%
% of additional pay to base		1.63%	2.33%	0.00%	0.12%	4.07%	3.45%		

* Base Pay includes expense account and travel account

** Equity Adjustment for comparable positions in Middlesex League

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COMPARISON OF SCHOOL AND TOWN SALARIES FOR ADMINISTRATORS

<u>POSITION</u>	<u>Base Pay</u>	<u>Vacation</u>	<u>Merit</u>	<u>Holiday</u>	<u>Stipends</u>	<u>Equity</u>	<u>Base Pay</u>	<u>Base Pay</u>	
	<u>FY 2002</u>	<u>Buyback</u>	<u>Pay</u>	<u>Pay</u>	<u>Overtime</u>	<u>Adjustment</u>	<u>FY 2003</u>	<u>% Increase</u>	
		<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>	<u>6/30/02</u>	<u>FY 02 to 03</u>	
\$									
TOWN ADMINISTRATORS									
Town Manager *	99,960	*****					99,960	101,946	2.0%
Department Heads									
Police Chief **	104,983	*****					104,983	109,186	4.0%
Fire Chief	77,240	*****		3,485			80,725	80,340	4.0%
Director of Public Works	83,598						83,598	85,274	2.0%
Finance Director	75,095						75,095	78,137	4.1%
Town Accountant	73,008	*****					73,008	74,471	2.0%
Library Director	58,832						58,832	60,606	3.0%
Division Heads									
Town Engineer	68,250						68,250	69,615	2.0%
Appraiser	56,628						56,628	58,910	4.0%
Technology Coordinator	61,308						61,308	63,765	4.0%
Building Inspector	52,923						52,923	55,049	4.0%
Health Services Administrator	51,890	*****					51,890	53,976	4.0%
Forestry/Parks/Cemetery Supervisor	63,586				2,453		66,039	64,854	2.0%
Town Planner	54,620					****	54,620	55,712	2.0%
Town Clerk	49,347						49,347	50,466	2.3%
Asst. Library Director	52,494						52,494	54,620	4.0%
Personnel Administrator	48,497						48,497	50,466	4.1%
Highway/Equipment Supervisor	57,117				9,531		66,648	59,426	4.0%
Water Treatment Plant Supervisor	57,117				5,064		62,181	59,426	4.0%
Water/Sewer Supervisor	57,117				6,264		63,381	59,426	4.0%
DPW Business Administrator	51,033					****	51,033	53,079	4.0%

COMPARISON OF SCHOOL AND TOWN SALARIES FOR ADMINISTRATORS

	Base Pay	Vacation	Merit	Holiday	Stipends	Total Pay	Equity	Base Pay	Base Pay
	<u>FY 2002</u>	<u>Buyback</u>	<u>Pay</u>	<u>Pay</u>	<u>Overtime</u>	<u>FY 2002</u>	<u>6/30/02</u>	<u>FY 2003</u>	<u>% Increase</u>
		<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>	<u>FY 2002</u>		<u>FY 2003</u>	<u>FY 02 to 03</u>
Elder/Human Services Administrator	44,441					44,441	****	46,254	4.1%
Recreation Administrator	45,338					45,338	****	47,132	4.0%
Conservation Administrator	41,535					41,535		43,193	4.0%
Assistant Treasurer Collector	44,051					44,051		45,845	4.1%
Library Division Head-Tech Services	45,845				2,882	48,727		47,697	4.0%
Network Support Technician	43,193					43,193	****	44,928	4.0%
Library Division Head-Children's Svc	48,653					48,653		49,628	2.0%
Library Division Head-Information Svc	42,354				2,255	44,609		44,051	4.0%
Office Manager-Town Manager Secty	39,585				3,350	42,935		41,184	4.0%
Library Division Head - Circ.	41,672					41,672		43,368	4.1%
TOTALS	1,791,302	0	0	3,485	31,799	1,826,586		1,852,023	3.39%
% of additional pay to base		0.00%	0.00%	0.19%	1.78%	1.97%			

* Base Pay includes travel allowance

** Base Pay includes Holiday pay
and Quinn Bill pay

**** Positions proposed for upgrade in Town of Reading Pay and Classification plan,
but not implemented due to budget constraints

***** Turned back unused vacation

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TOWN ADMINISTRATORS' SALARIES							
POSITION	Total Pay 1999	Total Pay 2000	% Increase 2000 over 1999	Total Pay 2001	% Increase 2001 over 2000	Total Pay 2002	% Increase 2002 over 2001
Town Manager	92,261	94,255	2.2%	97,050	3.0%	99,960	3.0%
Department Heads							
Police Chief ** ***	98,681	100,893	2.2%	107,069	6.1%	104,983	-1.9%
Fire Chief ***	78,309	81,313	3.8%	84,598	4.0%	80,725	-4.6%
Superintendent of Public Works	74,373	75,720	1.8%	80,340	6.1%	83,598	4.1%
Finance Director	64,963	69,374	6.8%	72,177	4.0%	75,095	4.0%
Town Accountant	64,429	68,804	6.8%	71,583	4.0%	73,008	2.0%
Library Director ***	57,211	59,406	3.8%	57,099	-3.9%	58,832	3.0%
Division Heads							
Town Engineer	60,216	64,303	6.8%	66,900	4.0%	68,250	2.0%
Appraiser	48,990	52,317	6.8%	54,430	4.0%	56,628	4.0%
Technology Coordinator	53,028	56,629	6.8%	58,917	4.0%	61,308	4.1%
Building Inspector	45,785	48,894	6.8%	50,870	4.0%	52,923	4.0%
Health Services Administrator	42,790	45,696	6.8%	47,542	4.0%	51,890	9.1%
Forestry, Parks, Cemetery Supervisor ****	62,959	63,703	1.2%	69,119	8.5%	66,039	-4.5%
Town Planner	48,588	50,451	3.8%	52,490	4.0%	54,620	4.1%
Town Clerk	42,790	45,696	6.8%	47,542	4.0%	49,347	3.8%
Asst. Library Director ***	45,409	48,493	6.8%	50,452	4.0%	52,494	4.0%
Personnel Administrator	39,991	42,706	6.8%	45,696	7.0%	48,497	6.1%
Highway/Equipment Supervisor ****	57,563	60,013	4.3%	68,334	13.9%	66,648	-2.5%
Water Treatment Plant Supervisor ****	57,245	58,256	1.8%	61,914	6.3%	62,181	0.4%
Water/Sewer Supervisor ****	56,992	57,521	0.9%	63,244	9.9%	63,381	0.2%
DPW Business Administrator	45,417	47,151	3.8%	49,062	4.1%	51,033	4.0%
Elder/Human Services Administrator ***	42,790	44,432	3.8%	46,226	4.0%	44,441	-3.9%
Recreation Administrator ***	40,790	43,560	6.8%	44,432	2.0%	45,338	2.0%
Conservation Administrator ***	38,438	39,912	3.8%	41,525	4.0%	41,535	0.0%
Assistant Treasurer Collector	37,752	40,711	7.8%	42,355	4.0%	44,051	4.0%
Library Division Head-Tech Services ****	40,790	42,355	3.8%	45,423	7.2%	48,727	7.3%
Network Support Technician	37,374	39,912	6.8%	41,525	4.0%	43,193	4.0%
Library Division Head-Children's Svc ****	34,024	36,154	6.3%	38,420	6.3%	48,653	26.6%
Library Division Head-Information Svc *** ****	46,804	47,977	2.5%	49,237	2.6%	44,609	-9.4%
Office Manager-Town Manager Secty ****	34,025	36,154	6.3%	38,420	6.3%	42,935	11.8%
TOTALS							
% of additional pay to base							
* Base Pay includes travel allowance							
** Base Pay includes Holiday pay and Quinn Bill pay							
*** Turnover in position during period							
**** Total Pay includes overtime							

19.9%

19.9%
15.7%

15.8%
18.3%
19.8%
39.2%
24.4%



http://www.townonline.com/reading/news/opinion/ra_letraalle12182002.htm

Letter: Says pay policies are not aligned with town's

Wednesday, December 18, 2002

After watching the Nov. 14 Fin Com meeting where the School Department discussed their vacation buy back and bonus/merit pay increases, I requested a copy of their policy or procedures for same.

I received from the School Department a copy of their personnel policy dated late '80s or early '90s and it does not address the vacation buy back, bonus/merit pay increase practice.

I also requested a copy of the School Committee minutes showing when the policy/procedure was adopted by the full committee. Instead, I received a copy of the May 29, 1997 executive session minutes showing that Mr. Twomey made a motion "for the School Committee to give the superintendent a pool of \$30,000 to be used for merit for individuals with no special ranges, caps or amounts." Mr. Twomey also motioned to, "Approve a pool of money for salary increases for people listed (page 3) equal to 2 1/2 percent of the current '96 to '97 salaries of the information on this sheet, plus an amount equal to the difference between the individual salary and the average of that person's position in the nine comparable towns. This applies to all positions except the athletic director and the four administrative positions." Both motions passed.

Those motions, made on May 29, 1997 were not for perennial merit or bonus pay. The vacation buy-back practice of the School Department is a more recent one, dated Nov. 1, 2001, and applies to principals, assistant principals and special education director. That practice, effective July 1, 2002 excludes any previously accumulated vacation time.

School Department vacation policy entitles administrators four weeks vacation per year "which will normally be taken during July or August." These vacations are in addition to Christmas, winter and spring vacations. Why would the School Department want to encourage administrators to not use their much needed vacation time?

The cost for this vacation buy-back practice was \$22,628. The cost for the merit/bonus pay practice was \$32,400. The cost for the equity pay adjustment practice costs \$48,000. These practices gave the superintendent's secretary \$1,500 for a merit pay increase and a \$5,000 equity adjustment increase equating to a 16.6 percent base pay increase.

It is hard to support any increases for School Department spending when the School Department's financial priorities are not in supporting the students and the classroom teachers. The School Department's business practices do not align with the rest of the town's personnel and business practice either.

Linda Phillips

i>Willow Street

http://www.townonline.com/reading/news/opinion/ra_letraalle12182002.htm



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School payouts to administrators cited as 'unfair' to others

By NADINE WANDZILAK / STAFF WRITER

Wednesday, November 20, 2002

The Finance Committee had questions last Thursday night about certain pay for school administrators. Where, FinCom members asked, were their vacation buyback, bonuses and merit pay listed in the school budget?

The question generated heated discussion at the FinCom meeting. About a dozen school administrators attended the meeting, as did several School Committee members and selectmen. School officials brought piles of information, from the 30 top-paid town employees by department, to town personnel policies, and the contract between the town and the police Superior Officer's Association.

"We decide how we compensate administrators," said School Committee Chair William Grisct. The School Department offers the money to administrators "to retain valued employees," Grisct said.

The reason FinCom asked the question now, according to committee member Mary Grimmer, is financial - the town is in financial difficulties, and "It's getting worse." The source of the funding for the administrators' perquisites was unclear, according to FinCom member Karen Epstein.

"These aren't 'perks,'" said School Committee Pete Dahl. He described them as salary obligations. School officials compared the school administrators' additional pay to pay for police lieutenants and captains.

Vacation buyback was offered to school administrators for the first time this past June, according to Superintendent Dr. Harry Harutunian.

Bottom line, town and school officials take two different approaches to developing their budgets, according to FinCom member Robert LeLacheur. Town officials work from the bottom of the budget up; school officials, from the top of the budget down. Budget information should be clear, he said, so people can pick up a budget and understand it, without having to rely on past explanations of how or why an item was listed a certain way.

Separate policies demoralize town employees, said Town Manager Peter Hechenbleikner. That's unfair, said Grisct.

Later in the meeting, Selectman Gail Wood exploded: "If you knew how angry I am," she began. "It's a wonder I haven't exploded" at what she described as the inequity between town and school-side compensation. Teachers also get upset when bonuses are given to administrators, Wood said, and then teachers are laid off. Merit pay has to be given openly, to everybody, across the board, according to set criteria, Wood said.

School Committee member Tim Twomey said it was a misimpression that the School Committee cut teachers to pay a benefit to administrators. The money for the administrators comes from a different line item, he said. The School Committee chose to pay teachers a rate it considered competitive, Twomey said, and higher than the town recommended. That is why teachers had to be let go, he said.

Employees in the public sector know they're compensated differently than those in private industry; in light of the town's financial situation, the additional money for school administrators has to be re-evaluated, said Selectman George Hines.

http://www.townonline.com/reading/news/local_regional/ra_newrasals11202002.htm



http://www.townonline.com/reading/news/opinion/ra_lettralettersallc11062002.htm

Letter: Bonus money to school administrators unfair

Wednesday, November 6, 2002

Fiscal constraint by the School Committee is certainly lacking when one looks at the list of "Merit Pay" (bonus) given to members of the administrative staff of the schools.

We are in fiscal difficulties, yet the School Committee feels it is OK to give out merit pay in the amount of \$32,400. Public record will provide anyone with a list and breakdown of who got what.

Once again, the School Committee wants it all: new school, renovation, football field, and they tell us they have never received enough budget monies to provide for the system. They seem to find bonus money without any problem, and yet they cut teachers.

Equity between school and town is non-existent. Review the [wages of] town side employees, and you do not find bonus monies being provided to equally deserving people. They don't have it, and do maintain fiscal constraint.

Seventeen school administrators received merit pay (bonus), and fifteen received vacation buy-back monies. Between the vacation buy-back and bonus, it totals \$55,028. We could retain a teacher.

The Board of Selectmen, I am sure, share a great concern for the equity increases provided. The town doesn't provide vacation buy-back or bonuses, and all salaries are fully disclosed in its budget line items. We're in difficult fiscal times, and will be for some time to come.

The School Committee needs to discontinue the practice of bonus and vacation buy-backs in order to provide fairness to all town employees. Trade the bonus and vacation buy-back for a teacher position.

Gerry MacDonald

Town Meeting Member

Precinct 3

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