

CITY COUNCIL STANDING COMMITTEE  
**Special Ordinances & Administration Committee**  
Monday, December 12, 2011 – 6:00 p.m.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall  
**-MINUTES-**

**Present:** Chair, Councilor Sefatia Theken; Vice Chair, Councilor Anne Mulcahey; Councilor Bruce Tobey  
**Absent:** None.

**Also Present:** Councilor Hardy; Councilor McGeary; Linda T. Lowe; Council Elect LeBlanc; David Bain; Jeff Towne; Suzanne Egan; Jim Duggan; Kenny Costa; Shirley Edmonds; Heidi Fialho; Tom LoGrande; Phil Bouchie; Chief Phil Dench; Donna Compton; Karen Andrews; Gina Sargent; Jayne Morse; Mike Wells

**This special meeting of the O&A Committee was called to order at 6:00 p.m. There was a quorum of the City Council present.**

**1. Addendum to Mayor's Report re: Memorandum regarding Health Insurance Reform – Adoption of Legislation**

**Councilor Theken** thanked everyone for coming and for those who got her email. Not everyone received the letter regarding this meeting sent via registered mail from the Personnel Director. She asked they let Mr. Duggan know if the registered mail was late or not received at all.

**Jim Duggan**, CAO thanked the Committee for calling this special meeting. As the memorandum from the Mayor of November 14<sup>th</sup> outlined, the Administration requests the City Council pursuant to MGL c.32B adopt §21, §22, §23. Their options available are: Sec. 21 allows the establishment of the requirements in the following sections of 22 and 23. Sec. 22 provides the right for the City to negotiate with the Public Employees Committee (PEC), various plan design options, co-pays and deductibles. Mr. Bain will provide specifics. Sec. 23 provides for the City of going into the GIC. Sec. 21 provides a dispute resolution mechanism. If the City and the PEC can't agree then as outlined in Sec. 22 and Sec. 23, a panel is established of one member of City management, one person from the PEC, and one member from the State Administration and Finance. In the event of a stalemate, the panel would review the two different positions and make a binding ruling. On the ruling that is given, 25% of the savings realized by the City has to go back to the employees. Also taken into binding consideration; they would be prohibited to raising retirees rates (for those then current) for three years. The requirements with the notification of the meeting was to each union president, the retirees association had to get notice of the City Council meeting, not a public hearing, by certified mail. It was explained to him that it has been done. **Mr. Bain** got some notices of receipt by certified mail back but not all of them. **Councilor Theken** reiterated that people in the audience who had not gotten their meeting notice to please let Mr. Duggan know. If they feel that if their department wasn't notified appropriately, to also let him know. **Mr. Bain** expressed that they did give adequate notice. They must deal with the post office too. They sent and gave two days notice of the City Council meeting, dated from putting it in the mail box which he believed was last Thursday. They are required to send the letter registered certified mail. **Councilor Mulcahey** asked if this was regulation. **Mr. Bain** stated it is. **Councilor Tobey** confirmed that also. **Mr. Bain** stated they are "stuck" with that and did do it. He apologized if people didn't get it, they did what they could; and the Mayor signed the letter. **Councilor Theken** asked if the unions don't get notified and felt they were not represented, was the City they liable. **Mr. Bain** stated no. They are required to send it as they did. They want to make sure everyone is noticed and did what the regulation asked and was the first time they've done it. Everybody but one who received the letter is local. He assumed everyone would get it in sufficient time. In the future they'll make calls to let them know a registered letter is coming. They didn't think in this instance they had to. **Mr. Duggan** continued by posing the question of why this request for adoption now. The City and the PEC are looking at the next health plan whether through the GIC or through a GIC-like plan, such as BC/BS, Tufts Navigator, etc. As part of the regularly scheduled health advisory, they're meeting with the PEC this Wednesday. They're examining all the options available. However, in the event they can't come to a resolution on which direction is in the best interest to all employees and retirees, they need time to convene the panel and go through that process especially if they want to go into the GIC. They need ample time by March 1<sup>st</sup> that the City wants to join. They have asked that this meeting to go forward working with the PEC. **Mr. Bain** stated they're not saying its only one way. They present a proposal, the PEC who can say yes or no; and there is that resolution. **Councilor Theken** asked about the specifics of the plans and would they have an opportunity to review it. **Mr.**

**Bain** stated right now they're with Harvard and will submit a renewal plan and GIC 7 "like" plans out there. This is a negotiated thing with the PEC. If they stick with this or a GIC look alike they'll have one insurance with the same throughout. If they go to the GIC there are 7 plans to pick from. **Councilor Theken** stated not all doctors take the GIC plans. It is at what expense if they can't services at their own local hospital. If they go out of network it is double the co-pays and costs. Some physicians are tier two networking. She is having difficulties with retirees with GIC. Her concern is what they're giving the employees. **Mr. Bain** stated the GIC is an option. It isn't that they have to do it. They have to see what the best fit is for the City. That is why they will present what the consultant brings in on Wednesday to the PEC. **Councilor Theken** questioned why they would put the power on one person. If they pass this law, is this Mayor or any other to decide for the whole City. How is that person going to negotiate and inform them all on what is best for them? **Mr. Duggan** stated this is one of the tools in the box. They still have the negotiations with the PEC. It only comes to a situation in which they are at complete odds. Do they exercise the option of the panel and make a binding agreement. **Councilor Tobey** stated right now it could go on for months. With this it is a 30 day window; if they hit the wall, if the Council adopts this. It then gets referred to the three person panel. He asked what happens. **Mr. Bain** explained the three person panel; one from City management, one from PEC one from the State review the proposal submitted by the City and by perhaps by PEC at the beginning of the 30 days, and then they decide. Is there a savings vs. the current plan and the most popular in the GIC? If there is a 5% savings over that, they will agree with the proposal by the City, say. The City has to vote the savings realized to the employees. They have to leave retirees alone for three years. Generally it is a health reimbursement account, options are available. Several cities have adopted this, noting Somerville did. They didn't use this panel option. They went into the GIC under Sec. 19 which is still available. They are a different county and also have more high risk. They're getting quotes on Fallon also. **Councilor Tobey** asked about the City plan vs. the GIC plan and does that GIC provide diminishment of the use of the local hospital. **Mr. Bain** thought that is one hospital they prefer. Lahey is considered a Tier 3, higher co-pay which has to be negotiated. **Councilor Theken** stated they tier the hospitals they can use like they tier drugs. She expressed that while they save on the insurance they'll lose in higher deductibles and higher co-pays. When they do make a decision who does it help out? The last administration didn't understand that Essex County is a high tier risk. She applauded the Administration for doing something. **Councilor Mulcahey** stated this insurance will be for everybody, City, Schools, retirees. **Mr. Bain** confirmed that to be the case. **Councilor McGeary** posed that supposing they go to arbitration. That is decided and health insurance is in for a period of time; the next time it comes up are they bound by that. **Mr. Bain** responded they sign up for the GIC for three years. It starts all over again after that timeframe, and they then negotiate. Otherwise it is a negotiation with the PEC each year. **Mr. Duggan** distributed a chart of Health Insurance Rate History (document placed on file) which he reviewed, especially the percent of increases. Every year there was an increase over the past decade. **Mr. Bain** stated cities and towns; municipalities must provide health insurance for their employees under c. 32B. It is mandated. Another mandate is that they must submit a balanced budget. The most difficult thing to afford each year is to pay the ever increasing insurance bill. **Councilor Mulcahey** stated they're paying more and getting less. **Mr. Bain** stated thanks to the Health Insurance advisory board and the PEC they got a .71 decrease last year. The PEC is the advisory board and will stay until it is repealed and is working very well. This is something that may never be used. **Councilor Theken** asked when the GIC picked up again. **Mr. Bain** stated they found the money. Somerville, Medford, Springfield, Lawrence went into it involuntarily. Arlington is in. They may not use this in order to come to an agreement. It would be a good thing to have in case they get into a dispute costing them more and more money. **Councilor Theken** asked if the GIC can offer individual plans vs. paying a family plan. If they go into the GIC there would be a cost savings for some savings. **Mr. Bain** stated there could be a cost increase. **Phil Bouchie**, Co-Chair of the PEC commented this appeared to him to be pushed very fast. He contended it is not a 30 day negotiation process, but a 30 day process. The unions have to be notified by 7 days for a special meeting, some five. He asked why they can't wait until after Wednesday. **Councilor Theken** stated that it may not be that they vote on this tonight. She also asked why this is going so fast. **Mr. Duggan** stated the City and the PEC is examining the GIC and various health insurance plans. They need to provide ample enough time to join the GIC if that is the option they want. That is 60 days away. To convene the necessary meetings, they need to do this to review the GIC plans. The GIC told them told them not to come after March 1<sup>st</sup>. **Councilor Theken** confirmed that to be the case. After that window it is gone across the whole state. **Mr. Duggan** couldn't stress enough that this is just a tool hopefully never to be used. If they are at an impasse, this provides a neutral party to make a binding decision, what is best for the entire City. As to retirees, there are two points remain constant. Whichever ruling comes forward 25% of the savings must go back to the employees for the first year only. Moving forward for a term of three years, they are prohibited of

raising current and past retirees and future if someone retires during that three year period. **Mr. Bain** stated the retired teachers would come with them. They become part of the City's plan and is the law. If they don't go into the GIC, they stand pat. They don't know what they'll do yet. **Councilor Theken** stated when they argued with the retired teachers, the reason they took their retirement, was their health insurance and said they'd leave them be. Some have been retired 15 years. They've not had an increase in Social Security. If they get any kind of big increase they won't be able to afford their health insurance. They forced the retirees to take a Medicare plan. **Mr. Bain** stated they City picks up part of that. That, **Councilor Theken** stated, is \$350 per person. They took the contract and retired and understood that they'd grandfather them into their healthcare. **Mr. Bain** stated the retired teachers are in GIC. That was the percent set by the State. **Councilor Theken** asked when that City Council was. They grandfathered the teachers in. **Mr. Bain** recalled there was a motion to take them out of GIC and the Council defeated that and they stayed in the GIC. They were paying 10% at the time. **Councilor Theken** asked Mr. Duggan for that information for the Council tomorrow. **Mr. Bain** stated of those in this GIC there have been no cities going to the state for resolution. It is seven or eight communities. Arlington adopted this July 13<sup>th</sup>. There was no dispute. **Councilor Hardy** stated even if the Committee recommends going with this adoption they can schedule that vote after the holidays. If they schedule this vote around the first meeting, January 10<sup>th</sup> or 24<sup>th</sup>, they wouldn't be rushing it. At least they'd know there will be a vote and when it goes before them the Council either votes up or down. **Heidi Fialho** asked about the question of retirees would they still contribute 10% with the GIC. **Douglas McArthur** clarified there were about 246 under the GIC. There was a Council vote to keep them there and separate. **Councilor Theken** asked if there was a percentage. **Ms. Fialho** stated they are separate it is not a merge. If they are already in it, they're not covered by the municipality. **Mr. MacArthur** stated if they do go under the GIC as a City, everyone comes under the GIC. **Mr. Bain** stated he would clarify that for the Council. **Ms. Fialho** contested the assertions made about retirees. **Mr. MacArthur** stated when they go into the GIC to a plan of 75:25 and when you're accepting that when they come from 90:10. They had this and grandfathered them in so they weren't touched. They have to relook at it so they don't find themselves in a difficult situation. New teachers are in a scale of 15:85. They stayed at their rate of pay according to **Councilor Theken**, so they can get their insurance. **Councilor Tobey** asked for clarification. **Mr. Bain** believed they stayed at 90:10. If the City went GIC it changes, they will get dragged in. Right now they stand pat. They have to put them in by law into the GIC. If they don't go into the GIC, they stand pat. **Tom LoGrande** asked regarding going into the GIC, the decision to implement that Sec. 23 is not subject to bargaining. The Mayor puts that in place, they're not subject to collective bargaining. **Mr. Bain** thought they do. **Mr. LoGrande** thought it lays out the parameters, "the decision to implement in subsection G on Sec. 23 on page 7 of 8 shall not be subject to collective bargaining which gives the Mayor the authority to put everyone into the GIC. **Mr. Bain** read Sec. 21 aloud; and explained that is the notice to the employees and the other hoops they have to jump through. The decision to implement is not subject to collective bargaining. **Councilor Theken** thought Mr. LoGrande was right. If the GIC plan is right, the Mayor has the right to go in without collective bargaining. This is the purpose to get out of union collective bargaining. They still have a committee. **Mr. Bain** stated they still have to negotiate with the PEC. **Mr. Bain** quoted Sec. 21(b) page 3 of 8 and subsection (c). What they're reading is correct after they get through Sec. 21(c). After that is done the appointing authority could exercise joining the GIC. They have to decide that. **Mr. LoGrande** stated it is one sided decision. **Councilor Tobey** stated it doesn't have to be the GIC. Right now it is Harvard. If the best deal is BC/BS, go through the 30 day process then they would go to the next panel if no closure. **Mr. Bain** stated if GIC is a good deal they should do it. If not they should not. **Councilor Theken** asked why they're here then. **Mr. Bain** stated if they come to an impasse where they can't get through; they have a dispute resolution mechanism in place. **Councilor Tobey** stated the problem has been that you can't change plans unless the bargaining process succeeds which can go on or they agree. This does give management rights it did not before have with a State board looking over the shoulder of the Mayor or whoever the executive is. **Mr. Bain** stated if it is not a reasonable proposal they'll kick them out. He thought this a reasonable compromise. He didn't think they'd likely need it; but it is a fail safe. They don't want to negotiate forever. **Councilor Theken** stated part of pay is based on health care, what is paid and what comes back in services. A difficult union could hold them up until they get what they want which could cost the City a great deal of money. Insurance companies know they have to go through this and doesn't care and can charge extra amounts and convince the unions. This is the State saying that they can't hold municipalities' up. The Commonwealth mandates health insurance; but also allows them to say that they have a high deductible and will micromanage their lives and not allow them to go out of network. They negotiated with the insurance companies to say what is going to be offered. She checked the GIC plans; and they are comparable to what is out there now and the deductibles and co-pays aren't too bad. If they go to a non-GIC, she'd have a concern.

The Tufts Navigator plan is great for Somerville but not necessarily to the City. She is not worried about the insurance plan itself; but is worried about not going to the GIC and going to a non-GIC plan with a savings of say, \$250 and the second year they're stuck with catastrophic insurance. She expressed the concern over the 30 day window; to get all the unions informed, etc. They will have an open window of 30 days and then the Administration can make a recommendation. The past Administration looked at numbers. They didn't look at what was offered in terms of benefits. Her concern remained for the 30 day window. **Mr. Bain** stated that is if they are at loggerheads and having a dispute, they'll have more than 30 days to review a plan that comes forward. Open enrollment is July. They have already started looking at prices and contracts. They won't make a proposal in 30 days. **Mr. Towne** thought that was that once they receive notification the 30 day clock starts. **Mr. Bain** stated under Sec. 19 they have time to negotiate. **Councilor Tobey** commented as to the extent how the statute works, looking at the MMA timeline it lays it out simply and clearly and asked it be given to the Committee and the audience.

**The Committee recessed at 6:59 p.m. The City Clerk passed out copies of the Municipal Health Insurance Reform Legislation and Regulations Timeline dated October 2011 from the MMA. The Committee reconvened at 7:07 p.m.**

**Councilor Mulcahey** stated if they adopt this, they can abide by it, the Administration and if they run into a wall they can go with the law. **Councilor Tobey** stated the Administration could bargain for as long as they want or could follow this tight timeline process. It is a "cudgel". **Mr. MacArthur** stated he sat for 20 years on the PEC. They pushed through a lot of low rates. They as a group on that Committee worked together what was best for the employees and the taxpayer. It is throughout the State with the health insurance. It is the hospitals, doctors with the high rates. He didn't feel unions should be blamed. There is a problem; but it came up because times are hard. They brought the companies in and he was the spokesman and met with them individually. They asked for management to come in so they had the decision-makers present. He asked them to go to underwriting, and they did better. He believed they have to work together and go places. **Mr. Bain** reviewed the MMA timeline with the Committee. **Councilor McGeary** commented during the review that the 30 days doesn't start until there is an impasse. **Councilor Tobey** commented if the panel declines the proposal, they're back at square one. They start over. **Mr. Bain** commented they could withdraw from the panel process if they choose. They "turn into a pumpkin" by June 30<sup>th</sup> or well before that time. **Mr. Towne** commented it is before they set a budget. **Councilor Theken** reminded them of the GIC is a deadline of March 1<sup>st</sup>. **Councilor Tobey** asked how that fits into the Administration's being before the Committee. **Mr. Bain** stated the GIC offered three dates, normally one. The last date they can do is March 1<sup>st</sup>. That will set them up to go into July 1<sup>st</sup>. They would have to be able to go at that point. It all has to happen by March 1<sup>st</sup>. They have to invoke this by January 31<sup>st</sup>. They have to look at their meeting on Wednesday. They may not need this. **Councilor Theken** understood if they don't make the GIC March 1<sup>st</sup> they can join the following year. **Mr. Bain** stated they're rushing because they want all their options open to them. **Councilor Tobey** stated if they tell the GIC they're going in March 1<sup>st</sup> and another plan comes in through public utilities can they withdraw if they haven't signed the contract. **Mr. Bain** stated until they go in and sign, they're free to pull back. They have to sign up within 30 days of that point. **Mr. Duggan** would find out exactly when a contract has to be signed after indicating they would join the GIC which they would be in for three years. They would finish out the year with Harvard. **Councilor Tobey** asked about the GIC cycle and what it looks like. It could be a great first year and awful the next two. **Mr. Bain** stated they've been consistently lower; it is not "awful" insurance. They have a big group. Each time a municipality goes in it becomes more powerful. People save money. They have ideas on what people pay and don't pay for which is the tradeoff. **Jayne Morse** stated she felt they are negotiating for the PEC. They meet monthly with the City. In October they asked for bids for other insurance. Nothing came into place. They got notification two weeks ago about the PEC meeting on Wednesday. They've not had the ability to review anything. She felt the union PEC committee should have the opportunity to go over the proposals before any decisions are made. **Mr. Bain** stated whether the Council approves this or not doesn't affect their deliberations. This is another tool only. They will stay with the Sec. 19 Committee, but if they can't agree, at that point this is the dispute resolution. **Ms. Morse** stated the point is that they're not getting a chance to review the proposals and asked for that opportunity after Wednesday and then ask the Council to adopt it. They're not giving the PEC Committee a chance to see the proposal. **Mr. LoGrande** reminded the Committee that with the negotiations, this has held up the budget. There is a mechanism that they negotiate as equal partners; the other is a "big stick" hanging over their head. It streamlines it. If someone doesn't agree they can force them to do it. He felt the unions helped to look for creative ways to save money. Any increase is

an increase to him also and wants the best for his family and wants to have a say at the table. **Councilor Theken** asked what makes them think they won't have a sway. They can appeal. **Mr. Towne** commented once it is done it is done. **Councilor Theken** referred to the fourth page of the MMA document, in which all has to be within 30 days. If they were negotiating with Tufts on their own realistically they're stuck. **Councilor Tobey** noted Mr. MacArthur explained how it works. **Mr. Bain** stated four plans are coming in on Wednesday and are serious about it. **Councilor Tobey** asked if Councilor Hardy would call a special meeting the following Tuesday on December 20<sup>th</sup> for that purpose for a public meeting which she said they could. **Mr. Duggan** asked what the intent is. They'll have the meeting on Wednesday and see what happens. **Mr. Bain** added it could be moot. **Councilor Tobey** stated they may need the Council to implement this option. **Mr. Duggan** wished to avoid what they went through what they did in the last Budget season. **Councilor Theken** thought it wasn't impossible to get it done by March 1<sup>st</sup>. This is not saying she wouldn't accept it. It doesn't mean they can't be done by March 1<sup>st</sup>. If they have 30 days they can get the unions notified and it all done by then, and all is happy, they're in January and can't get it done by March they're giving up working together. If they were meeting with them Wednesday, they should have met with them before this. She asked everyone to be notified about this. She understood how hard it was to do the budget and didn't want to put the budget team through that. If they're going to do this she wanted to do this right. She asked if they've looked at the numbers of what it could be in the budget. **Mr. Bain** stated they put out for bids and they'll hear it Wednesday. **Councilor Theken** stated it should not have come forward to the Council now. It should have waited until after that Wednesday meeting. They're worried about their families vs. a 2% raise. Healthcare is the number one seller for all contracts. They have comparable insurance. The GIC is not bad but they haven't looked at it yet. **Mr. Bain** stated they'd like to have the statute available to the Administration. **Mr. Bouchie** stated it could be a three year disaster. **Councilor Tobey** moved for a Special Meeting of the City Council on the subject matter, and **Councilor Mulcahey** seconded that there be a special meeting on December 20, 2011 at 7 p.m. in Kyrrouz Auditorium on this subject which the Committee voted unanimously to do.

**This matter is to be taken up at a Spherical City Council meeting December 20, 2011 at 7 p.m. in Kyrrouz Auditorium.**

**The Committee recessed at 7:36 p.m. and reconvened at 7:48 p.m.**

## ***2. Reclassification for Senior Management Positions/Contract Settlements***

**Mr. Duggan** explained that it was more than a year ago that the balance of Senior Management positions not be brought forward with recommendations. So they don't have false expectations going forward it was being sensitive they need to be able to identify a funding source. A little over a year ago, he didn't feel it was time to bring it forward. Last year's free cash wasn't the time as there were big items that needed funding like the Stabilization Fund, the opening of schools, pay back the pension shortfall. The last budget season was not a good funding source in addressing some of the excessive budget shortfalls. They do have a potential funding source with the free cash. These positions are autonomous to any union. The only relationship to the union is that they follow the GMAA with cost of living increase; those positions get the same amount. A year ago it was GMAA followed suit with step increases to being able to apply that. If someone was hired within the range of their job classification they were stuck until last year. They have expanded the salary comparison for the survey of communities. They have recommended grade changes and shared the previous positions that were incrementally reclassified. This is the position they're addressing not a performance review of the person in the position. The last complete management survey under the Personnel Ordinance, Appendix A, Sec. 4.3 was done was 11 years ago. It was done by an independent third party consultant that did an extensive survey of the classifications in the Personnel Ordinance. The grades were a recommendation with the Personnel Department in comparison to other communities. **Councilor Tobey** commented about the 11 year plan Section 4.3, Appendix C of the Personnel Ordinance that beginning in 1994; the Personnel Director shall review the personnel classification every two years. The Administration doesn't do it, and held with the axiom that anything worth doing is worth doing right. It doesn't say they have to hire a consultant. The one 11 years ago not only did they hire a consultant, they brought in private sector personnel directors on Cape Ann, Varian and Gorton's. That was an approach where they had three personnel directors overlooking the consultant. He expressed concerns and would not support the adoption at this time because of his concerns which he enumerated. One is an equitable concern. That is a real issue with setting one group of folks who work hard for grade adjustments in the same year that they took another group of folks that got their pay cut by \$2 per hour,

which he believed is a huge inequitable path for the City. There has been no public discussion on it. The second concern is that there are 15 positions on this list. It is not about the people. Of the people on the Administration's list, 13 of the 15 are not at the top step. There is room to do the right thing on the occasion of that happening. The third point is the process. They've been doing this piecemeal. There has not been a comprehensive review according to the Code of Ordinances. It needs to be all these positions outside of the union and can be done while the free cash is still available so that adjustments can be made. He would say shame on the Council if it happened again that a job goes immediately to the top step as it did with the DPW Director position. **Mr. Bain** stated he understood the first point. They are in negotiation with that particular unit. They settled with the "B" unit. They're at loggerheads with "A" unit. It is something that he believed could be settled. If that happens, the intent of the Mayor prior to June is to repay the \$2. **Councilor Tobey** stated they can do the right thing; they're talking fairness. **Mr. Bain** stated they're almost at closure with that unit. As far as the surveys are concerned, they've not hired a consultant for this for funding reasons. They do the benchmark every year. **Mr. Duggan** stated the people in these positions have done an outstanding job throughout and not recognized in any reclassification. Responsibilities have increased with less staff. They continue to do that with the support of the Council. The data before them clearly shows the positions are out of sync to other communities. In regards to Councilor Tobey's assertions, he understood it could be done expeditiously with a third party; but they have positions in the legislative body are under the Council's direct purview. They define the roles and responsibilities with the assistance of Mr. Bain. It is up to them to where they're going to place those individuals on the pay scale. The executive side should not have a say on that. To condemn them for the placement of a particular individual, he didn't agree with the Councilor's position. They have the right to do that. **Councilor Theken** stated the highest grade is a 12, what is the incentive to do better once a position reaches that point. **Mr. Bain** stated it is their professionalism. **Councilor Tobey** felt would be wrong if they single out their own for grade adjustments and not deal with the other side of the corridor. They have time. **Mr. Duggan** took responsibility for it. At the time they thought it was the best way to make an investment. They supported the reorganization of the DPW last June and at the direction and the suggestion of O&A they want to recognize the rest of the senior level. He didn't want suggestions to tease apart the positions. They either take all or none of them. **Linda T. Lowe**, City Clerk spoke about the separation of legislative employees. She noted Sec. 4.3 of the Personnel Ordinance requires the study. She challenged that there is no break out whether you work for the City Council or not according to it. A study in 2010 by the Administration in the O&A records includes the City Clerk position. It should not be broken out. She contended that when that study is done, there is no basis to separate them. The management study is done as a requirement by the Personnel Director for everyone who is non-union. It has never distinguished the difference for the purpose of establishing the grades. **Mr. Duggan** asked can the City Council reclassify the City Auditor's and City Clerk's position. **Councilor Tobey** stated they could. He recalled the fall of 1995 the City Clerk was seeking to do just that. The veto was overturned. **Ms. Lowe** added it is the Personnel Director's task. **Councilor Tobey** stated they can't even if they wanted to. **Mr. Duggan** stated if the legislative body wants them included they can. **Councilor McGeary** felt this is not a comprehensive overview. The City Clerk and City Auditor should be included. They're saying this is not comprehensive and this is what they can do with the 15 jobs. It doesn't address Councilor Tobey's objection. This is still piecemeal. **Councilor Theken** asked what the Confidential Secretaries are. **Councilor Hardy** noted that no one on the legislative side was included. She asked they be included or none. She asked who they were which was explained to her by Mr. Bain. She stated she had inquired about the person on the legislative side and that person was added. The Confidential Secretaries in the Administrative proposal is now four and the Confidential Secretary on legislative is the Clerk of Committees noted as separate and the Confidential (1) is the position that was reclassified at the time of the MOU for member of the DPW. The Councilor contended that the legislative secretary is a confidential secretary. **Mr. Bain** explained some of the history of that position to the Committee. **Councilor Theken** thought they did the Health Director and upgraded that position; but had no pay to give them because they didn't have it or their pay was higher than their grades. **Mr. Duggan** thought the Health Nurse was under the GMAA. **Mr. Duggan** stated raises have been given. The contracts are not all settled. **Mr. Bain** stated there are three that are unsettled. **Councilor Theken** agreed about the upgrades but would they be able to give them increases. **Mr. Duggan** stated the money is there in free cash. She thought they took money out of free cash for these raises. **Mr. Towne** stated they estimated money in free cash. They have the money to appropriate out of free cash. **Councilor Theken** noted M12 is the highest. That is all by the survey. They left out the three legislative positions; do they put it all in. **Mr. Dugan** stated as a legislative body, they decide where those positions are placed in the classifications. **Councilor Hardy** believed if the legislative side decides to change their side, pay grades increase, they have to get permission of the Administration for free cash because they have to fund it

through that mechanism. **Councilor Tobey** stated that speaks to the Council doing it on their own. He'd rather they didn't back into it. **Mr. Duggan** stated the Council can make the determination but **Councilor Tobey** stated they could, but it would be in a vacuum. They could work off the comprehensive plan their duty bound to do. This is recruitment, retention and moral. It is also the law. It doesn't have to be a consultant. He urged Mr. Bain get a couple of peers, a couple of HR directors locally, don't just stick with the narrow list of places and do the comprehensive approach for everyone at once. They could do it in three months. He wants to vote for a plan and values these people. If done right, they'll have his vote. **Councilor Theken** asked if they could backdate their pay. **Mr. Bain** stated they could. **Mr. Duggan** stated they were clear, that when they open the personnel folder nothing fell out. Their priority is the annual reviews. They have been done every single year by Mr. Bain's office. **Councilor Theken** asked that they compensate those people. Now they have the money and felt they should give these people what they deserve. **Mr. Duggan** asked they give them the raises now, do their reevaluation, and "kick" them into a higher reclassification. **Councilor McGeary** asked if they get a raise now, once they pass the ordinance change, they would go to the new level. If it is data driven it would be funded by the Council. **Councilor Theken** wished to be sure that they do that study. She had no problem giving raises if she could. She felt other Councilors would feel the same way. **Councilor McGeary** also asked for it as did **Councilor Hardy** for the study. If they have the study, will they receive back pay? **Mr. Duggan** would put it forward. **Councilor Tobey** thought they could get this from the MMA. **Councilor Theken** asked they review the legislative positions too. **Mr. Duggan** asked if they can establish the public hearing now for a later date. **Councilor Hardy** stated, "No", and asked they get the study done first. **Mr. Duggan** stated they could continue this. If they're not satisfied with the timeline, they could continue the public hearing. He was looking for a deadline for the comprehensive survey. **Councilor McGeary** asked how many people they are talking about. **Mr. Bain** stated it would be all the people on the list. **Mr. Duggan** stated it is 18 with legislative. **Councilor Tobey** looked at the MMA website and saw that the MMP has it on line. He asked they do the rest of it. **Mr. Bain** stated they'll get an independent person to help them. **Mr. Towne** asked about the definition of comprehensive and what did the Councilor interpretation was so that they are all clear as to the end product. **Councilor Tobey** asked they go back to the 11 year old plan and see what the benchmarks were and show that they did that and redo the plan to reflect this currently. **Mr. Bain** stated he did that; they took their benchmark surveys of the communities used over 15 years here. **Councilor Tobey** asked they make a determination of what their own benchmarks are. He asked they also benchmark the Mayor's position and get that dealt with finally. **Councilor McGeary** asked if the Administration sees a downside to that. **Mr. Duggan** was concerned about that definition of "comprehensive". He didn't want to come back in a month to hear that it wasn't the Committee's definition of comprehensive. The 11 year old survey was extensive. **Councilor Theken** stated there were 18 positions in front of them and to include the Mayor. Then if they did their work they'd have their files. Beverly has five people, we have one. Your CFO has 15, Gloucester has three, say. She stated they've cut back many departments and others haven't. The Administration needs money for the three outstanding contract negotiations; and they'll take it out of free cash. **Councilor Tobey** stated there is another consideration besides population, comparably sized square miles; road miles and median income. These benchmarks don't capture a water system, a treatment plant, water treatment plant that other communities don't have that. Malden, Wakefield, for instance have other things going on. He asked they be more expansive in their approach. **Mr. Bain** stated they'll pick up more communities. There are no two communities the same. **Councilor Tobey** stated the City Council in Boston has nine Councilors and that is comparable to what the Gloucester City Clerk has to contend with. **Mr. Towne** gave an example of the MIS Director. He helped establish the Stormwater funding mechanism. He is a solutions oriented person. He fixes the programmers mistakes. Other communities don't have that. The City staff does more than many other communities' staff because they have to. **Councilor Theken** felt when it does go through there will be retroactive pay. **Councilor Tobey** stated it could be. He asked they fix the custodians' situation. **Mr. Duggan** stated they'd pay them 30 days after the ordinance is voted. It could be the middle of February. **Councilor McGeary** suggested that once they've identified the methodology, he asked they run it by Councilor Tobey so they're not blindsided. **Councilor Theken** would hold a special meeting for it coming to O&A, assuming she is chair. They put it out in the Mayor's Report she'd do that special meeting. **Councilor Hardy** noted the previous management survey that was in 2010 they plugged in 2011 salaries; she asked they plug in the 2012 actuals. **Mr. Bain** stated they could. **Mr. Towne** stated they'd be comparing them against other salaries in other communities that lag behind a year. He would check to be sure. **Councilor Hardy** speaking to the personnel ordinance noted there is an Appendix A reflecting the positions in there under the old structure of what the old pay grades were. There are a lot of positions that have gone by the wayside and perhaps they should look at revising the whole ordinance. If they're changing things she asked they do the whole thing at the same time. **Mr. Costa** asked at the next

O&A would they be discussing each position, should he be prepared to discuss his role. **Councilor Theken** stated it is not a job review. **Ms. Lowe** stated communities are not always comparable and may have little to do with what the City management actually does. They need a job description subject to the Personnel Director's review. If you have that information in front of them they'll have a better idea of what those positions are. **Councilor Hardy** believed that the survey in 2010 was done at the behest of B&F regarding the DPW reorganization that is why this criterion was chosen, and perhaps other criteria should be chosen. **Mr. Bain** stated they want comparable salaries in comparable communities, in terms of responsibilities, people they supervise, the size of their operations. **Mr. Costa** noted the CPA is not in all communities. Some services are contracted outside in some communities. O&A doesn't need everyone to come to O&A. They should be putting it into the individual's personnel file. Councilor McGearry would do his research and the information should go to him. **Mr. Bain** thought there was a need for an independent consultant. He believed he would need one. They have done what they have done so far and want someone with an independent eye. Councilor Tobey thought they could get someone from the MMA to come down and resources where they won't charge them. **Councilor Theken** thought they could get this done without hiring someone. **Councilor Tobey** moved this matter be tabled pending receipt of an updated comprehensive compensation plan as discussed at this meeting was seconded by **Councilor Mulcahey** and was voted unanimously by the Committee.

**This matter is tabled pending a receipt through the Mayor's Report to the Council of an updated comprehensive classification/compensation plan.**

**A motion was made, seconded and voted unanimously to adjourn the meeting at 8:45 p.m.**

**Respectfully submitted,**

**Dana C. Jorgenson**  
**Clerk of Committees**

**DOCUMENTS/ITEMS SUBMITTED AT MEETING:**

- Health Insurance Rate History from Jim Duggan
- Municipal Health Insurance Reform Legislation and Regulations Timeline dated October 2011 from the MMA