

REGULAR CITY COUNCIL MEETING – MONDAY, MAY 16, 2011

Mayor Grenier called the regular City Council Meeting to order at approximately 7:44 p.m. in the Council Chambers of City Hall. The pledge of allegiance to the flag preceded roll call. Present: Councilors Remillard, Otis, McCue, Ducharme, Evans, Rozek, Nelson and Theberge. Also present: Pat MacQueen, Police Chief Morency, Dick Huot, OPEIU Local 6 Union Members, Bobby Haggart and the press.

Minutes, Previous Meetings

Councilor Remillard moved with a second by Councilor Otis to accept the minutes of the May 2 Work Session/Regular Meeting and May 9 Work Session. So moved, the motion carried.

Disbursements: It was recommended by the Committee on Accounts/Claims to pay all bills dated 5/05/2011–5/18/2011 for a total cash disbursement of \$1,057,958.06 Draft #1640. Councilor Remillard moved with a second by Councilor Otis to accept the disbursement summary and pay all bills as recommended by the Committee on Accounts/Claims. So moved, the motion carried.

PUBLIC COMMENTS: Ted Miller, 387 Main Street Gorham, Chief Stewart of the Local 6 OPEIU Union requested permission to inform the Mayor and Council of an arbitration case which is being brought forward by Local 6 and related contract issues for which he passed out information to the Council members. Mr. Miller's comments appear verbatim as shown:

"In February of this year Local 6 became aware of a violation by the City of a contract agreement between the City and the OPEIU. It was at that time while preparing for a grievance, that the Union requested and received copies of the hiring agreement between the City and each of the three last hires for the position of PWD Foreman. In each of those cases, the City negotiated terms of employment with these individuals in direct violation of Article I, Section I of the collective bargaining agreement, which states "the City recognizes the Union as the sole and exclusive representative of all persons employed in positions covered in Attachment A, and any later created positions as may become included as pursuant to law, for the purpose of establishing wages, hours, and other conditions of employment". While Local 6 brought forth this discovery of the City's violation of contract as an aside during the grievance which took place on February 24, the City did not respond to this issue in its answer to the grievance. Following the City's March 10 reply to the grievance, Local 6 filed a grievance seeking redress for this contract violation. A copy of the grievance is included in the information I've given you.

In its April 13 response to the grievance heard on March 31, the City Hearing Officer stated "the grievance must be denied because it is untimely ..." In our response to that denial, Local 6 pointed out that contract language allows a grievance to be brought forth whenever the "union has knowledge of the cause for complaint". In this case, the union took brought forth its grievance right after it became aware of the contract violation.

In communication between Local 6 and the City Manager which followed this event (I've made copies available to the Honorable Mayor and Council), Local 6 believed that we had reached an acceptable compromise with the City that would give the PWD foremen a \$1.50 an hour increase effective June 1 of this year. Currently, the foremen are paid 94 cents an hour less than the mechanic, welder, and carpenter positions they supervise. The compromise we thought we had would have paid them 56 cents an hour more than the men they supervise. Apparently, Local 6 and the City were not speaking the same language. Last week, the City presented Local 6 with language that would have given the foremen \$19.81 per hour which would be considered as the new entry level rate for foremen with the remainder spread out over the next 50 months in the form of three 1 percent increases. It is not acceptable for the City to consider foremen who've worked several year as entry level employees and to pay them less than the men they supervise. For that to happen would be a violation of the fairness paragraph of the Preamble of the bargaining unit contract. For these reasons, the OPEIU is in the process of filing for arbitration of this issue. The City must be aware that the decision of the arbitrator is binding and that the cost of arbitration and the decision will be the responsibility of the losing party.

It was over a year ago when the issue of the inequality of the foremen's wages compared to the men they supervise was brought forth in contract negotiations. If I may, I'd like to digress just a bit to inform the Council of our negotiation efforts. Local 6 is made up of 29 members of which slightly more than half hold full-time positions and the rest hold part-time positions. One must be a full-time employee to be eligible for insurance. Seventy-five percent of the members of Local 6 are women.

During negotiations it was brought up that most of the highly skilled, professional people working in the library and in City Hall are paid only \$10 to \$12 per hour. We have people in those positions who receive food stamps, WIC, and other assistance because they are working full-time for wages that are below the federal poverty level. **These are not only the lowest paid workers in the City of Berlin. According to the NBLGC, they are also the lowest paid municipal workers in the entire state of NH.** This is partly due to the fact that wages for these positions have always been far below the norm. The wage gap was made even worse during the past 5 years when the other city bargaining units received wage increases totaling 15 percent. In those 5 years, Local 6 received wage increases of only 4 percent.

Mayor Grenier interjected, "that the reason for the 4% vs 15% was the result of votes by the membership of Local 6. Other Unions changed health insurance plans and Local 6 chose not to do that and knew the consequences of the votes of not taking those changes. This is not just a city problem but it is a Local 6 problem too. We are going to have to fix it and we are not going to fix this overnight. To lay the blame at the feet of the City and Council is just wrong and you know it and everybody else in this room knows it. Every time you vote against a proposed settlement in contracts you are taking a chance that you're not going to get better deal. Local 6 never got a better deal and they stuck with the Blue Cross/Blue Shield JW Plan when everybody else began making changes and participating in their health insurance costs, Local 6 refused to make changes. At the time the Council told them if they worked without a contract they were not going to get a raise as long as they kept this health insurance plan. It was made abundantly clear that that was going to happen and the membership, at that time, still voted not to accept new contract proposals. Don't blame just the city; there is culpability with this issue that goes all the way around," the Mayor said.

Mr. Miller replied that he completely understands what the Mayor said and agrees with most of it. He went on to explain the reason behind this with the following:

"The City claims that the disparity is because the local was not being fair and would not accept insurance concessions given by the other bargaining units during this period. Those concessions, which Local 6 eventually accepted, were never fair. Because of the wide gap in wages between the other bargaining units and the office workers and library staff of Local 6, those percentage based concessions hit hardest on the lowest paid workers resulting in smaller paychecks for them while even with those same percentage concessions, the other city workers saw their pay increased.

Yet, in negotiations between the City and Local 6 which have taken place over the past year, the City has insisted on even more concessions which would further shrink the paychecks of its lowest paid workers. By August 31 of last year, the City was offering a package that would have decreased the take-home pay of its lowest paid insured employees by more than \$12 a week due to increased insurance contributions. When attempts by Local 6 to keep the wage gap from widening even more out of proportion proved fruitless, an attempt at mediation became our only option. On December 1, mediation failed when the City then went sharply backwards from its prior position and insisted that Local 6 agree to change from a 20 percent contribution and instead cover 40 percent of the cost of a basic insurance plan. That is double the percentage paid by the higher paid other bargaining units. The result of such an agreement would have been for our workers to see their paychecks shrink by another \$60 a week while accepting an insurance plan that may not meet their needs. We have full-time workers in the library and City Hall taking home only \$200 a week. To insist that those folks give up even more of their wages is a horrible way to treat people.

Local 6 made one last proposal on December 14 that could have saved the City \$10,000 by offering its insured members a choice of two lower priced plans with a higher deductible for office visits and prescriptions. That would have taken place last January with no increase in wages until July 1 of this year when a 2 percent wage increase would have been implemented. The offer was refused by the City. You have a copy of that offer. Since then there have been no further efforts by the City to negotiate with Local 6. The City continues to insist the poorest of its working poor give up even more of their wages.

The membership has been informed of these issues. They are aware that the City does not value its office workers and library staff and does not care about their skilled service. Their only hope is to seek employment elsewhere. In a little over 6 months, 5 members of Local 6 working in the City Hall have found employment elsewhere that offered better wages and benefits. Others are still looking. Local 6 recognizes that with the City trying to balance its budget, these are difficult times. Still its members are asking why is the City paying out \$300,000 a year in legal fees, \$150,000 a year for the City Managers contract, \$80,000 to outside agencies as part of a \$15,000,000 budget, and then insisting that it needs to take more money from the paychecks of its working poor.

Honorable Mayor, members of the Council, in the absence of the compromise agreement that Local 6 thought it had with the City regarding the violation of our contract and the unfairness of foremen making less than those they supervise, Local 6 is obligated to go forward to seek arbitration of this matter.

You need to know that Local 6 has not closed the doors to the idea of negotiating compromises regarding insurance options and wages and benefits. We simply can no longer afford to have the City balance its budget on our backs as it has in the past.

As Chief Steward of OPEIU Local 6, I'm asking you to drop me a line or give me a call. I'm always open to communication. Thank you."

Mayor Grenier added that arbitration is a legal step and there is a long history behind this.

UNFINISHED BUSINESS

1. Council Committee Reports – No Reports

Councilor McCue asked if Councilor Ducharme would serve on the committees that Councilor Danderson previously had been on. Councilor Ducharme agreed she would serve on those committees.

NEW BUSINESS

2. Ordinance 2011-03 Amending the Code of the City of Berlin, Chapter 13 Streets, Sidewalks and Other Public Places, Article I in General; Section 13-1 Pets in Parks. (1st read)

Councilor Remillard moved with a second by Councilor Nelson to table the ordinance and schedule a public hearing June 6. So moved, the motion carried.

3. City Manager's Report Cascade Mill

I have attached the press release we received on Friday morning regarding the closing of Patriarch Papers on the Cascade Mill. Given all the ups and downs surrounding this and other issues we have been having lately, one hesitates to get too excited. However, this is really great news for the area and hopefully is the beginning of not only getting a lot of people back to work, but also the beginning of the upswing for the area. We are due.

Patriarch plans to re-hire approximately 200 employees and resume production of the towel machine within 30 days and the other two specialty paper machines within 90 days. They plan to complete the gas line project which will make for a far more efficient operation. They are retaining Willis Blevins as the plant manager which should help greatly to ensure the success of the mill. In addition, Patriarch says that it intends to spend \$35 million over the next 12-15 months to install a tissue machine which will result in 30 additional jobs once it is operational.

Rosenberg Memorial

If you haven't walked or driven down Hutchins (Unity) Street lately, you should do so and stop to see the Rosenberg Memorial plaque. Don Piper of Nicoletti Memorials donated the labor and the stone the plaque is mounted on. Public Works then took that and created the little collage of boulders on which the whole thing sits. It provides a very fitting and attractive memorial for one who gave the ultimate in service to his country.

Phase I Update for Burgess WWTF

Andre Caron is working with the State DES to carry out a Phase I Environmental Update on the Burgess WWTF with our Coalition Grant Brownfields Funding. Such an update should allow us to make a decision relative to the acquisition of this property with minimal environmental liability. We are using GZA environmental consultants who is already state approved to do this type of work. We should have this update in about three weeks.

645 First Avenue Court Order

Attached for your information is the Court's order regarding the 155-B property of Keith and Pamela O'Day of 645 First Avenue. As you will recall this property experienced a fire and has not been occupied since. The Council approved a 155B order on it; the owners have taken no action and the Court is authorizing the City to take action to raze the property if the owners have not within 30 days.

Weekend Preservation Workshop for Rt 110

A small group gathered at City Hall Saturday morning to continue discussing the Route 110 realignment project. This was one of the City's agreed upon mitigation activities with the Division of Historic Resources related the demolition of homes for the project. The presentation included history of the neighborhood from Poof Tardif and an overview of the architecture of the homes that will be removed. There was also a review of the design Charrette held two weeks ago related to the project. NHDOT has responded positively to many of the outcomes from the Charrette and will likely work with the City to implement the ideas that make the most sense to Public Works. A final workshop will be held in September. City Planner Pam Laflamme assisted with this workshop representing the City.

Kiwanis K-Kids

Attached is a thank you note from the Kiwanis K-Kids thanking us for the opportunity to clean up Community Park as part of the Kiwanis One Day project. They collected 19 bags of garbage from the Park, which needless to say keeps the parks clean and is a great help to us.

Legislative Matters

SB 3: Retirement Reform: This comprehensive retirement reform bill should be finalized by the end of May with changes to take effect no earlier than December 1, 2011. Compromises in this act remain to be worked out in a committee of conference. Of continuing question and concern here is what share the State will or will not contribute to the retirement system. In addition, the New Hampshire Retirement System Board of Trustees has voted to lower from 8.5% to 7.75% the assumed rate of return on investments that will be used to calculate employer contribution rates. The result will undoubtedly cost municipalities more in their contributions.

Mayor Grenier asked the City Manager or Betty if we have in this proposed fiscal year budget any state revenues for retirement contributions factored in. The state ponies up some money but last year they took away 10%. The City Manager replied they should assume the same as last year.

Councilor Evans asked the City Manager if he had sent a thank you letter to the Kiwanis-K Kids for cleaning up the park. The City Manager replied not yet but they would do so.

The Mayor asked if Mr. O'Day owns any other properties in Berlin. The City Manager is not aware of any but Betty will check on that.

Councilor McCue moved with a second by Councilor Otis to accept the City Manager's Report and place it on file. So moved, the motion carried

4. Mayor's Report

Proclamation: June 18, 2011 River Day

ZBA Appointment: Dana Hoyt term to expire April 2014. Councilor Nelson moved with a second by Councilor Theberge to accept the Mayor's nomination of Dana Hoyt. So moved, the motion carried.

Mayor Grenier called attention about the fantastic announcement we received Friday that the mill officially was sold to a new company called Patriarch Partners. This is their first venture in paper manufacturing. The Mayor asked for Council's permission to send Ms. Tilton a nice letter to express thanks for the show of faith they have in this community and the letter should also show Council's appreciation for a second breath of life to allow an important piece of our economy to continue as we diversify in other areas. He asked the City Manager to draft a letter on behalf of the Mayor and Council. All were in agreement.

Councilor McCue moved with a second by Councilor Otis to accept the Mayor's report and place it on file. So moved, the motion carried.

5. Public Comments

Richard Huot, 671 Blais Street thanked the Mayor and Council for the River Day Proclamation. He explained that they have been working hard on the Riverwalk and to make the Northern Forest Heritage Park an extension of community parks. They try not to charge admission as often as possible so the residents of the Androscoggin Valley can come to enjoy the park.

6. COUNCIL COMMENTS

Councilor McCue welcomed Dori Ducharme on board as the new Ward 2 Councilor.

7. Adjournment:

There being no further business before the Mayor and Council at this time, Councilor Rozek moved with a second by Councilor Evans to adjourn the meeting. So moved, Mayor Grenier declared the Regular Meeting adjourned at approximately 8:17 p.m.

A True Record, Attest:
Debra A. Patrick, CMC
City Clerk