

Budget & Finance Committee
 Thursday, May 19, 2016 – 5:30 p.m.
 1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor R. Scott Memhard; Councilor Joseph Ciolino; Councilor Paul Lundberg (Alternate)

Absent: Councilor Orlando

Present: Councilor Cox; Councilor O’Hara; Councilor Gilman; Kenny Costa; John Dunn; Mike Hale; Mark Cole; Max Schenk; Dan Smith

The meeting convened at 5:30 p.m. A quorum of the City Council was present until 6:26 p.m. when Councilors O’Hara and Cox left the meeting.

1. *Special Budgetary Transfer Requests 2016-SBT-23, -24, -25, -26, -27, -28, -29, & -30 from DPW For the purpose of alleviating the FY16 Snow & Ice Deficit*

Mike Hale, DPW Director, said that at year end it is the time when departments need to take accounts out of deficit and such is the case with some Snow & Ice accounts. He said because of the mild winter, funds in some of the DPW accounts are available to be moved into the Snow & Ice accounts needing to be made whole.

Councilor Ciolino asked if there would be a deficit for this winter. **Kenny Costa**, City Auditor, confirmed there is a deficit of \$220,311.58 and the eight transfers will clean up the 2015/2016 Snow & Ice deficit. **Mr. Hale** said a mild winter, just below average, and extra equipment, more gasoline, overtime, for instance, wasn’t as needed which enabled the DPW to take care of the deficits through their own accounts.

On a separate matter **Councilor Ciolino** mentioned to the Committee that matters such as this would be appropriate for a B&F Unanimous Consent Agenda for the Council’s consideration, especially during the budget review season. **Councilor Lundberg** also said he agreed a B&F Unanimous Consent Agenda was appropriate.

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the following Special Budgetary Transfers for the purpose of alleviating the city’s Snow and Ice deficit:

2016-SBT-23

From: 101000.10.423.58700.0000.00.000.00.058 DPW S&I Replacement Equipment To: 101000.10.423.52970.0000.00.000.00.052 S&I, Contracts \$22,165.00

2016-SBT-24

From: 101000.10.472.52000.0000.00.000.00.052 DPW Facilities, Contract Services To: 101000.10.423.52970.0000.00.000.00.052 S&I, Contracts \$65,000.00

2016-SBT-25

From: 101000.10.472.52150.0000.00.000.00.052 DPW Facilities, Natural Gas Heating To: 101000.10.423.52970.0000.00.000.00.052 S&I, Contracts \$12,562.00

2016-SBT-26

From: 101000.10.472.52410.0000.00.000.00.052 DPW Facilities, Building Maint. To: 101000.10.423.52970.0000.00.000.00.052 S&I, Contracts \$50,000.00

2016-SBT-27

From: 101000.10.499.54120.0000.00.000.00.054 DPW Other, Diesel Fuel for MV To: 101000.10.423.52970.0000.00.000.00.052 S&I, Contracts \$14,173.57

2016-SBT-28

From: 101000.10.403.54000.0000.00.000.00.054 DPW Solid Waste Disp., Sup. To: 101000.10.423.55410.0000.00.000.00.054 S&I, Salt/Sand Road \$70,000.00

2016-SBT-29

From: 101000.10.423.51310.0000.00.000.00.051 DPW S&I, Overtime To: 101000.10.423.55410.0000.00.000.00.054 S&I, Salt/Sand Road \$36,617.93

2016-SBT-30

From: 101000.10.499.54110.0000.00.000.00.054 DPW Other, Gasoline To: 101000.10.423.55410.0000.00.000.00.054 S&I, Salt/Sand Road \$10,204.99

2. *Memo from Public Works Director re: City Council approval of contract terms for upcoming RFP’s for Operation & Maintenance in excess of three years permitted by the standard requirement of MGL c. 30B*

Mr. Hale explained that any contract in excess of three years under MGL c. 40B needs Council approval to enter into such an agreement. He pointed out the two contracts the DPW is in the process of bidding are reoccurring every seven to eight years. One contract now out to bid is for the operation and maintenance of the collection system mechanical components (pump stations, grinder pumps, and STEP systems). Both these contracts are for eight years with an option of two additional years. He said in both cases continuity in service is important. The contracted companies invest a great deal in manpower, training and equipment to provide the city with the service

365 days a year, 24/7. The operation of the maintenance of the collection system mechanical components is out to bid now, he advised, with a July 1 start. The water and waste water facilities contract will be put out to bid in late summer/early fall. He added that it's important to have good vendors' who know their contract is secure, and long enough so that it isn't such a risk for them but not long enough that it becomes a risk for the city. He noted there are escalators in the contract every year and they expect close to \$1 million a year for this type of maintenance contract, and price will play into the awarding of the contract. A line is held within the sewer budget for the maintenance of the collection system mechanical components contract which he described that had been increased by a percentage from the previous fiscal year anticipating the contract would be a bit more.

On inquiry by **Councilor Memhard, Mr. Hale** advised that the current vendor for the city's collection system mechanical components is for the Woodward & Curran who have had the contract for the past seven years as of July 2016 whom he advised they have done a good job. He said the contract has been tightened up due to address some concerns of the Purchasing Agent had relative to trade work -- electrical, plumbing for the pump stations -- rather than have the vendor do that work, the Purchasing Agent wants those elements to be bid separately.

Mr. Hale advised the second contract that will go out to bid in late summer is for the full-service operation and maintenance of the city's water filtration and waste water facilities. He confirmed that contract is currently held by Veolia as the city's vendor.

Councilor Lundberg pointed out the motion covers both contracts. **Mr. Hale** said that with the two new contracts they will be placed in sync with the city's fiscal year. The offset in contract terms came about because the contracts were up when he first became DPW Director and took time to be done with the previous contracted vendor

Councilor Memhard asked if there will be other competitors besides the current vendor for the collection systems component contract. **Mr. Hale** said there were three vendors that attended the pre-bid meetings looking at the pump stations. There aren't a lot of companies capable of providing the 24/7 service. He noted that all the contractors that would bid live on Cape Ann. He noted Veolia who is the current vendor for the water filtration and waste water facilities operation and maintenance also hires a lot of local folks and would be in the running for the next contract, with several more vendors expected to place bids.

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council permit the Public Works Director on behalf of the City of Gloucester to include a term of eight (8) years with an option by the city to renew for an additional term of two (2) years any and all contracts that result from a Request for Proposal (RFP) for the full service and operation and maintenance of the city's water and waste water facilities and a Request for Proposal for the operation and maintenance of the city's collection system mechanical components.

3. Memorandums, Grant Applications & Checklists from Interim Director of Public Health for two Mini-Grants received by Public Health Department:

A) A mini-grant from the Massachusetts Dental Society in the amount of \$1,980

Max Schenk, Interim Public Health Director, explained that: the Public Health Department's Children's Dental Center on Prospect Street is in receipt of a mini-grant for \$1,980. The grant is intended to expand the Dental Center's capacity to transport children to and from area schools to the Children's Dental Center, the city's community-based dental center which aligned with two of the Mass. Dental Society (MDS) Foundation's supported Oral Health projects -- to increase access to oral care for low-income families and children and support a municipal public-health incentive to increase access for children. This proposed project aims to fund 66 school bus transportation trips between the GPS and the Children's Dental Center and return the children to school. It is hoped this will expand the Public Health initiative outreach to the underserved youth of Gloucester. There is no match for this grant.

COMMITTEE RECOMMENDATION: On a motion by Councilor Ciolino, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council under MGL c. 44, §53A accept a private mini-grant from the Massachusetts Dental Society's MDS Foundation for \$1,980 for the purpose of funding school bus transportation trips between the Gloucester Public Schools and the Gloucester Public Health Department's Children's Dental Center to expand outreach efforts to underserved youth in the City of Gloucester.

B) Nicotine Delivery Device mini-grant in the amount of \$5,000 from Health Resources in Action

Mr. Schenk advised the Committee that: The Public Health Department's Healthy Gloucester Collaborative is in receipt of a mini-grant for \$5,000 funded by the 84 Movement, a subsidiary of Health Resources in Action. This mini-grant is for Gloucester's participation in the 84 Movement's assessment of the impact of nicotine delivery flavored tobacco projects on youth smoking rates. A voluntary school survey will be conducted to collect qualitative and quantitative data related to the use and access to flavored tobacco products in the community through the city schools. A stipend will go to the school, but the grant will also pay for printing and distributing the survey, collecting, collating and distributing information results, he said.

Councilor Lundberg pointed out these kinds of surveys seems helpful. **Mr. Schenk** agreed saying that wherever they go they're asked what they're basing their decisions on, and that these surveys are extremely helpful to show their initiatives and grant applications are grounded in good data.

Councilor Gilman asked if the School Superintendent is on board with this survey. **Mr. Schenk** said he was and school leadership is aware. **Councilor Memhard** pointed out the results will come back to the School Committee and the Board of Health.

Councilor Ciolino said this survey sounded similar to one done previously. **Mr. Schenk** said it did but was a new initiative.

COMMITTEE RECOMMENDATION: On a motion by Councilor Ciolino, seconded by Councilor Lundberg, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council under MGL c. 44, §53A accept a private mini-grant from the 84 Movement, a subsidiary of Health Resources in Action for \$5,000 for the purpose of funding the City of Gloucester's participation in the 84 Movement's assessment of the impact of flavored tobacco products on youth smoking rates and a student Youth Council leadership outreach education program both through the Healthy Collaborative.

4. *Council President's Request to Review City Clerk salary*

5. *Council President's Request for Stipend for Interim City Clerk*

Councilor Ciolino said that in order to pay salaries, it was his impression there would be lag money from the previous City Clerk. However, he said he learned that three years ago city policy changed that when an employee retires lag money is scooped out of the department accounts in order to make a retirement payout. As a result, the City Clerk's office is left with \$150 in the Personnel account in the position of City Clerk. He said that the Council has to find a way to pay a stipend to the Interim City Clerk and the City Clerk's office is looking to hire part-time personnel for the summer because they are short staffed. That will cost \$1,500.

He asked if the Council goes into deficit spending in the City Clerk's office, would they be allowed to make that deficit whole with FY17 money starting July 1 if it is allowed. **Mr. Costa** said salaries are difficult to stop spending. He said it is his preference that the department doesn't deficit spend because it is a Free Cash hit. He said it is preferable to find a funding source.

Mr. Dunn said if the Council is looking to give differential pay to the Interim City Clerk and potentially hiring a part-time clerk who is providing important customer services, a recommendation to the Administration from the Council could be made asking if the Administration would like to cover a FY16 deficit and then asks that the Administration to propose a transfer from available funds. He said next fiscal year if it is the Council's decision to have the Interim City Clerk paid at a higher salary rate than the Assistant City Clerk salary, the department will start the new fiscal year with full complement of salary funding, and will likely not run into funding issues. The FY16 issue has not much flexibility in the Clerk's budget, he advised. He reiterated that for the current fiscal year, it is a request of the Council to the Mayor's Office to fund the deficit and submit a total amount.

Councilor Ciolino asked if the Administration would look at it, and **Mr. Destino** advised they would. **Councilor Ciolino** then briefly discussed a transfer from an Ordinary account to a Personnel account with **Mr. Costa** who said it could be done if funds were available.

Mr. Costa then distributed three documents all compiled at the request of Councilor Ciolino, the first of which was a seven community salary survey of the position of City Clerk which showed an average of \$91,456 with Gloucester's City Clerk at \$95,480 which is about 4.4% higher. **Councilor Cox**, noting the annual salary of \$95,480 asked if in the FY16 budget if there was any money left after the City Clerk's retirement payout. **Mr. Costa** said \$104 is left. **Mr. Destino** saying that he calculates comparables all the time pointed out that of the seven communities used in the comparisons, that their populations are higher than Gloucester. He suggested that the comparison should be of communities with similar population because population is a huge barometer. **Councilor**

Lundberg pointed out unlike many communities, Gloucester has a disproportionate influx of summer residents and that the city has to provide services for and inflates the city's population for at least three to four months. **Councilor Cox** noted Rockport, although disproportionately lower in population, that Town Clerk makes \$60,000 per year.

Mr. Costa then noted the second document showing Gloucester Municipal Administrators Association (GMAA) pay rates and documentation from the proposed FY17 city budget combined (placed on file) and a third document with historical data for the pay of the Assistant City Clerk, "Pay History Report for the Assistant City Clerk." He described the Step process within the GMAA pay grades of the annual salaries of each management grade. He pointed out the second page showing the hourly rate for the management grades with the steps. He discussed the current Interim City Clerk's pay history and the upgrade of the City Clerk pay from M9 to M10 with the department's reorganization in 2013 and the current pay rate for the Assistant City Clerk at M6, Step 11 and the M10 City Clerk pay grade at Step 1 that creates a different pay range and equates to a 32% differential between M6 Step 11, to M10 Step 1. He then reviewed historical data, a "Pay History Report for the Assistant City Clerk (placed on file)." It was noted in 2009 when the Assistant City Clerk became Interim City Clerk, the Assistant City Clerk had a 34% increase during her term as Interim City Clerk at that time. It was based on the pay that the retired City Clerk was making at the time of their retirement. When the new City Clerk was hired the Interim City Clerk returned to the previous Assistant City Clerk pay grade and step, he advised.

Councilor Cox said working four years handling a municipal payroll she offered her opinion that the Council should be offering a stipend which she said she believed is not pensionable. The Council would give a stipend to the Interim City Clerk to balance the new role temporarily, and a stipend is easily removed when a new City Clerk is brought in. **Mr. Costa** advised that upon consulting with the Gloucester Retirement Board, any stipend the Interim City Clerk is given is pensionable because she is assuming the duties of the City Clerk. **Councilor Ciolino** assured that under consideration is a stipend only. **Councilor Cox** urged it be a flat dollar amount only not a raised pay grade.

Mr. Destino discussed with the Councilors some of the considerations in hiring a new City Clerk and pointed out that the new City Clerk's skill set will be very important. He and **Councilor Ciolino** also discussed the timeframe when the Council intends to post the open position of City Clerk. It was agreed that it was important to clearly define what qualities and skills are needed in that position. **Councilor Cox** said at O&A because there was a budget meeting taking place simultaneously that the matter of the City Clerk's job description review was continued by that Standing Committee and suggested that the job description of the City Clerk is something that could be wrapped up in the next meeting or two of that Committee. **Councilor Ciolino** said it is important to ensure all parts of the City Clerk's job description and pay grade are correct, and that if should it take a few months to complete they will take that time.

Mr. Costa, speaking to the Interim City Clerk's stipend said it would be \$49.24 per hour which equates Grade 10, Step 1 and is consistent with what had been done previously. **Councilor Lundberg** said the stipend compensation should be consistent with the City Clerk duties.

Councilor Gilman said that based her previous role as a Personnel Assistant Director in the private sector, she didn't see any comparison of job responsibilities between the Assistant City Clerk to the City Clerk and if not looking at both, it may be comparing apples to oranges. She suggested this was something to be looked into. **Councilor Ciolino** said there is an action plan in place, and right now they're only dealing with the interim situation. There will be a separate consideration once O&A does their work and then the Council will consider such matters. He said there will be no replacement for the Assistant City Clerk during the interim period. He reiterated this is getting the City Clerk's office squared away.

Councilor Memhard said he thought Councilor Gilman's suggestion is valid. He advised his understanding that previously the Mayor was concerned for a precedent being set with the stipend for the Interim City Clerk, based a previous situation in different departments regarding so-called pay grade temporary increases. **Mr. Destino** clarified by saying that the concern was that the Council President was looking for a pay upgrade, but agreed that a stipend is temporary. He said that in the past someone did get an upgrade and then it was hard to take it away -- and in fact, it never did and is the situation they're trying to avoid. **Mr. Destino** said as the Council is asking for a stipend the Administration will help to find the funding.

Councilor Cox said if the Council keeps the Interim City Clerk's base salary at M6, Step 11 and institutes a stipend of the differential to M10, Step 1, it would be \$21,000 divided out bi-weekly, that way the step is never in question which she said is a neater method. It was confirmed by **Mr. Costa** that would equate to \$834.40 bi-weekly. **Councilor Ciolino** expressed his agreement it was a good solution.

COMMITTEE RECOMMENDATION: On a motion by Councilor Lundberg, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council provide a bi-weekly stipend to the Interim City Clerk, Joanne Senos, for \$834.40 retroactive to May 2, 2016.

There will be no action taken by the B&F Committee in changing the pay grade for the City Clerk's salary.

6. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report*

Kenny Costa, City Auditor briefly discussed the reports on accounts having expenditures which exceed their authorization and the Auditor's Report with the Committee. He gave the Committee a copy of a Five Year Comparison Report on Snow & Ice (placed on file). There was a brief discussion on the amortized Snow & Ice deficit from the previous difficult winter.

A motion was made, seconded and voted unanimously to adjourn the meeting at 6:32 p.m.

Respectfully submitted,
Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- Three documents related to the discussion of the City Clerk Pay Grade and the Interim City Clerk Stipend as compiled by the City Auditor:
 - 1) City Clerk's Office Salary Survey Fiscal Year 2016
 - 2) GMAA/NON MGRS PAYSACLE effective 07/01/2015 2% increase, differential hand shown, including hourly rates and FY17 Proposed Dept. 161 City Clerk budget and summary of expense by type
 - 3) Pay History Report 01/01/2005 to 12/31/2010 for Assistant City Clerk
- 5 Year Comparison Report Snow & Ice Accounts submitted by City Auditor