

CITY COUNCIL STANDING COMMITTEE

Ordinances & Administration

Monday, August 9, 2010 – 6:30 p.m.

1st Fl. Council Conference Room – City Hall

Present: Chair, Councilor Theken; Vice Chair, Councilor Ann Mulcahey; Councilor Paul McGearry (Alternate)

Absent: Councilor Tobey

Also Present: Councilor Verga; Linda T. Lowe; Jim Duggan

The meeting was called to order at 6:30 p.m. Items were taken out of order.

1. *Continued Business*

- A) CC2010-036 (Tobey) (a) Rescinding for FY12 Budget Cycle the CSO debt shift enacted on May 25, 2010, and (b) instituting a stormwater fee system pursuant to the ordinance enacted September 2009

Councilor Theken stated while all the players were not there this evening, she asked Mr. Duggan to bring information forward in order to continue the conversation. She wanted to allow the Councilors present to ask their questions so that the answers can be gotten for them.

Mr. Duggan noted they will begin their meetings again, with the Chair of O&A an integral part of that group. Once they have “teased” out the drafts that were before them (Documents submitted prior to the meeting and on file); they’ve gone through Legal; through the necessary departments; they will start the standing meetings again to also include the Chair of B&F. At those meetings they’ll work through the issues of the fee structure as to how it will be determined; whether a flat fee or based on imperviousness; the difference between single-family homes vs. multi-family homes. He noted he’d also committed to an October 4th date for a joint meeting of O&A and B&F to go over the fee structure for a round table discussion on the formula, how they got there. It was their commitment to move forward to set this in place for July 1, 2011. They also have to go through a testing phase to make sure it’s being done fairly and equitably. He assured the Councilors the matter was not languishing.

Councilor Theken stated there were no missed meetings on anyone’s part. They did accomplish a great deal in them where they hash out the issues. She advised more meetings on the matter to Mr. Duggan. She does her own listening and research realizing many citizens don’t understand the issue still. She advised some ward meetings to clarify the issue for the public. She suggested they ask members of the public to come to these meetings because they’re confused. She wanted citizens to know they’re working on this. Many were hurt that they did what they did a few months ago. They did approve it at the last City Council. She does understand Councilor Tobey’s issues with this matter and why he brought it forward again. She felt it wasn’t because they didn’t try, but they didn’t have enough to go by. There were just too many questions that needed to be answered to get to the fee. What do you do about multi-families; what do you go by for them to determine the fee. What about non-profits; and more. They met every Tuesday for eight weeks. Then they came up against budget season and had to do something. She related she was disappointed they had to act at that time. The Mayor was in agreement publicly. They have to come up with the money somehow. The Mayor said whatever they want, she’ll support. She wanted the documentation to come forward out to the Councilors for their consideration and asked for their questions via email to either herself, to Mr. Duggan, or give them to the Clerk of Committees or the City Clerk; urging they talk to their constituents. She asked them to come to the meetings. Everything in the two draft documents presented to the Council was all that they had discussed in these standing meetings.

Mr. Duggan agreed the biggest challenge after they run the scenarios and determine a formula, will be educating the public. They'll have to make a strong effort educating the public, whether they go to the wards, or one big meeting at City Hall; that will be the biggest challenge. The few communities who have a stormwater utility fee in place in this area told them that was their biggest challenge in this process, and their consistent message was be sure and educate the public.

Councilor Verga asked what the mix of public to private sewer is from other communities.

Councilor Mulcahey asked if Essex was included in this and if the litigation had gone away.

Councilor Verga responded no; and Mr. Duggan didn't know the exact disposition but would find out.

Councilor Theken posed the question how do you charge those people who are not a City water customer, not realizing there were people like that until they came forward. They said don't put it on their taxes; they'd rather pay a fee. They didn't care if they couldn't write it off on their taxes. She explored that and found that when you have extra taxes and have to refinance, it goes onto your escrow and you are given a different bracket. To them, and to the person who is refinancing, it's paying extra. If it's a flat fee, they're done with you. But if not, if you get re-mortgaged, you have to pay your taxes through your escrow; pay your taxes through your mortgage company; and your insurance all at once. And you're paying double. That little extra for everyone else is \$20.00 a month, to someone refinancing, it's \$40.00. So even though you can write it off, you're paying interest on it. She reminded the Committee that not everyone goes through local banks anymore; many go through large, regional or national mortgage companies.

Councilor Verga respectfully questioned Councilor Theken's assertion, based on his experience as a realtor, as far as interest compounding. Usually when they take the taxes it goes into an escrow account.

Councilor Theken stated if you are a bad risk they'll compound the interest. They consider it a liability making it hard to get loans with your taxes going up higher than your ratio.

Councilor Mulcahey added many people have said the same thing to her.

Councilor Verga stated he had people in his ward telling him don't put it on their taxes, they don't mind paying a fee; but he also had people telling him the tax is great. And there are those who say they don't want to pay it at all.

Councilor Theken reiterated this made a case for a ward meeting so that both sides can come out and listen to each other. She also noted, as did Councilor Mulcahey, there was concern about the stormwater utility fee amongst tenants living in multi-family dwellings as to how this will affect them. Seniors are concerned also. It's a difficult situation, but reiterated also they're working very hard on this.

Councilor McGeary asked if they come up with a fee structure that everyone agrees on, that automatically implies a decision on the stormwater fee versus the CSO debt shift exclusion for FY11 or is it two separate things, to which Mr. Duggan confirmed it was two separate things. The Councilor continued asking if it is possible that they might apply the fee to any additional CSO debt moving forward, leaving the debt shift alone and making it a smaller fee to recover whatever CSO debt is incurred beyond that first year.

Mr. Duggan stated that was the intention of why they wanted to do the debt shift now and then moving forward it's the operations and the on-going costs that will be reflected in that fee.

Councilor McGeary asked about any additional indebtedness to complete the CSO project after the first year; a couple of million dollars perhaps.

Mr. Duggan was unable to say for sure.

Councilor McGeary stated this would be dependent upon the waivers from the EPA. So this fee would be for on-going maintenance on the stormwater system, whatever that entails, plus any future indebtedness. We wouldn't shift the debt again for any future indebtedness?

Mr. Duggan responded you could. However, their plan moving forward as they get into more debt the question will come up what will that increase do to the fee; how is that going to look if they go out and borrow, say, \$6 million more, \$10 million or \$3 million; along with the operations.

Councilor Theken noted by doing the shift it decreases the money out of the DPW. It saved that department money. The shift allowed salary splitting also onto this new utility not just out of the budget.

Mr. Duggan stated some people have been split – water, sewer, general fund; for example like Mr. Hale who is paid 1/3, 1/3, 1/3. Ellen Carney, IT's GIS person is paid a percentage out of the general budget and a percentage out of water and sewer. Karen Andrews in Engineering is paid in the same manner.

Councilor Theken stated this way more employees will be split in this manner, thereby freeing up money in the general budget, which should have a long time ago. She also added that they have to look at all the non-profits, and churches.

Mr. Duggan agreed that was yet another issue they need to review as there are 900 of those.

Councilor Mulcahey asked why they can't pay a utility bill which would be easier and just bill across the board to which Councilor Theken responded you can't do one and not the other.

Councilor Verga stated you can't cherry pick and asked if the vision is to come up with a formula to set up a fee. That here's this year's fee but by using this formula next and we have to borrow \$6 million next year, then you redo the formula and spread the indebtedness across the board.

Councilor McGeary reframed the matter by stating that by knowing the CSO costs, now you know how to apportion those costs among the fee payers. if they have a fee (based on a formula).

Mr. Duggan responded that by establishing the formula it has to be equitable and defensible.

Councilor Theken stated the biggest mistake was asking how much it was overall, and to divide it up.

They asked the CFO for a number, he threw out a number, \$50 and that's what stuck in their minds.

Councilor McGeary stated it's still an option, that they could go a flat fee throughout the City as it is not illegal. It was trying to make it fair that created the difficulties. And that is what prompted the debt shift. But what was before them is a stormwater fee; the creation of a stormwater ordinance, which includes the penalty for violating the stormwater ordinance and also the permitting process. All three pieces are part of the umbrella topic. This evening they were talking about a stormwater fee. But all of these things have to be rolled out by the deadline.

Mr. Duggan stated everything will be vetted through O&A.

Councilor Theken stated this will all be continued for discussion. She voted no for the taxes because she didn't understand it completely even though she went to the meetings. She felt they couldn't do this because it was too much. Who would move into this community? But by voting no she felt she was putting her foot down saying they had to continue the work on the matter. If all else fails, she wants everyone to have a flat fee, including the non-profits. Can you do a flat fee and just send out a bill or does it have to be on the taxes. If you do a flat fee, you can't bill the non-profits.

Councilor McGeary responded one has to do the math. As a homeowner if you claim it on your taxes, "Uncle Sam" is paying 30% of your fee. At the end of the day it becomes arithmetic.

This matter will be continued to October 4, 2010 as a one item agenda, if possible.

2. Organizational Chart, Reorganization Plan under City Charter § 7-2(b) DPW Management Structure

The Committee reviewed with Mr. Duggan the changes proposed to the management structure to the Department of Public works with the advent of bringing on a Facilities Manager, due to the consolidation of school maintenance with the City's overall maintenance function. He related that middle management are the first positions to go in tough times but missed the most during those same troubled times. They are introducing this new position into the organizational chart, stating, "the staff is spinning their wheels with no direction." The DPW wants to take the staff brought over from the School Department, as a result of the merger of maintenance functions, to report to a facilities manager. They'll fit in line with the Operations Managers, and any trades people and craftsmen will report to the facilities manager as well as the custodians. Within a month Mr. Hale will come before the Committee with a total redo of his department with more structure with a potential second direct person in charge. As they want to move forward because of this need as stated, they want to move forward to advertise.

Councilor Verga asked about the advertisement, specifically in-house, having seen a couple of notices.

Mr. Duggan stated they did advertising (for an operations manager) when it should not have been which happened when the Personnel Director was on vacation. The salary scale of an operations manager will not get the caliber of person they hope to attract. Those people that have potentially applied earlier internally will be notified and told they will be re-advertising another position and to reapply if they wish.

Councilor McGeary asked under facilities manager is that the subsidiary plan that's coming in. The chart the Committee is working from is just a box with no one reporting to it.

Mr. Duggan stated when this was put forth; the MOU was just recently signed by Mr. Hale on August 4th. When the chart was submitted to be referred out by the Council for the Committee's review, the MOU wasn't signed. So they didn't put all the rest of the staff placements in. Mr. Hale will realign the entire department. The Administration wanted to get a placeholder reorganization in and move it forward.

Councilor McGeary asked if this is a reorganization to be supplanted almost immediately by another reorganization plan – only to put the facilities manager position in the organization chart. This is an org chart to be voted on that evening and will be replaced when Mr. Hale comes back with a more detailed revamped chart. This is not the final version.

Mr. Duggan agreed and that this would be a placeholder for the facilities manager so they can start the process while Mr. Hale evaluates the entire department and brings about a whole reorganization. He believed calling the chart before them as a reorganization chart was inaccurate technical term.

Councilor McGeary stated it seems to be a technical necessity to have an organizational chart in order that they can vote on it.

Councilor Theken stated this is so the ball can get rolling; the "square" is drawn on the chart so we can have this position now. Now Mr. Hale will come back with a new organizational chart they wouldn't have to redo this and go through an approval process again. He would be informing everyone of who was in each of those places, as in who's going to be doing what.

Mr. Duggan stated his agreement noting under the City Charter you have to approve a reorganization of the department, which is basically what will be coming forward in the very near future. When they start shifting alliances or responsibilities of individuals then that has to come before the Committee as part of the City Charter.

Councilor Theken stated this really isn't reorganization. This is really to put a position in place. When they come before the Council it should be made clear to them that this is a technicality to get the facilities manager in place – that this is a position that is the gateway to the reorganization.

Councilor McGeary noted under the Charter it is technically reorganization because you're adding a new position, and they have to approve it, even though they'll almost immediately approve another organizational chart; it is a step that has to be taken.

Mr. Duggan stated they're taking the people in the school department, the custodians, the trades people; they're going to have someone to report to. Right now because there is no facilities manger, these people report to the Superintendent. That is part of the MOU. They are supplanting – they are putting the facilities manager in front of the Superintendent. Nothing has changed as to their duties for the people working in the schools at this point. A reorganization chart will come to them within 30 days. It will show more detail as to whom reports to the facilities manager, and perhaps take an operations manager and shift him into another position so that they may report to another person instead of reporting directly to the Director of the DPW.

Councilor Mulcahey asked that the people under the facilities manager will they still be in the same union.

Mr. Duggan stated there are two separate unions, one on the school side and one on the City side, both AFSCME. They're negotiating currently. That union will be reporting to the facilities manager. The hope is they'll merge into one AFSCME body which would be the ultimate goal. He was unable to share with the Committee at that time how they get there; how it's negotiated.

Councilor Mulcahey stated there's a lot that janitors won't do and they're not allowed to do by union rule; how will they get around that? They're going to be doing more work than before.

Mr. Duggan stated that will be part of the union negotiation. They have trades people they have to consider, also a part of the union negotiation.

Councilor Theken stated as of right now they have no idea who will go under the facilities manager.

Mr. Duggan stated the trades people and custodians will be. This position will stay. It will not go away.

Councilor Theken stated as of now they were not able to say who would come under the supervision of the facilities manager.

Mr. Duggan responded they are shifting the custodians, trades people that have historically worked in the school department. Now that the DPW has taken on that responsibility and the MOU is signed, he anticipated they'll stay with the facilities manager. He assured the Committee that the facilities manager position was "here to stay".

Councilor Theken replied she didn't want to put something in and see it switch over in the reorganization.

Mr. Duggan felt he could anticipate that all of the reporting of the maintenance and trades people will stay with the facilities manager. They want to address all the controls of the grounds and buildings. In melding the two AFSCME unions, ultimately they'll report to the facilities manager.

Councilor Mulcahey asked how many people they were talking about.

Mr. Duggan stated as it stands from the school department it would be approximately 28 people now, as the organizational chart they have presented now with the two separate unions. When the unions meld there will be an increase. There are other custodians from the Council on Aging, at City Hall, at the Police Department. Any time City building or grounds are involved, that maintenance will fall under the facilities manager.

Councilor Theken asked if all these will report to the DPW Director.

Mr. Duggan replied yes, as it stood now. That potentially could change in the reorganization when Mr. Hale comes back in approximately a month in terms of management. Mr. Hale needs to have a person who he can designate when he is away to be in charge, which is not in place at this time.

Councilor Theken stated Mr. Hale has more responsibilities and asked is the facilities manager the our budget, the whole package.

Mr. Duggan confirmed that to be the case. It was put in when the school side moved to the City side, the facilities manager was there. It was put in for \$75,000.00. It is an M8, \$63,000.00 to \$75,000.00.

Councilor Theken asked if the division co-exists with the rest of the grades in the division of Public Services manager, division of Public Utilities, were they all M8's.

Mr. Duggan responded he didn't know and would find out for the Councilor.

Councilor Theken stated she wanted to see it all distributed appropriately. She had no problem with the facilities manager and to put it up for public hearing. She felt it was not necessary that every little thing goes to Mr. Hale in his department. There is a need for a hierarchy. She never gets anything that says who is in charge in Mr. Hale's absence. He's on vacation right now but still is answering his emails, commenting that it was unfair to him also.

Mr. Duggan stated the reorganization in the future will define who has coverage.

Councilor Theken asked for names on the reorganization chart they anticipate receiving in the next 30 days. She wanted to know who these people were.

Councilor Verga stated for the record that his brother is a custodian at East Gloucester School and a member of the union.

Ms. Lowe asked for clarification with the reorganization plan. With the second version is that she noted under the charter section there is a tight deadline. You'll approve the first one, knowing you'll be getting a second version. Is this how you want to do it (twice)?

Councilor Theken stated they will approve the first one and then get the second one.

Councilor McGeary further explained that the process has them taking this as if this is the one and only reorganization chart, but they know another one will be forthcoming.

MOTION: On motion by Councilor McGeary, seconded by Councilor Mulcahey, the Ordinances & Administration Committee voted 3 in favor, 0 opposed to recommend the City Council to approve the Reorganization Plan for Department of Public Works Management Structure under the City Charter § 7-2(b), AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.

3. *Job Description – Facilities Manager*

Councilor McGeary noted the length of the job description saying the position supervises crafts personnel as well. They will have more than just custodians under their direction. He felt it was conceivable the reorganization chart would do that.

Mr. Duggan confirmed that to be the case. The director of the department will give the direction to the managers.

Councilor Theken noted they will work under the direction of the Director of Public Works.

Mr. Duggan also confirmed the director of the department provide direction to their middle managers. That is how they operate any City department. That language is standard.

Councilor Theken stated she read the job description and spoke to others hearing their concerns about the academic qualifications of a bachelor's degree with a strong mathematics background.

Councilor Verga stated this was an important position; and thought it was a good job description. For the 8 years he was on the school committee, for three of them they had a facilities director. It was in every budget cycle it was in the budget but in the last round they would have to cut the position. A parent would show up and say don't cut a teacher, cut somewhere else. The Assistant Superintendent, who doesn't specialize in this, was the direct report for these people. The tradesmen, craftsmen and custodians need supervision on a daily basis along with planning the maintenance projects on a weekly basis.

Councilor Mulcahey stated they would institute a preventative maintenance program, and the facilities manager would supervise it.

Councilor Verga stated he had worked in manufacturing companies in quality control and that was the biggest and most important part of their job to have a preventative maintenance program in place. Everything has fallen by the wayside. As the former Superintendent Farmer used to say, "The urgent pushes out the important".

Councilor Theken stated she had to get some expert advice on this. She asked several who thought if they didn't need a bachelor's degree would they qualify. You can have many years experience and be considered without a degree. As long as that's there, everyone has a chance; they won't be overlooked. Other than that, the comments were good. Noting they all want the best for the City, she didn't want to focus just on outsiders but to look internally also. She felt right now the job market was "theirs". The City's pay grades are moving up. Other people are losing their jobs. Now there are people out there who are highly, in some cases overqualified applying for an open position like this that may cause an internal candidate to be overlooked.

Mr. Duggan commenting on the Councilor's comment that the job market was theirs stated the pool of qualified candidates they got for the City Engineer position was phenomenal. They're coming from all over New England to relocate, exclaiming it was amazing the credentials some of these people have now.

Councilor Theken stated with this job market has many people who are over qualified applying for these jobs. She just wanted to be sure that equivalent service was in the description so that someone with an Associates degree, and working for the department for 20 years, going to school here and there, and has been a good employee would be able to apply and be considered. She pointed out Mr. Hale was in engineering with the City and went from there to DPW Director.

Mr. Duggan added Mr. Hale, in addition to an undergraduate degree has a Masters from UMass in Planning and is a certified planner. He agreed that he "grew up" into the position.

Councilor Theken stated many thought when the merger happened that people would lose their jobs. No one from the school side has gone. However, she cautioned them they may have to multi-task and reminded them that past and present City Councilors have always felt that everyone should mutli-task.

MOTION: On motion by Councilor McGeary, seconded by Councilor Mulcahey, the Ordinances & Administration Committee voted 3 in favor, 0 opposed to recommend the City Council to amend Gloucester Code of Ordinances, The Personnel Ordinance, Appendix C, Classification Plan, Appendix A for the job description for a Facilities Manager in the Department of Public Works as presented AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.

4. *Memo regarding the upgrade of the Director of Public Works pay grade*

Councilor Theken stated this is not to decide the pay itself but the pay grade.

Mr. Duggan reviewed for the Committee the recent changes as noted previously in this meeting of the centralization of the City and School Department's maintenance function, as well as the Director of Public Works' many accomplishments, his background and certifications. He referenced a list compiled by him to the Council of salaries of comparable communities with the Committee; the average salary coming to \$108,533.00. He urged the Committee to recommend to the City Council the upgrade of the position from a Grade M10 in a salary range of \$81,465.93 to \$96,374.25 to an M12 pay grade with a salary range of \$98,329.14 to \$116,252.01. He noted the added responsibilities of the position particularly in light of the merger of the maintenance function of the city and school building grounds and maintenance.

Councilor Theken asked if this was in the budget.

Mr. Duggan stated it was, and they budgeted the average salary. He related that if the Mayor feels it should be more than the average, there was money within the budget to accommodate it.

Councilor Theken confirmed with Mr. Duggan they would not be coming back to them looking for more money for this position upgrade. She commented it was she who asked to have this put forward in consideration of what she has observed as well as the most recent changes to the responsibilities to the position of DPW Director. It wasn't just the degrees. It was about keeping someone that good. She couldn't say enough of the particular person now in the position. Mr. Hale stepped into Mr. Parisi's shoes, even for a time was doing both sides, Engineering and DPW Director. He took over; gained the respect of all the DPW workers. There are no more phone calls, "do you know where your yellow trucks are". There will always be complaints about pot holes, etc. But she noted she was even hearing less from other City employees and departments complaining about the DPW. Mr. Hale stepped in and is doing a "fabulous" job. She felt there was always room for improvement; but he has solved so many problems and has made the department work so much more smoothly. It takes a highly skilled director to know he needs help and ask for it and put it in place. If we want the position of the director to take on more burdens, they should increase the pay grade. She exclaimed she'd be the first one to say it has to be done. **Councilor Verga** stated there was an international stereotype of DPW workers. Mr. Hale has stepped into the shoes and done a fine job.

Councilor Mulcahey agreed that Mr. Hale was doing an excellent job.

Mr. Duggan noted what helps him the most is that he has been in the ditch, literally. He's dug the holes; knows what it's like to be covered in mud and water. He had seen him first hand jump into a hole with a shovel and relieve one of his own workers. He's admired by many of his employees.

Councilor Mulcahey spoke of the CSO project and issues some additional flooding in areas in the Fort, and Myrtle Square which she believed was caused by the CSO project with Mr. Duggan responding it was a work in progress.

Councilor McGeary took the point of divorcing the person from the position. He was concerned if and when Mr. Hale moved on they'd be starting the new person at that new pay grade, with a base pay of \$98,000.00. He asked if there was an M11 pay grade and if it had been considered.

Mr. Duggan responded there was an M11 pay grade. But the Administration has been very consistent, setting the bar high. They won't go backwards. When and if they do have to fill Mr. Hale's shoes they wouldn't accept anyone of a lesser caliber who would be worth an M12 pay grade; and that was the Administration's philosophy moving forward.

Councilor Theken noted she understood the Councilor's concern, as with the CFO's position, the City Auditor's position. Gloucester has paid so low for so long the position of DPW Director should have been an M11 along anyway to keep current with other communities, and felt that was why they had to jump two grades now. Even if they go to the minimum of the M12 pay grade or at the average, it was still below what some of the cities are currently paying. Two grades seem a lot. She did the research on the CFO's position and reminded Mr. Duggan how she had asked how many millions of dollars did the CFO save the City. Mr. Hale, when it comes to public hearing will have to do the same, but just by examining the position and how it has progressed, where the position is now based on responsibilities, will make the case for the justification of the jump in pay grade.

Councilor McGeary stated given the responsibilities, he didn't think the pay grade is out of line.

Mr. Duggan stated many of the comparable communities were looked at to see where they came in with pay noting they don't have "one-tenth" of the issues Gloucester has with infrastructure as just one example.

Councilor Theken felt it was important that they respect the person who has been particularly through the CSO situation and hasn't quit on the City yet, and put Mr. Duggan on notice she will ask about the justification for the two grade jump at the public hearing for the sake of the public and City employees' understanding.

MOTION: On motion by Councilor McGeary, seconded by Councilor Mulcahey, the Ordinances & Administration Committee voted 3 in favor, 0 opposed to recommend to the City Council to amend the Gloucester Code of Ordinances, The Personnel Ordinances, Appendix C., Compensation, Appendix B to change the pay grade for the position of Director of the Department of Public Works from M10 to M12, AND FURTHER TO ADVERTISE FOR PUBLIC HEARING.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7: 44 p.m.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTATION/ITEMS SUBMITTED DURING MEETING: None.