

Groveland district discusses employee layoffs, exec pay

By **BRENNA SWIFT**
The Union Democrat

The future of the Groveland Community Services District and its fire department will be discussed in coming days as the board of directors debates cost-cutting options.

The district's fire department must fill a \$300,000 gap left by the failure of a ballot measure in June, which would have replaced a 10-year property tax assessment that expired July 1.

At a special meeting Thursday, the board of directors reviewed a new policy for laying off employees that must now be negotiated with union representatives. The policy would allow GCSD to "restructure or reduce its workforce" in light of the current funding shortfalls.

The directors approved the draft layoff policy 4-1, with Director John Armstrong opposing it on the grounds that it gave General Manager and District Engineer Gary Mello too much latitude in deciding whom to lay off.

While the policy requires approval by the union representing some GCSD employees, Mello said that no date for the discussion has been set. He also said that he's been unable to negotiate with Operating Engineers Local No. 3 representative Mike Eggener for the past few months.

Thursday's meeting was attended by about 20 community members who gave feedback on the draft layoff policy and a range of other issues, including proposed budgets and administrator salaries.

A few community members drew attention to Mello's salary, which was mentioned along with Finance Manager Vicki West's in the 2011-12 report of the Tuolumne County Civil Grand Jury.

Under his current contract, Mello earned \$135,000 as GCSD general manager and \$35,000 as district engineer, for a total base salary of \$170,000 last year. With benefits, his annual compensation is just under \$220,000.

West's compensation, including benefits, was about \$130,000.

The grand jury report, finalized last month, called Mello and West's compensation "excessive" compared to management staff at a similarly sized district near San Luis Obispo and other public employees in Tuolumne County.

The report recommended that the board of directors "renegotiate a more reasonable salary" for Mello and West.

"It's really unfair ... that we have two employees who are grossly overpaid," said community member Lawrence Romanek at Thursday's meeting. "It is disingenuous for somebody to be taking that kind of money, especially in a community like this."

Mello later said that when he signed his contract in June 2011, he made concessions without being asked to do so.

"I pay 30 percent of my health insurance premiums," Mello said. "No one here comes anywhere near that."

Mello also said that he pays the entire amount of his employee contribution to the

California Public Employee Retirement System, or CalPERS, and that the contribution totals 8 percent of his income.

"What it boils down to is that when I was hired, I was hired to replace two people," Mello said. "This district is saving \$165,000 a year from what they were paying previously to the general manager and the district engineer."

The GCSD employee handbook currently doesn't include a layoff policy. Mello said that the fire department's financial situation was a "catalyst" for the draft layoff policy approved Thursday.

The draft policy states that employees will be given advanced notice of layoffs "if possible." It also says that the subjects of layoffs will be determined by "skill, productivity, ability and past performance."

Some community members asked that the words "if possible" be eliminated from the policy language, forcing GCSD to give notice in all cases.

"It may be allowed within the law to lay people off without notice, but this is a small community and we care about everyone in this community," said Carol Simpson, co-author of a budget proposal for the fire department.

"If we have done such a poor job of planning our budget that we have to lay people off without two weeks' notice, then shame on us," Simpson said.

Director Steve Perreira said that two weeks' notice may create "productivity problems" among employees who are about to lose their jobs. But he added that failing to give notice would be unfair in light of Mello's severance package, which includes 12 months of pay and benefits.

"They approved that and now they're going to approve this," Perreira said, indicating his fellow board members. "Look at the hypocrisy here."

The timeframe for discussing fire department budget proposals was another subject of dispute at Thursday's meeting, with Armstrong and Perreira both asking why the budget wasn't included as an item on the meeting agenda.

"We should be working on those budgets every single meeting," Armstrong said. "I'm really appalled at the stalling and the tactics that are going on here to fight against the community."

Board President Roy Conley said he would schedule "one or more" special meetings to discuss the budgets this week.

During closed session at Thursday's meeting, Conley appointed an ad hoc committee consisting of himself and Director Joe Riley to investigate claims of harassment against GCSD employees.

Also during closed session, Mello updated the board of directors on items to be negotiated with the union.

"The ball is in their court at the moment and if they make the effort to talk to (us) further, I will talk to them and sit down with them," Mello said.

Eggener could not be reached for comment.

A2 — Monday, July 9, 2012

The Union Democrat

Sonora, California
