

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

April 20, 2010

5:30 PM

Chairman Lopez called the meeting to order.

The Clerk called the roll.

Present: Aldermen Lopez, DeVries, O'Neil, Osborne, Corriveau

Messrs: T. Clark, J. Gile

Chairman Lopez addressed item 3 of the agenda:

3. Presentation by Robert Cote, President of Brattle Consulting Group, Inc., regarding SubItUp.com and its impact on the Manchester Police Department.

On motion of Alderman Osborne, duly seconded by Alderman O'Neil, it was voted to table this item.

Chairman Lopez addressed item 4 of the agenda:

4. Communication from Connie Boyles Lane, Orr & Reno, regarding the Effluent Supply Agreement between Manchester and Granite Ridge Energy.

Chairman Lopez asked Attorney Clark, are you going to help us out?

Mr. Tom Clark, City Solicitor, replied this is the request that Attorney Lane made on behalf of Granite Ridge and their financing. Our original agreement said that we would cooperate on any financing in the future. We have reviewed the agreement. This is the second or third draft of it. I emailed her the other day and requested a couple more sections be stricken out of the agreement and I haven't heard back yet.

Alderman DeVries stated Attorney Clark, I don't know...you're saying that the distribution that we had with the packet has deletes from the original agreement?

Mr. Clark replied yes. The original agreement they sent to us was about 12 pages. I told them that we wouldn't even come close to agreeing to what they wanted.

Alderman DeVries asked that was the March 29th one? You have made some deletes since then. I did have several questions on the distribution that came out March 29th.

Chairman Lopez stated I think we are referring to 7-3.

Mr. Clark stated the one that is on the agenda was placed on the agenda through the City Clerk's office at the same time as sending it to me because she said she was in a rush. Since then I have emailed her and told her that I wanted section 1b deleted, that there should be language in there that the consent can't be assignable without the City's future consent and the consent has to be governed by the laws of the State of New Hampshire. On page two there is a reference to a so called third party which is not defined anywhere in the agreement. We don't even know who they are talking about. I think what happened is the attorney who put this together, and it wasn't Attorney Lane, cut and pasted without being very careful.

Alderman DeVries stated thank you for that clarification. I trust that you will continue to work on that and come back to the Board. I also had some concerns, looking at section 3.2, small deed, where it says that AES shall reimburse all costs directly associated with the operating and maintaining of the pumping station and all of the pipes, etcetera, covered within the paragraph. I don't expect you to know the answer to this, but I'm talking about the agreement that was handed out to us. I suspect that nothing in that portion has changed. I just wanted to get some background on this. Has the City assumed any of the cost for maintenance of the pipeline?

Mr. Clark replied no. The original agreement is in good standing. The City is pumping its extra water, effluent water, down to Londonderry through the pipeline and they are using a coolant. The City has not taken on any additional costs under the agreement.

Alderman DeVries stated I'm trying to work my way through my marked up copy. I also had concerns because there were costs, looking at section 2.5, if we are nonconforming and I was trying to think to the future if we needed to upgrade our sewage treatment plant as we seem to be contemplating, that there might be some kind of disruption of service so I'm looking...this section 2.5 seems to have a cost for the City if we are not able to supply. I just wanted to make sure that somebody at the department level was addressing that. It didn't seem to allow us the opportunity to interrupt service for upgrades that we needed to do for our City services.

Mr. Clark stated this is being monitored through Fred McNeil at EPD.

Alderman DeVries stated so my question would be is somebody bringing that to his attention because I didn't see that section to be favorable for the City if we are contemplating upgrades. Will you carry that message?

Mr. Clark replied I certainly will.

Alderman DeVries asked and you will be coming back to us with another agreement?

Mr. Clark replied if they get back to me, yes. I'm waiting to hear from them.

On motion of Alderman DeVries, duly seconded by Alderman Osborne, it was voted to table this item.

Chairman Lopez addressed item 5 of the agenda:

5. Update from Jennie Angell, Information Services Director, regarding a new system provided by Innoprise Software.

Chairman Lopez stated I have been asked to withdraw this item. It was already printed on the agenda. They are still in working sessions so there is nothing to bring up tonight.

On motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to receive and file this item.

Chairman Lopez addressed item 6 of the agenda:

6. Communication from Andy Vachon, Acting Recreation Enterprise Manager, requesting the fair license fee be waived for the City's Independence Day Celebration at Arms Park.

Alderman O'Neil asked is that normal?

Chairman Lopez replied it is normal. We should give them carte blanche to do that every year.

On motion of Alderman O'Neil, duly seconded by Alderman DeVries, it was voted to approve this item.

Chairman Lopez addressed item 7 of the agenda:

7. Communication from Jane Gile, Human Resources Director, regarding Bi-Weekly Payroll.

On motion of Alderman Osborne, duly seconded by Alderman O'Neil, it was voted to discuss this item.

Chairman Lopez stated you know one of the first questions that is going to come up. We have your report here. Do you want to highlight it for the public?

Ms. Jane Gile, Human Resources Director, replied yes, I can highlight for you. Mayor Gatsas has suggested that the City change from a weekly to a biweekly payroll. Therefore, we undertook an overview of what would need to happen in order to make that a reality. The Mayor's Task Force on Efficiencies and Consolidations, as part of their conclusions or message to the City, suggested that the City consider a biweekly payroll. We looked to see if there could be cost savings. Our compensation manager polled various departments. We looked at their payroll clerks and the amount of time that they were spending on doing weekly payroll. We also looked at the HR Department functions and if we could realize any cost savings. As a result of that, the Finance Department also submitted some potential cost savings by going to a biweekly payroll. As you look at the number you have to realize that that number of \$48,000 or almost \$49,000 are really soft and hard dollars. It is not all hard dollar savings. Some of it is staff time that would be freed up to do some other things. We also looked at other places that do biweekly payroll. In New Hampshire, of the cities that we surveyed, there were two, Rochester and Portsmouth, that do a biweekly payroll. The other cities that were surveyed are on a weekly payroll. Both Rochester and Portsmouth have been doing it for a long time. The State of New Hampshire does biweekly payroll as well as other larger cities across the country. The School District does both. They do a weekly payroll for some of their employees and a biweekly payroll for other categories of employees. As part of the review of going from weekly to biweekly, we also looked at some of the more statutory obligations or restrictions that we might have. We looked at State law. In order to go to biweekly payroll, we would have to get permission from the State of New Hampshire to do that. We could not just do it without getting permission. We also looked at the City Ordinances to see if there are any restrictions that were placed on us. The employee handbook does have a reference that employees are paid on a weekly basis and they are paid on Thursdays. We also looked at the collective bargaining agreements to see if there was any restrictive language in those. We also took into account some practical considerations with our current

payroll system if there were any restrictions that would make it really difficult for us to pursue this. In the course of our overview of the feasibility of going from weekly to biweekly, we do understand that we would have to get State approval and make some revisions to the employee handbook. We would also understand that although the collective bargaining agreements do not prohibit it, we have two unions that have filed grievances and two that have filed a demand to negotiate this into their contracts. There would have to be that kind of consideration given in term of the direction of the City as to whether or not that would be something that we would pursue. Our HTE system, our computer system, would have to be modified to make those changes. The IRS would have to be notified because many of our payroll garnishments are done on a weekly basis. All of those things would have to be taken into consideration. In conclusion, is it doable? Yes, it is doable. Are there things that we would have to consider before we went to a biweekly? Yes. One of them is the union issue as well as the nonaffiliated issue. We would need some direction from the Board as to whether or not we are just going to do it or negotiate it or get the consensus of the unions to go ahead with it. I think the important piece of it, however, from the employee's perspective, if we were to change from a weekly to a biweekly payroll, is to really think about the transition of that and how we would deal with that transition and whether it would make sense for us to work together to make sure that employees are not hurt in any way by doing that, especially in the initial phases of that.

Chairman Lopez asked who in the State would approve that?

Ms. Gile replied it goes to the Department of Labor.

Alderman Osborne stated I had a question about the disruption to the employees. Has this been brought before the department heads? What is their feeling?

Ms. Gile replied we didn't go to that route at this point in time. All we did was an overview of if this was doable or not. I think the conclusion is that it would be doable. There would have to be some collaborative effort across departments to try to make this so that it is a solid program so employees' bills are paid. There may be an initiation period with a date set when this is going to happen with some ideas as to how to make it a smooth transition. There are some things that would have to be considered before we did that. Would we have a loan period to employees? Would we do various things?

Alderman Osborne stated the employees in Manchester have been paid weekly since Abraham Lincoln, right?

Ms. Gile replied as far as I know.

Alderman Osborne stated they do have a livelihood and a home and other things to think about. They would have to get used to paying their bills by the week or saving by the week. That is a big factor with me.

Alderman DeVries stated Jane, I'm not sure if I missed it in your presentation or if you didn't elaborate, but you say that there would be a cost for the reprogramming of the HTE system.

Ms. Gile stated I'm not sure what the cost would be. We didn't determine if there would be a cost or just a matter of time to reprogram it to get it set up. We do have various deductions that people have like into their 457s on a weekly basis so that would have to be changed to a biweekly.

Alderman DeVries stated I noted that the savings from this also came in at about \$50,000 across the City. At least that was my read.

Ms. Gile stated we primarily surveyed the larger departments that have larger payrolls so it is more cumbersome for them to do payroll on a regular basis. Some of the smaller departments it may not take as long as the larger departments.

Alderman DeVries stated because we have so many unknowns, we don't know what some of the costs of the transition would be, never mind some of the statutory restrictions that you are under, but the cost of reprogramming and bringing the rest of our policies up to date, the cost of reprinting our books, it seems like there would be a time and a place. I would also be interested to know if there would be a natural time for transition, beyond just the negotiations that you have spoken about. Is there going to be a change in the HTE system that would make it a better time to implement a more substantial change? I think there is a lot more to talk about here if we are going to move forward that will have to be delved into and this Committee would be the right place to continue to bring information.

Ms Gile stated I guess if it was the wish of the Committee to pursue it further, I think those kinds of questions...this was just the initial to see if it was possible. Yes, it is possible. If it was the wish of the Board to go further, I think we would delve deeper into some of those other issues that need to be addressed.

Alderman DeVries stated there is absolutely no doubt in my mind that this should be done as part of the usual collective bargaining process because otherwise we will spend far more defending something than we are saving in the actual transition. We have time to look and plan for this and begin that process and consider some of the other things that need to go forward with the transition.

Ms. Gile stated I think that's where direction from the Board is important as to how we would undertake this as a City.

Alderman O'Neil stated my former employer did biweekly paychecks. My wife's employer does biweekly pay. I'm not opposed to that. I do respectfully disagree. I think the unions have to be part of the discussion with this. I don't see any way...Alderman DeVries' point is absolutely right on. We already have two unions who have filed grievances. I don't know how they can file a grievance for something that hasn't happened yet. Which two have filed the grievances and which two have filed the demand for negotiation?

Ms. Gile replied the two that have filed grievances are the Ask Me Group and the United Steel Works.

Alderman O'Neil asked how about the demand to negotiate?

Ms. Gile replied the demand to negotiate was from Welfare and the Police Department support staff.

Alderman O'Neil asked both of those would be Teamsters, correct?

Ms. Gile replied yes, you're correct.

Alderman O'Neil stated I just think we have to include them in this discussion. I agree with Alderman DeVries that we are going to end up spending more time with grievances and arbitration on this. Let's address that issue right up front. I hear a willingness. Alderman Osborne did mention that there is a concern by some employees that live week to week. We need to figure that out. I can support this as long as we address the union issues. We don't need to be going into grievances and arbitration and all that.

Ms. Gile stated I guess that is an issue of question and if it is a go or no go. If it is a go, how are we going to direct our efforts?

Alderman O'Neil responded speaking for myself, if we don't sit down with the unions, I won't vote for it. We have to sit down with them. I also believe that we need to be sitting down with them on the health savings account. I know there is a difference of opinion on that. There is a good opportunity to sit down. There is a collaborative effort to do two good things for the City. I'm interested, more than interested, I'll support it if we can address that issue and address the issue of the employees that Alderman Osborne spoke about who have set up their life to live week to week.

Alderman DeVries stated I just wanted to speak to the concern that Alderman Osborne had raised because it seems to be in my memory that there is a requirement in the State statues that if an employee requests their wages any week, we have to have a backup mechanism to supply that to them, whether it is going down to your office or some other. When you are looking at this, I think this is why the State requests that you go back to the Department of Labor and work out your mechanisms. I do believe that there is a mechanism that they will expect from you. If there is a demand for needing money one week, our statute supports that you are paid by the week and we would have to fulfill that. That is my understanding. I'm sure you'll look and get back to us.

Ms. Gile stated my understanding is that the Department of Labor does say by law that employers pay their employees on a weekly basis, but if you chose not to, you have to have permission from the State to pay them either biweekly or on a monthly basis.

Alderman DeVries stated I have heard this in committee in Concord. I think the other caveat to that is that you can go biweekly, but you have to have a mechanism in place should an employee make a demand for his weekly wages. By law, he has the right to. The Department of Labor will have that conversation with you. I'm sure it comes up frequently. That is what I believe I remember hearing in committee in Concord.

Alderman Corriveau asked is it your understanding or are you coming before us today to put the first step in place with the clerk of labor?

Ms. Gile replied I guess I'm just coming to you today with the results of a feasibility test that was conducted as to whether or not the City could do it if they chose to do it. From my perspective, I think any further direction would have to be provided by the Board in terms of whether or not this is something the Board wants to pursue. I'm not making a recommendation one way or another. I'm just presenting you the findings. It would be up to the Board as to whether or not the direction is to pursue biweekly and if it is to pursue biweekly payroll, then there are some issues that we will need direction on as to how to proceed.

Chairman Lopez stated I'm neutral to this whole thing and let me tell you why. I can agree with my colleagues about saving \$50,000, but it costs \$50,000 to implement. I agree with Alderman O'Neil that you have to get people to buy into programs. If the unions don't buy in, that is another issue. I can tell you from experience, only from my experience, I used to get paid once a month for 22 years. I can tell you that it is easier to save money, believe it or not. I wish there were some statistics out there that could prove that, but I can tell you from experience that biweekly people save money and people who get paid once a month save

money because they manage their money better. If you know you are going to get another check next Monday you spend more. I can go along either way with this. I think the direction as to what the Committee wants to do, we can continue to educate the union people as far as whether or not their members want to go or do we want to send a slip out to get those viewpoints of the employees? I think it has to be in conjunction. I don't want people to think that if we take their weekly pay away they aren't going to be able to feed their kids because that's not true. I can tell you that if someone was in desperate need, we could give them an advance on their pay. I have seen that done in the military. The question is where do we want to go with it. I agree with you, but I am neutral when I say that because I believe people can manage their money better.

Alderman O'Neil stated I would like to move on this, but they need to sit down with the unions first, before they sit down with the Department of Labor. I don't want to get into this grievance and arbitration mess. I'll move on that and maybe they can report back by our May Administration Committee meeting.

Chairman Lopez stated it is going to take a while to put this into play. This is not a two month deal.

Alderman O'Neil moved to have staff sit down with the unions and report back to the Committee prior to taking additional steps. The motion was duly seconded by Alderman Corriveau.

Alderman DeVries stated I wanted to clarify for the public the reason why this takes a year. If there are agreements with the unions, that is an agreement that has to be negotiated with the language worked out and voted on. Even a sidebar agreement takes time. It is not that we move at a snail's pace.

Ms. Gile asked we would be asking for 100% agreement by all the unions before pursuing this?

Chairman Lopez replied no, I think the motion is self-explanatory.

Ms. Gile stated I'll report back.

Chairman Lopez stated if you find disagreement with the union, that's what you report back.

Alderman O'Neil stated for clarification, Jane may report back that half of them are in favor of it and half of them aren't and we can make a decision from there.

Ms. Gile stated that will be up to you to make that decision.

Alderman O'Neil asked are you aware of anyone who has a split system? You may have said something about that earlier. The School District has a split system?

Ms. Gile replied yes, they do.

Alderman O'Neil asked is that negotiated or is one group one way and then non affiliates are the other?

Ms. Gile replied I don't know if it is by affiliated or non affiliated. I believe the teachers and administrators may get a biweekly and food service or para-professionals might be weekly.

Alderman O'Neil stated if you could get us that information of how that breaks down, that would be great.

Ms. Gile stated I think I do have it.

Chairman Lopez called for a vote on the motion. There being none opposed, the motion carried.

Chairman Lopez addressed item 8 of the agenda:

8. Communication from Aldermen Arnold and Greazzo requesting the Committee consider charging a fee to organizations whose banners are hung over Hanover Street.

On motion of Alderman Osborne, duly seconded by Alderman Corriveau, it was voted to discuss this item.

Alderman Arnold stated I don't want to speak for Alderman Greazzo, but I can give you my take on why we submitted this proposal. It essentially came out of an issue, as the Board is aware, that we had in the past couple of months from an organization that wanted to put a banner over Hanover Street. That is what originally stimulated discussions about what the process is and what costs the City bears to do that. A conversation with the City Clerk indicated that City employees have been responsible in the past for hanging banners, but the organizations in question don't pay any fee for that. I just wanted to toss the idea out there. I believe Alderman Greazzo was on board with that and we leave it to this Committee's discretion, of course, but it is an opportunity to charge a marginal

fee, something like \$50 per hanging, that would allow that cost to be borne by the organization that is benefitting from the advertising rather than out of the general taxpayer fund.

Alderman Osborne stated I guess I have no one here to put the question to, but I'm wondering how many banners a year we put up approximately.

City Clerk Matt Normand replied probably four or five that I am aware of off the top of my head. It is not a lot. I know the Palace does a number of them.

Alderman Osborne stated well there's your answer; it's not worth it.

Alderman O'Neil stated I applaud my colleague from Ward 12 for trying to get us to think out of the box here, but I think I agree with Alderman Osborne. Based on the limited number from the Palace, Glendi and others, it may not make sense. I know Alderman Ouellette had pointed out at a previous meeting, and I have noted it since I have driven on Kelley Street, that there are two posts set up to take banners on Kelley Street which would be great if we could put to use. I personally don't see this as a burden. Most of these organizations are trying to make money and raise awareness in the community. I would suggest that the current system is okay.

Chairman Lopez stated I would like to comment along those lines. It is like a community service for participation. If we charge then we won't have any banners and they have to do something else. That is the reason Hanover Street was selected.

Alderman Arnold stated well Alderman Greazzo and I do appreciate the Committee's consideration of this so thank you.

On motion of Alderman Osborne, duly seconded by Alderman O'Neil, it was voted to receive and file this item.

TABLED ITEM

9. Communication from Jack Donovan, Executive Director of Business Finance Authority, requesting that the City support the effort to maximize the use of Recovery Zone Facilities Bonds by agreeing to waive its \$8,966,000 allocation and allowing it to be added to the statewide pool.
(Note: Tabled 3/16/10 at the request of the Finance Officer.)

This item remained on the table.

A True Record. Attest.

Clerk of Committee