



GLOUCESTER CITY COUNCIL CALENDAR OF BUSINESS
SPECIAL CITY COUNCIL
MONDAY, APRIL 11, 2011
7:00 P.M.
COUNCIL CONFERENCE ROOM, 1ST Floor
SCM2011-003

CITY CLERK
GLOUCESTER, MA
11 APR -7 PM 5:49

FLAG SALUTE AND MOMENT OF SILENCE

ACTION

1. Administration's Proposal regarding Early Retirement Incentive
To City Employees

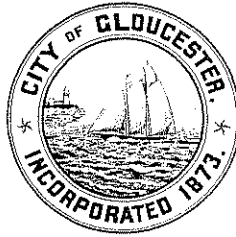
(Refer B&F)

ROLL CALL – Councillor Jackie Hardy

Linda T. Lowe, City Clerk

NEXT REGULAR CITY COUNCIL MEETING, APRIL 12, 2011

City Hall
Nine Dale Ave
Gloucester, MA 01930




TEL 978-281-9700
FAX 978-281-9738
ckirk@gloucester-ma.gov

CITY OF GLOUCESTER
OFFICE OF THE MAYOR

Memorandum

11 APR -4 AM 8:55
CITY CLERK
GLOUCESTER, MA

To: City Council President Jackie Hardy and Members of the Gloucester City Council

From: Jim Duggan, Chief Administrative Officer 

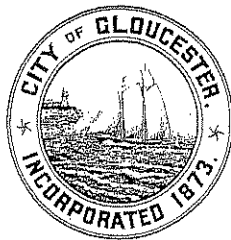
Date: April 1, 2011

Re: **Special City Council and Budget and Finance Meeting**

I respectfully request that a special meeting of the City Council and Budget and Finance Standing Committee be called on Monday, April 11, 2011. The purpose of the meeting is to discuss the funding mechanism for the early retirement incentive recently proposed to city employees. The incentive does not include employees of the school department.


Thank you

City Hall
Nine Dale Avenue
Gloucester, MA 01930



TEL 978-281-9742
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dbain@gloucester-ma.gov

CITY OF GLOUCESTER
PERSONNEL OFFICE

TO: ALL CITY OF GLOUCESTER EMPLOYEES (EXCLUDING
SCHOOL DEPARTMENT EMPLOYEES)
FROM: DAVID J. BAIN, JR. PERSONNEL DIRECTOR 
DATE: MARCH 28, 2011
SUBJECT: EARLY RETIREMENT INCENTIVE

Attached please find an Early Retirement Incentive Plan as offered this day by Mayor Carolyn Kirk. Please review and if you wish to participate submit your intention to this office no later than April 15, 2011.

If you have any questions or concerns please call the Personnel Department at 978-281-9742. Thank you.

Early Retirement Incentive

The City of Gloucester will offer a retirement incentive to its employees who are members of the Gloucester Retirement System.

1. Individuals wishing to participate must present a letter of intent to retire, which will be treated as a resignation, to the Personnel Department.
2. The City of Gloucester will pay the sum of \$9,000 to each participating individual on April 22, 2011.
3. Notice of intent to participate must be received by April 15, 2011.
4. Payouts of accumulated sick and vacation entitlements and pro rated longevity will be paid within 30 days of departure.
5. The last day of work for participants will be April 22, 2011

LAW DEPARTMENT
OPINION

CITY CLERK
GLOUCESTER, MA
11 APR -8 AM 11:03

TO: President and Members of the City Council

FROM: Suzanne P. Egan *SPÉ*
General Counsel

RE: Early Retirement Incentive Offer

DATE: April 7, 2011

This is in response to your request for a legal opinion regarding the legal parameters through which the early retirement incentive may be offered.

On March 28, 2011, the Mayor, through the personnel office, made an offer to all employees that any employee who filed notice of intent to retire by April 15, 2011 and who voluntarily left employment with a last day of work on April 22, 2011 would be paid \$9,000 on the last day of work and paid all vacation and sick time accumulated within thirty days.

This program was offered as a workforce reduction incentive program in response to the budget gap existing for the next fiscal year. The Mayor's office determined that the program would save money and potentially reduce the number of employees who may be involuntarily separated from employment due to lack of funds. The program will be funded from free cash. This program is different from an early retirement program which provides additional retirement benefits to the employees. The only benefit offered to employees by the Mayor is a \$9,000.00 settlement. This should be distinguished from the program offered that was created by the legislature and provided additional retirement benefits. No additional retirement benefits are being offered as the City does not have the authority to do so.

The Division of Local Services provided to the Auditor's Office a 1991 opinion authored by now Judge Harry Grossman stating that a municipality does have the authority to offer a voluntary separation from employment bonus, but that it may not be paid from the salary account as that appropriation is intended to pay for work actually performed. The opinion stated that a supplemental appropriation is necessary to appropriate money to pay for the bonus.

The Mayor has requested that the Council vote a supplemental appropriation for an amount to pay for all bonuses which may be paid. The funds may be placed into an account established for the purpose of paying the bonuses. I have spoken to Don Gorton,

an attorney at the Department of Revenue, who provided the legal opinion. We discussed this issue and he confirmed that the City is following the appropriate process.

Cc Mayor Carolyn Kirk
Jim Duggan, CAO
Jeff Towne, CFO
David Bain, Personnel Director