

TOWN OF OLD SAYBROOK DEPARTMENT OF POLICE SERVICES

36 Lynde Street • Old Saybrook, Connecticut 06475

Police Commission Town of Old Saybrook 302 Main Street Old Saybrook, Connecticut 06475

July 20, 2023

Police Commissioners:

On July 13, 2023 I provided you with a communication concerning the dire need to enhance post-employment benefits to assist with the Department's current and debilitating retention issue. In this communication I will detail the process to implement these enhancements and manners in which they may be funded to reduce the impact on our local taxpayers.

Actuarial Study Required

In accordance with Connecticut General Statute 7-450a(b), any "pension" (post-employment) enhancement(s), prior to adoption, must have a corresponding qualified cost estimate from the Town's designated actuary.

I am proposing four (4) enhancements to a police officer's post-employment benefits. They are:

- Reduce service time for normal retirement from twenty-five (25) years of full time service to twenty (20) years of full time service.
- Include "Department Overtime" in the calculation of a police officer's pension.
- Include a structured, annual cost of living adjustment (COLA)
- Provide retiree health care for the employee and the employee's family.

Each proposed enhancement would require a qualified cost estimate. The Town's actuary vendor is Milliman. Each estimate would cost approximately five thousand dollars (\$5,000).

I am proposing that the Police Commission request that the First Selectman permit the Department to use a portion of its FY 23 surplus (estimated at \$200,000) to engage with Milliman to provide interested parties with cost data for the proposed enhancements.

Now is the Time

I spent much time in my July 13, 2023 communication to you expressing my concern about turnover due to poor post-employment benefits. The Town's offering of substandard post-employment benefits is causing turnover. This turnover fosters a negative effect on Department Operations and the esprit de corps of our staff. As I have previously communicated, now is the time to enhance post-employment benefits. This will foster higher retention rates, which ensures adequate public safety professionals available to serve our community.

However, this communication is about process and funding. "Now is the Time" to implement post-employment benefits due to the current and unique tenure status of our full-time police officers.

Assuming the Town chooses to reduce the years of service requirement for normal retirement from twenty-five (25) years to twenty (20) years the following would be true:

Nineteen (19) of our employees would not be eligible for post-retirement benefits for at least ten (10) years. While the Town would begin to fund these new post-employment benefits in FY 25 in accordance with annual actuarial recommendations, there would be no withdrawal of funds for at least a decade for a significant percentage of employees.

Here is a further breakdown of normal retirement, post-employment benefit eligibility, based on twenty (20) years of service.

Employee	Post-Employment Impact Year
Spera	Eligible for Retirement
DePerry	Eligible for Retirement
DeMarco	Eligible for Retirement
Walsh	Eligible for Retirement
Ciccone	2030 (7 years from now!)
Williams	2032 (9 years from now!)
Hardy	2035 (12 years from now!)
Milardo	2035 (12 years from now!)
Micowski	2037 (14 years from now!)
Tabor	2037 (14 years from now!)
Tourjee	2038 (15 years from now!)
Mora	2040 (17 years from now!)
Cruz	2040 (17 years from now!)

Simpson	2041 (18 years from now!)
O'Connell	2042 (19 years from now!)
Egan	2042 (19 years from now!)
Silano	2042 (19 years from now!)
Lawrence	2042 (19 years from now!)
Moriarty	2043 (20 years from now!)
Ciscato	2043 (20 years from now!)
Vacancy 1	2043 (20 years from now!)
Vacancy 2	2043 (20 years from now!)
Vacancy 3	2043 (20 years from now!)

There are only four (4) employees eligible for retirement now (does not mean they will choose to retire when eligible). The next four (4) employees are eligible for post-employment benefits in seven (7), then nine (9), then twelve (12) years in the future. The lack of tenure of current employees due to turnover creates the opportune time to enhance post-employment benefits while providing a more than favorable time period to properly fund any fiscal impacts as well as continue to negotiate these benefits as situations change.

Additionally, "Now is the Time" to stop the financial bleed caused by sworn employee turnover. When we hire an uncertified police officer, the individual must attend the Connecticut Police Academy for twenty seven (27) weeks and participate in four hundred (400) hours of field training prior to becoming certified and able to work independently as a police officer. This endeavor costs the Town, Two thousand, eight hundred dollars (\$2,800) in registration fees, forty-five thousand, eight hundred fifteen dollars (\$45,815) in salary expenses, eleven thousand dollars (\$11,000) in benefits (single plan), and ten thousand dollars (\$10,000) in uniform costs. This initial investment of over sixty thousand dollars (\$60,000), and the time and effort training and mentoring a young officer by senior staff, yields little to no return if the employee leaves our employ within three (3) years. Rather than continuously investing funds in hiring and training new employees because of turnover, we should choose to invest in post-employment benefits that will both attract (recruit) and retain police officers.

"Now is the Time" to also adjust the salaries of all certified police officers. As the Commission is aware through conversation and previous communications it is obvious that base salaries of every sworn position in the Department must be increased, by at least ten thousand dollars (\$10,000). The current wage scale discrepancy was highlighted when hiring a senior Public Safety Dispatcher as a Patrolman Trainee. We found that this "promotion" caused a reduction in the employee's salary. Thankfully the Police Union has voted to permit a limited Memorandum of Understanding to prevent loss of wage for this individual while the Town hopefully further mitigates the matter.

Invest in Human Capital

The Department of Police Services is the most unique Municipal Department in the Town of Old Saybrook. Part of what makes the Agency unique is that it is the only local governmental agency staffed with personnel twenty-four hours a day, seven days a week. Additionally, The Department is the largest employer in Old Saybrook's Municipal Government. The most valuable commodity we have, is our employees. The Department provides services to human beings by human beings. We must invest in our employees in order to maintain a full roster of personnel dedicated to their public safety mission.

Funding Considerations - The Offset of New Fiscal Liabilities

I have mentioned in past communications and in this one, that I have ideas that would provide funding to assist paying for new fiscal liabilities caused by the proposed salary increase and post-employment benefit enhancements.

Budget Surplus

The Department will have a two hundred-thousand-dollar (\$200,000) budget surplus for FY 23. I would ask that the Commission appeal to the First Selectman to use these funds for the base salary increases of certified police officers and to fund the actuarial studies required for the proposed post-employment benefits.

Employee Contributions

One of the post-employment enhancements sought is the inclusion of Department overtime in the calculation of a pension benefit. This benefit would allow for each hour that a police officer works conducting official Department business to be pensionable. (Private duty work is specifically excluded.) The new benefit would assist the Operation with filling vacant shifts as officers would value the long term benefit of working additional hours. Currently, when officers are working extra hours they are not contributing to the pension fund. This must change if this post employment benefit is realized. It is possible that, through negations, officers agree to contribute to the pension fund at a higher percentage on "over time hours" than what they currently contribute on base salary (5%).

While private duty work is specifically excluded as a factor in any of the proposed enhancements, it is a potential source of revenue to continuously defray costs associated with post-employment benefit enhancements. In Fiscal Year 23, officers worked six thousand, one hundred thirty-five (6,135) hours of private duty work. If we attached a ten dollar (\$10) per hour employee pension contribution, it would have yielded an annual deposit of over six thousand dollars (\$60,000) to the pension fund.

Process

This process itself is simplistic. In essence, the implementation of any of the enhancements I have suggested requires the approval of the First Selectman and concurrence of the Union as part of the collective barging process.

However, it is my thought to expand the process to be more inclusive of other Boards and Commissions that have responsibilities in relation to any of the enhancements suggested. Again, this is at the sole discretion of the First Selectman and is not required.

Therefore, I respectfully request that the Police Commission, at its meeting on Monday, July 24, 2023, authorize the Chairman to send a communication to the First Selectman indicating the Commission's desire and request for him to consider bargaining with the police union about my suggestions and to engage with Milliman to provide a qualified cost estimate for each of the post-employment benefits suggested.

I am hopeful that the process permits matters concerning salary enhancement, a hiring bonus initiative, and a "finder's fee" program to be addressed immediately while we are awaiting a response form the actuary. Once information is returned from Milliman, we will have data to determine our next actions.

Perhaps a new ad-hoc committee, created by First Selectman, to include the Finance Director, the Police Commission, the Chairman of the Board of Finance, the Chairman of the Pension and Benefits Board, the Police Union's Executive Committee, Labor Counsel, and I meet to review the data and have collaborative, honest, conversations in accordance with law. I would not anticipate more than three (3) sessions over a short period of time. This will allow the First Selectman to hear the perspectives of all interested parties, prior to making any decisions.

Commissioners, I have devoted my entire adult life to public safety service in Old Saybrook. I am not an alarmist and have rarely "rang" the bell to signal a crisis. I have complete respect for our local government leadership positions and their coinciding responsibilities. It is my obligation as your Police Chief to ensure that we have a team of law enforcement professionals ready to satisfy the obligations the Department of Police Services has with respect to the health, safety, and welfare of Old Saybrook's citizens and visitors.

I appreciate your attention to the three communications I have sent about recruitment, retention, and employee benefits. For those who know me well, asking for help to solve a problem has never been my first reaction when faced with an issue. Instead, I have prided myself on finding solutions to problems, on my own, often using little to no resources, and then moving on without fanfare. I simply cannot fix this problem by myself and through these communications I am providing you with information and most importantly, soliciting your involvement to help me solve this problem.

Sincerely.

Michael A. Spera Chief of Police

cc: First Selectman Carl P. Fortuna Jr.

Board of Selectmen

Finance Director Lee Ann Palladino