

CITY OF GARDNER, MASSACHUSETTS
CITY COUNCIL FINANCE COMMITTEE
MINUTES OF MEETING OF MAY 29, 2019

The Finance Committee meeting was called to order by President Scott Joseph Graves at 12:00 p.m. in the City Council Chamber, Room 219, City Hall.

Finance Committee Members present were Council President Scott Joseph Graves and Councillors Ronald Cormier and James Walsh.

Others participating or in attendance: Mayor Mark Hawke; DPW Director Dane Arnold; DPW Assistant Director Rob Oliva; City Engineer Chris Coughlin; City Auditor John Richard; and, City Clerk Alan Agnelli.

President Graves asked if anyone present planned to record the meeting, in accordance with the requirements of the Open Meeting Law, as follows:

Any person may make a video or audio recording of the open session of this meeting so long as it does not interfere with the conduct of the meeting. All documents and exhibits used or referenced at this meeting shall be submitted in duplicate to the City Clerk, as they become part of the minutes of the meeting. Is there anyone present who will be recording this meeting?

No one responded.

1-1 Reading and Approval of Minutes of Prior Meeting.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to approve the Minutes of the May 20, 2019 Regular Meeting, as printed.

2-1 An Order Authorizing the City to Borrow \$11,000,000.00 for Water Main Replacements.

DPW Director Dane Arnold informed the Committee that a portion of the proposed Loan Order would provide funding for water main replacements in the Downtown area, primarily Main Street, Central Street, City Hall Avenue, and Vernon Street, as well as Acadia Road and Clark Street. This Phase of the project is anticipated to cost approximately \$5M to \$5.5M. He cited two major water main breaks on Main Street near City Hall Avenue during the past winter, affecting businesses and residents in the area. In order to cover the cost to replace the water mains, he used funds slated for Acadia Road and Clark Street. The Loan Order would also restore funding so that these streets could be done. He said that \$125,000 was expended for survey and design of the projects and is ready to go out for bid.

Continuing, Director Arnold stated that future phases will likely include replacing early 19th Century water mains on Central Street, West Lynde Street, Woodland Avenue, and Green Street through the Uptown Rotary to Pearl Street. He added that there are portions of Elm Street, School Street, Walnut Street, Chestnut Street, Robillard Street, Norman Street, and Parker Street with very old lines that have experienced breaks in the past.

Councillor Walsh questioned whether the loan amount is based on estimates to complete the projects.

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Mr. Arnold stated that after receiving bids for Phase I, he would be in a better position to determine availability of funds for the remainder of the projects. He added that the proposed increase in the water rate would cover the loan. He said that the last time that the water rate was increased was in 2012, which is now \$5.26 per 100 cubic feet. He outlined the proposed water rate increases:

Metered Water Rates (billed quarterly). Uniform rate per 100 cubic feet of metered use:

- \$5.26 currently
- \$5.72 effective July 1, 2019 8.7% increase
- \$6.00 effective July 1, 2020 4.9% increase
- \$6.26 effective July 1, 2021 4.3% increase
- \$6.50 effective July 1, 2022 3.8% increase

President Graves questioned the reason that increases in the water rate are necessary, citing retirement of debt associated with the wastewater treatment facility.

Mr. Arnold stated that the proposed rate increases are structured to pay the \$11M loan.

President Graves noted that the proposed loan addresses water main replacements on only a few roads in the City, then questioned the Department's plan if water main problems emerge at a later time.

Mr. Arnold said that \$5M is slated to be expended in the first year; \$3M in the next year or following year; and, another \$2M the year following.

Councillor Walsh questioned the borrowing process for this particular loan.

Mr. Arnold stated that the City would borrow in the same manner at the Wastewater Treatment Facility loan.

Mayor Hawke stated that it would be a 20-year loan, with Bond Anticipation Notes issued for the first few years. He added that approximately 30 miles of the 90 miles of water mains across the City were installed before 1940.

Councillor Walsh questioned whether the Public Service Committee was notified when funds that were appropriated by the City Council for Acadia Road and Clark Street were diverted to repair the Main Street water mains.

Mr. Arnold responded, saying that he did not recall meeting with the Committee specifically to inform the members that the funds were diverted for the Main Street water main repairs. He noted that the breaks occurred in the winter months.

Councillor Walsh questioned the use of the specifically-allocated funds for the Main Street repairs and said that, at the very least, the Public Service Committee should have

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been notified. He did not fault Mr. Arnold for handling the emergency as the situation demanded, but only the lack of communication at the time of the emergency repairs and added that when the purpose for an appropriation is explained to the City Council, then it is the Council's understanding that the appropriation should be used for that purpose.

Addressing the proposed Water Rate increases, Mr. Arnold presented a Water Rate Study that was prepared by DPW Assistant Director Rob Oliva. Mr. Oliva explained that the data was drawn from surrounding communities, as well as those of similar populations. Mr. Arnold added that the quarterly minimum charge would be increased by a total of \$15.00 by 2023.

The Committee agreed that the entire Council should receive the same presentation from Mr. Arnold. It was suggested that the Committee recommend that the order be referred to the Committee of the Whole.

On a motion by Councillor James Walsh and seconded by Councillor Ronald Cormier, it was voted to recommend to the City Council that the following Order be referred to the Council as Committee of the Whole for study and report:

CITY OF GARDNER, MASSACHUSETTS
IN CITY COUNCIL

ORDER: That the City of Gardner appropriates the sum of Eleven Million Dollars (\$11,000,000) to pay costs of replacing water mains throughout the City, and paying all costs incidental or related thereto; to meet said appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow said sum under M.G.L. c. 44, §8, or any other enabling authority. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

2-2 An Order Authorizing the City to Borrow \$1,750,000.00 for Sewer Main Installation and Sewer Pump Station Upgrades.

DPW Director Dane Arnold informed the Committee that the Department plans to install a new sewer main on City Hall Avenue at the same time that the street will be opened for the installation of new water mains. He said that there is a very old (circa 1901) 10" cast iron sewer main that runs beneath the Colonial Apartments building and several other buildings from City Hall Avenue to Parker Street.

Councillor James Walsh questioned whether the amount presented in the Loan Order represents an actual estimate to complete the project.

Director Arnold responded that it is.

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Mr. Arnold also informed the Committee that the Department plans to replace the Willis Road Pump Station at a cost of \$1M to \$1.1M. He said that an inspection of the Pump Station was conducted and, consequently, the City retained a design engineer to develop specifications and bid documents, which are ready for bidding the project. It is his hope that the project is bid in the winter of 2019-2020 and that construction would occur in the spring of 2020.

Citing the condition of the existing facility, Mr. Arnold said that the Pump Station is over 30 years old and was constructed by the State in 1985 to serve the North Central Correctional Institution (NCCI) and a number of residences along Chapel Street and Willis Road. Currently, about 60 residences are served by the pump station. He said that the Agreement with the State stipulates that the State is responsible for upgrades to the Pump Station in the event that NCCI dispenses more sewage than originally agreed on, which was established at 136,000 gallons per day (“gpd”). Currently, he added, NCCI dispenses approximately 145,500 gpd, which represents approximately 7% greater than agreed which, he added, is not significant, but worth some form of payment to the City for the Pump Station upgrade. He concluded by saying that the City has held two negotiating sessions with State officials about a contribution from the State.

President Graves questioned the level of effluent (gpd) at which the State would be responsible for the total cost of the upgrade.

Mr. Arnold explained that the increased flow from NCCI is insignificant for such a measure; however, if flows nearly doubled, then the situation likely would oblige the State to pay for the upgrade.

Mayor Hawke noted that NCCI is a ratepayer like other users of the system and accounts for about 11% of the City’s total usage.

Mr. Arnold added that NCCI annually accounts for over \$350,000 in revenue each to water and sewer.

DPW Assistant Director Rob Oliva noted that NCCI accounts for approximately 95% of the total effluent passing through the Pump Station.

Councillor Walsh questioned whether capacity would be increased with the design of the new Pump Station.

Mr. Arnold replied that capacity would not be increased.

On questioning by Councillor Walsh, Mr. Arnold stated that the cost of the project would not have any impact on sewer user rates and added that the cost of borrowing is included in the Department’s FY2020 Budget.

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The Finance Committee requested Mr. Arnold to provide the Committee with a copy of the 1986 Agreement.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that the following Order ought to pass:

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IN CITY COUNCIL

ORDER: That the City of Gardner appropriates the sum of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) to pay costs of sewer main installation and sewer pump station upgrades, and paying all costs incidental or related thereto; to meet said appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow said sum under M.G.L. c. 44, §7 or 8, or any other enabling authority. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

2-3 An Order Appropriating \$93,908.00 from Sewer Available Surplus to Sewer Department, Inside Principal and Interest Expense.

DPW Director Dane Arnold informed the Committee that the appropriation represents the Sewer Department's share of the first payment (P&I) on the 20-year loan for the new DPW facilities and buildings on Manca Drive. The Treasurer recommended that the City begin payments in FY2019 in order to save on interest payments over the life of the loan.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM SEWER SURPLUS TO SEWER DEPARTMENT – INSIDE PRINCIPAL AND INTEREST EXPENSE.

ORDER: That there be and is hereby appropriated the sum of Ninety-Three Thousand Nine Hundred Eight Dollars and No Cents (\$93,908.00) from Sewer Surplus to Sewer Department – Inside Principal and Interest Expense.

2-4 An Order Appropriating \$93,908.00 from Water Available Surplus to Water Department, Inside Principal and Interest Expense.

DPW Director Dane Arnold informed the Committee that the appropriation represents the Water Department's share of the first payment (P&I) on the 20-year loan for the new DPW facilities and buildings on Manca Drive. The Treasurer recommended that the City begin payments in FY2019 in order to save on interest payments over the life of the loan.

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On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM WATER SURPLUS TO WATER DEPARTMENT – INSIDE PRINCIPAL AND INTEREST EXPENSE.

ORDER: That there be and is hereby appropriated the sum of Ninety-Three Thousand Nine Hundred Eight Dollars and No Cents (\$93,908.00) from Water Surplus to Water Department – Inside Principal and Interest Expense.

2-5 An Order Appropriating \$125,000.00 from Sewer Available Surplus to DPW Repairs to Mains.

DPW Director Dane Arnold informed the Committee that during the winter of 2018 to 2019, there were two breaks in the sewer force main on Willis Road that runs from the Pump Station. Using City labor, the Sewer Department, with Highway Division assistance, installed approximately 1,200 feet of new force-main. Consequently, the street needs to be repaved and the DPW plans to pulverize and pave a binder coat this year and wait until next year for the final coat, allowing for the trench to settle between coats. The Willis Road repaving would begin at the intersection of Brook Lane to Chapel Street.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that the following Order ought to pass:

AN ORDER APPROPRIATING FROM WATER SURPLUS TO DPW DEPARTMENT – REPAIRS TO MAINS.

ORDER: That there be and is hereby appropriated the sum of One Hundred Twenty-five Thousand Dollars and No Cents (\$125,000.00) from Water Surplus to DPW Department – Repairs to Mains.

4-1 An Ordinance to Amend the Code of the City of Gardner, Chapter 171, Thereof, Entitled “Personnel,” to Change Compensation Schedule “Exhibit E – Non-Union Employees.”

Councillor Walsh asked the Mayor is he plans to submit a Compensation Plan with a Step System for consideration.

The Mayor informed the Committee that he does not plan to submit such a Plan.

The Committee postponed discussion until the Committee reviews the Mayor’s FY2020 Budget Recommendations.

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COMPENSATION SCHEDULE

A. DEPARTMENT HEADS

Position	Grade		07/01/19	
			Annual	Weekly
Building Commissioner	G-10		\$78,151.60	\$1,502.92
Chief of Police	G-13		\$103,219.64	\$1,984.99
City Assessor	G-9		\$73,137.78	\$1,406.50
City Auditor	G-10		\$81,275.75	
		MGL c. 32, §20(6)	\$3,000.00	
		Total Compensation	\$84,275.75	\$1,620.69
City Clerk	G-10		\$79,714.63	
		MGL c. 41, §19F	\$3,500.00	
		MGL c. 41, §19G	\$550.00	
		Total Compensation	\$83,764.63	\$1,610.86
City Collector/Treasurer	G-10		\$84,118.88	
		MGL c. 32, §20	\$300.00	
		Total Compensation	\$84,418.88	\$1,623.44
City Engineer	G-11		\$85,175.44	\$1,637.99
City Solicitor	G-10		\$80,632.20	\$1,550.62
Council on Aging Director	G-6		\$57,587.68	\$1,107.46
Director of Community Development & Planning	G-10	City	\$65,838.94	
		GRA	\$22,250.47	
		CDBG	\$4,636.05	
		Total Compensation	\$92,725.46	\$1,783.18
Director of Local Origination & Educational Planning	G-6		\$64,468.75	\$1,239.78
Director of Public Health	G-10	Step 1	\$70,358.09	\$1,353.04
		Step 2	\$78,476.33	\$1,509.16
Fire Chief	G-12		\$94,698.74	\$1,821.13

Position	Grade		07/01/19	
			Annual	Weekly
Golf Course Driving Range/Superintendent	G-9		\$76,571.97	\$1,472.54
Human Resources Director	G-11		\$88,582.77	\$1,703.51
Information Technology Director	G-11	City	\$47,956.30	
		School	\$47,956.30	
		Total Compensation	\$95,912.60	\$1,844.47
Library Director	G-9		\$75,411.22	\$1,450.22
Public Works Director	G-12		\$100,093.31	\$1,924.87
Purchasing Agent/Civil Enforcement Director	G-10		\$77,008.55	
		MGL c. 148A, §5	\$2,500.00	
		Total Compensation	\$79,508.55	\$1,529.01
Veterans' Director	G-6		\$58,008.62	\$1,115.55

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C. NON-UNION STAFF POSITIONS

Position			07/01/19		
			Annual	Weekly	Hourly
Animal Control Officer	G-1	Step 1	\$33,555.40	\$645.30	\$16.13
		Step 2 (5 Years)	\$34,226.51	\$658.20	\$16.46
		Step 3 (10 Years)	\$34,911.04	\$671.37	\$16.78

	07/01/19					01/01/20
	Step 1	Step 2	Step 3	Step 4 (5 Yrs)	Step 5 (10 Yrs)	Step 1
Administrative Assistant	\$14.89	\$17.27	\$20.81	\$21.23	\$21.65	
Administrative Coordinator	\$14.12	\$16.63	\$19.14	\$19.52	\$19.90	
Administrative Clerk	\$13.67	\$15.89	\$18.11	\$18.47	\$18.83	
Animal Shelter Attendant	\$12.50					\$13.00
Budget/Project Manager** City	\$1.09					
	GRA	\$0.65				
	CDBG	\$22.85				
Total Compensation	\$24.59					
Building Maintenance Craftsman	\$18.09	\$20.41	\$22.74			
Building Maintenance Man	\$16.54	\$18.79	\$21.03			
Council on Aging Coordinator	\$13.00					
Financial Administrator	\$15.08	\$17.98	\$21.21			
Financial Clerk	\$13.85	\$16.29	\$19.01			

Golf Course Positions

Golf Pro Shop Supervisor		\$14.08	\$14.62	\$15.16	
Grounds Maintenance Man	GC-8	\$16.56	\$18.22	\$20.16	
Motor Equipment Repairman	GC-8	\$16.56	\$18.22	\$20.16	
Working Foreman - Grounds Maintenance Man	GC-9	\$20.35			
Working Foreman - Motor Equipment Repairman	GC-9	\$20.35			

Library Department Positions

Staff Librarian	\$21.85				
Senior Library Technician	\$19.91				
Library Technician	\$18.78				
Library Clerical Staff	\$13.14	\$13.40			
Head Life Guard	\$15.30	\$16.73			
Parking Meter Clerk	\$16.65				
Production Assistant	\$14.77				
Transfer Station Monitor	\$12.50				\$13.00

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D. NON-UNION STAFF: TEMPORARY, SEASONAL AND INTERMITTENT POSITIONS

Position		07/01/19			07/01/20		
		Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Alternate Animal Control Officer		\$12.50			\$13.00		
Certified Pool Operator	S-4	\$22.11					
Golf Course Laborer/Pro Shop Assistant	GC-4	\$12.50			\$13.00		
Golf Course Groundsman	GC-5	\$14.51					
Golf Course Ranger	GC-6	\$12.50			\$13.00		
Lifeguard	S-6	\$12.50			\$13.00		
Temporary Seasonal Technical	T-6	\$14.36					
Election Warden		\$14.00					
Election Inspector		\$12.00					
Election Clerk		\$13.00					
Special Detail Police Officer		\$49.00					
Temporary Seasonal Laborer (T-4)		\$12.50	\$13.77	\$15.30	\$13.00	\$13.77	\$15.30
Recreational Playground Supervisor (T-5)		\$15.30	\$16.73				
Recreational Support Staff		\$12.50			\$13.00		

4-2 An Ordinance to Amend the Code of the City of Gardner, Chapter 171, Thereof, Entitled “Personnel,” to Change Compensation Schedule “Exhibit A – Mayor” and Exhibit B – City Council.”

The Committee postponed discussion until the Committee reviews the Mayor’s FY2020 Budget Recommendations.

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF GARDNER, CHAPTER 171 THEREOF, ENTITLED “PERSONNEL” TO CHANGE COMPENSATION SCHEDULE EXHIBITS A AND B.

Be it Ordained by the City Council of the City of Gardner as follows:

Section 1. Section 171-68 of Chapter 171, Personnel, of the Code of the City of Gardner is hereby amended by deleting and repealing Compensation Schedule Exhibit A and inserting in place thereof, the following:

Exhibit A
Mayor

Effective 1-2-2018	Effective 1-6-2020	Effective 1-4-2021
\$92,196.00	\$94,040.00	\$95,921.00

Section 2. Section 171-68 of Chapter 171, Personnel, of the Code of the City of Gardner is hereby amended by deleting and repealing Compensation Schedule Exhibit B and inserting in place thereof, the following:

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Exhibit B
City Council

Position	Effective 1-2-2018	Effective 1-6-2020	Effective 1-4-2021
President	\$ 10,707.00	\$ 10,921.00	\$ 11,139.00
Councillor	\$ 7,326.00	\$ 7,473.00	\$ 7,622.00

Section 3. Effective date.

This ordinance shall become effective on passage and publication as required by law.

6-1 A Measure Declaring Surplus for Purpose of Disposal a Parcel of Land on Catherine Street, Assessor's Map R27-20-15.

The Mayor informed the Committee that the parcel is a vacant lot owned by the City and that there is a water/sewer easement passing through the property. He said that he viewed the lot and it appears that a stream runs through the property and added that an abutter approached him about purchasing the land for his personal use.

President Graves noted that the parcel is assessed for \$20,800, but that the Mayor proposes setting a minimum bid of \$500.

The Mayor suggested that the City should dispose of the land in order to get it back on the property tax rolls.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that it declare surplus for the purpose of disposal, in accordance with prevailing General Laws, all land on Catherine Street, further identified on the City of Gardner Assessor's Map R-27-20-15, to establish as a minimum amount of \$500.00 to be paid for any conveyance of said property, and to authorize the Mayor to convey said land, or part thereof, for such amount or a larger amount, and upon such other terms as the mayor shall consider proper in accordance with this Vote.

NEW BUSINESS

NB. A Measure Confirming the Mayor's Appointment of Stephen Cormier to Member, Planning Board, for term expiring May 24, 2024.

The Mayor informed the Committee that Board Chairman Allen Gross is leaving Gardner and that he is naming Stephen Cormier to take his place.

On a motion by Councillor James Walsh and seconded by Councillor Ronald Cormier, it was voted to recommend to the City Council that it confirm the Mayor's Appointment of Stephen Cormier to Member, Planning Board, for term expiring May 24, 2024.

NB. A Measure Authorizing an Eighth Amendment to the April 9, 1968 Lease Between the City and Henry Heywood Memorial Hospital.

Councillor Walsh asked the Mayor if he knew the reason why Win Brown, President of Heywood Hospital, would mail his correspondence and the proposed Eighth Amendment to the April 9, 1968 Lease Between the City and Henry Heywood Memorial Hospital to the City Council and not to the Mayor.

Mayor Hawke stated that he, too, questioned the direct transmission of the Lease to the Council.

Councillor Walsh stated that Mr. Brown's correspondence indicates that two unrecorded Amendments to the Hospital's lease with the City (1986 and 1998) were enclosed, but that they were not. He added that the City Council will need a legal opinion as well as the antecedent leases before action could be taken.

Councillor Walsh noted that since City Solicitor John Flick is a member of the Board of Trustees of Heywood Hospital, he is disqualified and cannot act on the City's behalf, and that since Assistant City Solicitor Parya Gandbhir is employed by Attorney Flick (Flick Law Group) she, too, is disqualified. He advised the Mayor that he would have to hire outside Counsel to provide a legal opinion with respect to the proposed Lease Amendment and added that during a previous legal matter with the Hospital, the Mayor was required to file a Disclosure of Appearance of Conflict of Interest.

The Mayor cited his position as a Corporator of Heywood Hospital as the reason that he filed the Disclosure.

On a motion by Councillor Ronald Cormier and seconded by Councillor James Walsh, it was voted to recommend to the City Council that the City Council refer the Measure to the Mayor for a legal opinion.

ADJOURNMENT

On a motion by Councillor James Walsh and seconded by Councillor Ronald Cormier, it was voted to adjourn at 1:01 p.m.